

SUSTAINABILITY **REPORT** 02





SUSTAINABILITY **REPORT**
2021

CONTENTS

LETTER TO STAKEHOLDERS	4
-------------------------------	----------

NOTE ON METHODOLOGY	6
----------------------------	----------

2021 Highlights

PRIORITY MAPPING AND STAKEHOLDER INVOLVEMENT	8
---	----------

List of indicators

ABOUT US	11
-----------------	-----------

Stone Italiana Worldwide
Governance and corporate structure
Forty years of major projects
Our Company structure
Values, principles and code of ethics
Customer confidentiality
Association membership
Solutions and new ideas
Our eco-friendly products
The slabs are always greener
Protecting health and safety
Production materials
Innovative processes

OUR ECONOMIC SUSTAINABILITY	34
------------------------------------	-----------

Economic performance
Financial trend and three-year growth plan
Identifying our KPIs
Supply chain
Raw materials and the supply chain: the importance of suppliers
Geography of our supplies of raw materials

OUR SOCIAL SUSTAINABILITY	42
----------------------------------	-----------

Employment contracts and remuneration
Our H.R. policy
Workplace health and safety measures
Our cure for silicosis
Ongoing training and resource development
People first: diversity and inclusion

OUR ENVIRONMENTAL SUSTAINABILITY	54
---	-----------

Energy
Emissions
Water
Waste management
Targets reached and improvement goals

APPENDIX, LIST OF GRI INDICATORS	66
---	-----------

LETTER TO STAKEHOLDERS



It's with great excitement that I present to you **the second edition of our Sustainability Report 2021**, the report that continues our work to account for all the activities, projects, successes and innovations from Stone Italiana across the **three planes of sustainability: economic, environmental and social**.

The response we received from banks, auditors, customers and suppliers following the publication of our first report showed us clearly that we'd done something really important. When a Company embarks on a journey of **voluntary reporting**, with the utmost transparency and courage, highlighting its negative points as well as the positives, then a Sustainability Report has a whole different flavour. By drawing up this document, we made it possible to see our Company in a different light – viewing it in terms of the environment, social welfare and governance – for the first time.

What do we forecast for the future? That our desire and drive to do things properly for ourselves, **for our local community and for the environment will be appreciated more and more**.

New Report, same modus operandi, and new targets for our business – the first of which is to increase the percentage of recycled minerals used in our collections.

2022 has been and will continue to be distinguished by a **strong drive to promote** our top sustainable product, **Cosmolite® Materia Nuova**, which will be further enhanced through major investments in cross-media advertising.

This allows us to view our work with the utmost confidence, especially as we foresee ever greater use of recycled mineral-based materials as circular economies become more popular. Our goal is to further reduce our use of virgin materials, leading to environmental benefits in terms of the amount of CO₂ we emit.

Stone Italiana has been **walking the path of sustainability since it was established in 1979**, always creating products with a view to ensuring respect for the environment, for sector professionals and for the people who work in our facilities. We believe in a form of architecture which respects both man and the environment, one which manages to strike a balance between people's needs – the people who have to design or live in the building – and the environment's right not to have its resources depleted or polluted.

I wish to point out that this journey has been **made possible by the trust placed in our means and in the people who work with us**. The words spoken by my father, the CEO, could be my own: working for Stone Italiana is like being **part of a family**.

We all treasure these words, as they have allowed us to provide financial security and stability to many other families like our own.

Personal relationships, idea-sharing and vision-sharing are things we hold very dear: for example, we make sure that the time our staff spend in the Company offices is as pleasant as possible, providing relaxation areas and communal spaces equipped with every comfort – table football included! – and also give them the certainty that they work in an environment which complies with all the legislation on **Worker Health and Safety**. On this note, Stone Italiana has been awarded the **ISO 45001 certification**, through which we've incorporated Health and Safety Management directly into the internal structure of the Company.

While we're on the subject of certifications, let me remind you here that one of the goals we set for 2021 – which we reached! – was to obtain Environmental Product Declarations for all our products made of quartz and Cosmolite®, extending the life-cycle study on our materials to 'from cradle to grave'. This certification is a document assessed by an external Body that shows the environmental impact data for 1m² of product, from extraction of the raw materials to the end of its life cycle.

Having Environmental Product Declarations allows us to comply with Italian regulations on green buildings and at the same time allows contractors who decide to install our products in their green buildings to get **LEED V4 BD+C credits**.

Drafting the second Sustainability Report is a **corporate mission** translated into **words, numbers, graphs, brand names and certifications**, all of which we will carry with us as we continue with our commitment to arrive at **Corporate Responsibility. This, for us, is both a target and a duty towards future generations** (we're already on the third generation here at Stone Italiana!), to whom we want to leave a forward-thinking, innovative Company, and, of course, **a less polluted and more sustainable world**.

"The earth was made before us and was given to us. (...) Every community can have what it needs to survive from the goodness of the earth, but also has the duty to look after it and ensure that it remains fertile for future generations". (Pope Francis, Praise be to You).

Paola Dalla Valle
Chief Sustainability Officer

NOTE ON METHODOLOGY

Reporting perimeter

This Sustainability Report refers to the operations performed by Stone Italiana SPA at its two facilities, in Zimella (Province of Verona) and Villesse (Province of Gorizia) in the financial year 2021.

Reporting instrument

This Report has been written taking inspiration from the GRI Standards, Core option.

2021 HIGHLIGHTS



NET INCOME

€ 25,832,062

+ **21% turnover** compared with the 2021 three-year plan



COSMOLITE®

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



RESIN

Containing **25% plant-based ingredients**



EPD ENVIRONMENTAL PRODUCT DECLARATIONS

For all **Stone Italiana** materials



11% RECYCLED RAW MATERIALS

Out of the **total purchased**



ELECTRICITY

Produced from our own renewable sources

412,772 kWh

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

PRIORITY MAPPING AND **STAKEHOLDER** INVOLVEMENT

“ *Stone Italiana interfaces with its stakeholders on an ongoing basis.* ”

We're convinced 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 involving 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. To write the 2021 Report, we referred to the



matrix drawn up for the previous financial review (referring to the financial years 2019 and 2020), as it's still representative of how the Company looks. Our goal for the 2022 financial reports is to complete a new analysis.

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 below:

MAJOR STAKEHOLDER ANALYSIS



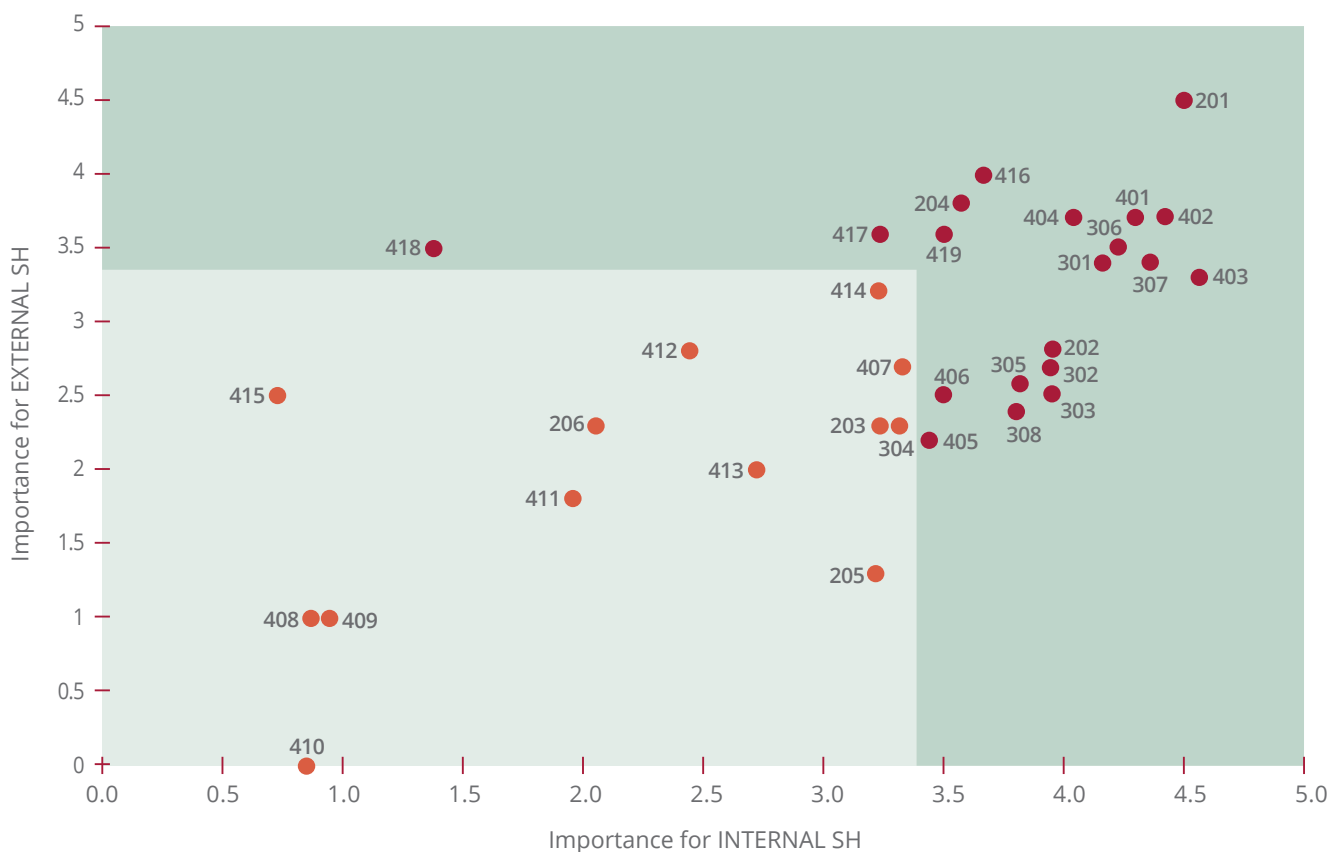
1 The GRI standards are the guidelines for creating reports on performance in the realms of sustainability and social welfare. They are modular in structure and interdependent in order to better construct the reports on economic, social and environmental performance.

