

SUSTAINABILITY REPORT 03





SUSTAINABILITY **REPORT**
2022

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1. LETTER TO STAKEHOLDERS



After Roberto and Paola, this time I'm the one who has the honour of presenting the new Sustainability Report, now on its third edition.

The pages you are about to read tell a story that's about a business, about people, but above all about the outcome of a tough but exciting challenge. Understanding the needs of the sector and identifying its trends is no simple task for anyone who, like Stone Italiana, aims to always stand out from the crowd despite a demanding market and a geopolitical situation that unfortunately is still difficult and highly unpredictable. Luckily, we've spent 44 years treating challenges as opportunities in disguise. We do this by 'getting hands-on' – quite literally with the materials that come to life in our R&D workshop, and metaphorically in our offices, where everyone works to their unique strengths. An example of this is the tenacity and determination we showed in spending years experimenting in order to create a New Materia, Cosmolite®. The ambitious goal of this project was clear from the start: to create a new material using the available technology. But the real determining factor was the inventiveness and perseverance of the women and men who worked on the project.

For us, 2022 was the year when we launched a unique and high-performance material backed up by solid sustainability principles on an international scale. For Stone Italiana, Cosmolite® is a by-word for 'future', a great opportunity for the designers of today who look towards the future and who, whether the result of their own conscience or the awareness of how products can grow in value, always choose green solutions.

While it's true that a responsible identity has been part of the Company DNA since the day of its establishment in 1979, it is equally true that Stone Italiana now strives to conduct its business with greater awareness, by planning precise goals on a large scale, goals which go beyond the simple manufacture of eco-friendly products. In the past two years, we've embarked on initiatives aimed at improving our sustainability process, from the environment – with increasing focus on responsible consumption, recycling and limiting emissions – to social welfare and economic sustainability, all of which allow us to face challenges and generate value.

As Marketing Director, I can't hide my happiness that, in 2022, we managed to enhance communication to our stakeholders in general and in particular about our sustainability performance, as I'm convinced this will repay us in transparency and awareness-raising about this issue.

With the help of the agency we've chosen to support us in our corporate communication, we began sending a monthly newsletter to all **our Suppliers and Customers**. **This newsletter includes the best of the past month: projects completed, detailed information about products and their performances, interviews and the opinions of the people involved.** At the same time, we updated the image of our social media accounts and, more importantly, created a direct line to our Customers' marketing offices in order to make our brand identity uniform across all the Countries we operate in, keeping our tone of voice and promise the same.

Lastly, I'd like to take this opportunity to stress how much trust Stone Italiana places in people, in their worth and in their creativity. The first lesson we learned from the Company's founder, Roberto Dalla Valle, takes the form of a few well-chosen words: "Here at Stone Italiana, everyone should feel like they're part of a big family. The doors are always open here". This means transparency, willingness to help and a sympathetic ear for everyone.

Together with our long-standing efforts to involve the local Community, these principles form the pillars supporting our history. That's why, even when times have been tough, we've never stopped banking on the human factor. In 2022, we took on 18 new members of staff and hosted a Ukrainian family, giving them two jobs.

My sincere thanks and affection go out to any of you reading this for the first time, and to everyone who daily puts their heart into making this a great Company.

Enjoy the Report!

Silvia Dalla Valle
Marketing Director

2. 2022 HIGHLIGHTS



NET INCOME
27,801,779 €



COSMOLITE®
New Materia made from **100%** recycled minerals



USE OF PAPER FOR WAYBILLS
reduced by **62%**



RECOVERED WASTE
average **83%**



11% RECYCLED RAW MATERIALS
out of the **total purchased**



ELECTRICITY
produced from our own renewable sources
412,393 kWh

6% of our energy needs covered
by self-generated renewable sources



DIRECT CO₂ EMISSIONS (SCOPE 1)
reduced by **21%**

3. ABOUT US

“*Stone Italiana was founded in 1979, the brainchild of the intelligent and forward-thinking Roberto Dalla Valle, who, having left the printworks he owned, decided to embark on a new adventure in the field of furnishings. He threw himself into his new project with enthusiasm, curiosity and determination, as well as an innate flair for business. He wanted to lay the foundations of a revolutionary new way of conceiving interior design, but little did he know that his creations would become a vital ingredient in some of the most famous architectural projects around the world. Today, Stone Italiana boasts two production facilities: the original factory in Zimella (Province of Verona) and a second site in Villesse (Province of Gorizia).*”

With the aim of introducing a new material to the world of interior design, Stone Italiana began marketing an industrially produced marble as an alternative to the naturally occurring materials already on the market. We were the first Company in the world to use this kind of technology and the first to sell engineered marble, then quartz, and now Cosmolite®, the New Materia that's made from 100% recycled minerals.

The name Stone Italiana is synonymous with the hallmarks of Italian manufacturing. An ambassador for Italian creativity around the world, we offer architects, designers and fabricators products with an infinite variety of colour schemes and packed with features that draw out the best in the raw materials, making refined and sophisticated products with unbeatable technical performances.

THE COMPANY HAS TWO MAIN AREAS OF BUSINESS:

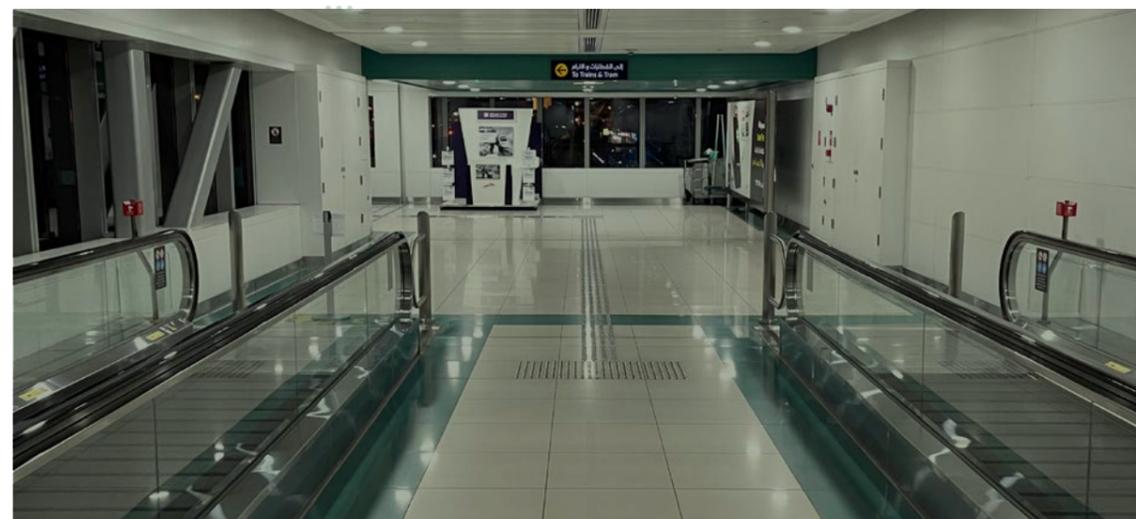
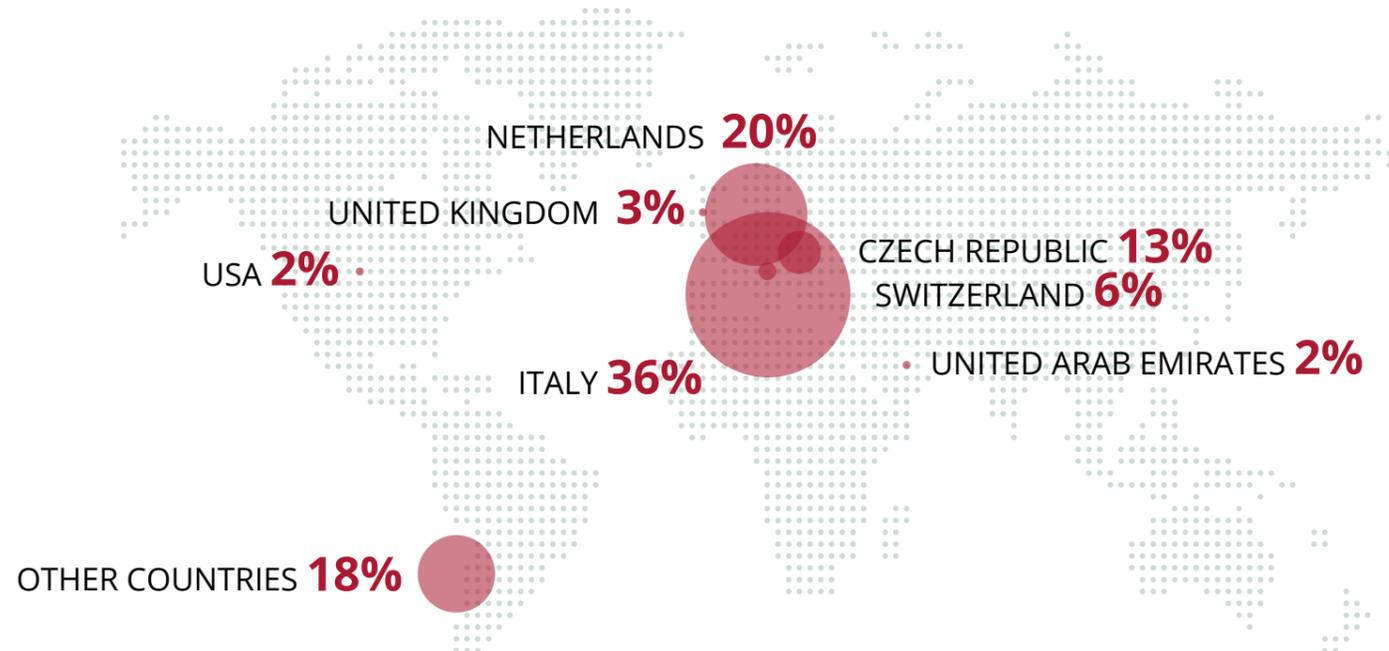
- *Manufacture and sale of engineered-stone slabs*
- *Wholesale trade in porcelain stoneware slabs*



3.1 STONE ITALIANA WORLDWIDE

“ Stone Italiana sells its products on an international scale, with operations in every Continent in the world. Below is a diagram showing the Countries accounting for a 2% or greater share of our total turnover.

TURNOVER BY COUNTRY



10 Data source: GSI Management software

3.2 FOCUS ON TURNOVER BY COUNTRY

ITALY 36%

The Italian market still constitutes our greatest source of revenue, although its percentage of the total has fallen compared with previous years, when it reached peaks of around 60%. As far as 2022 is concerned, the drop in turnover can be attributed to the increase in the cost of raw materials and the consequent unavoidable price hikes, which had a negative impact on the sales figures for Stone Italiana products.

NETHERLANDS 20%

The turnover fell compared with 2021 because of the decision of our most important Dutch Customer to temporarily suspend their purchase of a particular product line until completion of our restyling operations in 2023.

CZECH REPUBLIC 13%

The consolidation of our business relationship with a major Customer led to us exceeding the goal of 10% set in the 2021 Sustainability Report.

SWITZERLAND 6%

The turnover in this Country saw a slight increase, thanks to the consolidation of our relationship with an important Swiss Customer.

USA 2%

2022 witnessed a steady market trend with potential for increased sales in coming years.

UNITED KINGDOM 3%

In the past couple of years, this market has seen an upturn as the pandemic has eased. In 2022, our turnover in the United Kingdom increased slightly, mainly due to the launch of our new product Cosmolite®, which is meeting with a lot of approval in the UK thanks to its sustainability credentials.

UNITED ARAB EMIRATES 2%

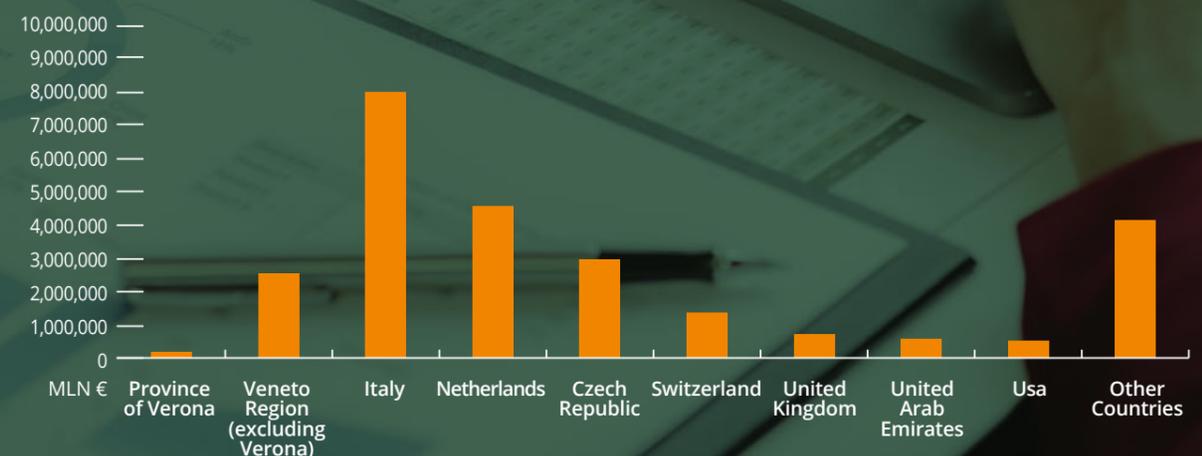
Thanks to a series of major one-off projects started in 2022, we recorded an increase in turnover in this Country.

Some markets have been heavily impacted by the increase in the cost of raw materials and the after-effects of the Covid pandemic; the German market is an example of this.

With the objective of increasing the percentage of overseas sales and focusing on the Countries which display good potential for future development, we restructured our sales department and hired two new Area Managers.

One of the things we're doing to attain our goal is renovating the spaces within the Company used to host national and international Customers. In 2022, we renovated the showroom on the first floor, creating a product display area and a space for meetings and discussions. We also installed a kitchen in this space that can be used for events.

NET SALES BY COUNTRY



Data source: GSI Management software

3.3 DISTRIBUTION OF SALES ACCORDING TO TYPE OF PRODUCT

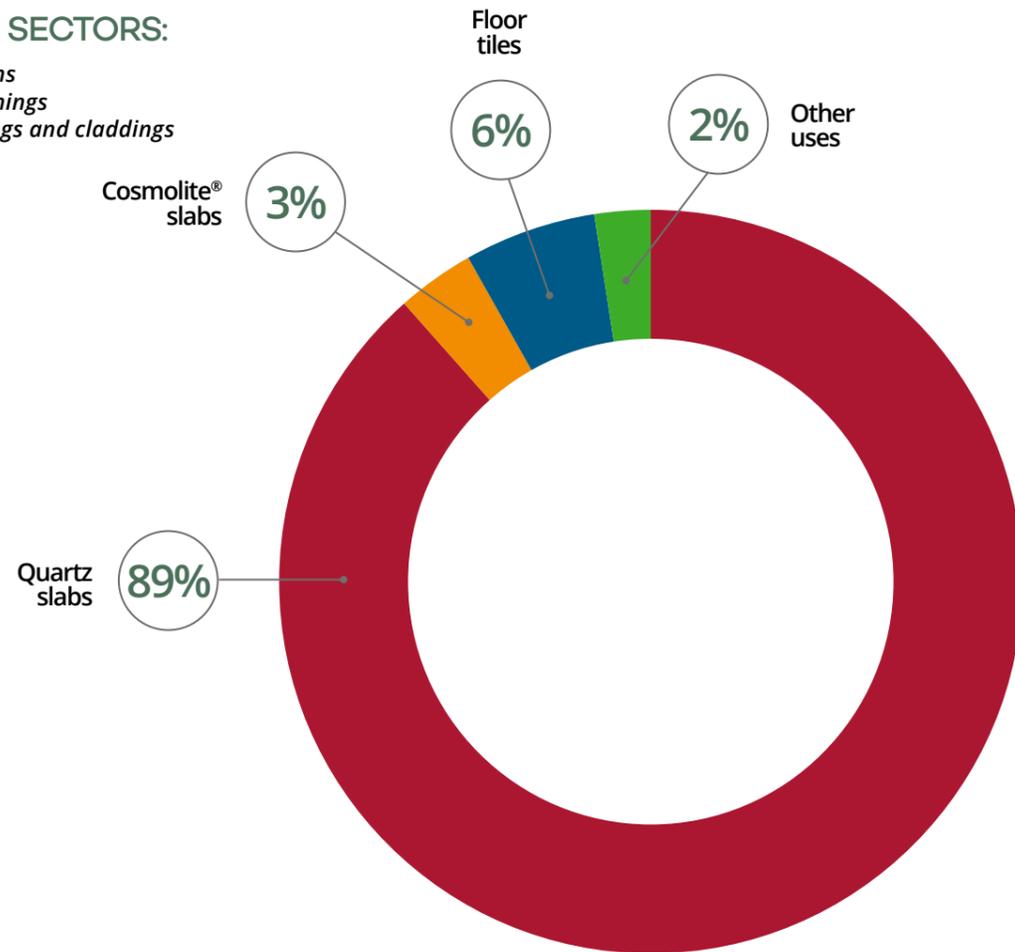
OUR MAIN SALES CHANNELS ARE:

- Fabricators
- Kitchen Designers
- Construction Companies

The growth of the tile market, achieved through an increase in the number of projects developed, is one of the goals pursued by Stone Italiana.

SALES SECTORS:

- Kitchens
- Furnishings
- Floorings and claddings



Data source: GSI Management software

3.4 A NEW COMMUNICATION DRIVE

Stone Italiana has been working to strengthen the brand and make it more recognizable through a series of marketing strategies.

Starting with a rebranding process, we renewed the whole Company image, including modernizing the website and other communication activities. The new website has been online since September 2021, and in 2022 it was translated into English and French. The site is continually in evolution, with newsletters and blogs, two case histories posted every month, sections containing technical information, trend assessments

and promotional information, and also a new private area for Cosmolite® fabricators and official retailers.

Our aim is to attract more and more attention to Stone Italiana through a number of different channels, including: the website, social/digital communication (using Facebook, Instagram and LinkedIn, with Pinterest added in 2022).

We've even opened a YouTube channel just for Cosmolite®. We've also made three videos about our newest product where viewers can learn about its properties and advantages.

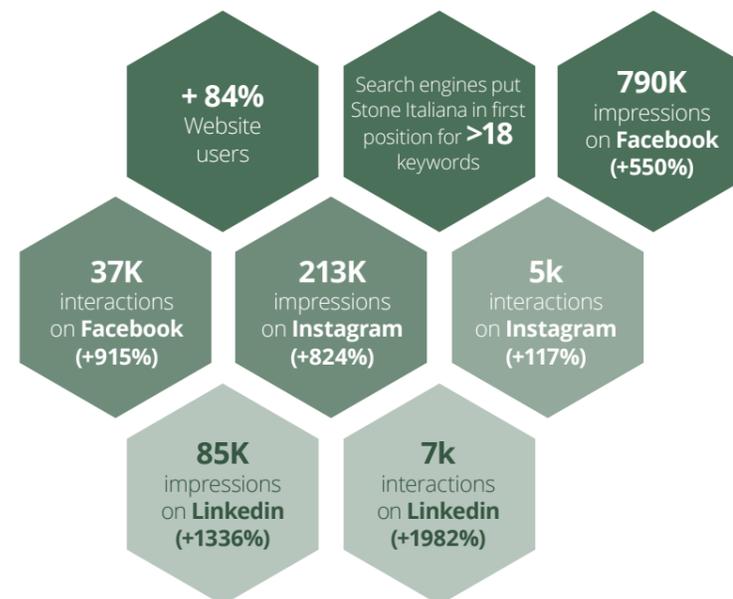
In 2022, we also made a series of videos available on YouTube: Recipes of Sustainability, Let's Chat With, Family Chat and a series of emotion-rousing videos of recipes cooked on Cosmolite® countertops.

Moreover, we handled the launch of the KSTAR collection, which we shared through a press release, coordinated social media posts and other advertising activities.

Stone Italiana took part in four trade shows in 2022 and was featured 28 times in sector magazines.



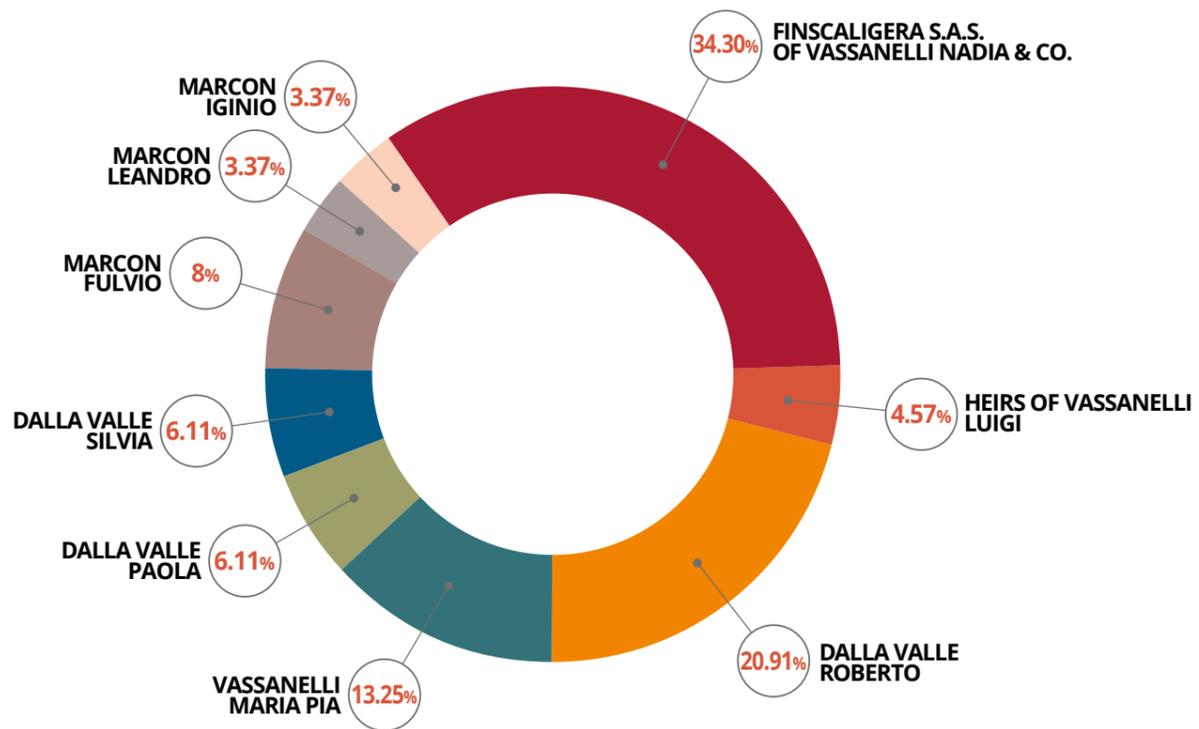
Below are some of the results attained in 2022 from our new communication drive compared with the previous year:



3.5 GOVERNANCE AND OWNERSHIP STRUCTURE

“As a demonstration of the continuity and solidity of the Company, the Governance remained unchanged in 2022. The shareholders can be seen below:

COMPANY GOVERNANCE



14 Data source: Chamber of Commerce

4. A HISTORY OF GREAT IDEAS

“Sometimes either you’ve got the guts to do something, or you haven’t.” This phrase sums up the approach Stone Italiana’s founder, Roberto Dalla Valle, has always followed in his business. His ethos can be seen throughout the Company’s history in its untiring spirit of innovation, new ideas, creativity and experimentation.

