

COSTA NOVA
INDUSTRIA



Sustainability Report


2024



ECOGRES[®]
CERAMICA ECOLOGICA

COSTA NOVA
ESPAÑA

COSTA NOVA
USA

 **IMOGRES**

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Glossary

ADRA Aveiro Region Water Utility, S.A.	APA Portuguese Environment Agency	CASDSC Santa Catarina Social Support and Development Commission	CFO Chief Financial Officer
CEO Chief Executive Officer	COO Chief Operating Officer	CMVM Securities Market Commission	EGP Porto Business School
ESG Environmental, Social and Governance	ETARI Industrial Wastewater Treatment Plant	GEE Greenhouse Gases	I&D Research and Development (R&D)
IEFP Institute for Employment and Vocational Training	INSEAD Institut Européen d'Administration des Affaires	IPCTN National Scientific and Technological Potential Survey	LED Light Emitting Diode
MBA Master of Business Administration	ODS Sustainable Development Goals (SDGs)	PwC PricewaterhouseCoopers	RVCC Recognition, Validation and Certification of Competences
SILIAMB Environmental Licensing and Information System	UA University of Aveiro		

1. Our Report

1.1 Context

Commitment to ESG and Sustainable Compliance

In an increasingly competitive and information saturated business landscape, driven by emerging technologies such as artificial intelligence, it is essential that organizations adopt practices that ensure clarity, direction, and accountability in how they communicate the impact of their activities. In this context, it becomes crucial to use tools that introduce intentionality in performance evaluation: the ESG (Environmental, Social and Governance) report thus emerges as a key instrument in this commitment.

It was with this vision that the COSTA NOVA Industria Group chose to anticipate regulatory demands and enhance its approach to ESG matters, building on a well-established path of genuine commitment to sustainability. This decision stems from the conviction that, at a time when the effects of climate change and social inequalities are becoming increasingly evident, companies must play a role that goes beyond legal compliance.

In this context, we take on the responsibility of investing in solutions that effectively reduce our environmental impact, promoting more conscious, efficient and lasting production practices.

At the same time, we consistently value the social dimension and governance quality, integrating these principles into the decision-making processes and day to day management of the COSTA NOVA Industria Group's companies, with the goal of generating sustainable and above all shared value.

For the COSTA NOVA Industria Group, the ESG report or Sustainability Report, as we refer to it, represents a natural outcome of this vision and a structured materialization of practices already embedded in our corporate culture. It is a credible and technically sound document that reflects the Group's alignment with the United Nations' Sustainable Development Goals (SDGs), recognized as an international benchmark for assessing environmental, social and governance performance in organizations.

By organizing and presenting our performance based on these three pillars, we can transform complex data into objective and quantifiable information. This approach strengthens transparency and enables us to clearly demonstrate the commitment we have made as a company.

Such commitment is supported by concrete metrics, the SDGs, defined through rigorous annual performance analysis, ensuring consistent communication with employees, clients, investors and other strategic stakeholders.

Beyond reinforcing and legitimizing the sustainability values that guide our actions, the ESG report also constitutes a strategic tool in building trust with our institutional stakeholders. By providing information aligned with the main international frameworks, we strengthen our market position and create conditions to consolidate long-term relationships.

Transparency today plays a differentiating role in financing decisions, being increasingly valued by investors, regulatory bodies, and banking institutions. This clarity facilitates the development of partnerships with organizations that share the same principles of environmental, social, and ethical responsibility, fostering sustainable synergies and generating mutual value.

Simultaneously, the ESG report addresses the growing demands of a more informed, critical, and engaged consumer committed to the transition towards a more sustainable economic model. This new consumer profile favors companies that communicate with authenticity, base their actions on data, and reject greenwashing practices frequently used to mask negative impacts. By ensuring communication based on auditable indicators and recognized standards, we position ourselves distinctively in a market where the integrity of information has become an essential selection criterion. This transparency strengthens trust and promotes consumer loyalty over time.

In a context where consumption decisions are increasingly influenced by environmental and social responsibility criteria, honest communication is imperative. Through sharing data, verified actions, and quantitative results, we meet the expectations of a demanding consumer who values consistency between discourse and effective practice.

This process also has a significant internal impact: the integration of ESG principles into strategy and operational management contributes to alignment among all parties involved in our company's activities. From employees to leadership teams, and from suppliers to business partners, everyone is called to share the same values and standards of conduct.

This cohesion is crucial to guarantee the credibility of our positioning and to ensure that the commitments made are reflected throughout the entire value chain.



2. COSTA NOVA Industria Group

2.1 Company Profile

The COSTA NOVA Industria Group is a Portuguese holding company distinguished in the utilitarian ceramics sector, comprising several companies and brands that promote high-quality products with a strong commitment to sustainability, innovation, and social responsibility. Headquartered in Portugal, the Group is deeply rooted in the artisanal ceramics tradition while adopting modern processes and cutting-edge technologies to deliver products recognized worldwide.

The COSTA NOVA brand, which originated in the Group, is today an international benchmark in tableware and serving complements made of fine stoneware, exporting to five continents. The company combines contemporary design with product durability, drawing inspiration from the Mediterranean lifestyle and quality dining experiences.

The Group has a global presence through its subsidiary in the United States, COSTA NOVA USA, which strengthens the brand in the North American market, particularly in prestigious stores and hotels.

Grestel, S.A. is the Group's main company, founded in 1998. Specializing in the production of high-quality utilitarian ceramics, Grestel combines Portuguese artisanal knowledge with advanced techniques to manufacture durable and aesthetically appealing pieces. Grestel also plays a fundamental role in the Group's environmental commitment by minimizing production impact and adopting sustainable practices throughout all stages of the process. In 2024, Grestel was nominated for the European REGIOSTARS 2024 award in the "Green Europe" category through the ECOGRES 4.0 project, considered one of the most sustainable in Europe.



Complementing this sustainability mission, in 2023 the Group inaugurated the Ecogres – Ecological Ceramics factory, an eco-friendly production unit representing the forefront of innovation in the ceramics sector. Ecogres stands out by adopting a circular economy model, using over 95% recycled materials in its production. This unit is one of the most sustainable in the world, reflecting the Group's ambition to lead the way towards more ecological and responsible ceramics.



Beyond production and commercial operations, the Group includes Imogres – Property Management, Lda., responsible for managing housing properties for the Group’s employees.

Following the brand expansion strategy, a new company was established in Spain in March 2025: Grestel COSTA NOVA SL. This company will serve as the foundation for opening a brand store in Madrid, a project planned to be completed by the end of 2025.

The COSTA NOVA Industria Group stands out not only for the quality of its products but also for its commitment to social responsibility and regional development, through support for local sports associations and academic partnerships. The Group develops several collaborations in this regard, such as the partnership with the University of Aveiro (UA), promoting education and attracting young talent in the region.

These initiatives reinforce the Group’s role as a responsible employer and a driving force for local community development.

In summary, the COSTA NOVA Industria Group is an example of excellence in the utilitarian ceramics sector, combining tradition, innovation, and sustainability. Through its brands and companies, the Group promotes an ethical and conscientious approach in all its operations, carrying Portugal’s name to the world with high-quality products and environmental responsibility.



2.2 Mission, Vision and Values



MISSION

To develop high-quality and sustainable fine stoneware tableware that inspires everyday life and special moments, while simultaneously promoting Portuguese craftsmanship and minimizing environmental impact.