<https://www.globalreporting.org/>

Materiality assessment

With the aid of the GRI Standards (2016, Core), we pinpointed the indicators to use to report on our environmental, social and economic impacts.

MATERIALITY MATRIX



LIST OF INDICATORS

- 201 • FINANCIAL PERFORMANCE
- 202 • MARKET PRESENCE
- 203 • INDIRECT ECONOMIC IMPACTS
- 204 • SPENDING ON LOCAL SUPPLIERS
- 205 • ANTI-CORRUPTION
- 206 • ANTI-COMPETITIVE BEHAVIOUR
- 301 • MATERIALS
- 302 • ENERGY
- 303 • WATER
- 304 • BIODIVERSITY
- 305 • EMISSIONS
- 306 • WASTE
- 307 • COMPLIANCE WITH ENVIRONMENTAL LAWS
- 308 • SUPPLIER ENVIRONMENTAL ASSESSMENT
- 401 • EMPLOYMENT

- 402 • LABOUR/MANAGEMENT RELATIONS
- 403 • OCCUPATIONAL HEALTH AND SAFETY
- 404 • TRAINING AND EDUCATION
- 405 • DIVERSITY AND EQUAL OPPORTUNITIES
- 406 • NON-DISCRIMINATION
- 407 • FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING
- 408 • CHILD LABOUR
- 409 • FORCED LABOUR
- 410 • SECURITY PRACTICES
- 411 • RIGHTS OF INDIGENOUS PEOPLES
- 412 • HUMAN RIGHTS ASSESSMENT
- 413 • LOCAL COMMUNITIES
- 414 • SUPPLIER SOCIAL ASSESSMENT
- 415 • PUBLIC POLICY
- 416 • CUSTOMER HEALTH AND SAFETY
- 417 • MARKETING AND LABELLING
- 418 • CUSTOMER CONFIDENTIALITY
- 419 • SOCIOECONOMIC COMPLIANCE

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:

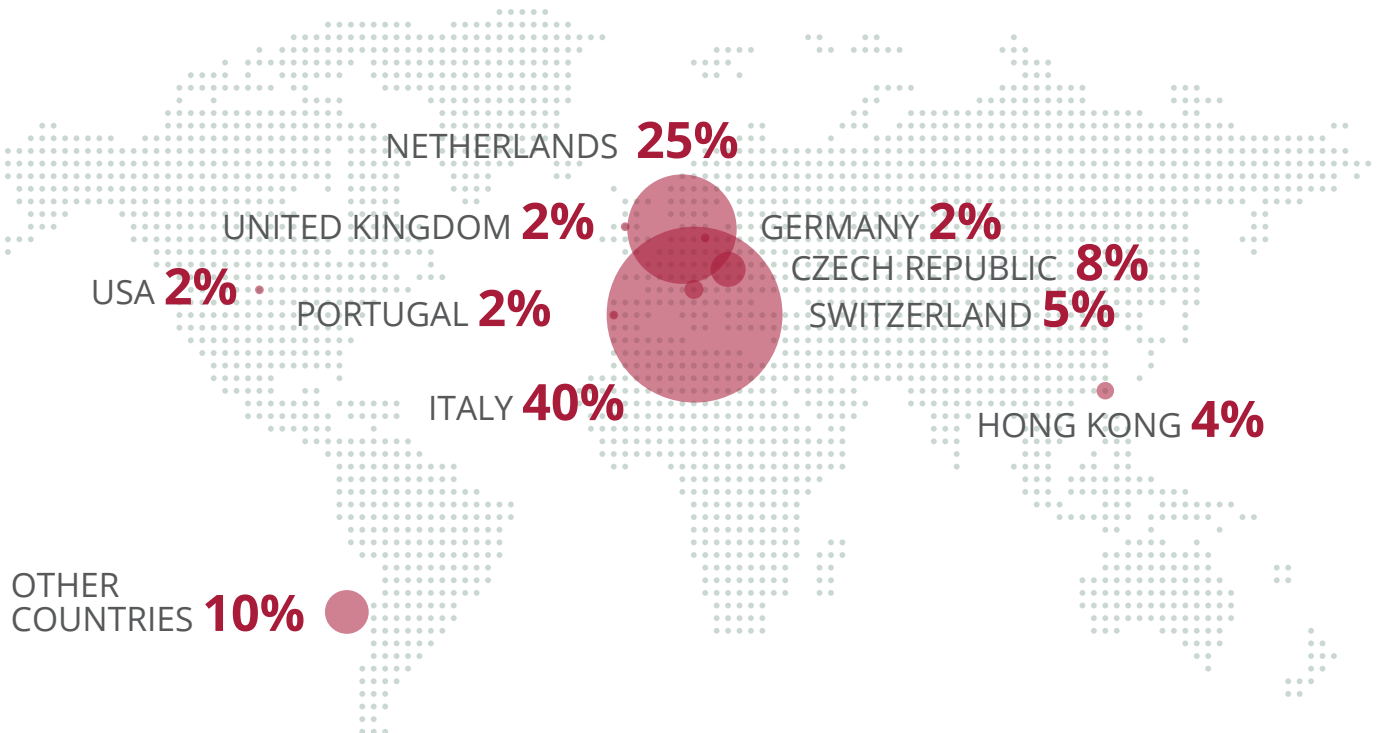
- *Manufacture and sale of engineered-stone slabs*
- *Wholesale trade in porcelain stoneware slabs*

STONE ITALIANA WORLDWIDE

“

Stone Italiana operates on the global market, selling its products in Countries in every Continent. The graphic below shows the Countries that count for 2% of more of our total income.

TURNOVER BY COUNTRY



FOCUS ON TURNOVER BY COUNTRY

ITALY 40%

The latest figures show a slight upturn in our internal sales. The Italian market is still the most important for us, although less so than in previous years, when it accounted for up to 60% of our total turnover. During the course of 2021, our production of quartz slabs increased, as did sales in the naval sector, which, as they are invoiced in Italy, affect the percentage of turnover recorded here.

NETHERLANDS 25%

Our turnover here has stayed fairly constant, thanks in large part to one major customer and the growth of their corporate group. This customer guarantees a certain level of continuity as far as turnover is concerned.

CZECH REPUBLIC 8%

Gaining a new, important client has meant that our turnover in this Country has increased considerably. We forecast that it will come to account for 10% of the total in 2022.

SWITZERLAND 5%

In 2021, our turnover in Switzerland was basically stationary compared with 2020, thanks to consolidated partnerships providing constant orders.

HONG KONG 4%

We received a number of important orders in 2021 to provide the flooring for a number of shopping centres, which led to Hong Kong accounting for 4% of our annual turnover. The trend for the years 2019-2021 was strongly marked by closures because of the Sars-CoV-2 epidemic, followed by an upturn in sales.

USA 2%

2021 saw a downturn in the percentage of turnover generated in the USA, after a major project (the Denver airport, completed in 2020) had created significant turnover the previous year. Between 2022 and 2023, a second order linked to the same project will lead to a new increase in turnover.

GERMANY 2%

The percentage of turnover recorded in Germany in 2021 was basically unchanged from the period 2019- 2020.