AN ALTERNATIVE TO GRANITE

It all began when the founder heard of a Company in Treviso that had managed to create small-format floor tiles from rough slabs. Intrigued by the potential of this new production process, Roberto Dalla Valle saw the opportunity to launch his own material into the world and in 1979 created his first product: he called it ‘the alternative to granite’ and it was formed by blending granular marble with other materials to create a look that was very similar to granite, a very popular product at the time.

NOVIDEA MARBELL

Thanks to a long-term search around the world and extensive experimentation, he eventually managed to find the white marble he was looking for to create a second collection of materials: Novidea Marbell. These slabs, made from a combination of white marble and coloured pigments, were completely different from anything else on the market.



The first Stone Italiana products went on sale in April 1979.

ENGINEERED MARBLE

Novidea Marbell became the starting point for another new idea: playing with the juxtaposition of different types of materials to create distinct looks. Brass shavings, which were essential to the creation of Filidoro in 1983, were the first in a long line of materials Stone Italiana decided to experiment with. The result was engineered-marble products containing glass, mother-of-pearl, lapis lazuli, amethyst, pink quartz and more.

100% QUARTZ

The shift from small flooring tiles to bigger slabs intended for other surfaces – marked by the purchase of the production facility in Villesse in 1993 – was the launchpad for further experimentation. In this phase of the Company history, Roberto Dalla Valle decided to increase the resistance of his product and make it suitable for use on different surfaces, such as bathrooms and kitchens, by increasing the percentage of quartz mixed with the marble, until he arrived at a 100% quartz product.

JAIPUR

Jaipur was created around the turn of the millennium and was based on the concept of irregularity and natural imperfections. The idea came on a beach in Sardinia, from observing how waves left an undulating, irregular pattern on the sand when they retreated. After a long period of research and experimentation with production processes and with the type of paper to use, Jaipur was born. This product with its matt surface and irregular pattern quickly came to constitute 35% of our total production.

DNA URBANO

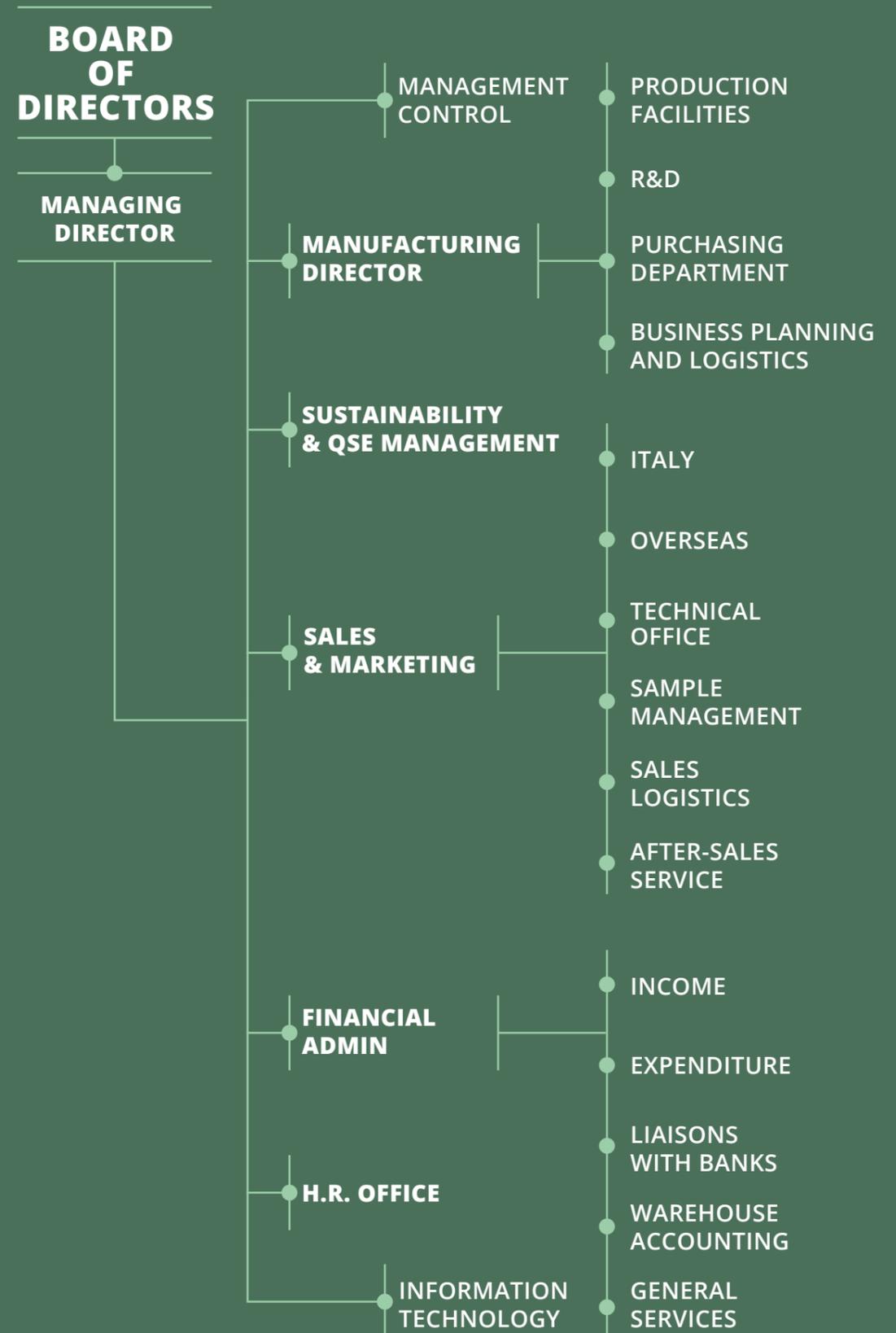
Bring together an ongoing search for creativity and unfettered fantasy, and what you get is DNA Urbano: a product made thanks to cooperation with a waste management Company, by recycling the gravel picked up by street cleaners.

COSMOLITE®

Our ongoing experimentation is not the fruit of passing inspiration or a sudden creative urge, but the result of our focus on the health and safety of our stakeholders. After a long period of research and numerous experiments, we arrived at an innovative product composed in its entirety of pre-consumer recycled minerals other than quartz: Cosmolite®, whose name evokes distant galaxies and universes. The production process involves blending mineral oxides of various kinds with organic colourants and a polyester structural resin thanks to which the material is especially resistant to heat while maintaining all the other impressive performances of engineered stone. Thanks to its innovative formula, Cosmolite® is the New Materia that both cares for the environment and boosts innovation in industry. This product was featured in an advertising campaign on the Mediaset national television channels in 2022.

“Currently, approximately 94% of Stone Italiana’s turnover comes from vanity and kitchen countertops.”

4.1 OUR ORGANIZATIONAL STRUCTURE



4.2 VALUES, PRINCIPLES AND CODE OF ETHICS

Stone Italiana adheres to a number of documents and procedures in its affairs.

COMPANY REGULATIONS

This document governs the behaviour of employees and lays down the duties each individual employee is expected to fulfil: the **times and methods of clocking in**, and the rules for **overtime, start times** and **holidays**.

TRAVEL POLICY

This document governs the recompense due to staff members who, in the course of their duties, find themselves **working away from their usual workplace**. A further aim of this document is to bring together all the regulations on this matter.

INTEGRATED QUALITY, SAFETY AND ENVIRONMENT MANAGEMENT SYSTEM

The Company makes use of an **integrated system for managing workplace health and safety, quality and the environment** which can be viewed on our website.

I.C.T. POLICY

This document lays down the basic behaviours every user should adopt as far as the **use and upkeep of ICT systems** is concerned.

CORRUPTION PREVENTION

Stone Italiana takes the matter of corruption very seriously. The Company operates in **compliance** with the national and international laws governing this matter and recorded no cases of corruption in 2022.

ANTI-COMPETITIVE PRACTICES

Just like corruption, the issue of anti-competitive practices is of fundamental importance to Stone Italiana. The Company operates in **compliance with the national and international laws** on this matter and, in 2022, recorded no cases of anti-competitive practice.



4.3 CUSTOMER CONFIDENTIALITY

The protection of personal data is very important for Stone Italiana, and with our mapping document we have committed to respecting the applicable laws and regulations on personal data protection in the Countries where the Company operates.

As far as the accountability policy laid down in the Company regulations is concerned, we are committed to an ongoing improvement process involving periodical auditing activities aimed at pinpointing margins for improvement and any failings. We recognise the importance of the physical safety of our workplaces, the security of our IT systems and staff training, which are all

objects of our constant attention, monitoring and investments.

In compliance with privacy legislation, the Suppliers that handle personal data managed by the Company are carefully assessed and revised periodically. However, we know we live in difficult times: hackers, viruses and human error are always lurking on the horizon.

This is why we have adopted a procedure for managing incidents and to implement in the event of a loss of confidentiality, integrity or availability of personal data. If this should happen, both the legislation and common sense tell us that we need to inform all those

involved as well as the Protection of Personal Data Authority. To further protect our stakeholders, our Company does not transfer data outside of the European Economic Area (EEA), in other words the European Union plus Norway, Liechtenstein and Iceland.

Our privacy policy can be viewed at the following web address: www.stoneitaliana.com/en/privacy-policy/

In 2022, there were no accusations made or sanctions imposed on the Company because of breaches of data-protection law.

4.4 ASSOCIATION MEMBERSHIP

Our Company is a member of a number of major Associations.



CONFINDUSTRIA



5. SOLUTIONS AND INNOVATION

“If you get the chance to go into our workshop and open any of the drawers you find there, you’ll see what imagination is [...] If I told you everything we’ve tried, you wouldn’t believe me.”

Roberto Dalla Valle

HOW WE WORK

From the range of colours and patterns to improvements in product performance, always with a focus on current trends – everything we do is imbued with our **philosophy of experimentation**, in part thanks to technical equipment that, although very hi-tech, never quite loses the **aura of magic found in a craftsman’s workshop**. The never-ending experimentation that Stone Italiana applies to every area of production is based on the words of its founder: “Everyone’s got skill and imagination, all you have to do is give it a go.”

One of the challenges we’ve taken up is using resins containing 25-30% components of plant-based origin.

THE ORIGIN OF A NEW MATERIA

For the past twenty years, quartz has been identified with one use in particular: kitchen countertops. Thanks to its remarkably high levels of performance, it almost effortlessly came to constitute a fairly large portion of the kitchen market. Now, however, needs have changed and producers need to update their engineered-stone production technology and find new paths and products. That is why we have developed Cosmolite®, whose prime features are guided by the Company’s new perspective of ensuring **sustainability** as regards production processes and every facet of Company life.

Cosmolite® is now on the market as a ‘New Materia’ and is a revolutionary product in the engineered-stone slab sector because it’s the only one made from 100% pre-consumer recycled minerals.

Its formula contains varying grain sizes and percentages of the different minerals (depending on the collection), but all of them are united by a common thread: the **low crystalline-silica content**. **The components are sourced locally here in Italy**, thus reducing the consumption of energy for transport. The **resin** which binds the minerals together is formulated using a **plant-based component**. Every aspect of Cosmolite® has been carefully analysed with a focus on its social, environmental and economic impacts, but also on aesthetics, a vital element when competing in the current surfaces market.

4 collections, 14 colours and 4 surface finishes are just the beginning: Cosmolite® is Stone Italiana’s new frontier, tangible proof of our collective commitment towards a new era of greater awareness and caring.

5.1 OUR **ECO-FRIENDLY** PRODUCTS

“ The main Stone Italiana products containing recycled materials are:



THE SLABS ARE **ALWAYS GREENER**

In order to measure and increase its value, Stone Italiana decided to map its materials using the LEED V4 BD+C third-party certification system for sustainable buildings.

LEED® - (Leadership in Energy and Environmental Design) - is one of the most popular third-party Certification System of **sustainable buildings** in the world and it is declined for all types and for all stages of building development.

Stone Italiana's products contribute to LEED V4 BD+C credits in the following areas:

1. IP Integrative Process;
2. MR Materials and Resources;
3. EQ Indoor Environmental Quality;
4. IN Innovation.

| BD+C Building Design and Construction | |
|---|---|
| STONE ITALIANA CONTRIBUTION MATRIX TO LEED V4 BD+C | |
| INTEGRATIVE PROCESS | |
| <input checked="" type="checkbox"/> IP CREDIT | INTEGRATIVE PROCESS |
| MATERIALS AND RESOURCES | |
| <input checked="" type="checkbox"/> MR PREREQUISITE | CONSTRUCTION AND DEMOLITION WASTE MANAGEMENT PLANNING |
| <input checked="" type="checkbox"/> MR CREDIT | CONSTRUCTION AND DEMOLITION WASTE MANAGEMENT |
| <input checked="" type="checkbox"/> MR CREDIT | BUILDING LIFE CYCLE IMPACT REDUCTION → OPTION 4 WHOLE BUILDING LIFE CYCLE ASSESSMENT [EPD] |
| <input checked="" type="checkbox"/> MR CREDIT | BUILDING PRODUCT DISCLOSURE AND OPTIMIZATION - ENVIRONMENTAL PRODUCT DECLARATION → OPTION 1 ENVIRONMENTAL PRODUCT DECLARATION [EPD] |
| <input checked="" type="checkbox"/> MR CREDIT | BUILDING PRODUCT DISCLOSURE AND OPTIMIZATION - SOURCING OF RAW MATERIALS → OPTION 1 RAW MATERIAL SOURCE AND EXTRACTION REPORTING [SELF DECLARED REPORT] → OPTION 2 LEADERSHIP EXTRACTION PRACTICES [RECYCLED CONTENT] |
| <input checked="" type="checkbox"/> MR CREDIT | BUILDING PRODUCT DISCLOSURE AND OPTIMIZATION - MATERIAL INGREDIENTS → OPTION 2 MATERIAL INGREDIENT OPTIMIZATION [REACH OPTIMIZATION] |
| INDOOR ENVIRONMENTAL QUALITY | |
| <input checked="" type="checkbox"/> EQ CREDIT [CERTIFICATION] | LOW EMITTING MATERIALS [GREENGUARD GOLD] |
| <input checked="" type="checkbox"/> EQ CREDIT [CERTIFICATION] | CONSTRUCTION AIR QUALITY MANAGEMENT PLAN [GREENGUARD GOLD] |
| INNOVATION | |
| <input checked="" type="checkbox"/> IN INNOVATION | 100% NEW MATERIAL - RECYCLED CONTENT |



EPD®

5.2 EPDs – ENVIRONMENTAL PRODUCT DECLARATIONS

Stone Italiana has made EPDs (Environmental Product Declarations) for all its materials. EPDs provide environmental data about the product's life cycle in compliance with international standard ISO 14025.

The EPDs for all our families of products have been published on the website www.environdec.com

The EPD of engineered quartz products and Comolite® made by Stone Italiana is based on the Life Cycle Assessment (LCA) and it is calculated according to the Standards ISO 14040 and 14044, the International System EPD®, the PCR 2012:02 vs. 2.2. and third-party Certified – type III. The management and updating of environmental data regarding certified products are ensured by specific internal procedures of the ISO 14001 Environmental Management System. These data provide objective elements for the LCA assessment of the building as they are specific to the Stone Italiana products.

LCA is an excellent spur to identifying and implementing improvement measures aimed at reducing environmental impact, not only as far as Stone Italiana's internal production is concerned, but also regarding the supply, transport and sales stages, through the involvement of its various stakeholders.

In line with the goal we set last year, in 2022 we carried out a carbon footprint analysis of Comolite® and the ISO 14021 self-declared environmental claim about the recycled-component content in it.

5.3 PROTECTING HEALTH AND SAFETY

“The reliability and good reputation of the Company come in part from the safety of its products. All Stone Italiana products are evaluated in terms of their impact on our Customers' health and safety.”

In order to ensure that they are safe for use, we put our products through special global migration tests every time we start producing a material based on a new formula.

Stone Italiana products are also periodically tested by UL GREENGUARD (USA) for VOC emissions and monitored by the Food and Drug Administration (FDA) as regards the NSF certification of suitability for contact with foodstuffs.

We pay a lot of attention to the risk of exposure to crystalline silica, which can cause silicosis. Through Comsolite®, Stone Italiana is clearly demonstrating its ability to find production solutions that minimise that risk.

We give the fabricators who process our slabs all the necessary information to help prevent the risks related to crystalline silica, such as the use of PPE and the right way to dispose of waste materials. On our website, you can find the Voluntary Product Information for each of our products, which includes all the safety measures that must be adopted when the slabs are being processed and cut.

In 2022, our product Comsolite® was also awarded GREENGUARD GOLD certification.



The product safety certifications we have been awarded are:



SEE OFFICIAL LISTING

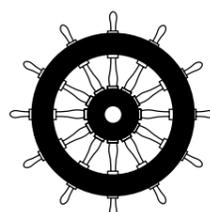
NSF FOOD ZONE
Food safety

To obtain this Certification, a Company must demonstrate the traceability of all the ingredients and the cleanability of the surfaces, to show that the materials are suitable for contact with foodstuffs.



GREENGUARD & GREENGUARD GOLD
Environmental health

The GREENGUARD GOLD Certification concerns the materials and construction tools used in schools and healthcare facilities. The Greenguard Environmental Institute (GEI) has developed a Certification programme with even tighter VOC emission limits than those set for commercial spaces (GREENGUARD).



MARINE EQUIPMENT DIRECTIVE (MED)
Maritime safety

Stone Italiana declares that its products comply with modules "B" and "D" required by the following Regulations: MARINE EQUIPMENT DIRECTIVE (MED) 2014/90/EU - MED/3.18c Surface materials and floor coverings with low flame-spread characteristics (floor coverings). The applied standards IMO Resolution MSC.307 (88) (FTP-Code 2010) Annex 1, Part 2, Part 5, issued by IMO (International Maritime Organization) concern the limited flame spread of the materials and the toxicity and opacity of the fumes. Stone Italiana products are certified for floor coverings.



AVIS TECHNIQUE 12/18-1778_V1
Stone Italiana materials' suitability for use

Stone Italiana has also been awarded the prestigious French Certification Avis Technique and holds the technical application document AVIS TECHNIQUE 12/18-1778_V1: this is drawn up by two panels of building industry experts. It deals with materials made using innovative techniques, and certifies their suitability for use.



CE MARKING
Conformity with European Standards

European Union Regulation 305/11 stipulates that building work must be planned and carried out in such a way as not to endanger the safety of people or goods. To this end, Stone Italiana guarantees that its flooring materials comply with the European harmonized technical Standard UNI EN 15285:2008 on "Modular Tiles for Floorings and Stairs".



5.4 TERNOVO: THE SUSTAINABLE 'VENETIAN-STYLE' TERRAZZO

The concepts of 100% recycled content and internal circular economy come together in the new product created by our R&D department in 2022. It's a revisitation of the Venetian style of Terrazzo from a sustainable point of view, where 100% recycled minerals are blended with a grit obtained from an internal circular-economy process. By grinding up a low-grade product which has by now become obsolete and unsellable, we get a grit – the grain size of which ranges from 1 mm to 6/7mm – which is then reinserted into the production cycle.

The result is a product in either large or small slabs, depending on the use they're intended for – kitchen and bathroom countertops or floorings. The option to use a Terrazzo look for a kitchen or vanity countertop is already an innovation in itself.

When we add to this its reduced environmental impact, achieved thanks to the creation of an internal circular economy and the use of recycled materials, the totally innovative nature of our new product for 2022 is complete.