This mission embodies the following values:

- // Sustainability
- // Durability
- // Versatility
- // Portuguese Artisanal Tradition



VISION

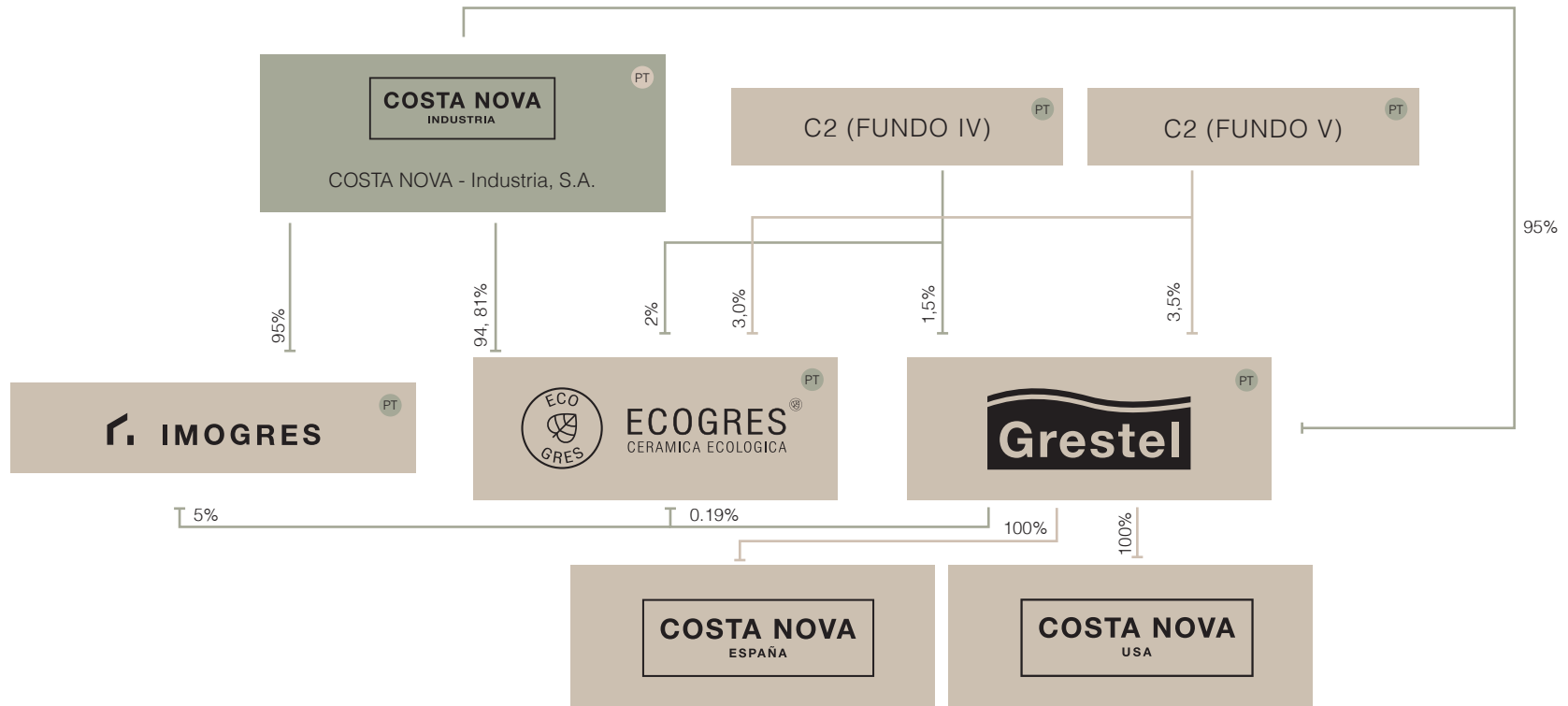
To be a global leader in sustainable tableware, recognized for our innovative designs, lasting quality and positive impact on the world.

This vision is based on the mission and reflects the following aspirations:

- // Global Leadership
- // Innovation
- // Impact

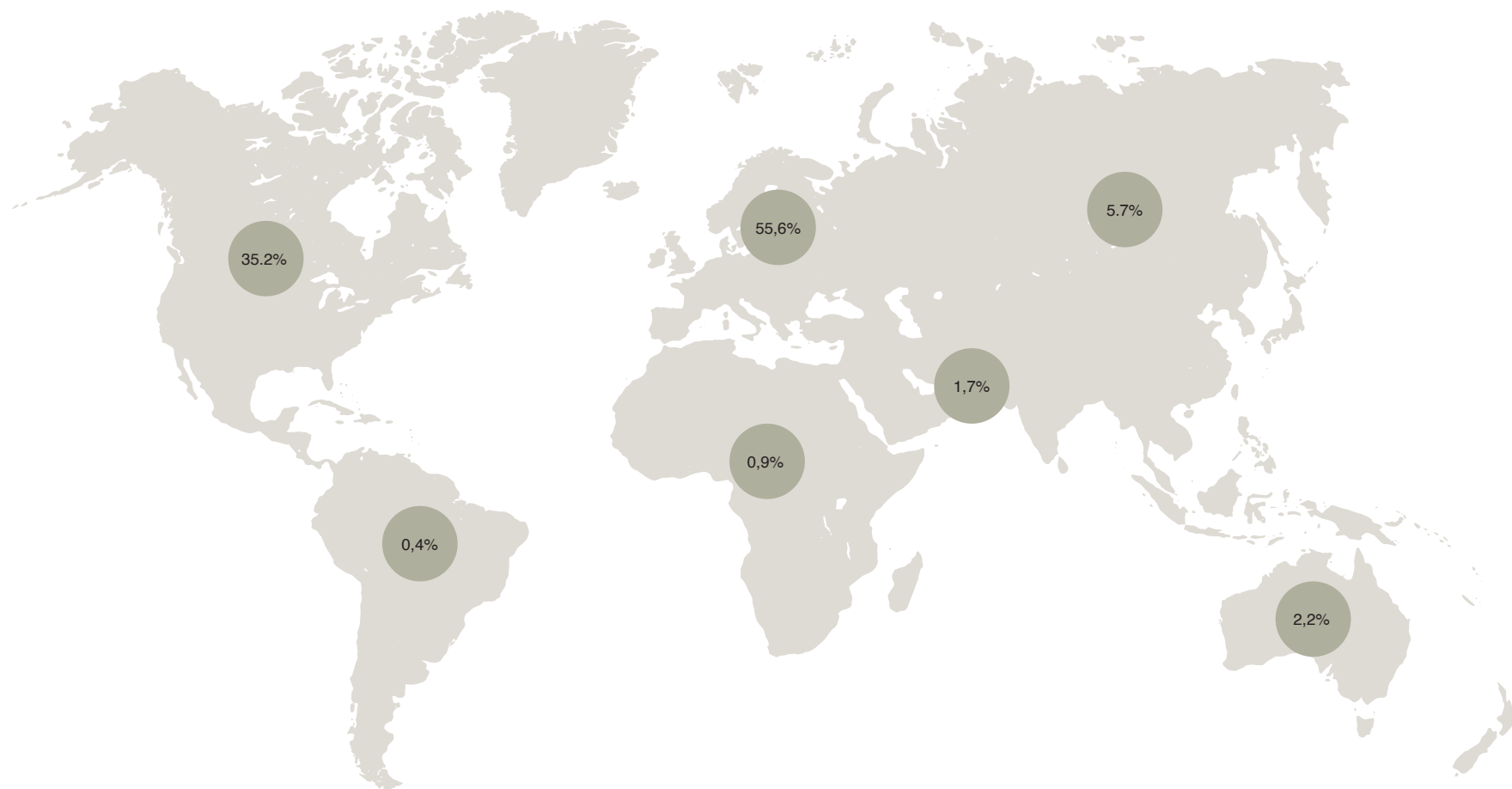


2.3 Corporate Structure



C2 Capital Partners – SCR, S.A. is an independent venture capital firm, registered with the Portuguese Securities Market Commission (CMVM) since 2009, and a key player in the private equity sector in Portugal.

2.4 International Reach of the Group's Products



2.5 Board Members



MIGUEL CASAL

Graduated in Ceramic and Glass Engineering from the University of Aveiro in 1992. He is currently the CEO of the COSTA NOVA Industry Group. He has held technical positions in various companies within the ceramics sector in Portugal and Angola. He is Vice-President of the Portuguese Society of Ceramics and Glass and a member of the Board of Directors of the Technological Center of Ceramics and Glass.



JORGE FERREIRA

Currently the COO of the COSTA NOVA Industry Group. He holds a Master of Business Administration from INSEAD – Institut Européen d'Administration des Affaires. He worked as a consultant at PricewaterhouseCoopers until 2014, when he took on the role of Operations Director at Grestel. Since 2021, he has also served as a member of the Board of Directors.



HELENA FERREIRA

Holds a degree in Business Administration from the University of Aveiro and advanced training from Porto Business School. She is currently the CFO of the COSTA NOVA Industry Group. She was CFO of Irmãos Monteiro, S.A. until 2015, when she assumed the role of Finance and Human Resources Director at Grestel. Since 2021, she has also served as a Board Member of the Group.

