

Today calls for responsibility

SUSTAINABILITY REPORT 2019-2020 IN BRIEF



For Stone Italiana, the publication of the 2019-2020 Sustainability Report, of which this is an excerpt, represents a happy paradox that lies in its being both a goal and a starting point. If, on the one hand, the intention to do business in an increasingly responsible manner was already inherent in the Company's DNA at the time of its foundation - when in 1979 it was the first Company in the world to produce recomposed marble and quartz slabs - on the other hand, the lengthy analysis that led to the drafting of the Report has highlighted the need to pursue with even greater determination the path of innovation and attention to the environment and social issues, consolidating its position as a reference player in the sector. **Stone Italiana's vocation for innovation and experimentation has always been underpinned by the necessity of environmentally friendly production and the protection of the health and safety of the people who work there.**

2020, the year of the international crisis related to the Covid-19 pandemic, penalised revenues significantly (-21.5%), leading to the need for action on operating costs and cost-effectiveness optimisation to ensure business continuity. **The improvement actions implemented** ensured that, despite the crisis and the drop in revenue, **the retained economic value remained in line with that of 2019.** Thanks to the constant dialogue with stakeholders and the determination of strategic choices, **Stone Italiana has in fact continued to update and innovate, presenting, in 2020 Cosmolite, the first product made from 100% recycled minerals.** The new frontier will be to find solutions for the re-use of second or third choice slabs re-introduced into the production cycle, as well as to use resins with a higher content of components from vegetable sources.

According to the principles of sustainability, doing business means - first and foremost - guaranteeing business continuity while respecting all stakeholders, employees, the territory and the environment. This is what Stone Italiana does every day thanks to the commitment and enthusiasm of all the men and women who are part of it.



ABOUT US

We are the first Company in the world to produce **engineered stone slabs, first in marble, then in quartz**, in different sizes and thicknesses. Today, **we offer an extensive product catalogue** designed for kitchen tops, worktops, bathroom tops, floorings and claddings as well as **customised solutions.**



Main business activities

- Production and sale of engineered stone
- Wholesale of porcelain stoneware slabs



Main sales channels

- Fabricators
- Kitchen manufacturers
- Building Companies/Contractors



Sales sectors

- Kitchens
- Furnishing accessories
- Floor and wall coverings

Around 80% of Stone Italiana's total turnover is currently generated by vanity and kitchen tops.

INTERNATIONAL PRESENCE

Stone Italiana's sales activities cover the entire international market, reaching Countries in every continent. Despite the general decrease in sales in 2020 compared to 2019, the shares of sales distribution in some Countries such as Italy, the Netherlands, the USA, Switzerland, France and Germany are **increasing.**

ANALYSIS OF RELEVANT STAKEHOLDERS



Suppliers

- Suppliers of raw materials
- Suppliers of consumables



Staff

- Employees
- Workers
- Business partners



Customers

- Fabricators
- Project and contract
- Retailers



Market

- Shareholders
- Banks and Funders
- Certification and inspection Bodies

• **Stronger than the crisis**

Compared to 2019, both the share of distributed and retained profits have remained substantially unchanged. In 2020, the economic value distributed was 95% of the total generated. Of this, 26% went to salaries and personnel expenses, confirming the investment that the Company makes in people, their well-being and their professional growth. 5% of the income generated was retained and partly invested in preparatory activities for the development and research of innovative technical solutions in the field of sustainability. The global crisis caused by the pandemic did penalise revenues and reduce salaries and staff, but it triggered improvement measures such as increasing product quality - with a consequent reduction in waste - and greater attention to spending, which have ensured that the economic value retained has remained substantially in line with that of 2019.

• **Geographical distribution of sales and costs**

In terms of net sales by Countries reaching 2% or more of total revenue, 2019 and 2020 both saw Italy ranking first, followed by the Netherlands, the United Arab Emirates (valid only for 2020), the USA, Switzerland, the UK, Hong Kong, Germany, France and Mexico.

Costs, on the other hand, are broken down as follows for Countries accounting for 5% or more of total costs: Italy (50%), Turkey (13%), Belgium (10%) and other Countries with a purchase volume of less than 5% (27%).

• **The value of the supply chain**

Our suppliers are selected and constantly monitored in terms of product quality, promptness of response, ability to meet requests and speed of delivery. Analysing the socio-environmental impact of our supply chains, particularly with regard to environmental protection and workers' health, is not only a sign of sensitivity towards our stakeholders but also a strategic objective to spot new market niches that pay attention to these aspects.