5.5 PRODUCTION MATERIALS

In our products, we use:

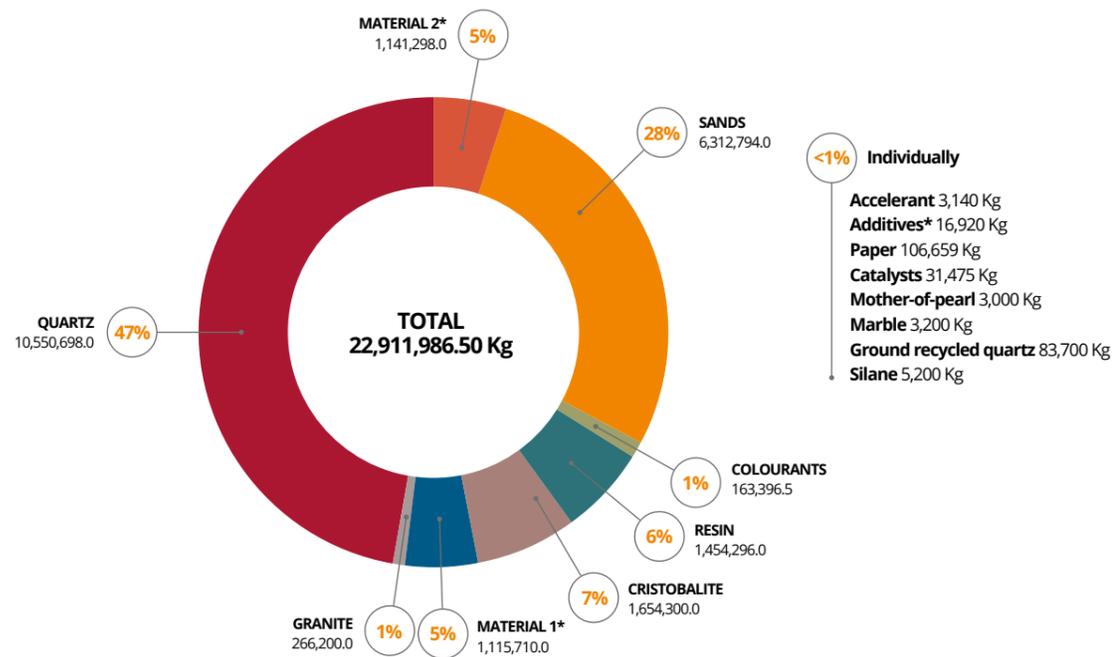
- Raw materials;
- Auxiliary materials necessary for production;
- Packaging.

The materials used are not renewable and our supplies come from external sources, except for the engineered-quartz fragments used for the 'Terrazzo' product.

The use of engineered-quartz fragments comes under the heading of internal circular economy, with a potential reduction in the number of unusable slabs in storage and consequent reduction in handling costs.

BASE MATERIALS

When the production process, the performance assessment carried out on the material and the purchase costs allow, we set out to find reusable waste products or recycled materials. As we stated in the previous report, we've set ourselves the goal of raising our percentage of recycled inert materials to 20% over the three-year period 2021-2023. As for packaging materials such as wood and cardboard, our goal is to use 2% more recycled materials.



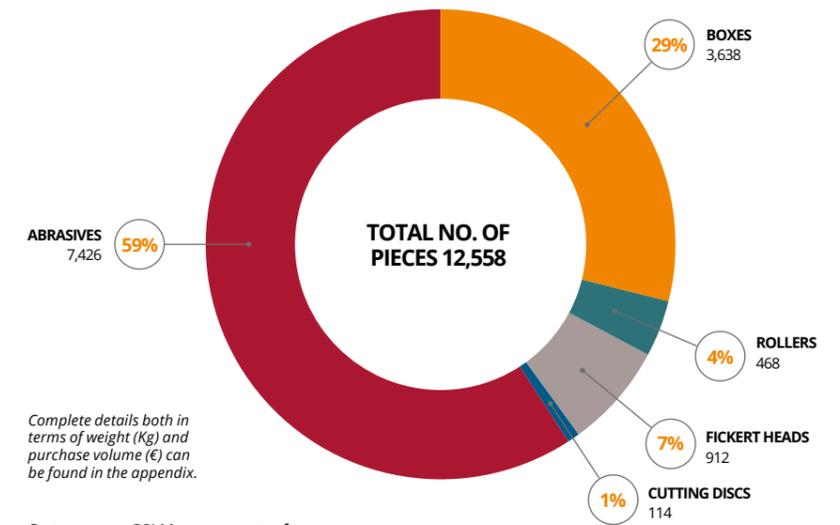
Complete details both in terms of weight (Kg) and purchase volume (€) can be found in the appendix.

Data source: GSI Management software

Material 1*: This raw material is confidential, as its composition and the recipes for the products form part of Stone Italiana's intellectual property.
 Material 2*: This raw material is confidential, as its composition and the recipes for the products form part of Stone Italiana's intellectual property.
 *Additives: The various categories of additive materials have been grouped together for confidentiality reasons pertaining to the composition and recipe for the products, which form part of Stone Italiana's intellectual property.

AUXILIARY MATERIALS FOR PRODUCTION AND PACKAGING

“ We aim to produce a majority of our products using recycled minerals by the end of 2024.



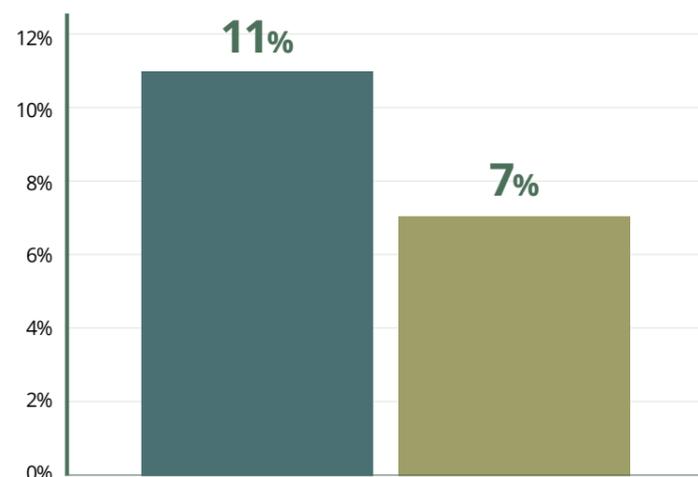
Data source: GSI Management software



RECYCLED BASE MATERIALS

RECYCLED BASE MATERIALS OUT OF THE TOTAL QUANTITY PURCHASED expressed in Kg

RECYCLED BASE MATERIALS OUT OF THE TOTAL VOLUME PURCHASED expressed in Euros



Complete details both in terms of weight (Kg) and purchase volume (€) can be found in the appendix.

Data source: GSI Management software



MATERIALS USED WHICH ARE THE PRODUCT OF RECYCLING

Our focus on the sustainability of our processes has led us to a greater awareness of the quantities of materials we use and a consequent drive to reduce wastage.

We are proud to have reached our goal of reducing our use of paper. Here's how we did it:

- Starting a digitalization process to reduce the amount of paper used in production tracing.
- Less use of paper for printing waybills, by printing less copies of them (in 2022, we used 62% less paper than in 2020 in proportion to the number of waybills issued during that year).



5.6 INNOVATIVE PROCESSES

As well as product innovation, Stone Italiana is also committed to evolution and innovation in its production processes, mainly through **digitalization**. To digitalize our Company processes, we first improved our internet infrastructure and wi-fi coverage – this process was completed at Zimella in 2021 and **the work at our Villesse facility was completed in 2022.**

A number of interactive kiosks will be installed in order to allow staff to record certain information: production data, product quality information, machinery downtime, recipes and machinery servicing records. All the information gathered will go towards compiling a thorough industrial analysis.

The digitalization process will then continue with the adoption of a **new MES (Manufacturing Execution System)**, which will facilitate product traceability, the logistical management of raw materials and machinery downtime. It will also provide useful information about each machine's performance and advise when maintenance is required.

2023 GOAL

Implement the pilot MES on Press 3 and on polishing machine in Zimella. The process innovation process has also been applied to our **internal communication system**: in 2021, we moved over to a **virtual switchboard** and staff were issued with **mobile telephones** in order to make it easier to communicate with co-workers in other departments.

The COVID-19 pandemic has led us to rethink working modalities for certain roles. Smart working was facilitated in 2022 by substituting in 2021 our old desktop computers with laptops.

WMS PROJECT

In 2022, Stone Italiana initiated the **WMS project** to optimize its production and warehouse flows. With a **new warehouse management system** based on Qcode technology, the following innovations have been implemented:

- Single-slab warehouse management;
- Base-material arrival flow management with subsequent storage in dedicated areas;
- Row management system eliminated, leaving room for individual slot management;
- Digitalization of flows between departments;
- Centralized and automated management of work flows;
- Precise quality management using tablets;
- Acquisition and storage of photographs of every load dispatched.

CYBER-SECURITY PROJECT

In 2022, Stone Italiana decided to invest in protecting its own data and ensuring the protection of third-party data by implementing measures designed to increase protection levels. Our investments in this area are set to increase in coming years.

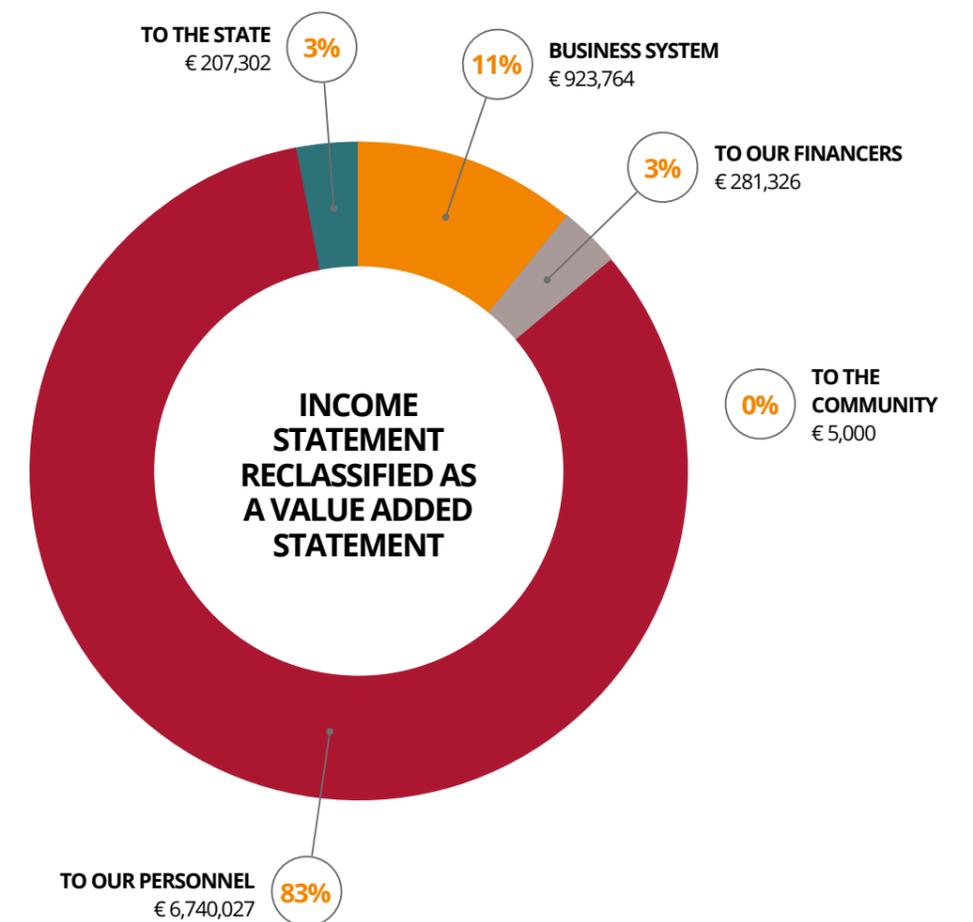
6. OUR ECONOMIC SUSTAINABILITY

“ *Showing an increase of 8% compared with 2021, the turnover generated in 2022 totalled €27,801,779. In 2022, the distributed value amounted to approximately 29% of the total generated. Of this amount, 83% went to pay staff wages and other staffing costs, confirmation of the Company's commitment to human capital.* ”

RECLASSIFIED INCOME STATEMENT

These results can be attributed to the events which distinguished 2022, such as the **sharp rises in the prices of base materials and transport**. Faced with this situation, the Company implemented a policy of making greater use of warehouse stock: in fact it has committed to reducing the amount of unsellable slabs in

the warehouse by 10% by the end of 2023, which may be achieved through the manufacture of a new product, Ternovo (the 'Venetian-style' Terrazzo). As proof of Stone Italiana's commitment to transparency, the Company has appointed PWC PricewaterhouseCoopers to audit its financial reporting.



Data source: Annual financial statements

ECONOMIC PERFORMANCE

Stone Italiana is aware that efficient management and positive economic results are essential to allow us to:

- Ensure continuity of employment to all those who work for us;
- Invest in technological innovation designed to ensure ongoing improvements to production processes and to finished products, as well as reducing energy consumption and pollutant emissions;
- Market products which meet Customers' needs, with a strong focus on environmental protection;
- Receive loans from the world of banks to enable us to make the necessary investments;
- Remunerate our shareholders.

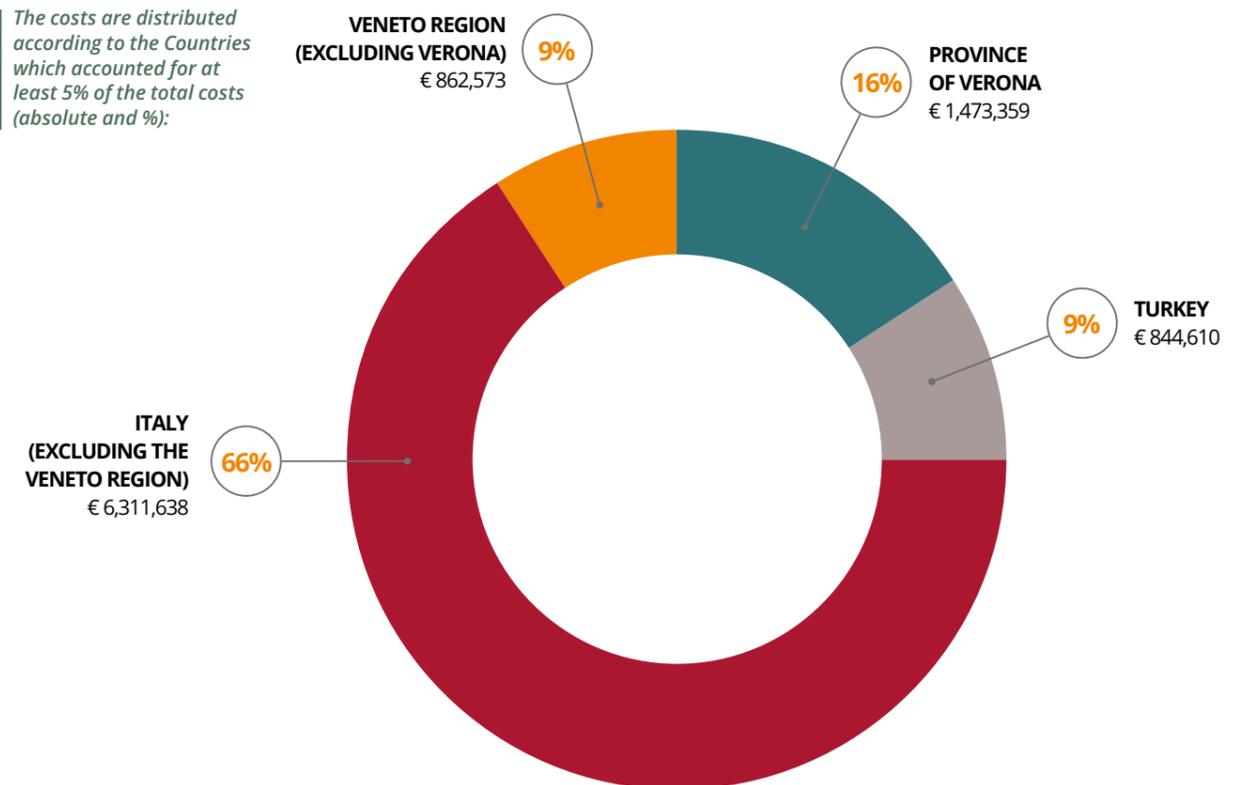
During the reporting period in question, we encountered a number of new limitations to the development and optimization of our economic performance, linked to both external and internal factors. In detail, these were:

- Increases in the cost of raw materials;
- Increases in transport costs and consequent difficulty in obtaining new supplies of raw materials;
- Market competition, which Stone Italiana always attempts to combat by launching unique, innovative products;
- Containment of technological obsolescence, which Stone Italiana is handling through a process to digitalize processes and increased focus on maintenance and servicing;
- Geopolitical situation altered by the Russian-Ukrainian conflict and the after-effects of the Covid-19 pandemic.



SUPPLY COSTS BY GEOGRAPHIC REGION IN EUROS

The costs are distributed according to the Countries which accounted for at least 5% of the total costs (absolute and %):



Total cost of purchasing base materials and consumables

9.7 MLN €

2022 was strongly influenced by the **geopolitical instability** caused by the **Russian-Ukrainian conflict** and the **after-effects of the recent pandemic**.

To combat the rising cost of raw materials, the Company has implemented a business policy which has led to **warehouse optimization** and a consequent reduction in warehouse stock.

Through a **careful Supplier management programme**, the Company has also enacted measures which have allowed us to contain the generalised increase in the cost of raw materials, without compromising on quality. As far as consumables are concerned, we've worked with our Suppliers to find longer-lasting products in order to reduce the amount of substitutions which have to be made.

6.1 ECONOMIC TREND AND THREE-YEAR GROWTH PLAN

Because of the continuing crisis caused by the war between Russia and Ukraine, and the general increase in the costs of base materials such as resin, energy and heating fuel, over the course of 2022 we witnessed a slowdown in sector-specific demand, which led to a slight decrease in turnover.

Nevertheless, as a Company we activated a number of business strategies which allowed us to achieve a sales volume only slightly below our forecasts: €27.8 million instead of our target of €28.2 million. More specifically, this was made possible by the consolidation of new markets, the introduction and development of new Customers and sales of Cosmolite®.

The investments we made in 2022 were mainly aimed at boosting the industrial side of our business, with the objective of developing new products and improving our competitiveness. This will allow us to be able to rely on a stable turnover in future.

The projected turnover for 2023 is basically in line with the 2022 figure, with a slight dip owing to the effects of the world geopolitical situation. We forecast that by 2025, our sales volume will reach €29 million.

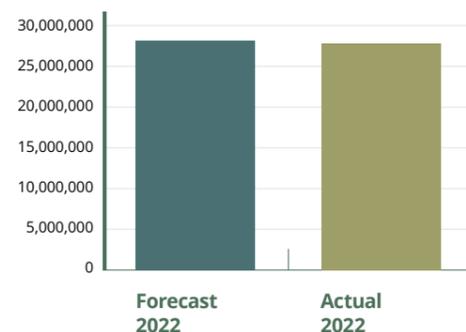
2023:
27.1 MLN €

2024:
28.1 MLN €

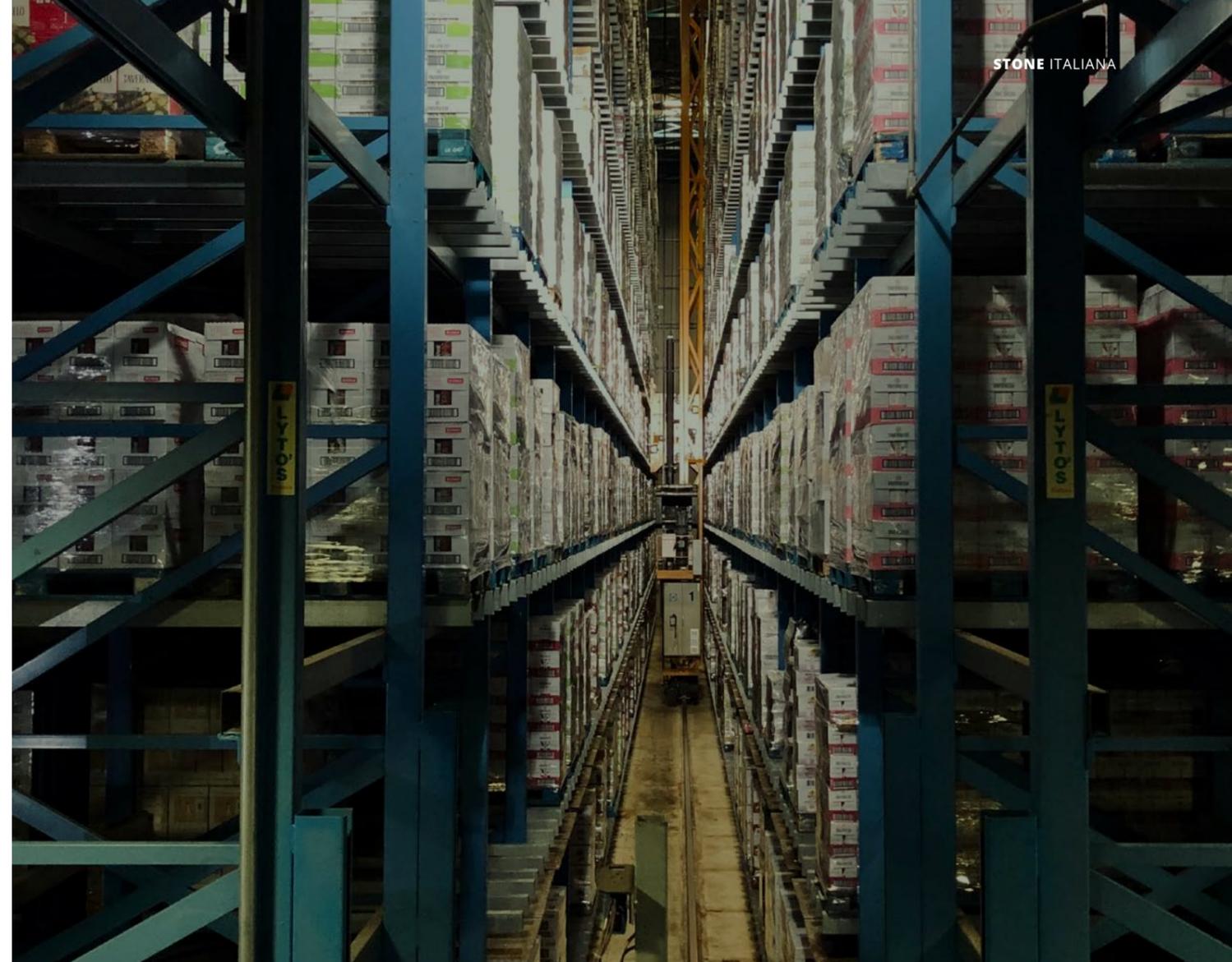
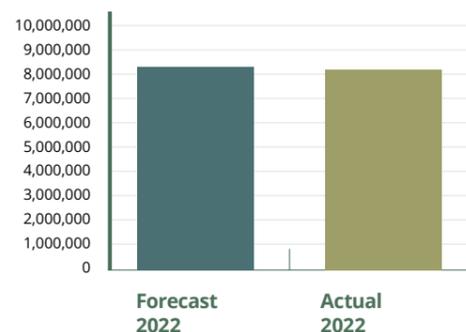
2025:
29 MLN €

6.2 IDENTIFYING OUR KPIs

SALES VOLUME TREND (€)



RUNNING COSTS (€)



6.3 SUPPLY CHAIN

“100% of the services and 88% of the raw materials purchased were obtained from Italian Suppliers.”