3. Voices from the Group

“People are at the heart of our business. We are deepening our commitment to diversity, equity and inclusion”

MIGUEL CASAL
CEO

3.1 CEO's Message

Dear Partners,

I want to reaffirm our company's commitment to Environmental, Social and Governance (ESG) principles. These values are not just part of our strategy - they are the foundation of how we produce, innovate and grow responsibly.

We recognize the urgent need to address climate change and environmental degradation. In 2024, we accelerated our transition toward sustainable operations, reducing our carbon footprint, investing in renewable energy and increasing resource efficiency across our entire value chain. Our goal is to make measurable progress toward carbon neutrality and lead by example in our industry.

People are at the heart of our business. We are deepening our commitment to diversity, equity and inclusion. We are also developing community engagement programs in partnership with local institutions.

Governance and Integrity: strong governance is essential for building trust and long-term value.

Together, we can build a more sustainable, inclusive and resilient future. We are grateful for your continued dedication and partnership on this important journey.

MIGUEL CASAL



3.2 Internal Perspectives

Employees from various areas of the COSTA NOVA Industria Group shared their insights on the company's commitment to sustainability, addressing the environmental, social, governance and economic dimensions.

ENVIRONMENT



The COSTA NOVA Industria Group has based its growth on sustainable practices, including energy efficiency and circular economy principles. We have already achieved recycling rates above 96 percent and developed ecogres clay, composed of more than 95 percent recycled materials and waste sourced from various industries.

The energy we use, whether generated by our photovoltaic panels or purchased externally, is 100 percent certified renewable. We are testing the use of hydrogen in industrial kilns and are prepared to introduce it into the production process up to 50 percent, significantly contributing to the reduction of our carbon footprint.

We also promote the development of diversity and inclusion programs, with a strong emphasis on training employees from the 15 nationalities currently represented within the Group, generating a positive impact on the local community.

Our companies have been adopting clean and efficient technologies, working closely with partners across multiple industrial sectors.

Governance practices are continuously evolving, with the implementation of new codes of conduct, environmental policies and compliance frameworks, ensuring greater transparency in all operations.



CARLOS PINTO | INDUSTRIAL DIRECTOR



ENVIRONMENT



In March 2024, the COSTA NOVA Industria Group had its Environmental Management System for the Grestel II and III units certified under NP ISO 14001:2015. This certification validated and confirmed the Group's commitment to environmental protection and reducing its environmental impact. The Environmental Management System had established several environmental objectives aimed at promoting continuous improvement. Many objectives were achieved, among which we highlight a 20 percent reduction in specific consumption of groundwater compared to the baseline year of 2023. Regarding natural gas, consumption reached 4.3 MWh per ton of fired material. For purchased electricity, consumption was 0.595 MWh per ton of shaped material. The achievement of these objectives was only possible through the implementation of Environmental Actions defined in the Environmental Management Program.

At Ecogres – Ecological Ceramics, we have continuously improved our ability to reincorporate waste and by-products into ceramic bodies, glazes, and decorative effects. This is one of the key distinguishing features of our unit and allows us to achieve several environmental benefits, such as reducing the environmental impact of the ceramic industry by valorizing waste and by-products, and conserving natural resources by reusing these materials as substitutes for virgin raw materials.

In 2025, the COSTA NOVA Industria Group intends to establish and implement an Environmental Management System at Ecogres – Ecological Ceramics, aiming to extend certification to this unit as well.

During the past year, other activities combining environmental and social dimensions were carried out, including:

- 🗑️ Training and awareness sessions on various topics, namely:
 - ✖ ISO 14001:2015 Standard
 - ✖ Emergency kit operation and emergency response procedures
 - ✖ Environmental best practices in maintenance
 - ✖ Waste separation
 - ✖ Basic environmental concep

- 🗑️ On International Women's Day, each employee received a Grespresso, helping us reduce the use of plastic coffee cups.

- 🗑️ A beach cleanup was conducted at Labrego and Vagueira in partnership with Vagos City Council and the Charcos & Companhia Association.

All activities contribute to environmental preservation alongside the business expansion and development. Although there is still a long way to go, the work implemented so far and our journey to date fill us with great hope for the future.

CAROLINA CABRAL | ENVIRONMENTAL MANAGER





SOCIAL



The COSTA NOVA Industria Group believes that sustainable success begins with its people. Therefore, in 2024, we maintained our focus and investment in continuous training and in valuing our greatest asset: our employees. Through training throughout the employee lifecycle, tailored to each stage, we developed customized technical training, while also investing in transversal and social areas. The aim was to promote not only the professional development of employees but also their personal growth. For example, partnerships were established with Qualifica Centers and IEFP (Institute of Employment and Vocational Training), which enabled the completion of 10 RVCC (Recognition, Validation, and Certification of Competences) school-level processes and 3 professional-level RVCC processes during 2024.

Promoting an inclusive work environment where diversity is valued as a strategic asset and addressing often unconscious biases also became a priority for the Human Resources Department. At COSTA NOVA Industria Group, 15 nationalities coexist and collaborate, with each culture and background highly valued. Representation across all departments and respect for diversity were ongoing challenges throughout the year and will certainly remain a core mission in the years ahead. We believe that integration is built daily through team-building activities, language classes, and an onboarding program designed for newcomers, fostering respect and a sense of belonging.

Rethinking well-being and the promotion of mental health as a workplace practice rather than merely a benefit was essential to enhance employee satisfaction, focus, and productivity, as well as to attract top talent. We strive to promote a strong organizational culture that balances personal and professional life and responds to the evolving expectations of new generations.

Regarding social responsibility, the Group maintained empathy and sensitivity toward the local community, strengthening collaboration with entities such as CASDSC (Social Support and Development Commission of Santa Catarina), Santa Casa da Misericórdia, Obra do Frei Gil, Pais em Rede Association, Calioasis, Cáritas Diocesana de Aveiro, among other social solidarity organizations, as well as with regional sports and cultural associations. Beyond financial contributions, we sought closer engagement with these associations and the community by creating interactive dynamics.

As an employer, we maintained our Employment and Support Program for People with Disabilities and Incapacity, enhancing support for employees with disabilities and promoting their inclusion within the organizational framework.

ANA SANTANA
HUMAN RESOURCES AND TALENT DEVELOPMENT





The year 2024 was a year of consolidation for the **COSTA NOVA Industria Group Academy** project, during which we significantly exceeded the training volume of previous years, reaching a total of 16,700 hours.

We also began certifying all internal training, which allowed us to give greater relevance and recognition to this essential component of our organizational development. We are increasingly aware that the Academy is a fundamental tool to align all stakeholders with the Group's objectives, mission and culture.

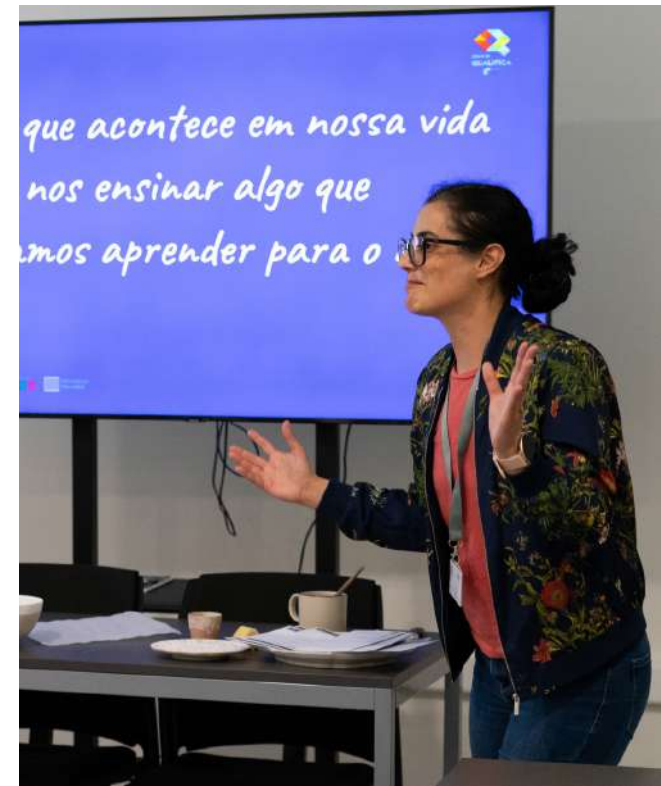
By investing in training, we promote not only process efficiency and productivity but also the clarification and definition of roles, employee motivation and satisfaction as well as the capacity to adapt in a constantly changing environment. This reality reinforces the ongoing need for the development of both technical skills (hard skills) and behavioral skills (soft skills).