UNITED KINGDOM 2%

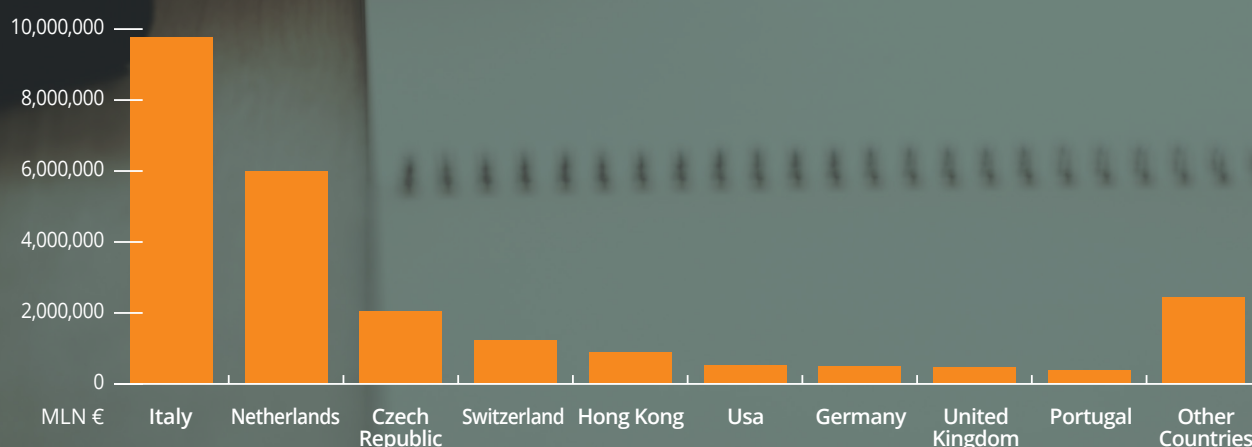
Following the dip caused by the COVID-19 pandemic, our UK turnover has started to grow again.

PORTUGAL 2%

The increase in turnover coming from Portugal is closely linked to the decrease in turnover coming from France, as a French client started invoicing in Portugal in 2021, thereby shifting the source of the turnover.

NET SALES OR NET INCOME BY COUNTRY

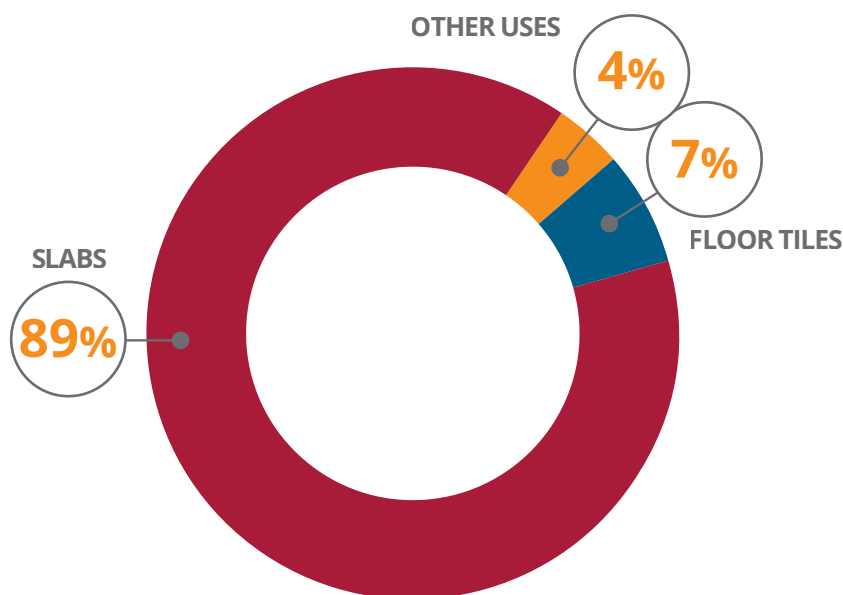
Data source: GSI management software



DISTRIBUTION OF SALES ACCORDING TO TYPE OF PRODUCT

“

Some previously mentioned Countries have not been included in the statistics for 2021, as the share of turnover generated there was less than 2% of the total for Stone Italiana. This is mainly due to the pandemic which has impacted the whole global economy. Again in 2021, the turnover trends by Country were strongly influenced by the COVID-19 pandemic.



Data source: GSI management software

Some markets were hit particularly hard by lockdown, for example Mexico. With the aim of increasing the percentage of overseas turnover, we intend to increase and restructure our sales team, with the addition of a number of new professionals. This drive will be helped by the renovation of the spaces available within the Company to host Italian and foreign customers – in 2021, the showroom on the first floor was renovated, with the creation of a display space and an area set up for meetings and discussions. A kitchen was also installed in this space, so that food can be served at events.

Our principal sales channels are:

- Fabricators
- Kitchen manufacturers
- Construction Companies

One of Stone Italiana's goals is to grow its tile sales by increasing the number of projects developed in this field.

The fact that we have equipment for producing tiles – which allows us to be more flexible in our production, reduce waste and optimise production costs (therefore be more competitive on the market) – and our ability to customise products could be the key to reaching this goal for growth.

We're also working hard to communicate and demonstrate this ability – we've come up with a programme that uses an app to show how Stone Italiana offers totally customisable products, with special colours and patterns.

A number of catalogues and boxes containing a range of samples have been drawn up; the app, which has been online since the end of 2020/beginning of 2021 allows the user to 'create' their own product. We've uploaded 16,000 Pantone colours which the customer can choose from by inserting the colour code, then the type of recipe; then they can view a preview of the product, save it in the Favourites and request a sample by filling out the Contact form.

The app was presented to our customers through a newsletter campaign and a video on our YouTube channel, as well as being mentioned on the Company website; the app is also a topic when we make presentations to customers and clients.

Market sectors:

- Kitchens
- Interior design
- Flooring and cladding

A NEW COMMUNICATION DRIVE

Since May 2021, Stone Italiana has been working with a new communication agency, Synesthesia, which we chose because they are well organised and focused on digital promotion.

Starting with a rebranding operation, the whole Company image was reworked. This included overhauling the website (online since September 2021),

which will be translated into various languages over the course of 2022, as well as other communication activities. The website is continually updated, and features newsletters and blog posts as well as pages dedicated to technical information, focuses on trends and information about our creations.

The aim is to attract more and more attention to Stone Italiana

through a number of different channels, including: the website, social/digital communication (on Facebook, Instagram and LinkedIn, with Pinterest set to be added in 2022), and the production of emotional and promotional videos. In 2022, we also plan to start a feature about sustainability by posting informative videos that will be shared over our social media profiles and website.