In the event of two or more Suppliers offering equal quality and financial terms, the fact of holding social and/or environmental Certifications will prove decisive.

In 2022, Stone Italiana's Suppliers were not assessed in terms of their environmental and social impacts, as the required conditions of qualitative, economic and financial equality did not emerge.

6.4 RAW MATERIALS AND THE SUPPLY CHAIN: THE IMPORTANCE OF SUPPLIERS

“ Our production cycle makes use of quartz, sands, minerals, resins, additives and colourants.

Our Suppliers are carefully selected and we constantly monitor the quality of their products, and their swiftness of response, ability to meet requests and speed of delivery and **origin of raw materials**: whether from recycled or virgin sources.

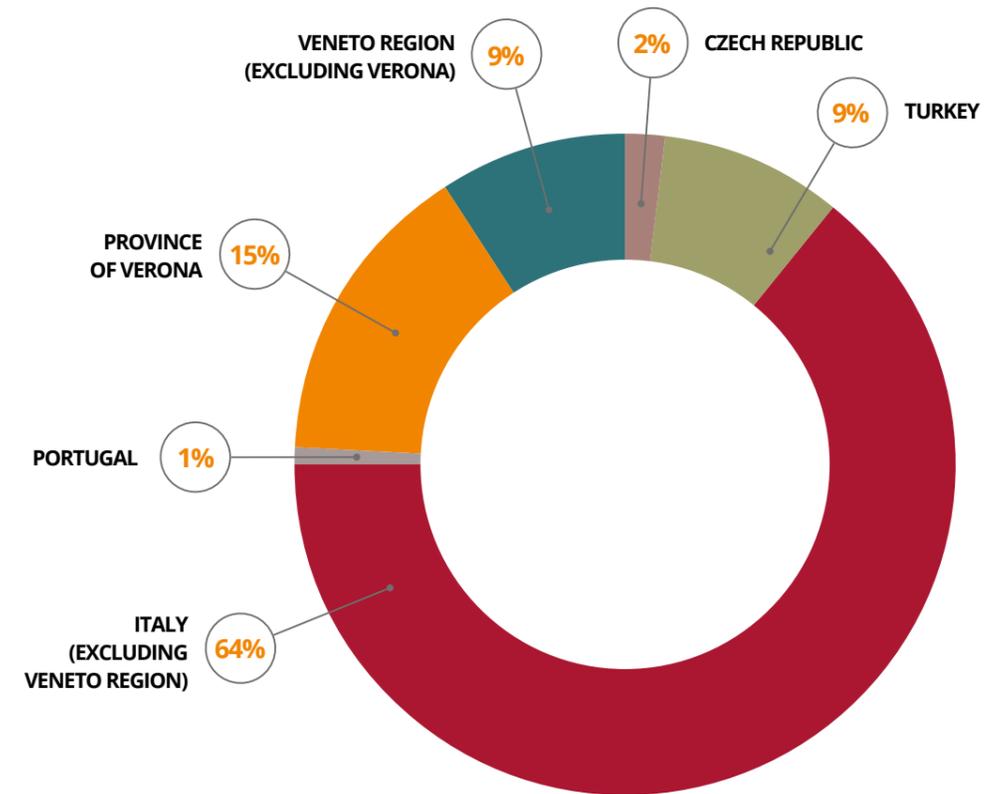
We classify the reliability of Suppliers and also monitor the quality of the supplies through an evaluation process, and keep any

non-conformity under control by keeping a record of claims.

Assessing the social and environmental impact of our supply chains is also a strategic goal, as it allows us to **occupy new market niches where there is awareness** of these issues.



ORIGIN OF THE SUPPLIES OF BASE MATERIALS



42 DIRECT SUPPLIERS

For the purpose of fully mapping our supply chain, we have decided to report on all our Suppliers of raw materials.

INVESTMENTS IN SUPPLIES

9.7 MLN € **89%** RAW MATERIALS
11% EQUIPMENT AND WASTE DISPOSAL

Data source: GSI Management software

7. OUR SOCIAL SUSTAINABILITY

EMPLOYEES

109

WORK AND ECONOMIC SUSTAINABILITY: A NEW BALANCE

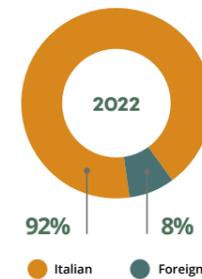
Through its operations, Stone Italiana supports more than a hundred families in the Verona and Gorizia areas, and is a flagship for the Italian slabs and surfaces trade.

INFORMATION ON OUR EMPLOYEES AND OTHER WORKERS

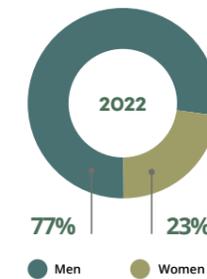
FULL-TIME EQUIVALENT/ACTUAL NO. OF EMPLOYEES

| | |
|----------------------|--------|
| FULL-TIME EQUIVALENT | 106.21 |
| ACTUAL | 109 |

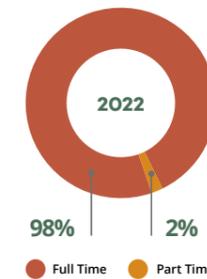
ORIGIN



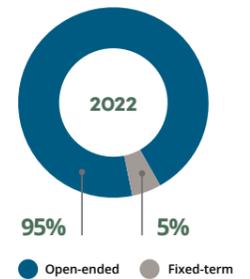
GENDER



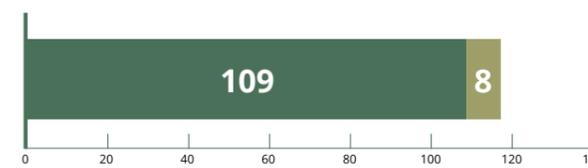
PART TIME/ FULL TIME



CONTRACT TYPE



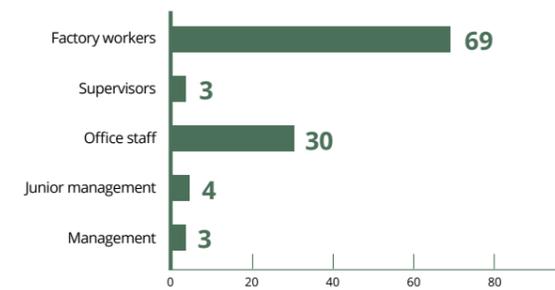
RATIO OF EMPLOYEES TO EXTERNAL MANPOWER



We also avail of external manpower provided by a cooperative for the sole purpose of cleaning the production areas.

All our Employees' contracts are governed by collective labour agreements (CLA).

WORKER CATEGORIES



Data source: HR software

7.1 CONTRACTUAL CONDITIONS AND SALARIES

We have committed to drawing up a **merit incentive plan** over the three-year period 2021-2023, in order to reward our employees for attaining specific, individual goals within each area of responsibility (production, turnover, cost-reduction, profitability of orders, etc.), which will be shared with the different Company departments. **In 2022, we started an experimental**

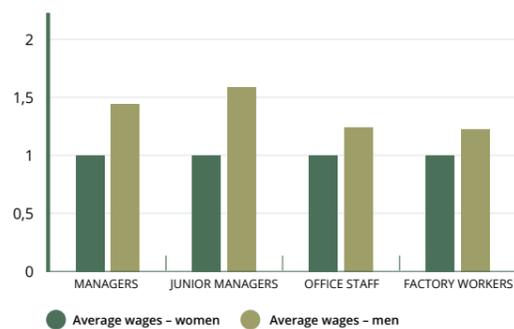
pilot programme with a small number of employees. Thanks to the positive data which emerged, in 2023 this method will be **extended to all our employees.** It's based on a system of financial incentives aimed at spurring staff to reach a common, strategic goal for the Company (EBITDA) and an individual/team goal (this latter mainly in the industrial department), which has been clearly

stated and shared. In order to keep staff engaged, the numerical parameters underpinning the goals will be reviewed every four months.

In 2022, 14 members of staff received promotions, and 11 individuals enjoyed a raise in salary.

Regarding the average wages, the figure for male staff is higher than that for female staff in every category, as can be seen in the diagram below.

DIFFERENCES IN THE AVERAGE WAGES FOR MEN AND WOMEN – ZIMELLA



Data source: Personnel Management software

At the Zimella facility, the average salary for male Managers is 44% higher than the average salary for female Managers; for Junior Managers, the average salary for the men is 58% higher, and the male office Staff receive on average 24% higher salary than their female Co-workers. Lastly, the average salary on the factory floor is 24% higher for men than for women.

At the Villesse facility, on the other hand, it was not possible to calculate the difference between the average salary for women and for men, as in 2022 the Junior Managers and factory Workers were exclusively male, while the office Staff were exclusively female. The same applies to the Supervisors category in Zimella, with only men being employed in that role in 2022.

The wage spread at Stone Italiana shows a maximum average wage which is 7.72 times greater than the minimum average wage.

AVERAGE WAGE SPREAD



7.2 OUR H.R. POLICY

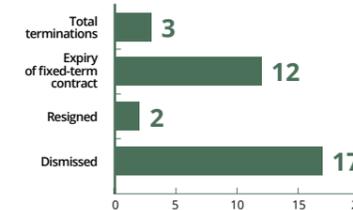
“Our human resources planning is strategically linked to staffing needs and worked around the precise needs of the Company. In 2022, we took on 20 new resources and recorded 17 terminations of employment. With our new recruits, the average age of employees has been lowered, leading to significant impacts in various areas, including workplace safety.

Below is a table showing the number of terminations of employment in relation to the number of families and total number of citizens in the municipalities where our facilities are located.

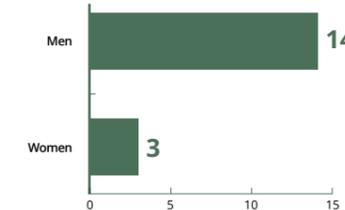
| | CONTRACTS TERMINATED | ESTIMATED NO. OF FAMILIES IN THE MUNICIPALITY | ESTIMATED NO. OF CITIZENS IN THE MUNICIPALITY |
|----------|----------------------|---|---|
| VILLESSE | 2 | 572 | 1,717 |
| ZIMELLA | 1 | 1,618 | 4,855 |

For the staff members let go in 2022, the worker mobility procedure was agreed on and conducted with the aid of a Labour Consultant in such a way as to fully protect the interests of the workers concerned. The forewarning for dismissals in 2022 coincided with the periods established in the respective CLAs.

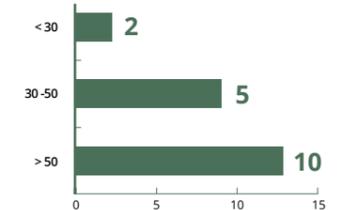
OVERVIEW TERMINATIONS



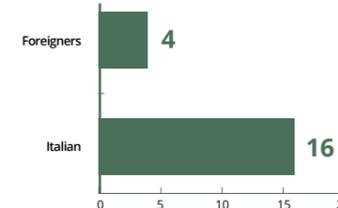
TERMINATIONS BY GENDER



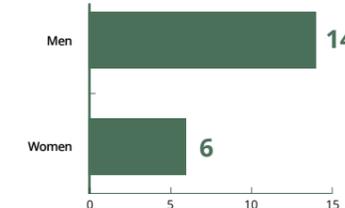
TERMINATION BY AGE



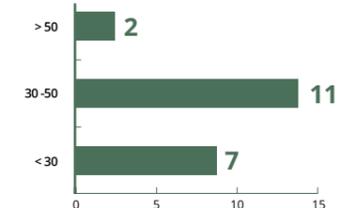
NEW STAFF HIRES BY COUNTRY OF ORIGIN



NEW STAFF HIRES BY GENDER



NEW STAFF HIRES BY AGE



In 2022, the Company awarded all its employees a **coffee bonus** to allow them to use the vending machines; this was paid in January. Moreover, a **lunch service** was made available to all workers, except

the shift workers in the factories. In order to encourage and boost the atmosphere of **team-building and comfort** among our staff, we have created a common room at the Zimella headquarters where staff

can go during breaks. In this space, our workers can read newspapers, enjoy a game of table football, play cards and board games, or watch programmes on TV.

7.3 WORKPLACE HEALTH AND SAFETY MEASURES

“Protecting the health and safety of our workers has always been of the utmost importance for Stone Italiana, considering the type of operations performed by our workers and the levels of performance required.”

All employees at Stone italiana are protected by an occupational health and safety Management System in compliance with ISO 45001.

The main risks inherent to our production activities involve fire, chemical contamination, heavy load handling and the possibility of developing silicosis. In order to reduce these risks to a minimum, we organize ad hoc training courses, ensure that our machinery and other equipment is serviced routinely, carefully assess all the raw materials before processing them and constantly update our risk evaluation document.

As far as prevention is concerned, a key element for ensuring the safety of our staff is ongoing training to keep up with changes in legislation and other new measures; in 2022 a total of 70 hours of safety training courses were held, and our employees are kept updated on matters pertaining to health and safety thanks to information sheets on notice boards and ad hoc meetings. As for the employees of the Companies we outsource certain activities to, we request evidence that their staff have also received training on these matters.

Moreover, in compliance with the requirements of the ISO 45001 Management System, we periodically perform sample-based internal audits in order to monitor all the different cogent factors foreseen by Legislative Act no. 81/08 relating to the risks present

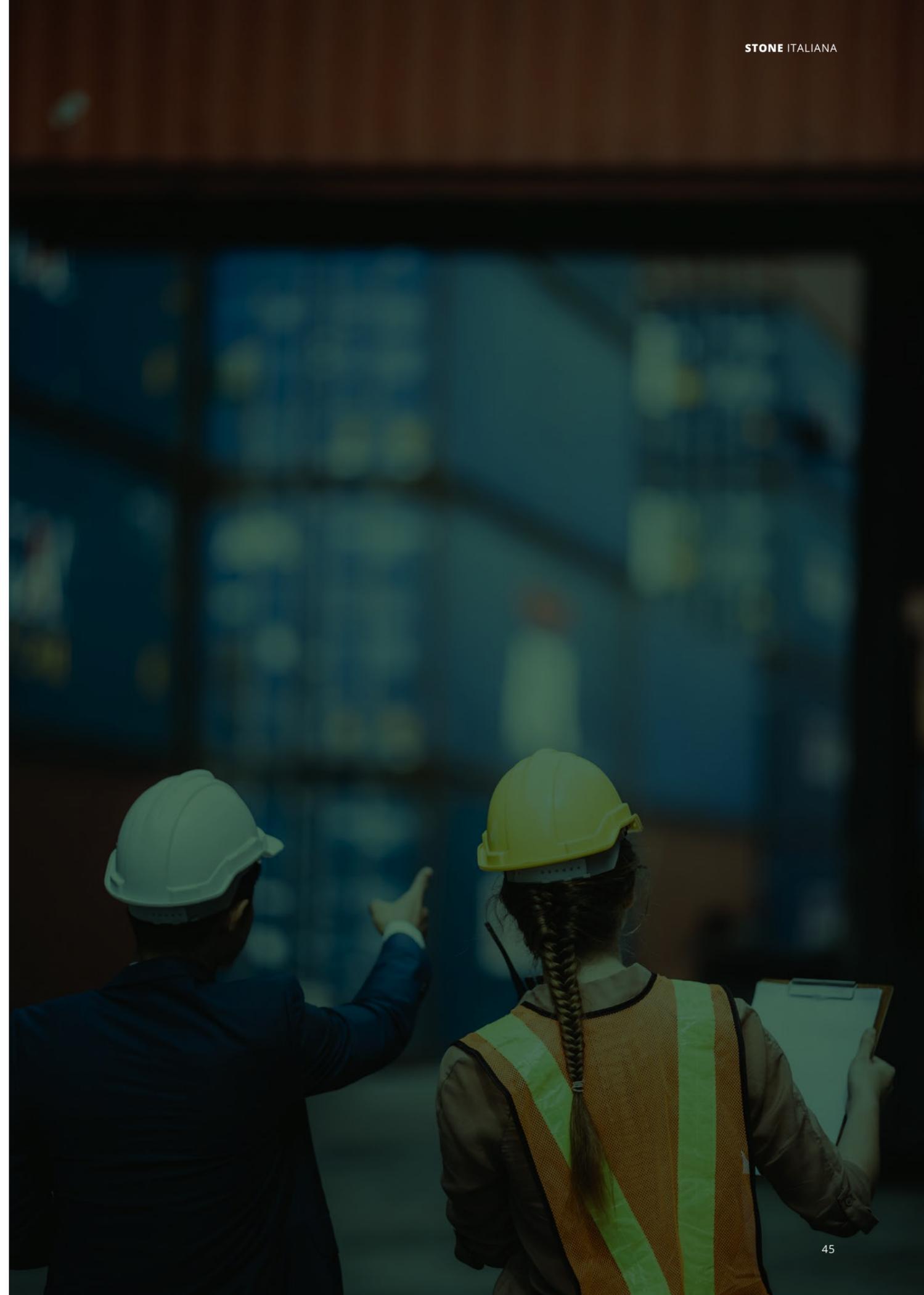
and the assessment thereof, the compliance of facilities, machinery and equipment, maintenance, training and medical certificates. The results of these audits and our periodical checks are shared with the relevant staff members in order to identify any actions to take in order to make improvements.

A fund of €110,000 was set aside in 2022 for health and safety, and was used in its entirety.

Specifically, the money was used for the purchase of PPE, to make environmental analyses and to train staff on health and safety.

As far as personal protective equipment is concerned, **a further PPE distributor was installed for the factory workers' benefit at the Villesse facility in 2022.**

Below is an extract from the accident statistics. At the Zimella plant, one accident occurred in 2022, leading to 101 days of temporary incapacity. At the Villesse plant, three accidents occurred for a total of 97 days of incapacity.