The COSTA NOVA Industria Group Academy thus took on a central role in addressing these needs. Throughout the year, we developed both technical and behavioral skills in newly hired employees and in those who, due to their seniority, hold the Group's heritage and know-how.

To achieve this, we created an internal trainers pool enabling specialized knowledge often concentrated in specific areas and individuals to be transmitted practically and adapted to each employee's reality. This process ensures the preservation of the heritage and knowledge accumulated over 26 years while also valuing the professions in the ceramic industry and the entire sector.

It is also important to highlight that the wide range of manual techniques involved in our production process such as molding sponging trimming and glazing are not taught in schools but are essential for retaining and expanding a longstanding labor-intensive industry. For this reason, we also assume an active role in preserving and sustainably developing the ceramic industry.

RITA DIAS | COSTA NOVA INDUSTRIA GROUP ACADEMY



GOVERNANCE



The Governance Policy of the COSTA NOVA Industria Group aims to define the way of working and the manner of engagement with the different stakeholders (shareholders, suppliers, customers, employees and other entities), identifying the desired ethical behaviours as well as the values and principles it upholds and expects to be respected in its internal and external relations.

The COSTA NOVA Industria Group guides its actions through policies based on well-defined fundamental governance principles. These principles reflect our commitment to fully comply with applicable Portuguese and international laws, always promoting ethical and professional conduct.

We advocate quality and continuous improvement, considering the demands of interested parties to deliver the expected performance. Furthermore, we recognise the importance of human rights and value people for their qualifications and skills. At the same time, environmental responsibility and sustainability are essential pillars of the Group, with a strong commitment to protecting the environment and developing sustainable practices.



Regarding customers, we also treat them with professionalism and respect, ensuring the confidentiality of their information. As for suppliers, we select them fairly and transparently, without favoritism.

The COSTA NOVA Industria Group strictly complies with the legal provisions in the regions where it operates, fully cooperating with authorities. At the same time, we maintain lasting relationships with communities, integrating their interests into the management of our activities. We also promote fair competition and respect the interests of shareholders, ensuring return on investment and the sustainable growth of the company.

We commit to maintaining an internal regulation that respects the law and the interests of employees, rejecting any form of child or forced labor. We respect freedom of association and collective bargaining, value diversity, and prohibit discrimination and harassment.

Furthermore, the COSTA NOVA Industria Group fights corruption and promotes transparency as an integral part of its business model.

We adopt a preventive approach to environmental challenges, promoting social and environmental responsibility.

This governance policy is clearly reflected in the Code of Conduct and Internal Regulations of the COSTA NOVA Industria Group, and it represents our ongoing commitment to sustainability and social responsibility, strengthening our position as an ethical and responsible company.

HELENA FERREIRA - CFO





RESEARCH AND DEVELOPMENT

“The COSTA NOVA Industria Group is fundamentally defined by two core characteristics: creativity and continuous dynamism in developing new products, combined with a strong commitment to sustainability. The Research and Development (R&D) Department embodies these values, directing its projects towards creating more sustainable and technologically advanced products, as well as innovating production processes. In all its initiatives, sustainability remains the primary focus, demonstrated through the reduction of raw material consumption, incorporation of waste from ceramic and non-ceramic industries, and efficient optimization of production processes.

The R&D of the COSTA NOVA Industria Group does not operate in isolation. On the contrary, it is an active link with the community it is part of. This connection is strengthened through guided visits to the industrial facilities, welcoming students from various educational levels, from preschool to higher education. Additionally, it promotes lectures and knowledge sharing at conferences and specialized courses. One of its most relevant areas is academic cooperation, highlighted by the execution of masters programs (eight planned for 2024-2025) and doctoral research in non-academic settings (two ongoing for 2024-2025). This collaboration enables a rich exchange of experiences and knowledge, benefiting simultaneously the company, the university, and the students involved.

JORGE CARNEIRO | HEAD OF RESEARCH AND DEVELOPMENT”

SOCIAL



In production, we strive to conduct the entire process in an environmentally and energy sustainable manner. From an energy perspective, we rely on kiln optimization systems and the implementation of solar panels. We maintain a constant concern for the conscious use of natural resources. To this end, we have developed ecological clays, promote the reuse of glazes, and use water judiciously, recycling all possible water.

We continuously raise awareness on environmental issues, both in the classroom and on the shop floor. The daily management of human resources is a huge challenge.

We coordinate around 1,000 people from 15 nationalities, promoting their integration into our manufacturing environment without any form of discrimination. We are a united team, despite the different cultures we represent. Training, both in communication and technical skills, is fundamental to achieving our objectives. We believe this is one of the key success factors behind the growth of our company.

PAULO FERREIRA | PRODUCTION DIRECTOR



4. COSTA NOVA Industria Group 2024

In 2024, the COSTA NOVA Industria Group experienced a landmark year, marked by significant achievements and the consolidation of strategies focused on innovation and sustainability.

On the environmental front, the Group led pioneering advancements, including the first industrial firing of utility ceramics in Europe using 50% hydrogen, carried out by Grestel, and the European recognition of the ECOGRES 4.0 project as one of the most sustainable initiatives in Europe. These milestones reflect the Group's strong commitment to responsible energy transition and its leadership in sustainable industrial solutions.

On the human level, the Group reinforced the importance of well-being and valuing its people by promoting various integration and health-focused initiatives, such as the COSTA NOVA Arraial and Mental Health Week. These actions strengthen an internal culture based on respect, closeness, and the development of human capital.

The following pages present some of the key activities that reflect COSTA NOVA Industria Group's global commitment to sustainability - environmental, social, and economic - as a driver of growth and innovation.



Internal initiatives

Creative Ceramics Competition



An internal contest for ceramic piece designs, held as part of Creativity and Innovation Day.

21/03/2024

Hands-On Stoneware



In celebration of Labour Day, administrative team members were invited to experience different roles in the production process.

01/05/2024

Arraial 2024



A social gathering for all employees featuring music, food, and entertainment.