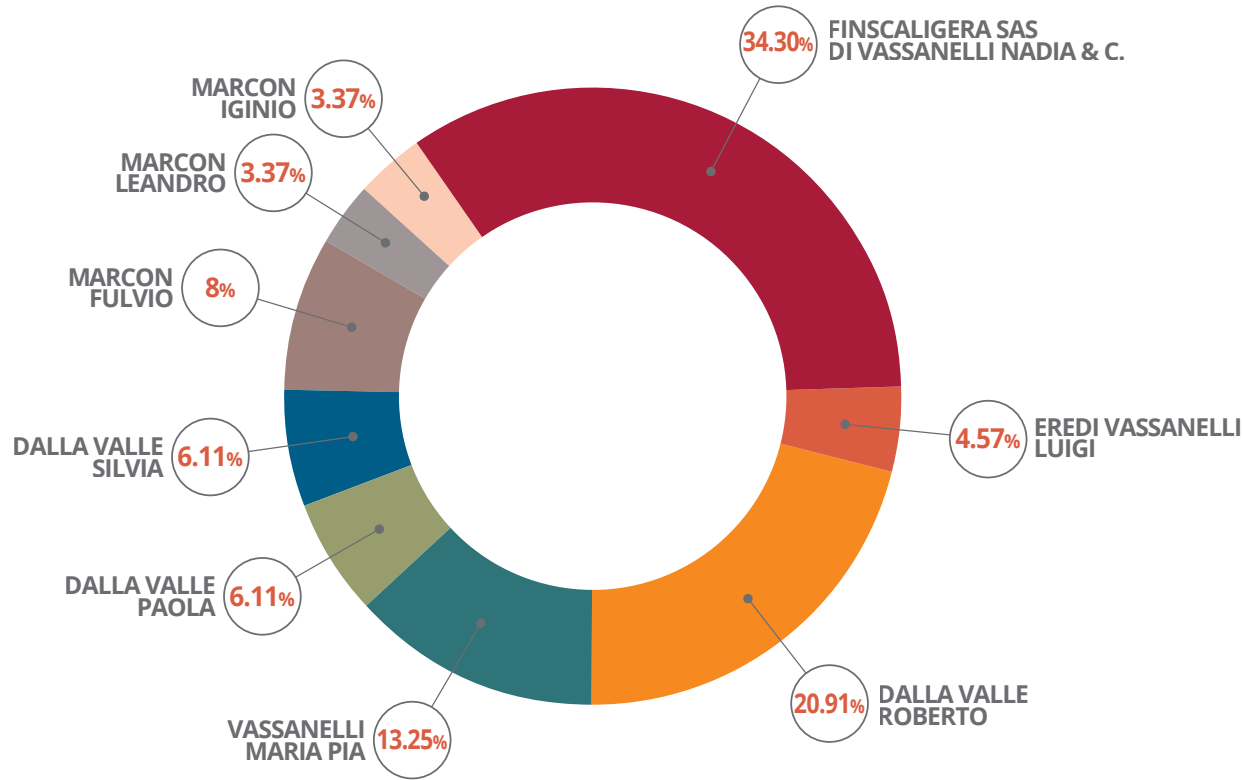


With Synesthesia, we are also continuing with our work to reinforce and raise awareness of the brand through a number of different activities. We've restyled the Company logo, maintaining continuity with the previous one (which we used for more than 30 years). The new logo uses the same colours as the original, as well as the rectangle symbolising a stone slab, from which the name Stone Italiana now appears to come bursting out. The tilt of the rectangle also recalls the tilt of the previous logo.

GOVERNANCE AND OWNERSHIP STRUCTURE

“*The governance is the same as the previous years; a demonstration of the solidity and stability of the Company.*”

Below is a breakdown of the ownership structure of the Company in 2021.



FORTY YEARS OF MAJOR PROJECTS

“*The history of Stone Italiana is the result of a series of winning intuitions combined with the ‘entrepreneurial grit’ of the current CEO, Roberto Dalla Valle, which have led to a number of important evolutions in the products manufactured by the Company over the years.*”

While in 1979 the first collections proposed by Stone Italiana were made of engineered marble and only in tile form, as early as 1981 the Company experimented with including an unusual material in the mix for making the engineered-marble tiles: brass shavings, provided by a customer that turned metal at the time. This first experiment opened the way for many others in the following years: the Company tested the use of other additions, arriving at manufacturing products containing mother-of-pearl, mirror glass, coloured glass, terracotta and silicon metal.

In 1983, Stone Italiana formed an important partnership with Benetton, which continued until 1996. This relationship allowed

the Company to experiment with new colours and customisations, and paved the way for projects with some of the biggest fashion houses in Italy (Stefanel, Moschino, Valentino, Fendi, Armani). Then, in 1987, the Company was commissioned to supply the flooring for the Schiphol airport in Amsterdam.

From 1991 to 2000, Stone Italiana worked on a major order from Deutsche Bank, providing tiles for around 2,500 branches. In that time of major projects, the products offered by Stone Italiana underwent an evolution – from a totally marble-based product, we moved to a mixed marble and quartz base, before ending up with a totally quartz-based product.

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



Some of the other orders worth remembering are the work done on the Hong Kong Convention and Exhibition Centre, the Aviapark shopping centre and Kaleidoscop Shopping Mall in Russia, the North Gate in Qatar and Vivo City in Singapore. One of the jobs which required the highest level of customisation was the tiling for the Dubai metro, for which we supplied more than 100,000 m² of quartz-based tiles.

PRINCIPAL PROJECTS

Dubai metro - 100,000 m²

Hugo Boss - 100,000 m²

Montblanc - 40,000 m²

Giorgio Armani - 40,000 m²

Gap Stores - 40,000 m²

Michael Kors - 15,000 m²

Chloë - 11,000 m²

Disney Store - 10,000 m²

Another important stage in the Company history was the opening of the production facility in Villesse, near the border with Slovenia. Right from the outset, the Villesse factory flung open the doors to the market for Stone Italiana, as it could produce bigger slabs that could be used for bathroom and kitchen countertops – a departure for a Company which had always made only floor tiles before then. The Villesse plant has always focused on the production of engineered quartz. In 1999-2000, thanks to another idea from Roberto Dalla Valle, the Jaipur slab was created, inspired by the marks left on sand by retreating waves. A unique product because of its irregular and opaque surface, Jaipur was produced until 2010 and at one stage accounted for 35% of the total Stone Italiana turnover.

Created between 2011-2012, DNA URBANO is a product which makes use of the gravel picked up by street sweepers and earned Stone Italiana a '7 Green Award' from the Corriere della Sera newspaper in 2012. There has been a surge in interest in this product recently, as awareness of the importance of recycling and reusing has grown.

for the majority of Stone Italiana's total production. This would be a major turning point for the Company, not least because it would reduce the risk of silicosis, which can develop through working with quartz without adequate precautions.

We have also developed a new business area in the past few years: kitchens. We decided not to limit the use of Stone Italiana products to countertops, but also put them to use for other structural elements, such as cupboard doors. Doors can be made using Stone materials set in a steel or built-in frame.

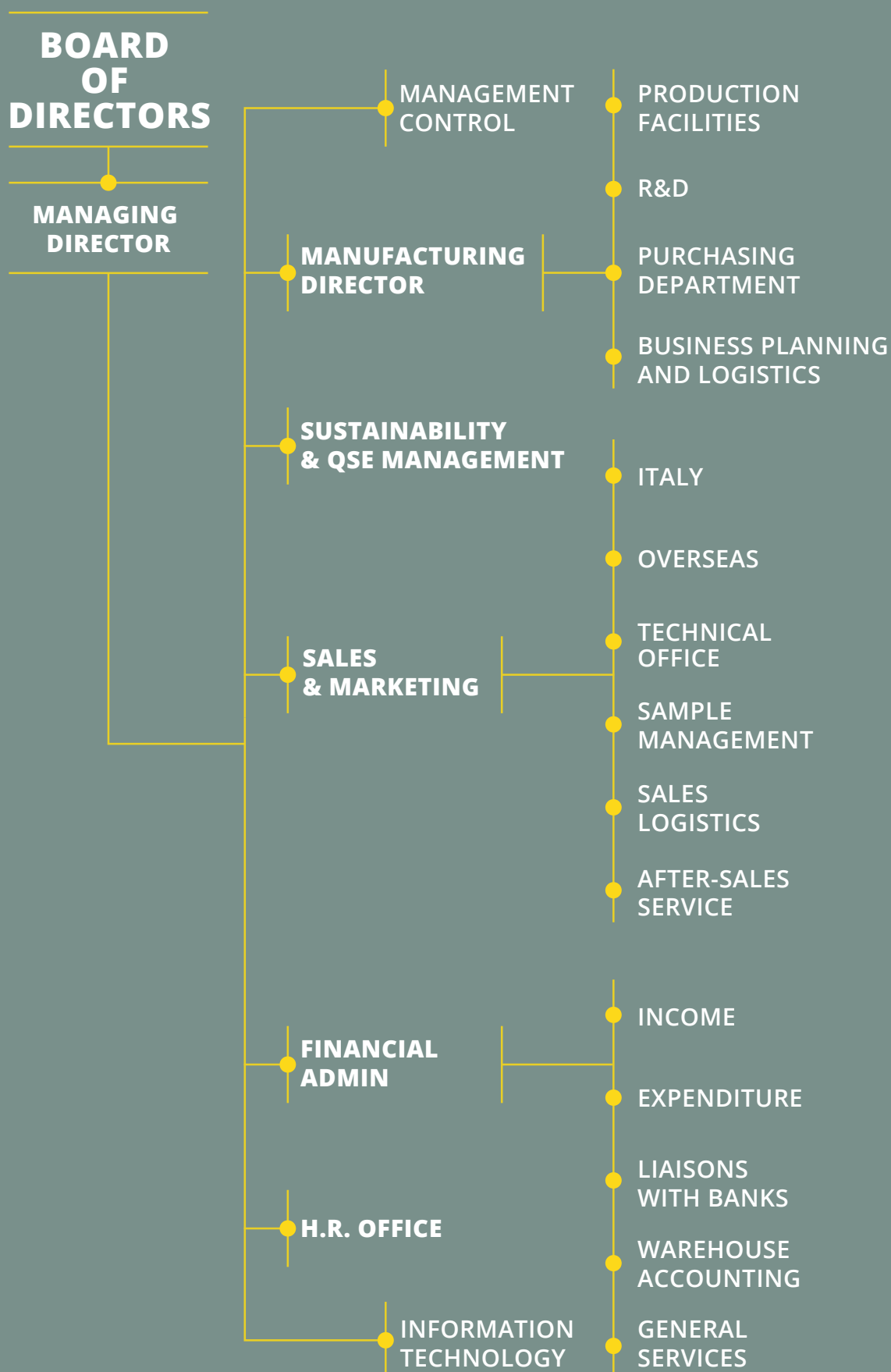
As the history of Stone Italiana shows, the Company is always ready to take on new projects and new challenges, and is always on the lookout for new solutions that can make a real difference on the market and at the same time stay firmly focused on the sustainability of the products.