ZIMELLA

| YEAR | NO. OF INSURED WORKERS | HRS/YR WORKED | NO. INJURIES >3 DAYS | DAYS OF TEMP. INCAPACITY | FATALITIES | I.R. INCIDENCE RATE | F.I. FREQUENCY INDEX | S.I. SEVERITY INDEX |
|------|------------------------|---------------|----------------------|--------------------------|------------|---------------------|----------------------|---------------------|
| 2008 | 57 | 81,789 | 2 | 196 | | 35.09 | 24.45 | 2.4 |
| 2009 | 56 | 94,647 | 7 | 39 | | 125 | 73.96 | 0.41 |
| 2010 | 54 | 94,482 | 2 | 13 | | 37.04 | 21.17 | 0.14 |
| 2011 | 50 | 89,294 | 7 | 81 | | 140 | 78.39 | 0.91 |
| 2012 | 100 | 164,905 | 2 | 19 | | 20 | 12.13 | 0.12 |
| 2013 | 100 | 165,000 | 1 | 8 | | 10 | 6.06 | 0.05 |
| 2014 | 106 | 149,107 | 5 | 34 | | 47.17 | 33.53 | 0.23 |
| 2015 | 86 | 133,806 | 4 | 13 | | 46.51 | 29.89 | 0.09 |
| 2016 | 84 | 137,423 | 7 | 218 | | 83.33 | 50.94 | 1.59 |
| 2017 | 86 | 131,604 | 4 | 146 | | 46.51 | 30.39 | 1.11 |
| 2018 | 88 | 125,011 | 6 | 356 | | 68.18 | 48 | 2.85 |
| 2019 | 89 | 123,664 | 3 | 86 | | 33.71 | 24.26 | 0.7 |
| 2020 | 84 | 104,412 | 2 | 64 | | 23.81 | 19.15 | 0.61 |
| 2021 | 84 | 120,675 | 4 | 172 | | 47.62 | 33.15 | 1.43 |
| 2022 | 91 | 128,641 | 1 | 101 | | 10.99 | 7.77 | 0.81 |

Obtained from accident statistics

| | |
|-----------------------|--|
| Incidence rate (IR) = | No. of injuries/1,000 Insured workers |
| Frequency rate (FR) = | No. of injuries/1,000,000 Hrs worked per yr |
| Severity index (SI) = | Days of temp. incapacity/1,000 Hrs worked per yr |

ACCIDENT TREND COMPARED WITH THE PREVIOUS YEAR

| YEAR | I.R. INCIDENCE RATE | F.I. FREQUENCY INDEX | S.I. SEVERITY INDEX |
|------|---------------------|----------------------|---------------------|
| 2008 | | | |
| 2009 | 2.56 | 2.02 | -0.83 |
| 2010 | -0.7 | -0.71 | -0.67 |
| 2011 | 2.78 | 2.7 | 5.59 |
| 2012 | -0.86 | -0.85 | -0.87 |
| 2013 | -0.5 | -0.5 | -0.58 |
| 2014 | 3.72 | 4.53 | 3.7 |
| 2015 | -0.01 | -0.11 | -0.59 |
| 2016 | 0.79 | 0.7 | 15.81 |
| 2017 | -0.44 | -0.4 | -0.3 |
| 2018 | 0.47 | 0.58 | 1.57 |
| 2019 | -0.51 | -0.49 | -0.76 |
| 2020 | -0.29 | -1 | -1 |
| 2021 | 1.00 | 0.73 | 1.33 |
| 2022 | -0.77 | 0.73 | 1.33 |

VILLESSE

| YEAR | NO. OF INSURED WORKERS | HRS/YR WORKED | NO. INJURIES >3 DAYS | DAYS OF TEMP. INCAPACITY | FATALITIES | I.R. INCIDENCE RATE | F.I. FREQUENCY INDEX | S.I. SEVERITY INDEX |
|------|------------------------|---------------|----------------------|--------------------------|------------|---------------------|----------------------|---------------------|
| 2008 | 53 | 93,024 | 3 | 92 | | 56.6 | 32.25 | 0.99 |
| 2009 | 54 | 90,429 | 1 | 10 | | 18.52 | 11.06 | 0.11 |
| 2010 | 54 | 92,606 | 5 | 92 | | 92.59 | 53.99 | 0.99 |
| 2011 | 52 | 85,799 | 2 | 99 | | 38.46 | 23.31 | 1.16 |
| 2012 | 57 | 99,445 | 0 | 0 | | 0 | 0 | 0 |
| 2013 | 58 | 94,509 | 4 | 56 | | 68.97 | 42.32 | 0.59 |
| 2014 | 57 | 85,962 | 1 | 3 | | 17.54 | 11.63 | 0.03 |
| 2015 | 43 | 65,523 | 2 | 21 | | 46.51 | 30.52 | 0.32 |
| 2016 | 41 | 67,080 | 0 | 0 | | 0 | 0 | 0 |
| 2017 | 41 | 64,634 | 2 | 53 | | 48.78 | 30.94 | 0.82 |
| 2018 | 48 | 56,690 | 0 | 0 | | 0 | 0 | 0 |
| 2019 | 44 | 57,568 | 0 | 0 | | 0 | 0 | 0 |
| 2020 | 36 | 45,810 | 1 | 9 | | 27.78 | 21.83 | 0.2 |
| 2021 | 37 | 53,724 | 0 | 0 | | 0.00 | 0.00 | 0.00 |
| 2022 | 33 | 45,180 | 3 | 97 | | 90.91 | 66.4 | 1.9 |

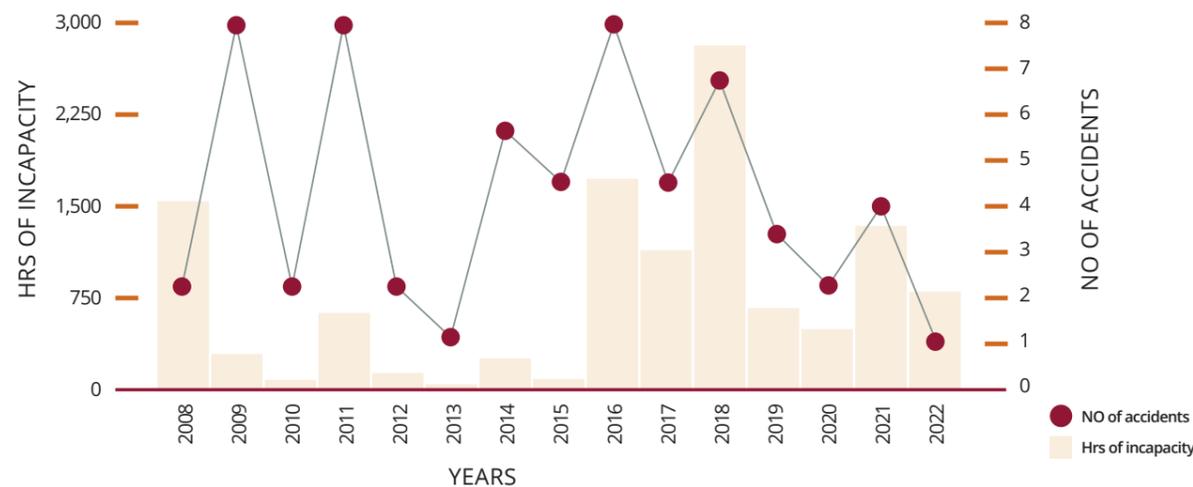
Obtained from accident statistics

| | |
|-----------------------|--|
| Incidence rate (IR) = | No. of injuries/1,000 Insured workers |
| Frequency rate (FR) = | No. of injuries/1,000,000 Hrs worked per yr |
| Severity index (SI) = | Days of temp. incapacity/1,000 Hrs worked per yr |

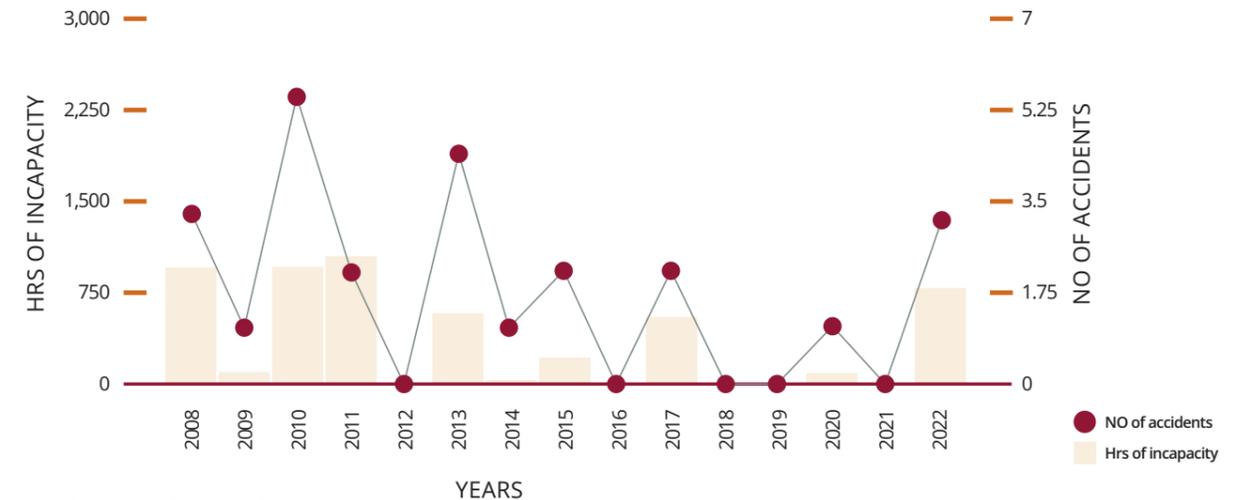
ACCIDENT TREND COMPARED WITH THE PREVIOUS YEAR

| YEAR | I.R. INCIDENCE RATE | F.I. FREQUENCY INDEX | S.I. SEVERITY INDEX |
|------|---------------------|----------------------|---------------------|
| 2008 | | | |
| 2009 | -0.67 | -0.66 | -0.89 |
| 2010 | 4 | 3.88 | 7.98 |
| 2011 | -0.58 | -0.57 | 0.16 |
| 2012 | -1 | -1 | -1 |
| 2013 | 0 | 0 | 0 |
| 2014 | -0.75 | -0.73 | -0.94 |
| 2015 | 1.65 | 1.62 | 8.18 |
| 2016 | -1 | -1 | -1 |
| 2017 | 0 | 0 | 0 |
| 2018 | -1 | -1 | -1 |
| 2019 | 0 | 0 | 0 |
| 2020 | 0 | 0 | 0 |
| 2021 | -1 | -1 | -1 |
| 2022 | 0 | 0 | 0 |

HISTORIC TREND OF HOURS AND NUMBER OF ACCIDENTS - ZIMELLA



HISTORIC TREND OF HOURS AND NUMBER OF ACCIDENTS - VILLESSE



7.4 OUR CURE FOR SILICOSIS

“

The main risk for our workers' health associated with processing our quartz-based products is the risk of contracting silicosis, an occupational disease caused by the accumulation of crystalline silica in the lungs. This is why we closely monitor our employees' health through environmental assessments and staff check-ups.

These environmental assessments were also carried out during production of Cosmolite®, which releases a very limited amount of crystalline silica and is made of 100% pre-consumer recycled minerals, in order to ensure that it was valid from that point of view. The results obtained are of great benefit to both our own staff and fabricators, as they showed a significant reduction in the amount of respirable dusts released.

We have informed our fabricators how to process our product safely and about the risks associated with incorrect processing methods. This information is provided through our VPI (Voluntary Product Information) on our website.

Stone Italiana is continuing its partnership with NEPSI (European Network for Silica), through A.St.A. Worldwide in order to ensure that the interested Parties are placed in the position where they are aware of the risk of silicosis and what it is, stay updated and adopt the best possible prevention techniques.



7.5 ONGOING TRAINING AND RESOURCE DEVELOPMENT

In 2022:

TOTAL NO. OF HOURS OF TRAINING ACCUMULATED:
320

AVERAGE NO. OF HOURS OF TRAINING PER EMPLOYEE:
2.94 hrs/employee

Until now, our focus has always been on completing the mandatory training on occupational health and safety; however, we want to develop further training opportunities for our Personnel in order to increase their technical and professional competences so that they can attain the development goals set for each of them.



7.6 PEOPLE FIRST: DIVERSITY AND INCLUSION



Inclusion and appreciation of diversity are an imperative nowadays, and the workplace is no exception. Diversity is a strategic asset for our Company and we are committed to promoting daily wellbeing in our workplace, which needs to be a welcoming place for our resources and one where they can express their full potential, and where merit is rewarded and excellence fostered. This is why we implement a policy aimed at protecting our employees and partners from any kind of discriminatory act, using a warning system – first verbal, then written – against anyone who speaks or acts in a discriminatory manner.

In 2022, no letters of warning were sent for discriminatory acts.

Currently, at Stone Italiana there is no way to anonymously report any situations of discrimination, because the organisational model adopted by the Company focuses on direct communication and dialogue, encouraging direct interaction with the Management. In the event of discriminatory acts being committed, the Management is ready and open to receiving reports directly, adopting every possible measure to protect the confidentiality and privacy of the reporter.

Issues and problems raised

Our staff also recently received a questionnaire to assess their level of risk of work-related stress and were questioned about whether any discriminatory acts had been

committed to their knowledge. **No problems emerged from this survey.**

Non-discrimination

At Stone Italiana, we work to adopt preventive measures designed to reinforce the bond of trust with our staff, Customers, Suppliers and the local Community, and to avoid receiving penal, civil or pecuniary sanctions.

During the financial year 2022, we did not record any lack of compliance with the laws on social and economic behaviour we are subject to.

8. OUR ENVIRONMENTAL SUSTAINABILITY

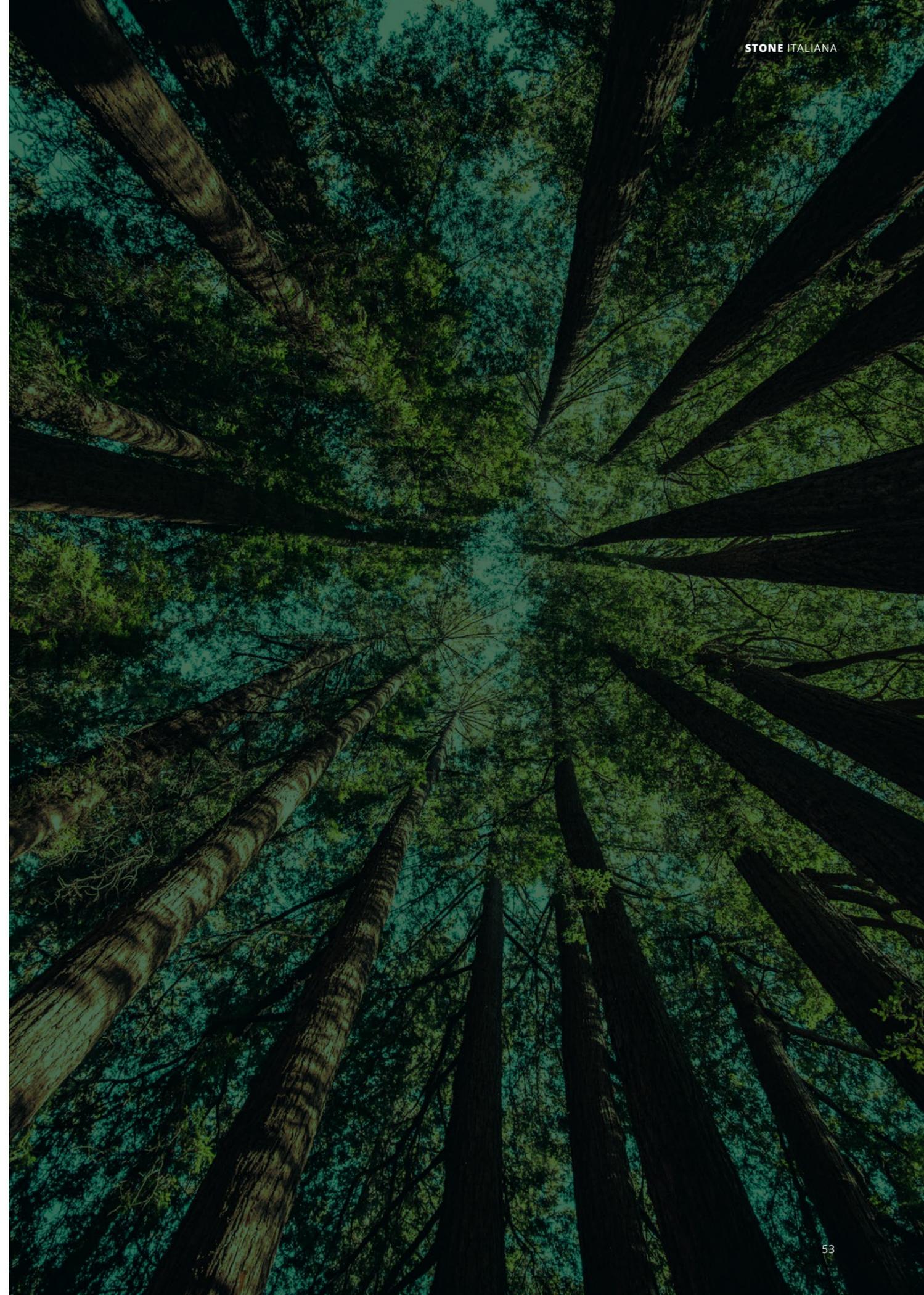
“ Ever since our foundation in 1979, we've taken environmental sustainability as our guide in our way of doing business. Since 2021, we have published our first Sustainability Report, where our sustainable strategy and our trajectory for reducing and mitigating environmental impacts along the whole value chain are described in detail.

The goals of our ISO 14001 Environmental Management System, which we've been implementing since 2012, are the following:

- Monitor environmental impacts along the whole production chain, and guarantee our respect for the ecosystem to all interested Parties;
- Strict compliance with legislation and analysis of our atmospheric emissions;
- A reduction of the impacts caused by our production activities at the Zimella and Villesse facilities.

We always perform an assessment of environmental conformity and associated performances before embarking on designing new products and new processes.

In 2022, we did not incur any form of sanction due to non-compliance with environmental laws and regulations.



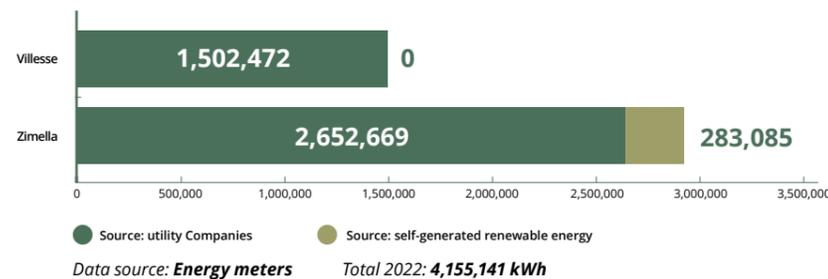
8.1 ENERGY

Natural gas and electricity are the two essential energy sources we need for our production activities.

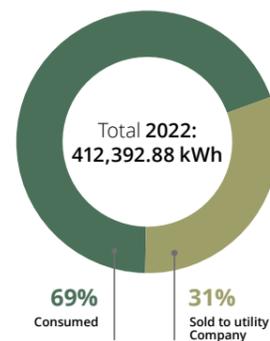
The offices and production plants are heated using **natural gas**, which also powers the catalytic oven for hardening the slabs.

All the production plants and the lighting in the offices and production plants are **powered by electricity**.

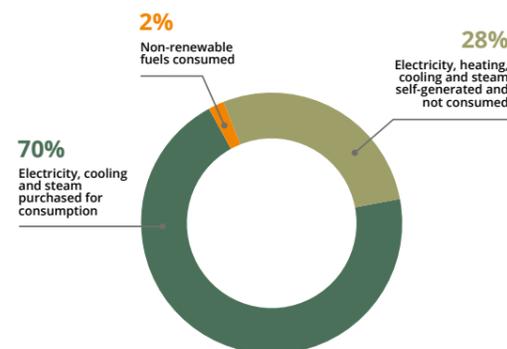
ENERGY CONSUMPTION BY FACILITY AND TYPE OF ENERGY SOURCE IN kWh



ENERGY FROM SELF-GENERATED RENEWABLE SOURCES IN kWh



TOTAL ENERGY CONSUMED BY THE COMPANY IN kWh



Data source: electricity, natural gas and diesel oil bills. To convert the gas and diesel oil from m³ to GJ, we used the Lower Heating Value provided by the Ministry for the Environment (ISPRA, 2020, Table of National Standard Parameters).

LIMITING ENERGY WASTAGE

Stone Italiana's commitment to increasing energy efficiency can be seen in a system of actions and initiatives designed to keep **improving our energy supply systems and to seek out more sustainable alternatives**.

We closely monitor our consumption and strive to **continuously improve our efficiency** with the aim of reducing the environmental and financial impacts associated with our energy use.

In both facilities, all the existing lights were replaced with **LED light bulbs**. This led to an overall saving on lighting costs.



TOWARD GREEN ENERGY

In 2011, we installed a 400 kW/h solar-power system on the roof of the Zimella facility, and thanks to this investment, 6% of our energy consumption now comes from renewable sources.

It is our intention to continue with other efficiency-enhancing measures regarding our production of energy from renewable sources, by monitoring the structures more closely,

reducing energy dispersion energy, cleaning the solar panels twice as often and considering investing in a new 609 kW/h photovoltaic system.

8.2 EMISSIONS

“ *Our production activities generate emissions of dust particles, VOCs and VOSs into the atmosphere, as well as greenhouse-gas emissions from the combustion of natural gas, diesel oil and use of electricity.* ”

With this in mind, Stone Italiana has decided to implement a series of measures designed to reduce our atmospheric emissions: first and foremost, by **monitoring emission levels**, both routinely and in contingent situations. One of the measures undertaken concerns the substitution of our old diesel-fuelled forklift trucks with a range of electric-powered vehicles. **The new forklifts have already arrived at the Zimella facility and the Villesse facility will also shortly be fully equipped.**

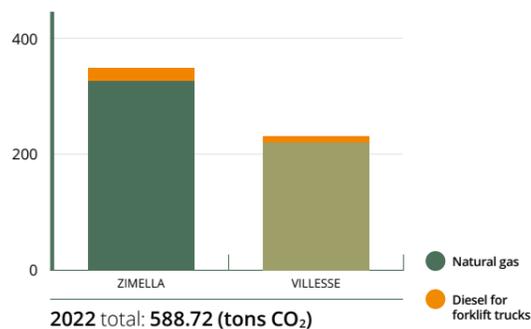
One of the worst pollutants in our sector is styrene, contained in the polyester resins we use as binders in our products. In our R&D department, we're testing resins containing **percentages of styrene as low as 10-12%, compared with the 25% in the resins we currently use.** If we manage to obtain a low-styrene resin, it will mean greatly reducing the quantity

of this pollutant which arrives at our pollution abatement plant and consequently is emitted from our chimney.

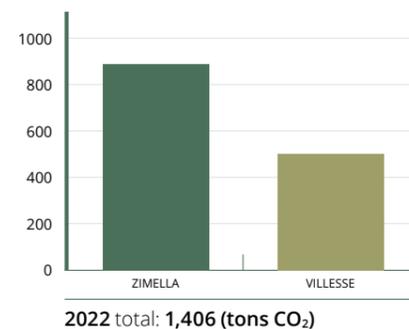
As far as greenhouse-gas emissions are concerned, we focused our attention on an analysis only of our carbon dioxide (CO₂) emissions and took into account only the emissions generated by our production activities (Scope 1 and Scope 2) and not those related to the raw materials, the transport of materials and products, outsourced processing or disposal of the products at the end of their life cycle (Scope 3).

Emissions are measured by analysing the output of the chimneys connected to our pollution abatement plant; we make use of accredited laboratories which take samples and analyse the emissions.

DIRECT CO₂ EMISSIONS (SCOPE 1)



INDIRECT CO₂ EMISSIONS (SCOPE 2)



“ *We do not use toxic metallic components in our production processes.* ”

Controlling atmospheric emissions is a very important issue for Stone Italiana, and this belief has led us on a number of occasions to carry out supplementary testing on top of the mandatory analyses. Thanks to constant monitoring and an ongoing search for greener materials and products, **in 2022 we recorded a 27% decrease in direct CO₂ emissions compared with 2021.**

We carry out annual measurements of our particle, silica dust and VOC emissions in compliance with the stipulations of the AUA (Unified Environmental Authorisation). These measurements allow us to compare our emissions with the

specific threshold limit values (TLV) for each type of emission and production process.

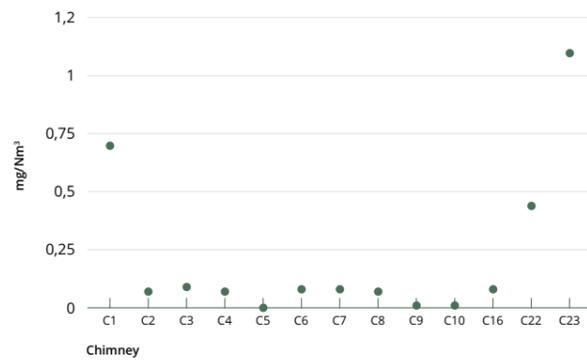
The analyses we performed in 2022 showed emissions that were well under the TLVs (see the complete analyses in the Appendix).