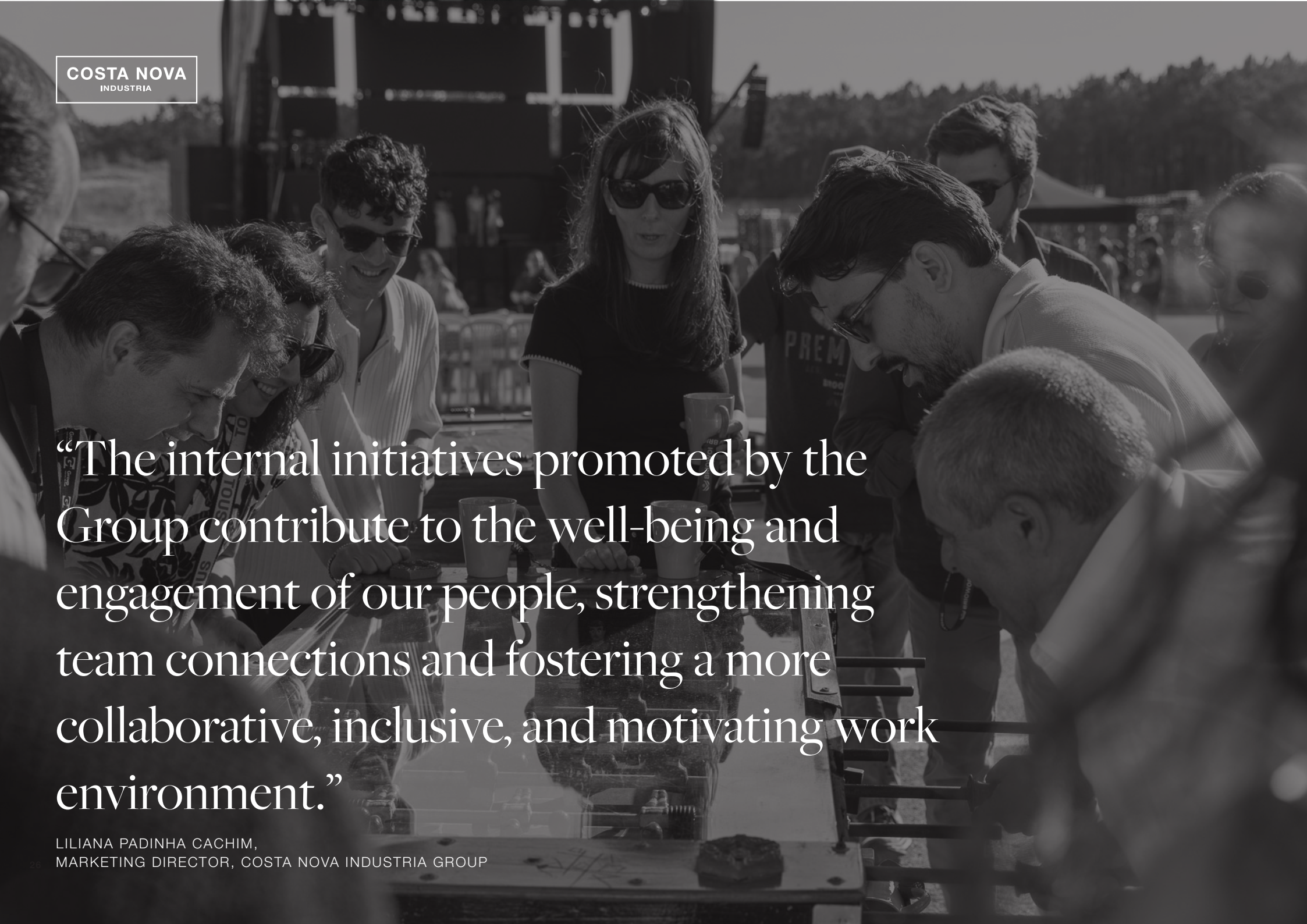
05/07/2024

Mental Health Week 2024



A week dedicated to various activities aimed at promoting mental well-being.

10-15/12/2024



“The internal initiatives promoted by the Group contribute to the well-being and engagement of our people, strengthening team connections and fostering a more collaborative, inclusive, and motivating work environment.”

External initiatives

World Food Day



Homemade soups were offered, and employees were encouraged to bring healthy traditional dishes to share in a communal setting.

17/10/2024

Magusto



Roasted chestnuts were shared with all employees as part of this seasonal tradition.

11/11/2024

Reinvent Christmas Contest



An internal competition for creating sustainable Christmas trees, designed to foster creativity, environmental awareness, and teamwork.

02/12/2024

Christmas Dinner



The 2024 Christmas Dinner, held at Casa de Abis (Aveiro), was an annual celebration that brought together all employees for a meaningful moment of connection and shared celebration.

21/12/2024

External initiatives

“Safa-te” Job Fair 2024



21/03/2024

University of Porto Job Fair



02/10/2024

Green Engineering 2024



05/11/2024

University 5.0



21/10/2024

4.1 Awards



Environmental Management Certification

NP ISO 14001:2015

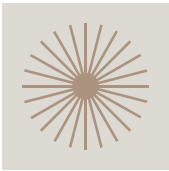
In 2024, Grestel obtained certification in Environmental Management Systems, in accordance with the NP ISO 14001:2015 standard. This certification recognizes the implementation of systematic and sustainable environmental management practices, reinforcing trust among employees, clients, suppliers, and the broader community. It formalizes a long-standing commitment to sustainability, reflected in the use of eco-friendly materials, energy efficiency, and social responsibility.



COSTA NOVA Wins Customer Brand Loyalty Award in South Korea

COSTA NOVA received the 2024 Brand Customer Loyalty Award in the Premium Tableware category. Organized by the Korea Consumer Forum and sponsored by the Korea Economic Daily, the award highlights our commitment to quality and customer satisfaction. Among nine well-known brands, COSTA NOVA was selected through a survey of over 124,000 participants, with more than 2,000 voting specifically in the premium tableware category.

The awards ceremony was held at the Conrad Hotel in Yeouido and broadcast live on YouTube.



COTEC Innovation Status 2024

Grestel – Produtos Cerâmicos, S.A. was awarded the COTEC Innovative Status for the third consecutive year. This recognition, granted among more than 1,400 applications, highlights the company’s exceptional performance in innovation, financial soundness, and management excellence. This achievement is the result of the team’s dedicated work and reinforces the Group’s position as a benchmark in the national ceramics industry



Commitment to the Energy Transition and Emissions Reduction

In the first quarter of 2024, Grestel consumed 978 MWh of electricity sourced exclusively from renewable energy, avoiding the emission of 181 tonnes of CO₂ - equivalent to planting more than 10,000 trees.

The COSTA NOVA Industria Group continues to invest in renewable energy, with an installed capacity of 1,180 kW in solar panels. The Ecogres factory already operates exclusively on solar energy during daylight hours, while the other three production units combine solar with other forms of certified green energy.

These efforts are part of a broader strategy for sustainable growth and a firm commitment to carbon neutrality.



Innovation in Industrial Firing with Hydrogen

On October 4, 2024, Grestel carried out the first industrial firing of utility ceramics in Europe using 50% hydrogen as fuel. This pioneering achievement, developed in partnership with Fusion-Fuel, HyLab, and Induzir, marks a significant step forward in the decarbonization of the ceramics industry.

During the firing process, 250 pieces were successfully produced with excellent quality, confirming the technical viability of using hydrogen. Additionally, hydrogen consumption was lower than expected, further demonstrating the energy efficiency of the process and its potential for emissions reduction. This project positions the Group at the forefront of sustainable innovation at the European level.



ECOGRES 4.0 Project at the European Commission

On October 9, 2024, the ECOGRES 4.0 project was presented to the European Commission in Brussels, standing out among various European initiatives focused on sustainability and innovation. While it did not win first prize, the project received wide recognition and achieved both national and international visibility.

Participation on this European stage confirms the project's transformative potential and reinforces the Group's commitment to making Ecogres – Eco-Ceramics the most sustainable ceramics factory in the world. This exposure also opened doors to new international collaborations, further establishing the Group as a relevant actor in the ecological transition of the industry.



5. Environmental Dimension

5.1 Types of Waste

In the course of our operations, the generation of different types of waste is inevitable. While this production cannot be entirely eliminated, the focus must be on the proper management and disposal of waste to minimize its environmental impact.

In 2024, the total waste generated amounted to **2,041.4 tonnes**.

In percentage terms, the vast majority of this waste was non-hazardous, with only a very small portion classified as hazardous.

Hazardous waste	recoverable	0,41%
	non-recoverable	0,19%
<hr/>		
Non-hazardous waste	recoverable	96,04%
	non-recoverable	3,35%

Suppliers with Forest Stewardship Council® Certification

All cardboard suppliers to the COSTA NOVA Industria Group are Forest Stewardship Council® (FSC®) certified. This certification guarantees that the materials used in the cardboard come from responsibly and sustainably managed forests.

Total cardboard units in 2024: **9,177,823 units**.



“The European recognition motivates us even more to go further, with the clear goal of making Ecogres – Eco Ceramics the *most sustainable factory in the world.*”

CARLOS PINTO
FACTORY DIRECTOR

5.2 Material Circularity

Circularity is one of the key pillars of the COSTA NOVA Industria Group's sustainability policy. It involves the integration of by-products and waste from both our own operations and non-ceramic industries.

The first category - internal by-products and waste - is centralized at the Ecogres – Eco Ceramics factory, receiving materials from other production units, G2 and G3. The second category comes from non-ceramic industries, such as the metalworking sector. The Ecogres facility was designed from the ground up to valorize these by-products and wastes, with the capacity to produce stoneware bodies from pre-ground raw materials.

During 2024, the factory produced over 1,400 tonnes of body slip, using only about 6% virgin raw materials. This significantly reduced the amount of raw materials extracted, as well as the volume of CO emissions associated with the extraction and transportation of these materials.

The search for new solutions to valorize both internal and external waste continued throughout 2024, including the collection and evaluation of waste potential from various ceramic and non-ceramic industries - notably foundries, flooring and coating industries, and metalworking.