The kitchen and vanity countertop area currently accounts for around 80% of the total turnover of Stone Italiana.

While we're on the subject of green products, in 2018 we began working on a new product, no longer containing quartz but made from 100% pre-consumer recycled minerals: Cosmolite®. Stone Italiana believes firmly in the potential of this New Materia, and the interest shown by a number of important customers is the demonstration of its importance. To confirm our belief in the product, Cosmolite® will be launched on a national level in 2022 through a TV advertising campaign, the first time Stone Italiana has made such a move.

By 2024, products based on recycled minerals could account

OUR COMPANY STRUCTURE



VALUES, PRINCIPLES AND CODE OF ETHICS

Stone Italiana avails of a series of documents and procedures to regulate the Company's actions.

COMPANY REGULATIONS

This is the document which establishes the modes of behaviour and the duties each Company employee is expected to adhere to. We overhauled this document in 2021, with the result that working hours and clocking in/out procedures have now been clarified, along with the policies 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.



ICT POLICY

This document lays down the basic behaviours every user should adopt as far as the use and upkeep of ICT systems is concerned. The ICT policy is scheduled to be revised in 2022.





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: <https://stoneitaliana.com/privacy-policy/>

ASSOCIATION MEMBERSHIP

*Our Company is a
member of a number of
major associations.*



CONFINDUSTRIA



SOLUTIONS AND NEW IDEAS

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 30-35% components of plant-based origin. We've been working and will continue to work with our resin suppliers to arrive at the product we want – at the moment the resins we use contain 25% plant-based components.

Our constant renewal is made possible by our internal research and development, and our positive dialogue with customers, partners, architects, designers and suppliers.



COSMOLITE

THE ORIGIN OF A NEW MATERIA

In the last twenty years, quartz has been the material we've used for a specific area of our production: kitchen countertops. Thanks to its high levels of technical performance, it almost effortlessly took over a portion of the kitchen market both at home and abroad, and aroused interest from Chinese manufacturers. In the space of just a few years, a whole host of manufacturers invaded the sector, leading to confusion as to the real properties of the product and, unfortunately, creating a much lower opinion of the quality of the product in general.

This situation created an urgent need to rethink our technology for producing engineered-stone slabs and start looking for alternative paths.

Now we come to Cosmolite®. There are three driving factors behind the Company's search for a New Materia, which began in 2018:

1. The market seemed to be 'tired' of quartz, so there was a need to breathe new life into the sector with something completely different.

2. The Company was continuing to move towards a paradigm shift, i.e. towards sustainability in every area of our operations.

3. Workplace health concerns demanded alternatives to quartz as a raw material.

How to achieve this?

By establishing a number of bottom lines:

- Look for a material with the same, if not better, technical performance as quartz.
- Use recycled raw materials as far as possible, with a focus on sourcing them locally.
- Limit the percentage of crystalline silica.

After years of research and testing, our in-house laboratory managed to perfect a formula which met all the requirements we had laid down.

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 almost total absence of crystalline silica in the components deriving from processing waste and therefore their encouragement of the use of pre-consumer recycled materials. Furthermore, the components are sourced locally here in Italy, thus also reducing the consumption of energy for transport. Lastly, the resin, the component binding the minerals together, is formulated using 25% plant-based ingredients.

Every aspect of Cosmolite® has been carefully analysed with a focus on its social, environmental and economic impacts, but also on aesthetics, as it needs to be attractive to compete in the current surfaces market.

4 collections, 14 colours and 3 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.

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 (Leadership in Energy and Environmental Design) third-party Certification System for sustainable buildings. This system certifies buildings on the basis of their environmental performance, dividing them into four levels:

- **CERTIFIED**
- **SILVER**
- **GOLD**
- **PLATINUM**

The drive to make sustainable buildings arose from a demand on the global market where investors request that new buildings comply with certain sustainability-based requirements in order to increase their value. Stone Italiana has performed this product mapping in order to provide a useful tool to architects and designers who have to decide which materials to use to comply with the stringent LEED requirements laid down by their clients.

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. It is a voluntary System, based on consensus and recognized internationally, which guarantees a third-party Certification to a building or a complex designed and built by adopting strategies aimed at improving environmental performances.

LEED V4 is oriented towards a rigorous and at the same time flexible approach, based on performance and measurable results through the life cycle of a building. This Certification is

supported by a checklist that includes several categories of services: IP Integrative Process, SS Sustainable Sites, LT Location & Transportation, WE Water Efficiency, EA Energy & Atmosphere, MR Materials and Resources, EQ Indoor Environmental Quality, IN Innovation, RP Regional Priority.

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.

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



EPD[®]

EPDS – ENVIRONMENTAL PRODUCT DECLARATIONS

Over the course of 2021, Stone Italiana worked to supplement and improve the Life-Cycle Assessment (LCA) which had already been carried out on its products, moving from a “from cradle to gate” study to a “from cradle to grave” study (one which took into account the impact of the distribution, use and end-of-life stages). These studies covered the whole production process (process certification). Thanks to these studies, the Company obtained Environmental Product Declarations which provide information on the environmental impact of the product life cycle in conformity with the ISO 14025 international standard.

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

The EPD of engineered quartz products and Cosmolite[®] 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.

In December 2020, Stone Italiana obtained EPD process certification, another important goal that allowed the Company to handle the writing and publication of its product EPDs internally by activating the Deming Cycle, the four-step iterative management technique for monitoring and making ongoing improvements to processes (also known as the PDCA cycle).

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.

For 2022, we've set ourselves the goal of performing a carbon-footprint analysis and ISO 14021 self-declared environmental claims about the recycled content of Cosmolite[®] product.

PROTECTING HEALTH AND SAFETY



The reliability and good reputation of the Company come in part from the safety of its products.

This is why Stone Italiana puts its products through special global migration tests every time it starts producing a material with a new formulation. 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.

Our goal for 2022 is to obtain the same certifications for Cosmolite®.

We pay a lot of attention to the risk of exposure to free crystalline silica, which can cause silicosis. Through Cosmolite®, 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 (VPI) for each of our products, which includes all the safety measures that must be adopted when the slabs are being processed and cut.



The product safety
certifications we have
been awarded are:



SEE OFFICIAL LISTING

NSF FOOD ZONE

Food safety

Stone Italiana products have had NSF FOOD ZONE Certification since 2010. 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.

This certification also involves annual surprise audits to ensure continued compliance. Over the years, the legislation has changed and become stricter, but that didn't catch Stone Italiana unawares, as we had already been awarded the FOOD ZONE Certification.

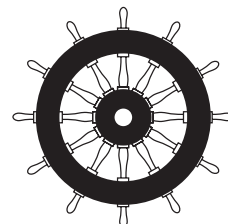


GREENGUARD GOLD

Environmental health

The GREENGUARD GOLD Certification concerns the materials and construction tools used in schools and healthcare facilities.

Recognising that children and the sick are more sensitive to chemical pollution, the Greenguard Environmental Institute (GEI) has developed a Certification programme with even tighter VOC emission limits than those set for commercial spaces.



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).

- Module B: EC Type-Examination Certificate 0407-MED-388 (IG-046-2022)

- Module D: Quality Certificate 0407-MED-375 (IG-008-2022)

The IMO Resolution MSC.307 (88) (FTP- Code 2010) Annex 1, Part 2, Part 5 applied standards issued by IMO (International Maritime Organization) concern the limited flame spread (FLAME SPREAD) of the materials and the toxicity and opacity of the fumes. The Stone Italiana products are certified floor coverings.





AVIS TECHNIQUE 12/18-1778_V1 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.

This Certification is issued by the French Organization CSTB only after rigorous laboratory testing and assessments carried out through inspections of large amounts of floorings supplied and laid in recent years in places such as shopping centres, lobbies, skyscraper landings, etc.. Avis Technique establishes that the materials are fit for the use they have been designed for, defines their technical features, decides whether they comply with the applicable Legislation and ensure that they are laid correctly using suitable binders.



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 SPA guarantees that its flooring materials comply with the European harmonized technical Standard UNI EN 15285:2008 on "Modular Tiles for Floorings and Stairs".