We are strongly committed to monitoring and reducing our VOC emissions in compliance with legislation. On a practical level, this translates as purchasing substances with lower VOC content and carrying out chemical tests in the workplace and medical check-ups on our workers.

ANALYSIS OF THE ATMOSPHERIC EMISSIONS

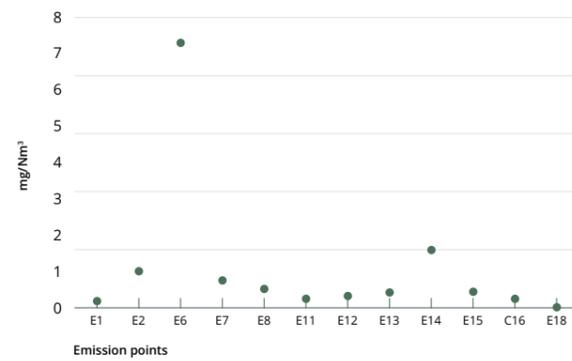
ZIMELLA - TOTAL DUST EMISSIONS

Threshold value: 10 mg/Nm³



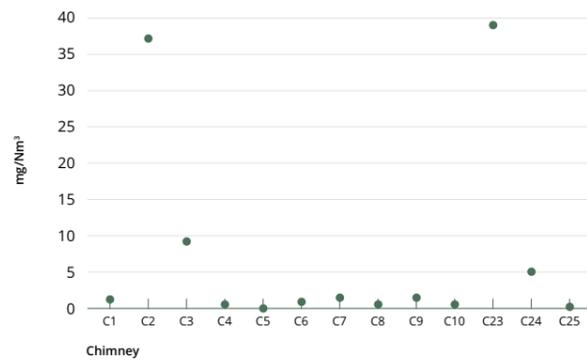
VILLESSE - TOTAL DUST EMISSIONS

Threshold value: 150 mg/Nm³



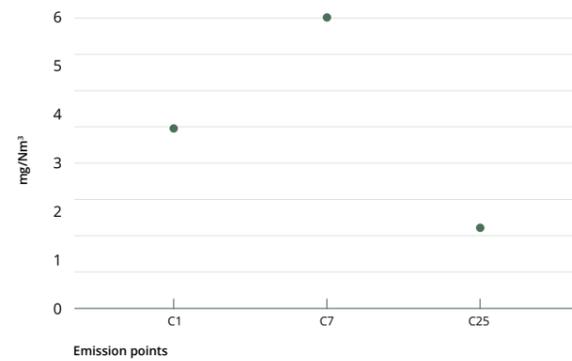
ZIMELLA - COT EMISSIONS

Threshold value: 100 mg/Nm³



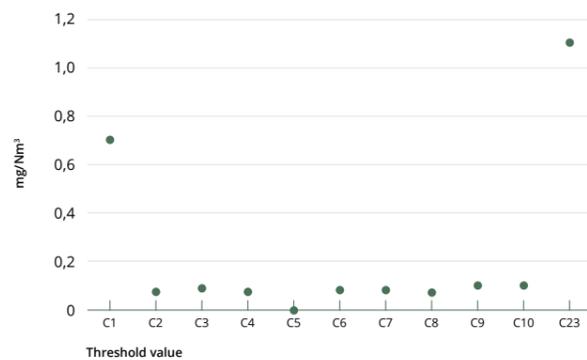
VILLESSE - VOC EMISSIONS

Threshold value: 150 mg/Nm³



ZIMELLA - CRYSTALLINE SILICA EMISSIONS

Threshold value: 5 mg/Nm³



8.3 WATER



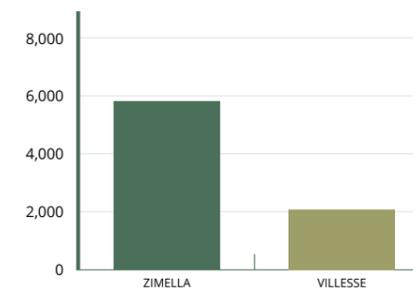
Monitoring the quantity and quality of water extracted after processing is a fundamental act for us, as it allows us to ensure that our processes are top-quality and to carefully manage such a precious resource.

We draw water from internal wells, in accordance with the permitted amounts, then reclaim it through sedimenters; this means that it is constantly reused and never wasted.

The amount of water drawn at Villesse in 2022 was significantly lower than the amount recorded in previous years; this is because the introduction of a **new flocculating agent** enabled us to recycle our water instead of

flushing it away. By the end of 2023, we intend to change a sedimenter in the finishing line at Zimella in order to avoid loss of water, reduce our consumption and enhance the quality of this vital resource.

WELL WATER FOR INDUSTRIAL USE (m³)



More efficient use of resources led to a **53% reduction** compared with 2021.



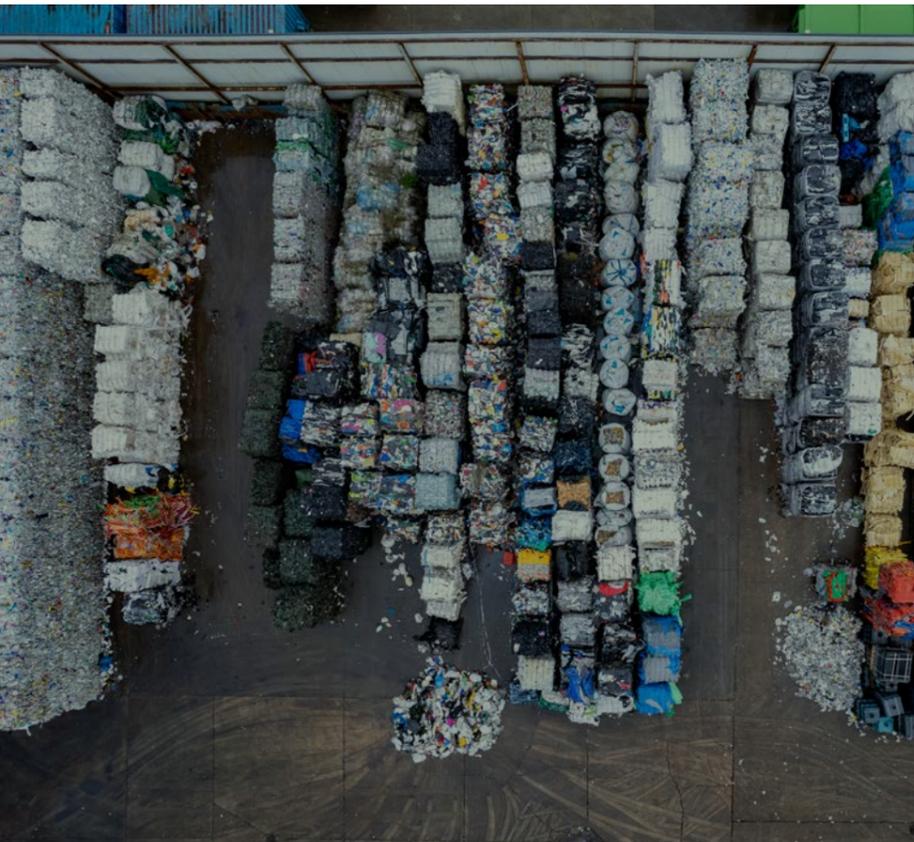
8.4 WASTE MANAGEMENT

“ Our production processes generate a significant quantity of special waste, including shards and sludge produced when processing slabs.

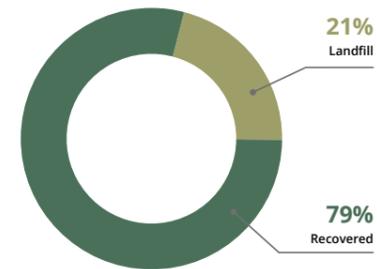
In order to keep reducing the amount of waste and scrap materials we produce, we work to increase the efficiency of our use of raw materials and to get the best performances out of the auxiliary products we use.

In both our production plants, hazardous waste is only a tiny percentage of the total waste produced; our goal is to continue to keep this figure down. Part of the waste we produce is taken to landfill sites, which is why **we set ourselves the goal**

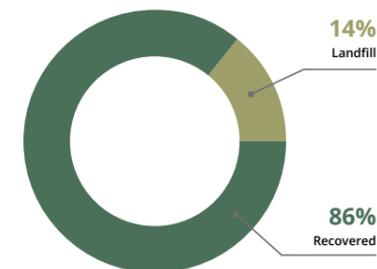
of cutting by 5% the amount of waste that has to be disposed of instead of being reused. In 2022, our goal was not only reached, but exceeded at both our production plants: at Zimella, the percentage of waste sent to landfill was reduced to 14% (in 2021, the figure was 40.8%), while at Villesse 21% of waste was sent to landfill (compared with 38% in 2021). Below is a diagram showing a comparison of the percentage of waste recovered and the percentage of waste sent to landfill during the year.



WASTE MANAGEMENT VILLESSE



WASTE MANAGEMENT ZIMELLA



Waste is disposed of in landfill sites near the Company facilities in order to reduce the use of vehicles for waste transport and therefore our environmental impact.



9. STONE ITALIANA'S SUSTAINABILITY GOALS

9.1 GOALS ATTAINED

| AREA | ACTION | GOALS | STATUS |
|------------------------------|--|--|---|
| HUMAN RESOURCES | Creation of a staff relaxation area at the Zimella facility | By the end of 2022, we will set up an area within the office building where staff can read newspapers and play table football, board games and card games | Completed on the first floor of the office building |
| COMPANY SPACES | Renovation of our meeting spaces and creation of a new showroom | By the end of 2022, we will have created new display spaces and new meeting rooms | Completed on the first floor of the office building |
| DIGITALIZATION | Enhancement of the internet connection | Improve our internet infrastructure and wi-fi coverage by the end of 2022 | Improvements made |
| | Increase in recovered waste | The Company is committed to increasing the amount of recovered waste by 5% compared with 2020 by the end of the year | 2022 Zimella: recovered waste 86% and sent to landfill 14% 2022 Villesse: recovered waste 79% and sent to landfill 21% |
| | Drafting of the Cosmolite® carbon footprint | By the end of 2022, we will identify the greenhouse-gas emissions associated with production of Cosmolite® | Calculation made |
| ENVIRONMENTAL IMPACTS | ISO 14021 self-declared environmental claim about the recycled materials in Cosmolite® | The Company is committed to writing and certifying the self-declared environmental claim about Cosmolite® in 2022 | Written and certified |
| | GREENGUARD GOLD Certification for Cosmolite® | We aim to obtain GREENGUARD GOLD Certification about the VOC emissions of our product Cosmolite® before the end of 2022 | Certification obtained |
| | Reduction in paper use | For 2022, we forecast a 50% reduction compared with 2020 (in proportion to the no. of waybills issued over the course of the year) | Achieved a 62% reduction in paper used for issuing waybills compared with 2020 |
| HEALTH AND SAFETY | Awareness-raising regarding the use of PPE when processing the slabs | The Company is committed to revising and publishing the revised Voluntary Product Information documents on its website before the end of 2022 | Review completed and new VPIs published |
| | Automatic PPE dispenser | The installation of an automatic PPE dispenser for the use of the factory staff at the Villesse plant is scheduled for 2022 | Dispenser installed |
| MARKETING | Creation of a new marketing campaign | By the end of 2022, the Company intends to carry out a new marketing campaign including: a new corporate image, a new website, advertising campaigns and digital marketing | Campaign completed |
| | Promotion of an app allowing Customers to personalize products | Provide sector professionals with a tool for creating customized products | App created |

9.2 AREAS OF IMPROVEMENT FOR THE THREE-YEAR PERIOD 2023-25

| AREA | ACTION | GOALS | YEAR OF ACHIEVEMENT |
|------------------------------|---|--|---------------------|
| HUMAN RESOURCES | Ongoing training plan | By the end of 2024, we will have set up training programmes to boost individual competences in accordance with Company needs and the role performed by each employee | By the end of 2024 |
| | Creation of a merit incentive plan | By the end of 2023, we will have established the parameters for implementing our merit incentive plan | By the end of 2023 |
| DIGITALIZATION | Implementation of pilot MES system | The Company intends to implement a pilot MES system on the Press 3 and polishing machine at the Zimella facility in 2023 | By the end of 2023 |
| ENVIRONMENTAL IMPACTS | Whole-organization Carbon Footprint calculation (Scope 3) and carbon-reduction plan | The Company is committed to producing a complete Carbon Footprint and implementing a carbon-reduction plan by the end of 2025 | By the end of 2025 |
| | Greater use of recycled materials and minerals | The Company has set the goal of increasing its usage of recycled minerals by 20% in 2023 | By the end of 2023 |
| | Quantification of non-industrial waste | To quantify the annual production of plastic, paper/cardboard, organic and non-recyclable waste produced within the Company | By the end of 2023 |
| R & D | Research resins with greater plant-based contents | Our goal for the two-year period 2023-24 is to start using a new resin containing 25-30% plant-based components | By the end of 2024 |
| | Creation of products using an internal circular economy | The Company is committed to reducing the amount of unusable stock in its warehouses by at least 10% by the end of 2023 | By the end of 2023 |
| | Production using recycled minerals | The Company has set the goal of producing a majority of its materials with recycled minerals by the end of 2025 | By the end of 2025 |
| | Research resins with lower styrene contents | Our goal for the two-year period 2023-24 is to start using new resins with only 10-12% styrene content | By the end of 2024 |
| WATER | New sedimenter at the Zimella production plant | We aim to install a new sedimenter on the finishing line at the Zimella plant in 2023, which will allow us to avoid wasting water and therefore reduce our consumption | By the end of 2023 |
| GOVERNANCE | Draft a Code of Ethics and Conduct which includes a Charter of Values | The objective for 2025 is to have a Code of Ethics and Conduct which also includes a Charter of Values | By the end of 2025 |
| | Start up an ongoing Risk Management process which also includes ESG risks | By the end of 2025, Stone Italiana will have implemented an ongoing Risk Management process which also considers ESG risks | By the end of 2025 |
| | Legality Rating | Our goal for 2025 is to obtain a Legality Rating | By the end of 2025 |
| SUPPLY CHAIN | Embed ESG criteria in Supplier appraisals | By the end of 2025, Stone Italiana will have embedded ESG criteria in its Supplier appraisals | By the end of 2025 |

10. NOTE ON METHODOLOGY

The document you are reading is the third edition of Stone Italiana's Sustainability Report, which informs our stakeholders about the actions taken during the year, our business approach, the sustainability policies we have adopted, the results attained in 2022 and information about our economic, social and environmental performances.

The Report has been drawn up in conformity with the GRI STANDARDS published by the Global Reporting Initiative (GRI), 'Accordance' option. Stone Italiana chose to adhere to these standards as they are the most common and widely accepted standards for non-financial reporting on an international level. The indicators we have analysed and reported on are summarized in the GRI Content Index at the end of the Report.

The information contained herein has been evaluated for accuracy, balance, clarity, reliability and timeliness. The reporting process is based on a system of gathering data and information on processes in the areas covered by the Report.

This Sustainability Report examines the activities of Stone Italiana SPA at its two facilities – in Zimella in the Province of Verona and Villesse in the Province of Gorizia – in the financial year 2022.

For more information, please contact Mrs Paola Dalla Valle, Chief Sustainability Officer for Stone Italiana.
email: paoladv@stoneitaliana.com

www.stoneitaliana.com/en/green-vision/

Location of Company headquarters

Via Lavagno 213 - 37040
Zimella (VR) - ITALY

Location of operations

Via Lavagno 213 - 37040
Zimella (VR) - ITALY

Via Trieste 33 - 34070
Villesse (GO) - ITALY

STAKEHOLDER MAPPING AND INVOLVEMENT

“ Stone Italiana keeps up relations with its stakeholders on an ongoing basis.

We firmly believe that:

- Continuing to listen to needs and suggestions is the right way to keep up positive relationships with everyone who has a stake in our Company;
- Sharing strategies and building an atmosphere of cooperation are vital preconditions for achieving our goals.

One of the activities that comes under the heading of listening to and engaging stakeholders is the Stone Italiana Materiality Matrix, which creates a space for comparing the priorities established by the Company with those of its main external interlocutors.

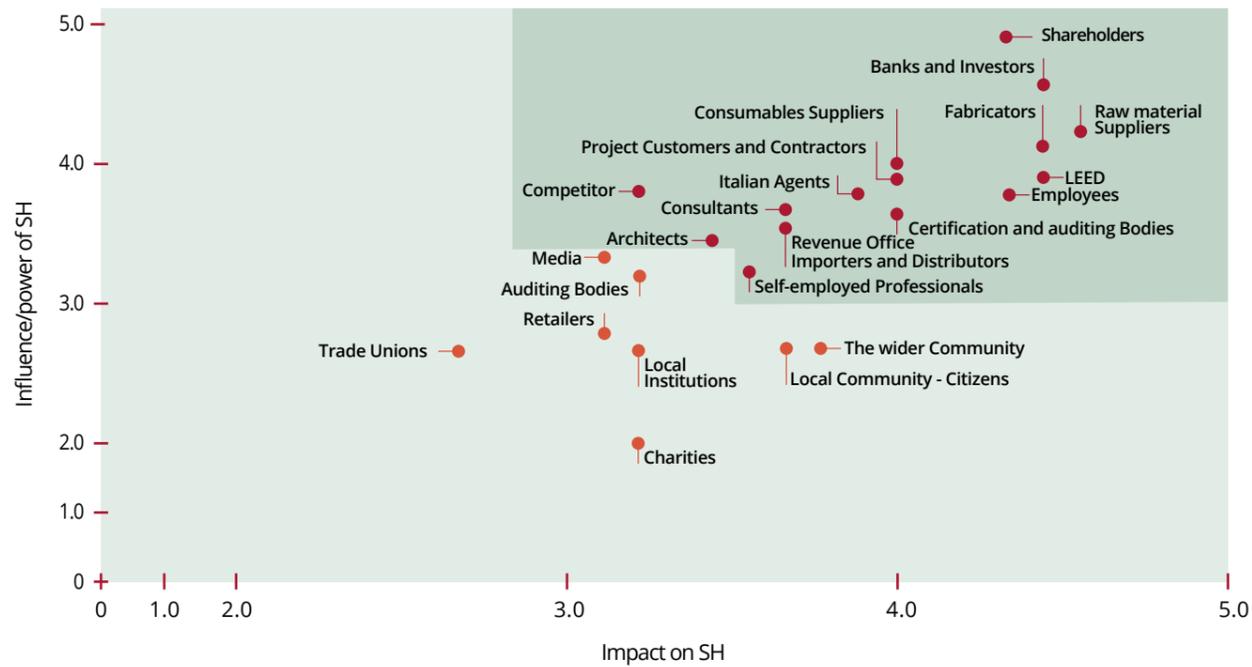
The priorities were identified and described thanks to interviews with the Company staff members who have the most opportunities for interaction with each of the stakeholders selected. They were asked to put themselves in the stakeholders' shoes and give a list of their priorities as far as the Company was concerned.

As well as the interviews, a questionnaire was administered to 10 Company employees and 13 Representatives of the production departments in the Zimella and Villesse facilities.

You can see a graphic representation of our priority mapping in the diagram on the following page.



ANALYSIS OF MAIN STAKEHOLDERS



MATERIALITY ANALYSIS

The starting point for the Stone Italiana's 2022 Sustainability Report was the materiality analysis conducted in 2021, which we then supplemented with the most important (material) areas

of impact. The result is a list of the most important areas of impact for the Company and its stakeholders, which is a very useful strategic tool to help us construct and also communicate

a series of actions, goals and sustainability indicators. In drawing up the report, we were guided by the Universal 3 GRI Standard.