• **Raw materials used**

- QUARTZ
- SANDS
- RESIN
- COLOURING PASTES
- ADDITIVES
- CRISTOBALITE
- PAPER

• **Human capital**

Stone Italiana employs more than a hundred families in the Verona and Gorizia areas, contributing to the prosperity of the Zimella and Villesse communities.

In 2020:

- Genre**
26 women
83 men
- Part time - Full time**
104 full time
5 part time
- Origin**
105 Italians
4 Foreigners
- Type of contract**
107 open-ended
2 fixed-term

• **Health and safety**

Every effort is made to guarantee employees, collaborators and customers the safest possible conditions to protect their health. The primary objective is to minimise production-related risks such as fire, chemical contamination, load handling and silicosis. In order to achieve this goal, Stone Italiana trains its staff on a constant basis, takes care of the correct design and maintenance of the equipment, carefully evaluates the raw materials used and the risks involved, updates the risk assessment document very frequently and provides the necessary financial resources for further improvement.

• **The new frontiers of training**

To date, the training hours provided to employees have focused on health and safety at work. The aim for the next few years is to develop further training opportunities for employees, devoting additional, specialised training to them according to the different Company functions.



Total purchase cost OF RAW MATERIALS AND CONSUMABLES



Expenditure % FROM LOCAL SUPPLIERS



% INVESTMENTS IN SUPPLIES



Total employees



Targets 2021/22



Certification obtained



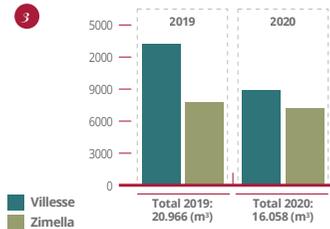
• **Controlling environmental impact**

The design of new products and processes always includes an analysis of environmental compliance and associated performance. Annual internal audits are organised to verify the correct application of the Environmental Management System. Performance is also assessed through third-party audits.

Energy Sources
Gas and electricity are the two essential energy sources for our production activities. The choice of energy mix with renewables is an aspect that makes it possible to reduce the environmental impact of our energy consumption in terms of CO₂ emissions. Thanks to a 400 kWh photovoltaic system in Zimella, 5% of our energy consumption comes from renewable sources.

By the end of 2021, it is planned to completely replace all the lighting points in Zimella and Villesse with LED lights. The aim is to achieve an overall energy saving of around 50% for lighting compared to the previous year.

WATER FROM WELL FOR INDUSTRIAL USE (m³)



Emissions

We analysed and calculated the direct and indirect carbon dioxide (CO₂) emissions generated by the production activity (Scope 1 and Scope 2).

By the end of 2021, thanks to the LCA 'from cradle to grave' study, it will be possible to calculate the carbon footprint of our products quantified from the extraction of raw materials to the end of their life.

Water
Water is withdrawn from internal wells in accordance with the authorised quantities, and recovered through settlers. The collected sludge is sent for disposal and the clean water fed back into the cycle. Consequently, water is never discharged but always recycled.

Waste
The production process generates a significant amount of special waste. The most significant in terms of quantity and frequency are shreds and sludge from the slab manufacturing process.

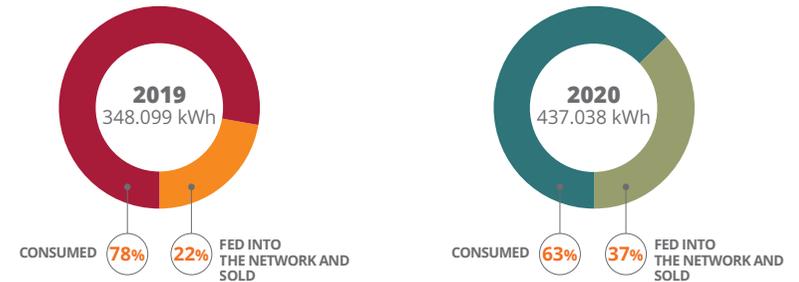
Hazardous waste is, for both sites, a very small percentage of the total waste produced. Stone Italiana makes every effort to keep this ratio to a minimum.

Certification obtained



SELF-PRODUCED ELECTRICITY FROM RENEWABLE SOURCES

1



DIRECT EMISSIONS (SCOPE 1) OF CO₂

2



INDIRECT EMISSIONS (SCOPE 2) OF CO₂