The Declaration of Performance (DoP) is made by performing initial and periodical ITT tests (which must be carried out by an accredited laboratory) on each family of products. Stone Italiana keeps implementing and continuously documents its Factory Production Control (FPC) system designed to ensure that during the floor tile manufacturing process all the necessary controls to guarantee the conformity of the products with the performance parameters set by the CE Standard are carried out.

PRODUCTION MATERIALS

In our products,
we use:

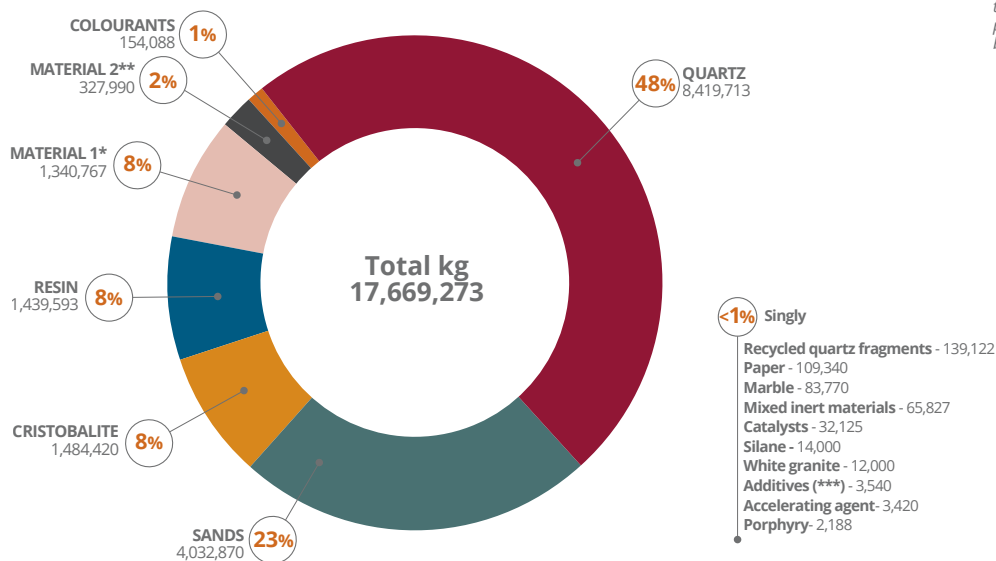
- Raw materials;
- Auxiliary materials necessary for production;
- Packaging.

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.

QUANTITIES OF RAW MATERIALS (Kg)

Data source: GSI management software

The quantities of Material 1 and Material 2 purchased increased in 2021 compared with 2020, as they are closely tied to the production of the New Materia Cosmolite®, the production of which quintupled in 2021 compared with 2020.



(*) 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.

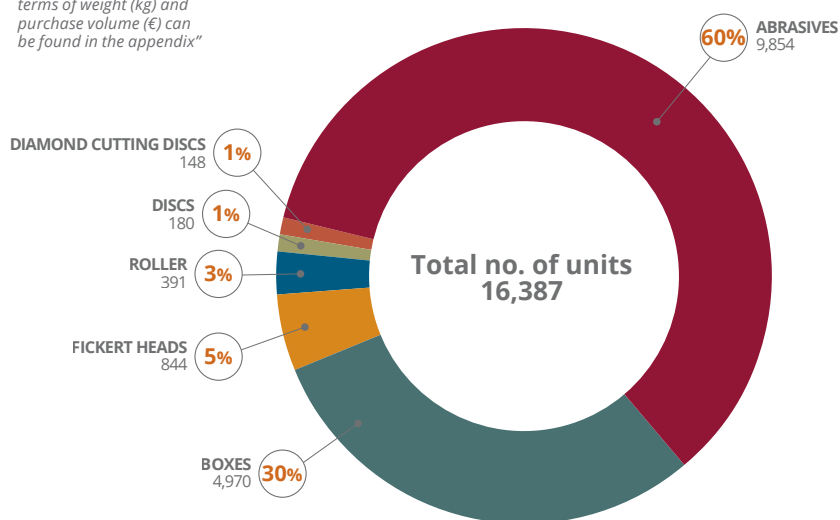
AUXILIARY PROCESS AND PACKAGING MATERIALS QUANTITIES (no. of units)

Data source: GSI management software

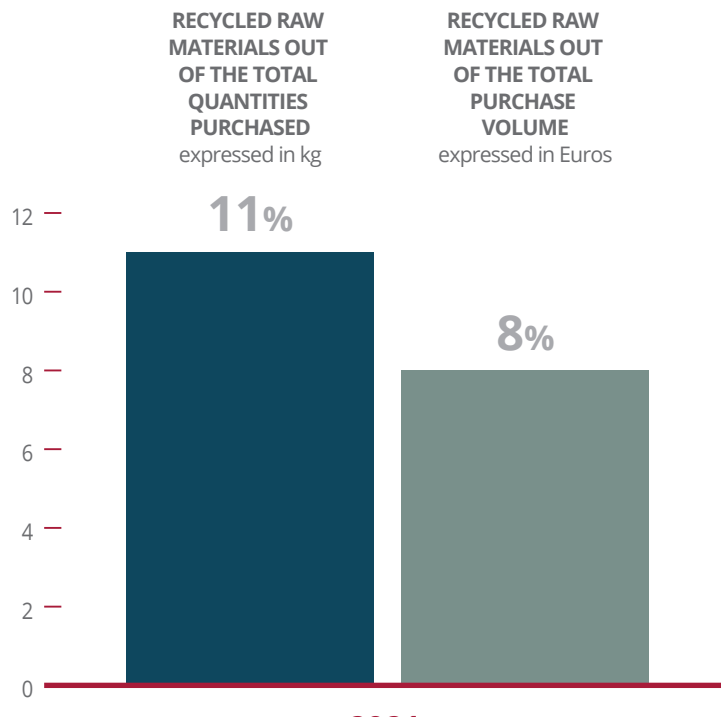
When the production process, the performance assessment carried out on the material and the purchase costs allow, we set out to find reusable waste products or recycled materials. As we stated in the previous report, we've set ourselves the goal of raising our percentage of recycled inert materials to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

From our monitoring in 2021, we found a noticeable increase in the use of recycled raw materials compared with previous years.

"complete details both in terms of weight (kg) and purchase volume (€) can be found in the appendix"



RECYCLED RAW MATERIALS



These figures are destined to grow in the coming years if our production of Cosmolite® overtakes our production of quartz-based products.

Materials used which are the product of recycling

Over the course of 2021, we recorded a significant increase in the use of recycled materials for packaging, as we decided to use a more eco-friendly material to package our Cosmolite® products: we are using a recycled cardboard box to package samples of Cosmolite® and recycle paper to print the related catalogues.



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.

This is why we have also set the goal of reducing our use of paper, which we will achieve by:

- using less paper to print waybills, by printing less copies of them (in 2021, despite a 16% increase in orders, we used 20% less paper);
- starting a digitalisation process to reduce the amount of paper used in production tracing.





INNOVATIVE PROCESSES

As well as product innovation, Stone Italiana is also committed to evolution and innovation in its production processes, mainly through digitalisation. This process has been facilitated by the hire of a new resource as IT Manager in 2020, meaning that we shifted from external to internal IT management.

To digitalise our business processes, we first enhanced our network infrastructure and Wi-Fi coverage. These operations were completed at our Zimella headquarters in 2021, while the work remains to be done at the Villesse facility (a goal for 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 digitalisation 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.