A testament to the ongoing success in developing circularity solutions is the commercialization of products made with bodies containing over 90% by-products and waste, and glazes produced from the reuse of sludge from the Industrial Wastewater Treatment Plant (ETARI) and waste from a metalworking industry.

The continuous development of new circularity solutions is strongly based on product development, achieved through Research and Development conducted by the COSTA NOVA Industria Group's internal teams and collaborations with partners, notably academic institutions.

A prime example of this collaboration is the non-academic environmental PhD program initiated in 2024 with the University of Aveiro, focused on the development of more sustainable glazes.



♻️ Recycling of Packaging Waste (Ecocard)



Packaging made from 100% recycled and biodegradable materials, reinforcing our environmental commitment and reducing the ecological impact of transportation.



In 2024, approximately 40 tonnes of Ecocard were used.

♻️ Material Efficiency Values (in tonnes) – By-products: Trimmings and Dust Glaze

Ceramic mixture particles and trimmings resulting from body shaping before the thermal process	2774,70 t
Non-conforming ceramic pieces after thermal processing	488,62 t
Particles and dust collected from the dust extraction system	41,58 t



5.3 Environmental Responsibility Policies and Measures

COSTA NOVA Industria Group has been implementing various environmental responsibility policies and measures over time. These represent the Group's commitment to environmental issues and should always aim to improve the organization's environmental performance or ensure legal compliance with environmental requirements. Below, the environmental policies and measures are listed, categorized by key themes: Water, Climate Change, Pollution, Circular Economy, and Biodiversity.



WATER

- 🗑️ **Optimization studies of the industrial wastewater treatment process to enable greater reuse within the production process.**
- 🗑️ **Expansion of the treated water reuse circuit at the ETARI facility.**
- 🗑️ **Acquisition of a water monitoring system.**
- 🗑️ **Industrial effluent quality controlled by an accredited laboratory to verify compliance with legal requirements. Laboratory results are submitted quarterly to ADRA (Águas da Região de Aveiro, S.A.).**
- 🗑️ **Monthly reporting to the Portuguese Environment Agency (APA) on the volume of water extracted and consumed, through the SILIAMB platform (Environmental Licensing and Information Systems).**



CLIMATE CHANGE

- 🌱 **Environmental Policy**
- 🌱 **Recovery of heat from kilns.**
- 🌱 **Monitoring of atmospheric emissions from existing sources, in accordance with legislation.**
- 🌱 **Equipment containing fluorinated gases, where the gas exceeds 5 tons of CO₂ equivalent, undergoes annual leak detection and subsequent reporting to the Portuguese Environment Agency (APA) via the Fluorinated Gases Form.**
- 🌱 **Use of more efficient furnaces that enable energy savings.**
- 🌱 **Use of natural gas and renewable electricity as energy sources, both of which have low emission levels.**
- 🌱 **Use of single firing (single-stage firing) instead of double firing (two-stage firing).**





ENVIRONMENTAL MANAGEMENT POLICY

With a daily commitment to building an efficient, modern, innovative, and sustainable organization that ensures the full satisfaction of its stakeholders, the Environmental Management Policy of COSTA NOVA Industria Group is guided by the following principles:

- 🌱 **Manufacture products with high quality standards, aiming to exceed customer expectations through constant monitoring of advancements in new processes and technologies, while ensuring the reduction of adverse environmental impacts and the sustainable use of resources.**
- 🌱 **Develop more sustainable products by using alternative, eco-friendly technologies and solutions.**
- 🌱 **Prevent and mitigate pollution and the consumption of natural resources by continuously improving the company's environmental performance.**
- 🌱 **Maximize energy savings and efficiency, striving to decarbonize the economy and minimize greenhouse gas emissions, thereby contributing to the fight against climate change.**
- 🌱 **Reduce specific consumption of extracted water through the implementation of Environmental Best Practices.**

🌱 **Increase the amount of waste directed to recovery processes by improving sorting and recycling procedures.**

🌱 **Ensure that employees have sufficient environmental awareness to carry out their work correctly, by implementing appropriate training programs whenever necessary.**

🌱 **Select suppliers who share a similar environmental awareness and with whom the Group can share its environmental policies and requirements.**

🌱 **Ensure that customers are informed and kept up to date about the Company's Environmental Best Practices.**

🌱 **Use all resources efficiently and consciously, always promoting reuse, recovery, reintegration, and valorization within the scope of the Circular Economy.**

🌱 **Conduct business in compliance with all applicable environmental legal, regulatory, and fiscal obligations.**

In this context, COSTA NOVA Industria Group is committed to implementing, maintaining, and continuously improving an Environmental Management System in accordance with the requirements of the Portuguese Standard NP EN ISO 14001:2015.



For us, *sustainability* is not just a word. It is a tangible reality, backed by evidence.



POLLUTION

- ☒ **All waste produced at the facilities is sent to licensed Waste Management Operators, specialized in handling the specific types of waste they receive.**
- ☒ **Transition to an electric vehicle fleet.**
- ☒ **Use of electric forklifts.**
- ☒ **Generation of photovoltaic energy to power facility lighting and equipment.**
- ☒ **Training and awareness-raising for employees on proper waste separation.**
- ☒ **Training on how to act in the event of an environmental emergency.**
- ☒ **Research into alternative raw materials that contribute to reducing CO emissions.**
- ☒ **Availability of multiple recycling stations (ecopontos) throughout the facilities, enabling the separation of domestic waste, industrial waste, and sorting by material type (Plastic and Metal; Cardboard and Paper; General Waste).**



- ☒ **Installation of LED lighting.**
- ☒ **Reduction in the weight of refractory furniture used in furnaces, leading to lower energy consumption.**
- ☒ **External insulation of furnaces using materials with lower thermal conductivity.**
- ☒ **Insulation of all heat recovery ducts.**
- ☒ **Use of 100% recyclable plastic film.**
- ☒ **Procurement of materials and raw materials almost exclusively from local and national suppliers.**
- ☒ **Acquisition of Energy Origin Certificates that allow the Group to certify that all purchased electricity comes from green energy sources.**
- ☒ **Implementation of measures and signage to improve waste segregation in outdoor areas of the facilities.**



CIRCULAR ECONOMY

- ♻️ **Reuse of by-products and their reintroduction into production processes, both internally and externally.**
- ♻️ **Use of recycled cardboard as packaging filler, eliminating plastic from our packaging — Ecocard Project.**
- ♻️ **Incorporation of waste from other industries as raw materials, promoting industrial symbiosis.**
- ♻️ **Reuse of water bottles by the internal laboratory.**
- ♻️ **Recovery of furnace heat to power other equipment.**
- ♻️ **Treatment of all water used in our production process at our Industrial Water Treatment Stations. The treated water is then redirected back into production, enabling reuse in a closed-loop system.**
- ♻️ **Material management protocols that allow for their reuse, return to suppliers for treatment, and re-delivery for continued use.**





BIODIVERSITY

🌿 **Environmental Policy.**

🌿 **Reduction of raw material consumption through Ecodesign methodologies (reducing the amount of glazing on pieces and creating thinner types of products).**

🌿 **Decrease in the use of natural raw materials by utilizing waste from other industries.**