- Energy consumption
- Emissions
- Supply chain
- Waste management
- Working conditions (Occupational health & safety)
- Product safety
- Sustainable corporate structure and Governance
- Research & Development
- Made in Italy
- Life-Cycle Assessment
- Eco-friendly products

Information-gathering and drafting the Report

Once the list of areas of impact relating to Stone Italiana's business activities was drawn up and priority assigned to each one, we identified the indicators that would allow us to measure our environmental, social and

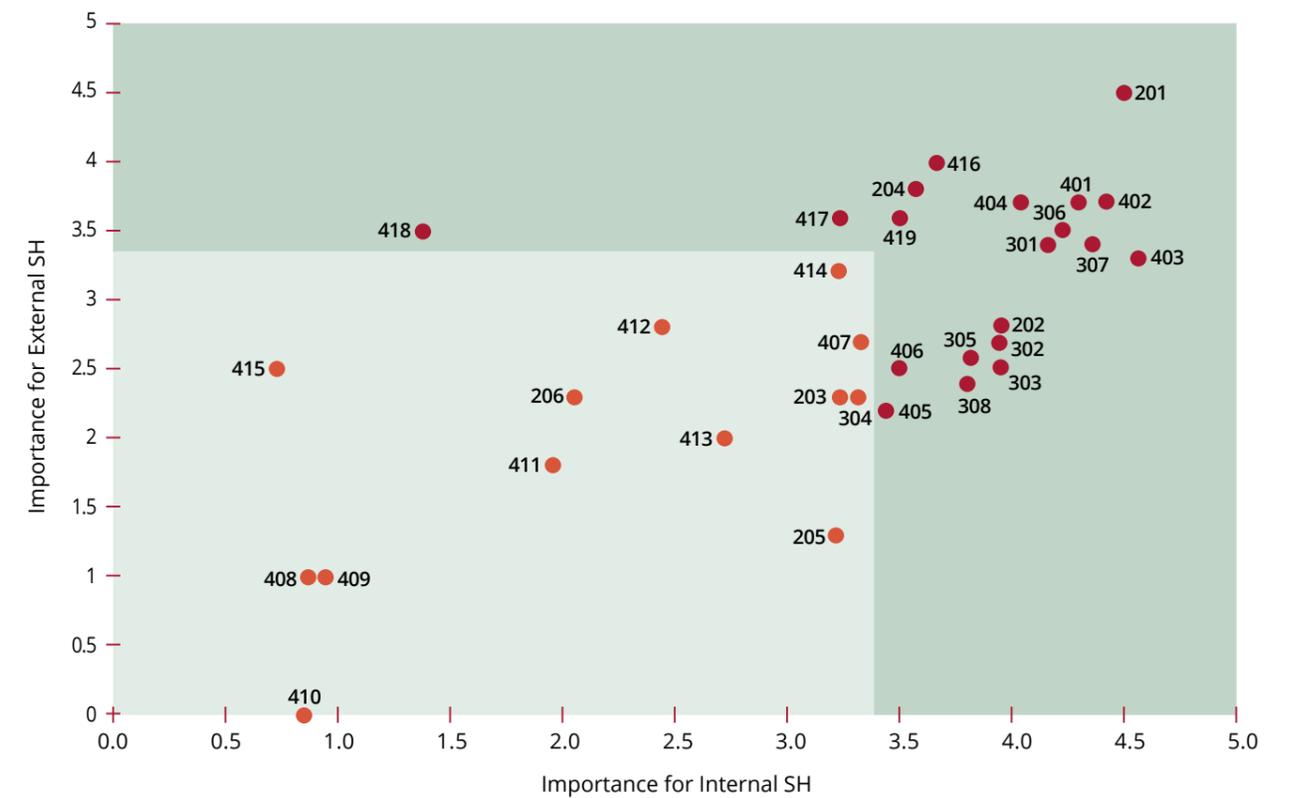
financial performances by applying GRI Standards. GRI Standards are among the most widely used international Standards in the world as far as gathering information of a non-financial nature and publicly divulging

Company performances is concerned. The last step was collating and analysing the data so that we could write and publish our 2022 Sustainability Report.

List of material topics for 2021

Below is the diagram and list describing the material topics pinpointed in 2021 in the materiality matrix using topic-specific GRIs.

MATERIALITY MATRIX



ANALYSIS OF AREAS OF IMPACT IN 2022

Below is the table describing the areas of impact surrounding Stone Italiana's business operations.

| AREAS OF IMPACT | DESCRIPTION |
|--|--|
| ENERGY CONSUMPTION | Manufacturing materials for construction and interior decoration requires a great quantity of energy. Greenhouse gas (GHG) emissions are the result of both onsite burning of fuels (Scope 1) and the purchase of electricity from a utility Company (Scope 2). Energy efficiency and the use of alternative energy sources can influence costs and the reliability of the electricity supply. Access to efficient, affordable energy is a competitive advantage in the base-materials market and constitutes a significant portion of production costs. Therefore, management of the efficiency and intensity of energy supplies, dependence on different energy sources and access to alternative energy sources can constitute important factors for Companies operating in this sector. |
| EMISSIONS | Combustion processes and onsite production of fuels in the sector emit atmospheric pollutants and hazardous chemicals, including small quantities of organic compounds and heavy metals. These atmospheric emissions can generate negative impacts for human health and the environment. |
| SUPPLY CHAIN | Significant environmental impacts can be caused at every stage of the chain: the supply of base materials, transport, production, use of the product and end of life. The growing trend among consumers and the effects of legislation have encouraged the development of more sustainable products. Through innovation and the design of products which can be recovered at the end of their life cycle, as well as the use of lower-impact materials, life-cycle impacts and normative risk can be reduced at the same time as meeting growing Customer demand and increasing profits. |
| WASTE MANAGEMENT | The manufacture of materials and furnishings leads to the generation of waste products – some of which are hazardous – and constitutes a normative risk that can increase Companies' running costs. This risk is influenced by the evolution of environmental laws (whether local or national) and also involves other types of waste. |
| WORKING CONDITIONS (OCCUPATIONAL HEALTH & SAFETY) | The sector requires a notable amount of manual labour. The mortality and injury rates in the sector are often higher than those in other sectors because of workers' exposure to accidents involving motorized vehicles and heavy machinery, falls, exposure to hazardous chemicals where they are spilled and workers exposed to their fumes, as well as other potentially hazardous situations. Moreover, workers in this sector can be at greater risk because of lack of training or experience in the field. A lack of preventive measures in the area of occupational health and safety can lead to fines and other sanctions; serious accidents can lead to major one-off costs and potential liabilities arising from legal and/or regulatory action, as well as downtime on projects leading to increased costs and reduced profitability. |
| PRODUCT SAFETY | The products manufactured in this sector can contain substances which are harmful to human health. Therefore, the sector is exposed to normative and reputational risks from the use of potentially harmful substances, which could lead to future restrictions on the composition of products. Consumers are ever more worried about the use of chemical substances, and this drives the sector to voluntarily commit to eliminating such substances from products and using alternative materials. |
| SUSTAINABLE CORPORATE STRUCTURE AND GOVERNANCE | The Companies in this sector are exposed to the risk of corruption, extortion and anti-competitive practices because of various factors, such as global operations, management of numerous different agents and local sub-contractors, financing and approval of complex projects, contracts for major infrastructure work and calls for tenders made by public and private organizations. Breaches of ethics can lead to investigations, fines, transaction costs and damage to reputation; these include breaches of anti-corruption laws and unethical tender practices. Being barred from future projects is a risk for Companies which fail to produce satisfactory results. The development of an ethical culture through staff training, effective Governance structures and internal monitoring is vital for Companies if they are going to mitigate the risks associated with Company ethics. |
| R & D | Research & Development are important in the field of manufacturing products made of non-metalliferous minerals, since new technologies and materials can improve production efficiency and reduce environmental impacts. |
| MADE IN ITALY | Stone Italiana is above all a flagship for Italian manufacturing. An ambassador for Italian creativity around the world, it provides Architects, interior Designers and Fabricators with products in an infinite range of colours and a wealth of elements which bring out the best qualities intrinsic to the base material as well as adding technical performance levels to it. |
| LIFE-CYCLE ASSESSMENT | In 2021, Stone Italiana committed to supplementing and improving the LCA (Life Cycle Assessment) it had already conducted on its products, moving from a "from cradle to gate" study to a "from cradle to grave" study (therefore taking into consideration the impacts related to the distribution, use and end-of-life stages), or in other words looking at the whole production process. In line with our goal for last year, in 2022 we conducted a carbon-footprint analysis of our product Cosmolite® and made an ISO 14021 self-declared environmental claim about its recycled content. |
| ECO-FRIENDLY PRODUCTS | There is growing demand for eco-friendly products on the market. Stone Italiana has mapped its products with the aim of providing Architects and Designers with a tool that will help them choose materials in conformity with the stringent LEED criteria required by Customers. |

COMPARISON BETWEEN THE GRI MATERIAL TOPICS IDENTIFIED IN 2021 AND 2022

By pinpointing Stone Italiana's areas of impact, in 2022 we were able to review the GRI material topics connected to each area of impact, with the aim of selecting the specific GRI topics connected to the impact analysis we carried out. Below is a list of the material topics identified for the financial years 2021 and 2022.

| 2021 | GRI STANDARD TOPIC | 2022 | GRI STANDARD TOPIC |
|------|-----------------------------------|------|-----------------------------------|
| 201 | Economic performance | 201 | Economic performance |
| 202 | Market presence | 202 | Market presence |
| 204 | Procurement practices | 203 | Indirect economic impacts |
| 301 | Materials | 204 | Procurement practices |
| 302 | Energy | 205 | Anti-corruption |
| 303 | Water | 206 | Anti-competitive behaviour |
| 305 | Emissions | 301 | Materials |
| 306 | Waste | 302 | Energy |
| 307 | Environmental compliance | 303 | Water and effluents |
| 308 | Supplier environmental assessment | 305 | Emissions |
| 401 | Employment | 306 | Waste |
| 402 | Labour/management relations | 308 | Supplier environmental assessment |
| 403 | Occupational health & safety | 401 | Employment |
| 404 | Training | 403 | Occupational health & safety |
| 405 | Diversity and equal opportunities | 404 | Training and education |
| 406 | Non-discrimination | 405 | Diversity and equal opportunities |
| 416 | Customer health & safety | 406 | Non-discrimination |
| 417 | Marketing and labelling | 414 | Supplier social assessment |
| 418 | Customer privacy | 416 | Customer health & safety |
| 419 | Socioeconomic compliance | 417 | Marketing and labelling |
| | | 418 | Supplier social assessment |

11. GRI INDEX

LIST OF GRI INDICATORS

| | |
|-------------------------|--|
| STATEMENT OF USE | Stone Italiana has drafted a Report in compliance with GRI Standards for the period starting 1 January 2022 and ending 31 December 2022. |
| GRI 1 USED | GRI 1: Foundation 2021 |

| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | WHERE TO FIND IT (PAGE, EXPLANATION) | OMISSION |
|--|--|--|---|
| | | | EXPLANATION |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | The detail is inserted in the text (page 64) | |
| | 2-2 Entities included in the Organization's sustainability reporting | The detail is inserted in the text (page 64) | |
| | 2-3 Reporting period, frequency and contact point | The detail is inserted in the text (page 64) | |
| | 2-4 Restatements of information | Non-applicable | |
| | 2-5 External assurance | Non-applicable | An external review of our financial reporting is always carried out. Currently, our Sustainability Report is not reviewed by a third-party but is published on our website. |
| | 2-6 Activities, value chain and other business relationships | The detail is inserted in the text (pages 8-12) | |
| | 2-7 Employees | The detail is inserted in the text (page 41) | |
| | 2-8 Workers who are not employees | The detail is inserted in the text (page 41) | |
| | 2-9 Governance structure and composition | The detail is inserted in the text (page 14) | |
| | 2-10 Nomination and selection of the highest Governance Body | Non-applicable | |
| | 2-11 Chair of the highest Governance Body | At Stone Italiana, the Chair is the Legal Representative and CEO of the Company. | |
| | 2-12 Role of the highest Governance Body in overseeing the management of impacts | The Management review for the ISO 9001/14001/45001 certified integrated Management System is carried out annually. | |
| | 2-13 Delegation of responsibility for managing impacts | The Employer is responsible for managing Personnel, which means fulfilling all the requirements in terms of administration, compliance, remuneration, welfare, tax and occupational health and safety. This applies both to employees and freelancers. | |
| | 2-14 Role of the highest Governance Body in sustainability reporting | The Company reports on its sustainability performance on a voluntary basis. The Report is reviewed internally, but without following a written procedure. | |
| | 2-15 Conflicts of interest | No procedures in place. | |
| | 2-16 Communication of critical concerns | No written procedures in place. Critical concerns are expressed orally to the governing Body. In 2022, no critical concerns were expressed. | |
| | 2-17 Collective knowledge of the highest Governance Body | Knowledge is spread by presenting it to employees and through periodical ad hoc meetings arranged to discuss the drafting of the Sustainability Report. | |

| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | WHERE TO FIND IT (PAGE, EXPLANATION) | OMISSION |
|--|--|---|-------------|
| | | | EXPLANATION |
| GRI 2: General Disclosures 2021 | 2-18 Evaluation of the performance of the highest Governance Body | Until now, no evaluation has been made of the performance of the highest Governance Body regarding sustainability. Nevertheless, the Corporate Sustainability Officer (CSO) monitors a number of important indicators in order to identify goals for improvement. Moreover, in 2022, the Company identified the topics with the greatest impact as regards its business activities, which is used as the basis for its reporting activities. | |
| | 2-19 Remuneration policies | The remuneration paid to the members of the highest Governance Body is set using a method to evaluate their respective performances, based on pinpointing objectives to reach (MBO), excluding sustainability goals. | |
| | 2-20 Process to determine remuneration | In 2022, our remuneration processes were basically in line with those adopted in previous years. The Company set itself the goal of implementing a merit incentive plan aimed at achieving specific goals shared with the Staff, and over the course of 2022 started a pilot scheme to test a methodology, used only on a small number of staff members. It's based on a system of financial incentives aimed at spurring Staff to reach a common, strategic goal for the Company (EBITDA) and an individual/team goal (this latter mainly in the industrial department), which has been clearly stated and shared. In order to keep Staff engaged, the numerical parameters underpinning the goals will be reviewed every four months. | |
| | 2-21 Annual total compensation ratio | The ratio is 5:1. | |
| | 2-22 Statement on sustainable development strategy | Letter to stakeholders (pages 4-5) | |
| | 2-23 Policy commitments | Thanks to approval at the executive level of the Company, we have adopted our own Quality, Environment and Safety Policy in which we lay out our values and our goals in terms of quality, environmental protection and occupational safety. This policy can be viewed at the following link: www.stoneitaliana.com/en/download/ | |
| | 2-24 Embedding policy commitments | The policy was adopted by the highest Governance Body and shared with everybody concerned. | |
| | 2-25 Processes to remediate negative impacts | The Company has embarked on a mission to define its negative impacts in order to monitor and improve them. Moreover, the Company has also concretized a procedure for handling Customer complaints about defective products. The complaints-handling procedure was drawn up without involving our Customers. | |
| | 2-26 Mechanisms for seeking advice and raising concerns | Staff can communicate with Management through their elected trade union Reps. | |
| | 2-27 Compliance with laws and regulations | No incidents of non-compliance were recorded in 2022. | |
| GRI 3: Material topics 2021 | 2-28 Membership Associations | The detail is inserted in the text (page 20) | |
| | 2-29 Approach to stakeholder engagement | The detail is inserted in the text (pages 4-67) | |
| | 2-30 Collective bargaining agreements | All our employees are covered by collective bargaining agreements: STONEWORKERS (Zimella) and CEMENT INDUSTRY (Villesse). | |
| 201 Economic performance | 3-1 Process to determine material topics | The detail is inserted in the text (pages 64-67) | |
| | 3-2 List of material topics | The detail is inserted in the text (pages 64-67) | |
| | 3-3 Management of material topics | The detail is inserted in the text (pages 64-67) | |
| 202 Market presence | 201-1 Direct economic value generated and distributed | Pages 34-35 | |
| 203 Indirect economic impacts | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | Omission. Incomplete data. | |
| 204 Procurement practices | 203-2 Significant indirect economic impacts | Page 27 | |
| 205 Anti-corruption | 204-1 Proportion of spending on local Suppliers | Page 39 | |
| 205 Anti-corruption | 205-3 Confirmed incidents of corruption and actions taken | Page 18 | |

LIST OF GRI INDICATORS

| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | WHERE TO FIND IT (PAGE, EXPLANATION) | OMISSION EXPLANATION |
|--|---|---|-------------------------|
| 206 Anti-competitive behaviour | 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | Page 18 | |
| 301 Materials | 301-1 Materials used by weight or volume | Pages 28-29 | |
| | 301-2 Recycled input materials used | Page 30 | |
| 302 Energy | 302-1 Energy consumption within the Organization | Page 54 | |
| 303 Water and effluents | 303-1 Interactions with water as a shared resource | Page 59 | |
| | 303-2 Management of water-discharge-related impacts | Page 59 | |
| | 303-3 Water withdrawal | Page 59 | |
| 305 Emissions | 305-1 Direct greenhouse-gas (GHG) emissions (Scope 1) | Pages 56-58 | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Pages 56-58 | |
| 306 Waste | 306-2 Management of significant waste-related impacts | Page 60 | |
| | 306-3 Waste generation | Pages 56-58 | |
| 308 Supplier environmental assessment | 308-1 New Suppliers that were screened using environmental criteria | Page 37 | |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | Pages 37-38 | |
| 401 Employment | 401-1 New employee hires and employee turnover | Page 43 | |
| 403 Occupational health and safety | 403-1 Occupational health and safety Management System | Pages 44-48 | |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Pages 44-48 | |
| | 403-3 Occupational health services | Pages 44-48 | |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Pages 44-48 | |
| | 403-5 Worker training on occupational health and safety | Page 44 | |
| | 403-6 Promotion of worker health | Pages 44-48 | |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Pages 44-48 | |
| | 403-9 Work-related injuries | Pages 44-48 | |
| | 403-10 Work-related ill health | Pages 44-48 | |
| | 404 Education and training | 404-1 Average hours of training per year per employee | Page 50 |
| 405 Diversity and equal opportunity | 405-1 Diversity of Governance Bodies and employees | Page 42 | |
| 406 Non-discrimination | 406-1 Incidents of discrimination and corrective actions taken | Page 51 | |
| 414 Supplier social assessment | 414-1 New Suppliers that were screened using social criteria | Page 37 | |
| | 414-2 Negative social impacts in the supply chain and actions taken | Pages 37-38 | |
| 416 Customer health and safety | 416-1 Assessment of the health and safety impacts of product and service categories | Pages 24-26 | |
| 417 Marketing and labelling | 417-2 Incidents of non-compliance concerning product and service information and labelling | In 2022, Stone Italiana recorded no incidents of non-compliance concerning product and service information and labelling. | |
| 418 Customer privacy | 418-1 Substantiated complaints concerning breaches of Customer privacy and losses of Customer data | Page 19 | |

12. DATA APPENDIX

ECONOMIC DATA

INCOME STATEMENT RECLASSIFIED AS A VALUE ADDED STATEMENT

| RELEVANT PRINCIPLE | 31/12/2022 | % TURNOVER |
|---------------------------------------|---------------------|-------------|
| Gross sales | € 25,902,604 | 93% |
| Other income | € 1,899,175 | 7% |
| Total income from production | € 27,801,779 | 100% |
| Cost of goods (core business) | € 12,402,045 | 45% |
| Service costs and other running costs | € 6,423,315 | 23% |
| Total production costs | € 18,825,360 | 68% |
| VALUE ADDED PRODUCTION | € 8,976,419 | 32% |
| Extraordinary events balance | € 819,000 | - |
| GROSS VALUE ADDED | € 8,157,419 | 29% |

| THE GROSS VALUE ADDED HAS BEEN DISTRIBUTED AS FOLLOWS: | 31/12/2022 | % OF THE TURNOVER | % OF THE VALUE ADDED |
|---|--------------------|-------------------|----------------------|
| To the Workforce | € 6,740,027 | 24% | 83% |
| Wages and welfare contributions, severance funds | € 6,108,420 | 22% | 75% |
| Investments in staff training | - | 0% | 0% |
| Agent and freelance professional fees | € 631,607 | 2% | 8% |
| To the State | € 207,302 | 1% | 3% |
| OTHER TAXES (ICI, IRES, IRAP, STAMP DUTY, WASTE DISPOSAL, ETC.) | € 207,302 | 1% | 3% |
| To our financial Backers | € 281,326 | 1% | 3% |
| Shareholders as repayment of the capital invested | - | 0% | 0% |
| Remuneration for Shareholders with directorship roles | € 281,326 | 1% | 3% |
| Other financial Backers as repayment of investments | - | 0% | 0% |
| To the Community | € 5,000 | 0% | 0% |
| Social, educational and cultural initiatives | - | 0% | 0% |
| Sponsorship | € 5,000 | 0% | 0% |
| Business system | € 923,764 | 3% | 11% |
| Depreciation | € 923,764 | 3% | 11% |
| Earmarked for reserves (mandatory and indivisible - law 59/92) | - | 0% | 0% |
| TOTAL | € 8,157,419 | 66% | 100% |

SALES IN 2022

| TYPE OF PRODUCTS SOLD | TOTAL QUANTITY OF PRODUCTS SOLD IN M ² | % TYPE OF PRODUCTS SOLD |
|-----------------------|---|-------------------------|
| Quartz slabs | 309,458.09 | 88.5% |
| Cosmolite® slabs | 11,818.40 | 3.4% |
| Floor tiles | 20,071.25 | 5.7% |
| Other uses | 8,518.52 | 2.4% |
| TOTAL | 349,866.26 | 100% |

| MAIN SALES SECTORS | MAIN SALES CHANNELS |
|------------------------|-------------------------|
| Fabricators | Kitchens |
| Kitchen manufacturers | Furnishings |
| Construction Companies | Floorings and claddings |

TURNOVER BY GEOGRAPHIC REGION IN 2022

| GEOGRAPHIC REGION | % TOTAL SALES | TOTAL NO. OF CUSTOMERS | % NO. OF CUSTOMERS |
|--|---------------|------------------------|--------------------|
| Province of Verona | 1% | 22 | 3.8% |
| Veneto Region (excluding the Province of Verona) | 11% | 39 | 6.7% |
| Italy (excluding the Veneto Region) | 24% | 314 | 54.3% |
| Netherlands | 20% | 3 | 0.5% |
| Czech Republic | 13% | 2 | 0.3% |
| Switzerland | 6% | 12 | 2.1% |
| UK | 3% | 5 | 0.9% |
| United Arab Emirates | 2% | 4 | 0.7% |
| USA | 2% | 6 | 1.0% |
| Other Countries | 18% | 171 | 29.6% |
| TOTAL | 100% | 578 | 100% |

PROCUREMENT 2022

| GEOGRAPHIC REGION | % TOTAL PURCHASES | TOTAL NO. OF SUPPLIERS | % NO. OF SUPPLIERS |
|-------------------------------------|-------------------|------------------------|--------------------|
| Province of Verona | 15% | 14 | 33% |
| Veneto Region (excluding Verona) | 9% | 5 | 12% |
| Italy (excluding the Veneto Region) | 64% | 19 | 45% |
| Turkey | 9% | 1 | 2% |
| Czech Republic | 2% | 1 | 2% |
| Portugal | 2% | 1 | 2% |
| France | 0% | 1 | 2% |
| TOTAL | 100% | 42 | 100% |

| TYPE OF PRODUCTS | % OF TOTAL PURCHASES | TOTAL NO. OF SUPPLIERS | % OF SUPPLIERS |
|------------------------------|----------------------|------------------------|----------------|
| Quartz | 17.28% | 7 | 16.67% |
| Recycled minerals | 5.27% | 2 | 4.76% |
| Resin | 40.93% | 3 | 7.14% |
| Sands | 8.04% | 2 | 4.76% |
| Cristobalite | 4.81% | 2 | 4.76% |
| Paper | 2.60% | 1 | 2.38% |
| Additives | 1.92% | 4 | 9.52% |
| Colourants | 8.25% | 10 | 23.81% |
| Equipment and waste disposal | 10.90% | 11 | 26.19% |
| TOTAL | 100% | 42 | 100% |