2022-2023 GOAL:

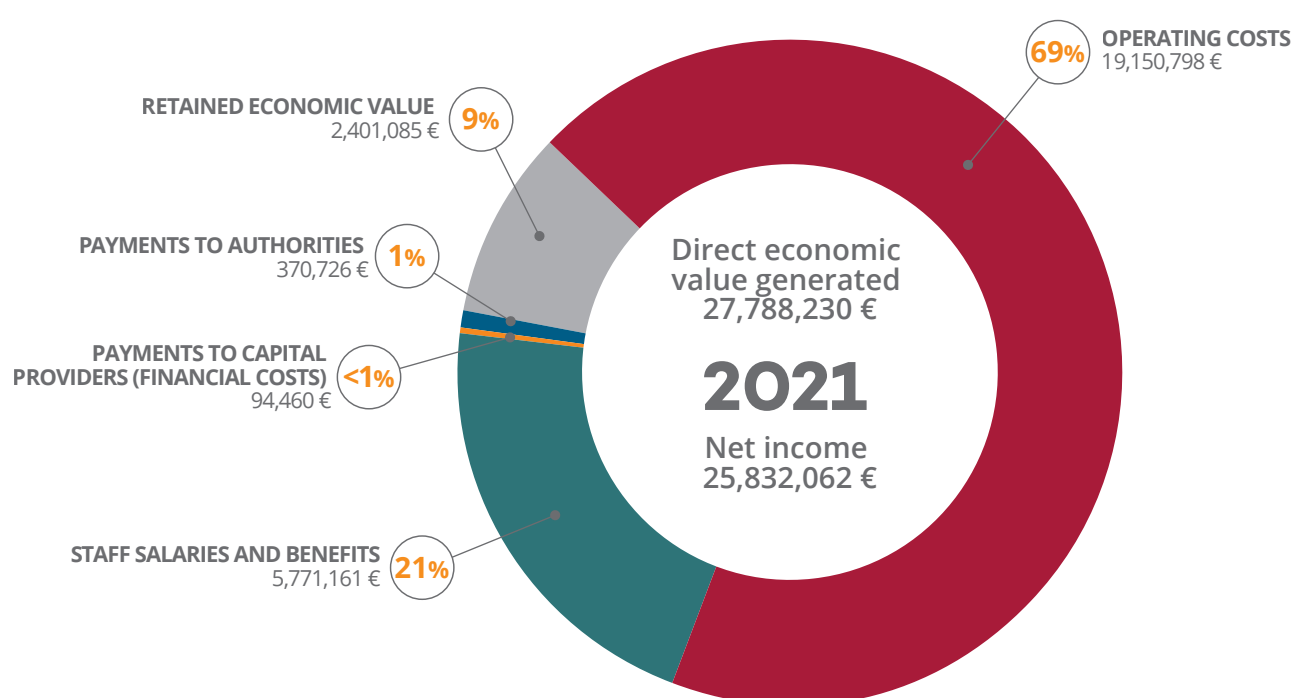
implement the pilot MES on Press 3 in Zimella and the polishing machine in Zimella. The process innovation process has also been applied to our internal communication system: in 2021, we moved over to a virtual switchboard and staff were issued with mobile telephones in order to make it easier to communicate 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 2021 by substituting our old desktop computers with laptops.

OUR ECONOMIC SUSTAINABILITY

“

Showing a 30% increase compared with 2020, our income from sales amounted to €25,832,062. In 2021, the economic value that was distributed amounted to around 90% of the total generated. Of this, 21% was spent on staff salaries and other staffing costs, demonstrating the Company's commitment to human capital. 9% of the generated income was retained and part of this was invested in research into innovative solutions regarding products and sustainability. Compared with 2020, the percentage of income distributed fell by 3% (the external expenditure is therefore lower), while the amount retained rose by 4%.



These results are linked to the events which marked 2021, such as the continuation of the pandemic and the significant rise in the prices of raw materials and transport costs (to face these difficulties, the Company has adopted a policy of making greater use of warehouse stock).

As far as costs are concerned, the operating costs were reduced thanks to improvements such as an increase in the quality of the products (leading to a reduction in wastage), more careful evaluation of expenditure and optimisation

of cost-benefit ratios; lower sales volumes also contributed to a reduction in production costs. As a demonstration of Stone Italiana's commitment to transparency, since 2017 our annual compulsory audit has been carried out by PwC PricewaterhouseCoopers.

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;
- Market products which meet customers' needs, with a strong focus on environmental protection;
- 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;
- Receive loans from the world of banks to enable us to make the necessary investments;
- Remunerate our shareholders.

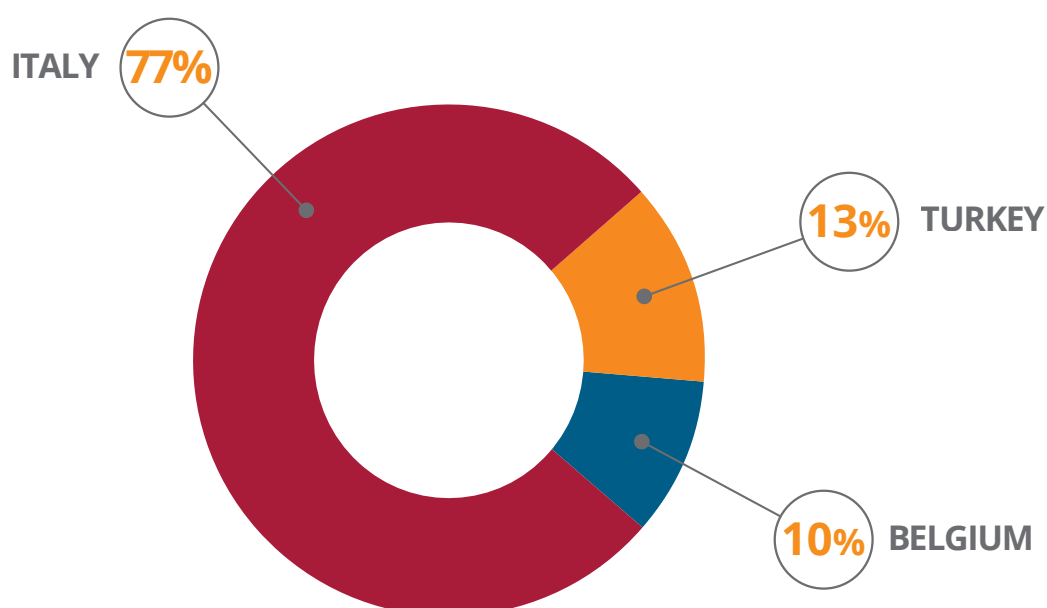
During the reporting period in question, we encountered a number of new limitations to the development and optimisation of our economic performance, linked to both external and internal factors. In detail, these were:

- 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 digitalise processes and increased focus on maintenance and servicing.



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

COSTS DISTRIBUTED ACCORDING TO COUNTRY



Total purchase costs of raw materials and consumables

7.5 MLN €

The financial year 2021 was marked positively by an upturn in the international marketplace, but negatively by a sharp rise in the cost of raw materials. However, if we look at the data from a longer period, we can see that in percentage terms, our operating costs are lower than they were in 2019.

To combat the rising cost of raw materials, the Company has implemented a business policy which has led to warehouse optimisation 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.

This policy has also led to an increase in the number of suppliers we use, generating competition between them.

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. This has led to an increase in the performance of the products in terms of their lifespan and a reduction in the number of pieces purchased, leading to a reduction in costs.

FINANCIAL TREND AND THREE-YEAR GROWTH PLAN

In 2021, the recorded turnover was significantly greater than the figure forecast in the three-year plan. A number of new business opportunities arose during 2021 which led to around €4.5 mln more income than forecast.

The updated three-year plan for 2022-2024 foresees:

We estimate growth amounting to 9% compared with 2021, thanks to a consolidation of our position in some new markets, the introduction and development of new customers and sales of Cosmolite®, the launch of which on the market will lead to benefits in the second half of 2022.

2022:
28.2 MLN €

The expected turnover will remain basically in line with the 2022 turnover, with a slight dip caused by the consequences of the world geopolitical setup.

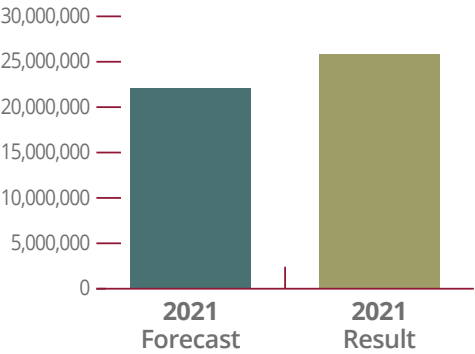
2023:
27.7 MLN €

We forecast a growth trend in the years 2022 and 2023, due to a generalised improvement in the international situation leading to an upturn in demand, and the new possibilities opened up by our new production setup.

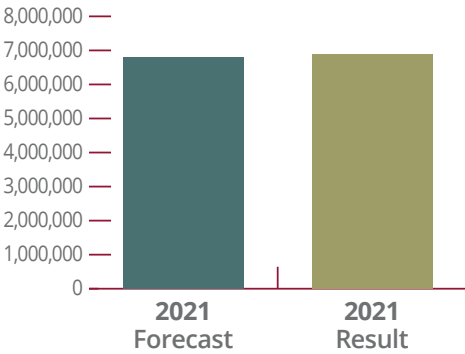
2024:
28.5 MLN €

IDENTIFYING OUR KPIs

SALES TREND (€)



RUNNING COSTS (€)





SUPPLY CHAIN

“ *100% of the services and 85% of the raw materials purchased were obtained from Italian suppliers.* ”

During the 2021 financial year, as a further criterion for evaluating suppliers, we began asking for ISO 9001 Quality Management System certification, ISO 14001 Environmental Management certification and ISO 45001 Workplace Health and Safety certification.

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.