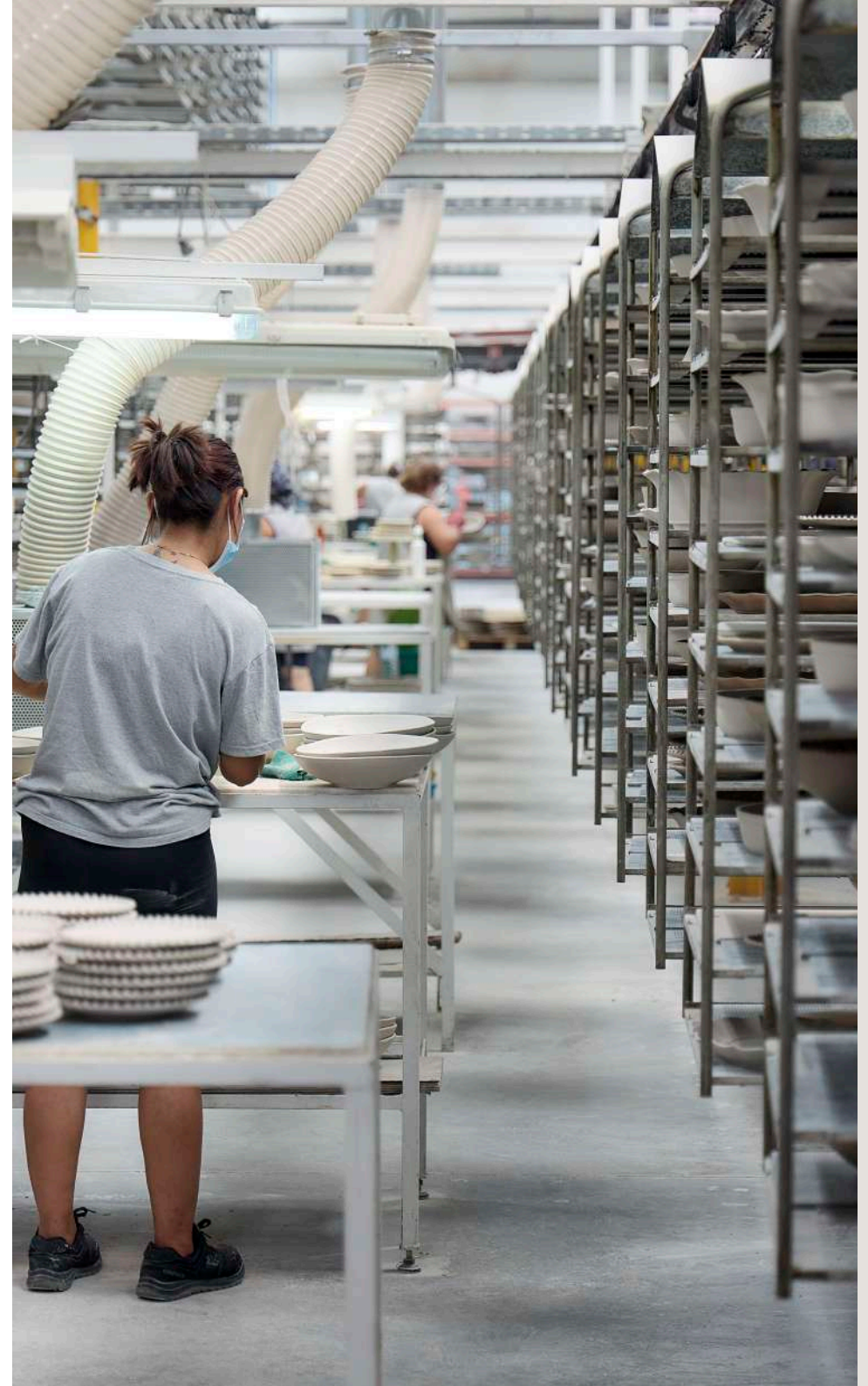


6. Social Dimension

6.1 Diversity and Equality

COSTA NOVA Industria Group is committed to contributing to the mitigation of gender inequalities, guiding its actions with seriousness, dignity, and respect for all employees equally, regardless of gender. In the Group's wage gap assessment, all existing job positions were thoroughly analyzed according to their functional content, and it was confirmed that there are no gender-based pay differences between men and women.

To ensure that pay equality is maintained, the Group commits to conducting annual evaluations to prevent any future disparities in this regard, thereby guaranteeing transparency in remuneration and the absence of gender-based wage differences.





6.2 Occupational Health and Safety

Promoting Health and Safety at Work within the organization has the strategic objective of ensuring safe and healthy working conditions, fostering the physical, mental, and social well-being of employees, based on the following principles:

- ☒ Protecting employee health through medical surveillance and monitoring of occupational risks.
- ☒ Preventing occupational diseases and promoting healthy lifestyle habits.
- ☒ Supporting the reintegration of employees in cases of temporary or permanent incapacity.

In 2024, several awareness campaigns were conducted, targeting all employees, with some delivered digitally via screens across the Group. Topics covered included:

- ☒ Hypertension
- ☒ Diabetes
- ☒ Addictions (smoking, alcohol, and other drugs)
- ☒ Mental Health
- ☒ The importance of physical exercise
- ☒ Healthy Eating (the role of the Mediterranean diet)
- ☒ Best Practices in the Workplace and Accident Prevention
- ☒ Awareness for the prevention of breast and prostate cancer (Pink October and Blue November campaigns)

These activities reflect the company's ongoing commitment to promoting the health of its employees. In the reporting year, we significantly strengthened prevention measures, clinical monitoring, and well-being promotion.



Awareness initiatives 2024

Occupational and Curative Medicine

We intensified health surveillance actions through periodic medical examinations and closer follow-up by specialized health professionals.

Strengthening Health Services

We increased the hours of nursing and physiotherapy services, ensuring a faster and more effective response to identified needs. These measures aim at functional recovery, injury prevention, and continuous on-site support.

Promotion of Physical and Social Well-being

We maintained the regular distribution of fruit in the workplace to encourage healthy eating. Additionally, we upgraded the company gym to promote physical exercise as a strategy for enhancing professional and social well-being.

Mental Health and Intercultural Interaction

We organized Mental Health Week with various awareness, relaxation, and social activities, contributing to a healthier and more inclusive work environment. On World Food Day (October 16), we emphasized the importance of a balanced diet, highlighting the role of soups in the Mediterranean diet.

Awareness initiatives 2024

Training and Prevention

As a strategy to enhance internal resources and promote a culture of safety, we reinforced training in the following areas: best practices and prevention of workplace accidents, first aid, occupational noise, environment, and health and safety at work.

Community Engagement

We organized a Blood Donation Campaign at the company facilities in partnership with the Portuguese Blood Institute, encouraging social involvement and solidarity. This internal development strategy has proven to be a dynamic and continuously evolving tool, adapting to employee needs and the demands of our activities, actively contributing to the creation of a healthier, safer, and more humane work environment.

To ensure the physical and psychological well-being of employees, the company provides free access and supervised classes at an on-site gym and offers seasonal fruit. All employees are covered by health insurance and have free access to clinical services, including curative medicine, nursing, and physiotherapy.

2024 Injury Statistics Category	Grestel	Ecogres	Total
Injuries and health issues	53	13	66
Injuries with serious consequences	1	0	1
Fatal injuries	0	0	0









2024 Work Accident Data Category	Grestel	Ecogres	Total
Work accidents	47	6	53
Work Accident (%)	27	27	54
Number of days lost due to injuries	911	15	926
Work accidents with serious consequences	0	0	0
Work-related mortality rate	0	0	0

2024 Data on Exposure to Toxic Substances Category	Grestel	Ecogres	Total
Number of employees in contact with toxic substances	87	3	90



6.3 Well-being, Respect, and Work–Life Balance

COSTA NOVA Industria Group strives to consistently value its employees, ensuring they feel professionally fulfilled while maintaining balance with their personal and family lives. We believe that we can only have truly engaged and high-performing employees if they are happy and satisfied in all aspects of their lives. We also aim to encourage recreational and social moments among all team members. To support this, we offer the following benefits:

-  **Performance, attendance, and referral bonuses**
-  **Additional vacation days (+3 days for employees with no absences)**
-  **Discount agreements with regional businesses in the Aveiro area**
-  **Employee discounts at COSTA NOVA stores**
-  **Wedding gift**
-  **Médis health insurance**
-  **Christmas gift**
-  **Free tickets to Beira Mar football matches**

2024 data on work-life balance	Grestel	Ecogres	Total
Employees entitled to parental leave (%)	5,2%	3,0%	8,2%
Employees entitled to parental leave, by gender (%)	5% Women/ 5% Men	3% Women/ 0,3% Men	8% Women/ 5,03% Men
Number of hours of absence related to parental leave	49462	3838	53300
Number of hours of absence for reasons other than parental leave	96423	10959	107382

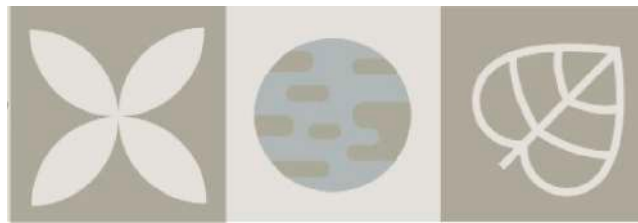


6.4 Community Engagement

The Group considers it essential to give back to the community a part of its capital. For the Group, the business world must engage with people beyond its own walls - encouraging, rewarding, and supporting different areas of society.