COMPANY DATA

PERSONNEL OVERVIEW FOR 2022

| WORKER CATEGORY | TOTAL NUMBER ON 31/12/2022 | GENDER | | AGE | | | AVERAGE NO. OF YRS AT THE COMPANY | HOURS | |
|-----------------|----------------------------|------------|------------|-----------|------------|------------|-----------------------------------|------------|-----------|
| | | MALE | FEMALE | <30 | 30-50 | >50 | | FULL-TIME | PART-TIME |
| MANAGEMENT | 3 | 1 | 2 | 0 | 1 | 2 | 2.33 | 3 | 0 |
| JR. MANAGEMENT | 4 | 3 | 1 | 0 | 2 | 2 | 12.75 | 4 | 0 |
| OFFICE STAFF | 30 | 11 | 19 | 3 | 21 | 6 | 12.43 | 28 | 2 |
| SUPERVISORS | 3 | 3 | 0 | 0 | 2 | 1 | 28.33 | 3 | 0 |
| FACTORY WORKERS | 69 | 66 | 3 | 7 | 32 | 30 | 12.62 | 69 | 0 |
| TOTAL | 109 | 84 | 25 | 10 | 58 | 41 | 13.69 | 107 | 2 |
| IN % | - | 77% | 23% | 9% | 53% | 38% | - | 98% | 2% |

| WORKER CATEGORY | CONTRACT | | | | NATIONALITY | |
|-----------------|------------|----------------|------------|------------|-------------|-----------|
| | OPEN-ENDED | APPRENTICESHIP | INTERNSHIP | FIXED-TERM | ITALIAN | FOREIGN |
| MANAGEMENT | 3 | 0 | 0 | 0 | 3 | 0 |
| JR. MANAGEMENT | 4 | 0 | 0 | 0 | 4 | 0 |
| OFFICE STAFF | 29 | 0 | 0 | 1 | 30 | 0 |
| SUPERVISORS | 3 | 0 | 0 | 0 | 3 | 0 |
| FACTORY WORKERS | 65 | 0 | 0 | 4 | 60 | 9 |
| TOTAL | 104 | 0 | 0 | 5 | 100 | 9 |
| IN % | 95% | 0% | 0% | 5% | 92% | 8% |

FULL-TIME EQUIVALENT/ACTUAL NO. OF EMPLOYEES IN 2022

| FULL-TIME EQUIVALENT/ACTUAL NO. | |
|---------------------------------|--------|
| Full-time equivalent | 106.21 |
| Actual no. of employees | 109 |

TERMINATIONS IN 2022

| WORKER CATEGORY | TOTAL IN 2022 | GENDER | | AGE | | |
|-------------------|---------------|-----------|----------|----------|----------|-----------|
| | | MALE | FEMALE | <30 | 30-50 | > 50 |
| Junior Management | 2 | 1 | 1 | - | - | 2 |
| Office Staff | 3 | 1 | 2 | - | 2 | 1 |
| Supervisors | 1 | 1 | 0 | - | - | 1 |
| Factory workers | 11 | 11 | 0 | 2 | 3 | 6 |
| TOTAL | 17 | 14 | 3 | 2 | 5 | 10 |

| REASONS FOR TERMINATION | TOTAL |
|----------------------------|-----------|
| Dismissed | 3 |
| Resigned | 12 |
| Fixed-end contract expired | 2 |
| TOTAL TERMINATIONS | 17 |

NUMBER OF DISMISSALS IN RATIO TO THE NUMBER OF FAMILIES AND NUMBER OF CITIZENS OF THE RESPECTIVE MUNICIPALITIES IN 2022

| FACILITY | NO. OF DISMISSALS | ESTIMATED NO. OF FAMILIES IN THE MUNICIPALITY | ESTIMATED NO. OF CITIZENS IN THE MUNICIPALITY |
|----------|-------------------|---|---|
| Villesse | 2 | 572 | 1,717 |
| Zimella | 1 | 1,618 | 4,855 |

NEW HIRES IN 2022

| WORKER CATEGORY | TOTAL IN 2022 | GENDER | | AGE | | | NATIONALITY | |
|-------------------|---------------|-----------|----------|----------|-----------|----------|-------------|----------|
| | | Male | Female | < 30 | 30-50 | > 50 | Italian | Foreign |
| Office Staff | 6 | 3 | 3 | 2 | 3 | 1 | 6 | 0 |
| Factory workers | 12 | 10 | 2 | 5 | 6 | 1 | 8 | 4 |
| Junior Management | 2 | 1 | 1 | - | 2 | - | 2 | 0 |
| TOTAL | 20 | 14 | 6 | 7 | 11 | 2 | 16 | 4 |

COMPOSITION OF BOARD OF DIRECTORS IN 2022

| NAME | SURNAME | AGE | M/F |
|---------|-------------|-----|-----|
| Roberto | Dalla Valle | 78 | M |
| Pietro | Vassanelli | 54 | M |

DIFFERENCE BETWEEN THE AVERAGE PAY FOR MEN AND FOR WOMEN AT ZIMELLA IN 2022

| WORKER CATEGORY | DIFFERENCE |
|-----------------|------------|
| Managers | -44% |
| Junior Managers | -58% |
| Office Staff | -24% |
| Supervisors | N/A |
| Factory workers | -22% |

DIFFERENCE BETWEEN THE AVERAGE PAY FOR MEN AND FOR WOMEN AT VILLESSE IN 2022

| WORKER CATEGORY | DIFFERENCE |
|-----------------|------------|
| Junior Managers | N/A |
| Office Staff | N/A |
| Factory workers | N/A |

DIFFERENCE BETWEEN THE HIGHEST AND LOWEST WAGES IN THE COMPANY IN 2022

| AVERAGE WAGE SPREAD |
|---------------------|
| 7.72 |

INCIDENTS OF DISCRIMINATION IN 2022

| TYPE OF DISCRIMINATION | NO. OF CASES REPORTED | INCIDENT EXAMINED BY THE ORGANIZATION | ACTION PLAN IMPLEMENTED | ACTION PLAN IMPLEMENTED WITH MEASURABLE RESULTS | INCIDENT NO LONGER SUBJECT TO MEASURES |
|------------------------|-----------------------|---------------------------------------|-------------------------|---|--|
| TOTAL | 0 | 0 | 0 | 0 | 0 |

TRAINING IN 2022

| TYPE OF TRAINING | TOTAL EMPLOYEES INVOLVED | TOTAL MALES | TOTAL FEMALES | TOTAL HOURS | % |
|----------------------------------|--------------------------|-------------|---------------|-------------|-------------|
| Forklift truck course | 5 | 5 | 0 | 60 | 18.75% |
| Bridge crane course | 17 | 17 | 0 | 68 | 21.25% |
| Enclosed spaces course | 8 | 8 | 0 | 64 | 20% |
| Management safety course | 4 | 2 | 2 | 64 | 20% |
| PLE course for mobile work | 2 | 2 | 0 | 20 | 6.25% |
| Foremen course | 2 | 2 | 0 | 16 | 5% |
| Working at height and PPE course | 3 | 3 | 0 | 24 | 7.50% |
| Refresher PLE course | 1 | 1 | 0 | 4 | 1.25% |
| TOTAL | 42 | 40 | 2 | 320 | 100% |

| TOTAL EMPLOYEES | AVERAGE HOURS OF TRAINING RECEIVED BY EACH EMPLOYEE |
|-----------------|---|
| 109 | 2.94 |

QUANTITY OF EMPLOYEES WHO ENJOYED A RAISE IN SALARY THROUGH PROMOTION

| | |
|--------------------|----|
| Promotion | 14 |
| Increase in salary | 11 |

EVALUATION OF IMPACTS ON HEALTH AND SAFETY BY CATEGORY OF PRODUCT IN 2022

| TOTAL PRODUCTS | % PRODUCTS EVALUATED FOR THEIR IMPACT ON CUSTOMER HEALTH AND SAFETY |
|-------------------|---|
| Engineered quartz | 100% evaluated |
| Engineered marble | 100% evaluated |
| Cosmolite® | 100% evaluated |

HEALTH & SAFETY IN 2022

| SAFETY OFFICER | EMPLOYER | HSM | OHP |
|---|-------------------|----------------|---------------|
| Saggiaro Marco (Zimella), Tomasin Alessandro (Villesse) | Pietro Vassanelli | Renzo Vasselai | Mauro Kovacic |

| TRAINING ON SAFETY ISSUES (BOTH GENERAL AND SPECIFIC) | TOTAL ANNUAL NO. OF HOURS PER ACTIVITY | NO. OF EMPLOYEES INVOLVED |
|--|--|---------------------------|
| Forklift truck course | 12 | 5 |
| Bridge crane course | 4 | 17 |
| Enclosed spaces and PPE course | 8 | 8 |
| Management safety course | 16 | 4 |
| PLE (platform elevators) with and without stabilizers course | 10 | 2 |
| Foremen course | 8 | 2 |
| Working at height, scaffolding and PPE course | 8 | 3 |
| PLE (platform elevators) with and without stabilizers refresher course | 4 | 1 |

ACCIDENT STATISTICS BY FACILITY IN 2022

| PLANT | NO. OF INSURED EMPLOYEES | HOURS WORKED IN 2022 | NO. ACCIDENTS > 3 DAYS | DAYS OF TEMPORARY INCAPACITY | FATALITIES | INCIDENCE RATE | FREQUENCY INDEX | SEVERITY INDEX |
|----------|--------------------------|----------------------|------------------------|------------------------------|------------|----------------|-----------------|----------------|
| Zimella | 91 | 128,641 | 1 | 101 | 0 | 10.99 | 7.77 | 0.81 |
| Villesse | 33 | 45,180 | 3 | 97 | 0 | 90.91 | 66.4 | 1.9 |

ENVIRONMENTAL DATA

WASTE 2022

| WASTE MANAGEMENT AT ZIMELLA | | WASTE MANAGEMENT AT VILLESSE | |
|-----------------------------|----------|------------------------------|----------|
| Recovered | Landfill | Recovered | Landfill |
| 86% | 14% | 79% | 21% |

ZIMELLA 2022

| CER | DESCRIPTION | DANGEROUS | NON-DANGEROUS | RECOVERED (Kg) | LANDFILL (Kg) |
|--------------------------------|---|------------------|---------------------|---------------------|-------------------|
| 010413 | Waste produced from cutting and sawing stone, other than the waste described under heading 01 04 07 | | x | 3,576,900 | 411,120 |
| 080111 | Waste paints and varnishes containing organic solvents or other hazardous substances | x | | 0 | 5,455 |
| 080409 | Waste adhesives and sealants containing organic solvents or other hazardous substances | x | | 600 | 14,59 |
| 120109 | Machining emulsions and solutions free of halogens | x | | 0 | 2,950 |
| 120112 | Spent waxes and fats | x | | 0 | 670 |
| 130205 | Mineral oils for motors, gears and lubrication; non-chlorinated | x | | 880 | 0 |
| 140602 | Other halogenated solvents and solvent mixtures | x | | 0 | 62 |
| 140603 | Other solvents and solvent mixtures | x | | 0 | 536 |
| 150101 | Paper and cardboard packaging | | x | 9,960 | 0 |
| 150103 | Wooden packaging | | x | 31,760 | 0 |
| 150106 | Mixed packaging | | x | 58,330 | 0 |
| 150110 | Packaging containing residues of or contaminated by dangerous substances | x | | 7,639 | 0 |
| 150111 | Metallic packaging containing a dangerous solid porous matrix (for example asbestos), including empty pressure containers | x | | 72 | 0 |
| 150202 | Absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by dangerous substances | x | | 0 | 124 |
| 160213 | Discarded equipment containing hazardous components (2) other than those mentioned in 16 02 09 to 16 02 12 | x | | 1,620 | 0 |
| 160304 | Inorganic wastes other than those mentioned in 16 03 03 | | x | 6,450 | 0 |
| 160601 | Lead batteries | x | | 40 | 0 |
| 160604 | Alkaline batteries (except 16 06 03) | | x | 90 | 0 |
| 161002 | Aqueous liquid wastes other than those mentioned in 16 10 01 | | x | 0 | 129,280 |
| 170103 | Tiles and ceramics | | x | 0 | 46,860 |
| 170402 | Aluminium | | x | 7,620 | 0 |
| 170405 | Iron and steel | | x | 47,260 | 0 |
| 200102 | Glass | | x | 11,460 | 0 |
| 200121 | Fluorescent tubes and other mercury-containing waste | x | | 130 | 0 |
| PARTIAL TOTAL | | 35,368.00 | 4,337,090.00 | 3,760,811.00 | 611,647.00 |
| TOTAL WASTE PRODUCED Kg | 4,372,458.00 | 0.8% | 99.2% | 86% | 14% |

VILLESSE 2022

| CER | DESCRIPTION | DANGEROUS | NON-DANGEROUS | RECOVERED (Kg) | LANDFILL (Kg) |
|--------------------------------|--|------------------|------------------|---------------------|----------------|
| 010413 | Waste produced from cutting and sawing stone, other than the waste described under heading 01 04 07 | | x | 1,485,700 | 432,660 |
| 130205 | Mineral oils for motors, gears and lubrication; non-chlorinated | x | | 700 | 0 |
| 140603 | Other solvents and solvent mixtures | x | | 0 | 6,440 |
| 150103 | Wooden packaging | | x | 67,540 | 0 |
| 150106 | Mixed packaging | | x | 117,140 | 0 |
| 150110 | Packaging containing residues of or contaminated by dangerous substances | x | | 2,740 | 0 |
| 160213 | Discarded equipment containing hazardous components (2) other than those mentioned in 16 02 09 to 16 02 12 | x | | 54.50 | 0 |
| 160214 | Discarded equipment other than those mentioned in 16 02 09 to 16 02 13 | | x | 80 | 0 |
| 160216 | Components removed from discarded equipment other than those mentioned in 16 02 15 | | x | 10 | 0 |
| 160303 | Inorganic wastes containing dangerous substances | x | | 600 | 0 |
| 160601 | Lead batteries | x | | 220 | 0 |
| 170405 | Iron and steel | | x | 23,880 | 0 |
| PARTIAL TOTAL | | 10,754.50 | 2,127,010 | 1,698,664.50 | 439,100 |
| TOTAL WASTE PRODUCED Kg | 2,137,764.50 | 0.5% | 99.5% | 79.5% | 20.5% |

ENERGY CONSUMPTION IN 2022

| FACILITY | TOTAL KWH FROM UTILITY COMPANIES | TOTAL KWH FROM SELF-GENERATED RENEWABLE ENERGY | TOTAL KWH |
|----------|----------------------------------|--|---------------------|
| Zimella | 2,652,669 | 283,084.88 | 2,935,753.88 |
| Villesse | 1,502,472 | - | 1,502,472 |

ELECTRICITY FROM SELF-GENERATED RENEWABLE SOURCES IN 2022

| QTY ELECTRICITY CONSUMED IN KWH | QTY SOLD TO UTILITY COMPANY IN KWH | TOTAL KWH |
|---------------------------------|------------------------------------|------------|
| 283,084.88 | 129,308 | 412,392.88 |

| QTY OF ELECTRICITY, COOLING AND STEAM PURCHASED FOR CONSUMPTION | QTY OF NON-RENEWABLE GASES AND FUELS CONSUMED | ELECTRICITY, HEATING, COOLING AND STEAM SELF-GENERATED AND NOT CONSUMED | ELECTRICITY, HEATING, COOLING AND STEAM SOLD |
|---|---|---|--|
| 16,357 GJ | 6586 GJ GAS Heating-over Presses 1/3 | | |
| 0.35 GJ for fuels for forklifts and power shovels | 476 GJ | N/A | |

WATER IN 2022

| FACILITY | QUANTITY IN M ³ |
|---------------|----------------------------|
| Zimella | 5,830 |
| Villesse | 2,095 |
| TOTALE | 7,925 |

BASE MATERIALS IN 2022

| BASE MATERIALS | QUANTITY IN Kg | COST IN % | RECYCLED BASE MATERIALS (Kg) | COST IN % |
|-------------------------|----------------------|-------------|------------------------------|-------------|
| Accelerant | 3,140 | 0.30% | 0 | 0% |
| Additive | 16,920 | 2.04% | 0 | 0% |
| Paper | 106,659 | 2.77% | 0 | 0% |
| Catalysts | 31,475 | 3.01% | 0 | 0% |
| Colourants | 163,396.50 | 8.79% | 0 | 0% |
| Cristobalite | 1,654,300 | 5.13% | 0 | 0% |
| Material 1 | 1,115,710 | 1.67% | 1,115,710 | 25.33% |
| Granite | 266,200 | 0.55% | 266,200 | 8.26% |
| Mother-of-pearl | 3,000 | 0.06% | 3,000 | 0.86% |
| Marble | 3,200 | 0% | 0 | 0% |
| Quartz | 10,550,698 | 18.40% | 0 | 0% |
| Recycled crushed quartz | 83,700 | 0.39% | 83,700 | 5.94% |
| Resin | 1,454,296 | 43.59% | 0 | 0% |
| Sands | 6,312,794 | 8.56% | 0 | 0% |
| Silane | 5,200 | 0.74% | 0 | 0% |
| Material 2 | 1,141,298 | 4% | 1,140,898 | 59.61% |
| TOTAL | 22,911,986.50 | 100% | 2,609,508 | 100% |

AUXILIARY MATERIALS FOR PRODUCTION AND PACKAGING IN 2022

| TYPE OF MATERIAL | QUANTITY PURCHASED IN Kg | COST IN % | HOW THEY ARE DISPOSED OF |
|------------------|--------------------------|-------------|--------------------------|
| Abrasives | 7,426 | 32% | by an external Company |
| Cutting discs | 114 | 2% | by an external Company |
| Fickert heads | 912 | 20% | by an external Company |
| Rollers | 468 | 45% | by an external Company |
| Boxes | 3,638 | 1% | by an external Company |
| TOTAL | 12,558 | 100% | - |

EMISSIONS AT ZIMELLA 2022

| TOTAL DUST EMISSIONS Threshold value 10 mg/Nm ³ | | COT EMISSIONS Threshold value 100 mg/Nm ³ | | CRYSTALLINE SILICA Threshold value 5 mg/Nm ³ | |
|---|--------------------|---|--------------------|--|--------------------|
| Chimney | mg/Nm ³ | Chimney | mg/Nm ³ | Chimney | mg/Nm ³ |
| C1 | 0.7 | C1 | 1.2 | C1 | <0.7 |
| C2 | <0.07 | C2 | 36.9 | C2 | < 0.07 |
| C3 | <0.09 | C3 | 9 | C3 | < 0.09 |
| C4 | <0.07 | C4 | 0.4 | C4 | < 0.07 |
| C5 | - | C5 | - | C5 | - |
| C6 | <0.08 | C6 | 0.6 | C6 | < 0.08 |
| C7 | <0.08 | C7 | 1 | C7 | < 0.08 |
| C8 | <0.07 | C8 | 0.4 | C8 | < 0.07 |
| C9 | <0.01 | C9 | 1 | C9 | <0.1 |
| C10 | <0.01 | C10 | 0.3 | C10 | <0.1 |
| C16 | <0.08 | C23 | 38.9 | C23 | <1.1 |
| C22 | 0.44 | C24 | 5.5 | - | - |
| C23 | 1.1 | C25 | 0.7 | - | - |

EMISSIONS AT VILLESSE 2022

| TOTAL DUST EMISSIONS Threshold value 150 mg/Nm ³ | | VOC EMISSIONS Threshold value 150 mg/Nm ³ | |
|--|--------------------|---|--------------------|
| Emission point | mg/Nm ³ | Emission point | mg/Nm ³ |
| E1 | 0.17 | E4 | 3.67 |
| E2 | 1.02 | E9 | 5.96 |
| E6 | 7.29 | E10 | 1.66 |
| E7 | 0.76 | - | - |
| E8 | 0.51 | - | - |
| E11 | 0.26 | - | - |
| E12 | 0.32 | - | - |
| E13 | 0.42 | - | - |
| E14 | 1.6 | - | - |
| E15 | 0.46 | - | - |
| E16 | 0.26 | - | - |
| E18 | 0,15 | - | - |

DIRECT CO₂ EMISSIONS (SCOPE 1) IN 2022

| FACILITY | METHANE GAS | DIESEL OIL | TOTAL TONS CO ₂ |
|--------------|---------------|--------------|----------------------------|
| Villesse | 222.34 | 12.07 | 234.41 |
| Zimella | 330.17 | 24.14 | 354.31 |
| TOTAL | 552.51 | 36.21 | 588.72 |

INDIRECT CO₂ EMISSIONS (SCOPE 2) IN 2022

| FACILITY | ENERGY FROM UTILITY COMPANIES | TOTAL TONS CO ₂ |
|--------------|-------------------------------|----------------------------|
| Villesse | 508.65 | |
| Zimella | 898.03 | |
| TOTAL | | 1,406.68 |

LOCATION OF THE HEADQUARTERS
Via Lavagno 213 – 37040 Zimella (VR) - ITALY

LOCATION OF OPERATIONS
Via Lavagno 213 – 37040 Zimella (VR) - ITALY
Via Trieste 33 – 34070 Villesse (GO) - ITALY

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STONE ITALIANA S.P.A.
TECHNOLOGY AND DESIGN OF SURFACES SINCE 1979

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