As such, the support provided in 2024 was diverse and wide-ranging.

Support Provided to the Community in 2024	Total (€)
Support for the local community	14.295,60
Support for arts and culture	12.960,17
Territorial engagement and awareness	550,00
Support for education	6.389,72
Sports support	26.410,46
Philanthropic actions	9.550,00
Charitable contributions	4.451,37



7. Economic Dimension

7.1 Patents, Resources, and R&D Projects

2024 R&D Figures	Grestel	Ecogres	
N.º. of human resources	31	19	50
N.º of assigned projects	4	2	6
Total man-hours	20498	12388	32886

7.2 Investments

2024 Investment Values (in Euros)	Grestel	Ecogres	Total
Environment	174 453,30	167 729,70	342 183,00
Energy – Energy Efficiency	116 302,20	83 864,85	200 167,05
Energy – Other transversal technologies or research	58 151,10		58 151,10
Promotion of productivity and industrial technologies	232 604,40	307 504,45	540 108,85



Activities involving six research and development projects were carried out in 2024, including both ongoing initiatives and newly launched projects. A total of 50 employees were directly involved, with varying levels of participation, contributing a total of 32,886 hours dedicated to research and development activities.

These projects aimed at the development of new products and processes, with a strong focus on sustainability. At Ecogres, a unit specifically designed to develop circular economy solutions, projects were conducted to enable the incorporation of foundry industry waste into stoneware bodies and decorative finishes.

At Grestel, the focus was placed on process innovation, particularly on developing laser firing technologies as alternatives to traditional natural gas kilns. Within this context, the H2 project was developed to validate alternatives to the use of natural gas. Under this project, Portugal's first industrial laser firing of single-fire stoneware tableware was successfully carried out, marking a historic milestone for the national ceramics industry.

The data presented here was sourced from the National Scientific and Technological Potential Survey (IPCTN) for the industrial units Grestel and Ecogres.



Sustainable Development Goals (SDGs)



More than just an alignment with a global agenda, the Sustainable Development Goals (SDGs) represent a common language, internationally recognized, that guides and strengthens the commitment of the COSTA NOVA Industria Group to responsible and sustainable practices. In this chapter, we highlight the SDGs to which we make a concrete contribution.



Contribution to the SDGs – Direct SDGs



Quality Education

Ensure inclusive, equitable, and quality education, and promote lifelong learning opportunities for all employees.

In 2024, a total of **18,987.60 training** hours were delivered (16,875.60 hours at Grestel and 2,112 hours at Ecogres), covering a wide range of topics such as: environmental protection, company and organizational context, health, occupational safety and hygiene, computer science, and digital literacy for users.

Aiming to eliminate gender disparities in education, **67%** of the training hours in 2024 were delivered to **female employees**, amounting to **12,652.25 hours** (90% at Grestel and 10% at Ecogres), while **33%** of training hours were delivered to **male employees**, totaling **6,335.35 hours** (87% at Grestel and 13% at Ecogres).

The Group contributes to **targets 4.3 and 4.4** of Sustainable Development Goal 4.



Gender Equality

Achieve gender equality and empower all women and girls, by eliminating all forms of discrimination and violence against women.

Ensure full and effective participation of women and equal opportunities for leadership at all decision-making levels.

The Group contributes to **targets 5.1, 5.2, and 5.5** of Sustainable Development Goal 5.



Affordable and Clean Energy

Ensure access to reliable, sustainable, and modern energy for all by increasing the share of renewable energy in the global energy mix.

All electricity purchased by the Group is **100% renewable**, corresponding to **570.35 kWh per ton of shaped material**.

Internal electricity production is achieved through **photovoltaic panels**, generating **1.334 GWh** in 2024. Of this, **1.071 GWh** were consumed internally, and **0.262 GWh** were sold back to the grid.

The Group contributes to **target 7.2** of Sustainable Development Goal 7.

DIRECT SDGs





Decent Work and Economic Growth

Promote inclusive and sustainable economic growth, full and productive employment, and decent work for all.

Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation. Ensure full and productive employment and decent work for all, regardless of nationality, including youth. Guarantee equal pay for work of equal value.

In 2024, a total of **263 new employees** were hired (190 at Grestel and 73 at Ecogres).

Of these, **126 employees** were between **18 and 30 years old**, representing **47.91%** (97 at Grestel and 29 at Ecogres).

COSTA NOVA Industria employs staff from **15 different nationalities**, with new hires in 2024 distributed as follows:

Angola (6), Argentina (7), Brazil (89), Cape Verde (3), Colombia (10), India (6), Italy (2), Nepal (14), Peru (1), Portugal (72), São Tomé and Príncipe (6), Ukraine (1), Uruguay (2), and Venezuela (44).

The Group contributes to **targets 8.4, 8.5, 8.6, and 8.8** of Sustainable Development Goal 8.



Industry, Innovation and Infrastructure

Modernize infrastructure and upgrade industry to make it more sustainable. Support greater adoption of renewable technologies and foster innovation.

The Group contributes to **targets 9.4 and 9.5** of Sustainable Development Goal 9.



Sustainable Cities and Communities

Ensure access to adequate, safe, and affordable housing for all.

Through **Imogres**, COSTA NOVA provides **housing for employees** coming from other countries.

The Group contributes to **target 11.1** of Sustainable Development Goal 11.





Sustainable Production and Consumption

Ensure sustainable consumption and production patterns. Significantly reduce waste generation through prevention, reduction, recycling, and reuse.

The Group contributes to **targets 12.2, 12.4, and 12.5.**



Climate Action

Take urgent action to combat climate change and its impacts. Compared to 2023, Scope 1 GHG emissions are estimated to have decreased significantly in 2024, reaching 13.5 tCO₂e. This reduction is mainly due to the decreased use of generators in 2024 compared to the previous year. Nevertheless, it remains urgent to adopt measures to combat climate change and its potential environmental impacts.

The Group contributes to **target 13.2.**





Indirect SDGs

End hunger, achieve food security, improve nutrition, and eliminate malnutrition. Ensure that all employees have access to safe, nutritious, and sufficient food all year round.

The Group contributes to **target 2.1**.



Good Health and Well-being

Ensure healthy lives and promote well-being for all, at all ages. Promote mental health and well-being.

The Group contributes to **targets 3.4, 3.5, 3.8, and 3.9**.



Reduced Inequalities

Empower and promote the social and economic inclusion of all, regardless of age, gender, disability, race, ethnicity, origin, religion, economic status, or any other factor, ensuring equal opportunities. Reduce outcome inequalities by eliminating discriminatory practices.

The Group contributes to **targets 10.2 and 10.3**.



Partnerships for the Goals

Strengthen the means of implementation and build strong partnerships to achieve the 2030 Agenda goals, bringing together civil society and the private sector.

The Group contributes to **targets 17.16 and 17.17**.

INDIRECT SDGs



8. Final Notes

The Importance of ESG for the Ceramic Industry and for Continuous Improvement

The ceramic sector, where our Group has its core business, has a significant environmental impact and a high demand for human labor. For this reason, ESG reporting must be given special attention, as this practice can help identify potential improvements across various operational areas.

In our case, ESG reporting fosters collaboration across multiple departments within the organization. As each area analyzes its own data for this purpose, it uncovers opportunities to enhance its specific processes and practices.

Looking Ahead

Initiating the ESG reporting process has been a significant step for COSTA NOVA Industria, generating a variety of benefits. However, more than an isolated effort, we recognize it as a continuous journey—one that cuts across the organization and plays a key role in driving continuous improvement on multiple fronts.

Among our main internal objectives is the strengthening of ESG-related training and awareness for our employees, in a more structured, systematic, and ongoing manner. At the same time, we aim to develop diagnostic tools and benchmarking analyses that allow us to rigorously assess our current standing in relation to ESG indicators.

Nonetheless, our primary focus at this stage is to achieve **B Corp Certification**, an internationally recognized endorsement of our commitment to the highest standards of social and environmental performance, transparency, and accountability.



COSTA NOVA
INDUSTRIA



ECOGRES
CERAMICA ECOLOGICA

COSTA NOVA
ESPAÑA

COSTA NOVA
USA

IMOGRES