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. In 2021, we added a further criterion for assessing potential suppliers: whether the raw materials come 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.

GEOGRAPHY OF OUR **SUPPLIES** OF **RAW MATERIALS**



44 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

7.8 MLN €

89% RAW MATERIALS

11% EQUIPMENT AND WASTE DISPOSAL

OUR **SOCIAL** SUSTAINABILITY

EMPLOYEES

104

WORK AND ECONOMIC SUSTAINABILITY: A NEW BALANCE

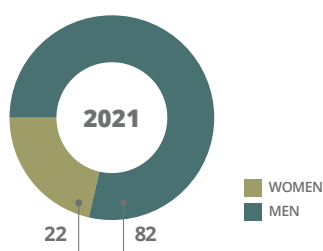
Through its operations, Stone Italiana supports more than a hundred families in the Verona and Gorizia areas and is a flagship for the Italian slabs and surfaces trade.

INFORMATION ON OUR EMPLOYEES AND OTHER WORKERS

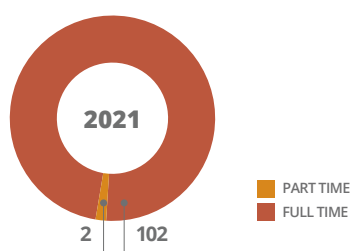
FULL TIME EQUIVALENT/ACTUAL NO.

FULL TIME EQUIVALENT	103.50
ACTUAL NO.	104

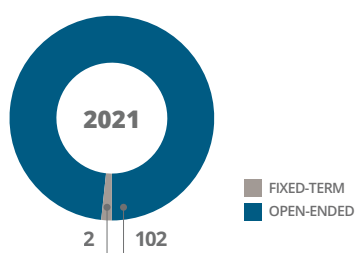
GENDER



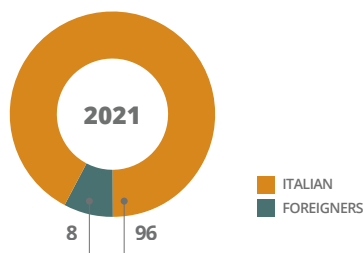
PART TIME - FULL TIME



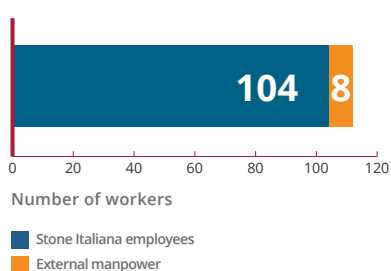
CONTRACT TYPE



ORIGIN



PROPORTION OF EMPLOYEES TO EXTERNAL MANPOWER

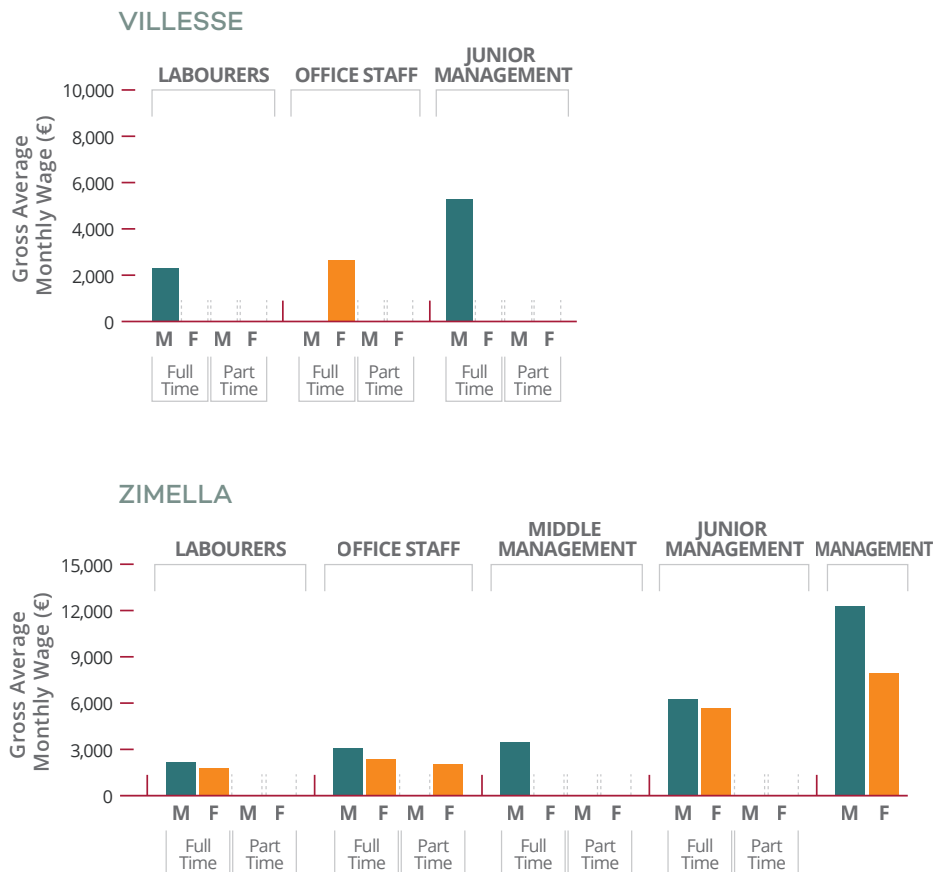


We also avail of external manpower provided by a cooperative for the sole purpose of cleaning the production areas.

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

EMPLOYMENT CONTRACTS AND REMUNERATION

AVERAGE STAFF REMUNERATION



The minimum level set in the CLA for the stone slab industry (applied at the Zimella facility) is Level F, which establishes a minimum monthly wage of €1,546.05 gross. The minimum monthly wage at Stone Italiana for Level F is €1,632.05 gross, regardless of gender.

The minimum level set in the CLA for the cement industry (applied at the Villesse facility) is Level AE1, which establishes a minimum monthly wage of €1,527.25 gross. The minimum monthly wage at Stone Italiana for level AE1 is €1,605.58 gross, regardless of gender.

Stone Italiana is assessing the possibility of promoting a number of staff members in 2022 in order to create greater equality in the salary received by male and female workers in each category. In 2021, seventeen of our employees already benefitted from an increase in salary associated with promotion to a higher level.

Over the course of the three-year period 2021-2023, we aim to put in place a merit-based rewards plan that will reward staff for the attainment of specific aims set for each role and agreed on with the various departments within the Company (production goals, income, cost reduction, profitability of orders, etc.).

OUR H.R. POLICY

“Our human resources planning is strategically linked to staffing needs and worked around the precise needs of the Company. In 2021, we took on 12 new resources and recorded 14 terminations of employment, due in part to employees reaching retirement age (8 people). With our new recruits, the average age of employees has been lowered, leading to significant impacts in various areas, including workplace safety.

We forecast that in 2022 we will take on new resources to replace retiring staff members, which will lead to a further lowering of the average age in the Company.

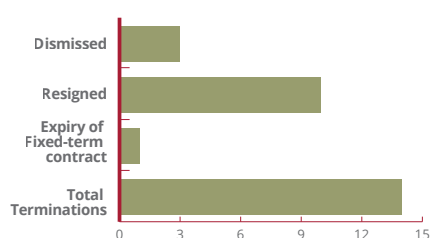
For the staff members let go in 2021, the worker mobility procedure was agreed on and conducted with the aid of a Labour Consultant in such a way as to fully protect the interests of the workers concerned.

The forewarning for dismissals in 2021 coincided with the periods established in the respective CLAs.

NUMBER OF DISMISSALS IN RELATION TO THE NUMBER OF FAMILIES AND INHABITANTS IN THE LOCAL MUNICIPALITIES

	STAFF DISMISSALS	ESTIMATED NUMBER OF FAMILIES IN THE LOCAL MUNICIPALITY	ESTIMATED NUMBER OF INHABITANTS IN THE LOCAL MUNICIPALITY
VILLESSE	1	760	1,700
ZIMELLA	2	1,830	5,000

TERMINATIONS



In line with the Company Regulations, Stone Italiana's goal is to create uniformity in the wage conditions of its various employees.

We have established that from 2022:

- The Company will provide all its employees with a coffee allowance which they can use on the in-house vending machines, to be issued in the month of January;
- The canteen will be available to all our 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 Italian TV.

Data source: Personnel management software

NEW RECRUITS

BY AGE



BY GENDER



BY COUNTRY OF ORIGIN



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.

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 organise 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.

We also educate our employees about issues of workplace health and safety and about all relevant legislation. Regarding the employees of Companies that act as contractors for us, we require evidence that these people have been adequately trained.

For 2021, the budget set aside for industrial safety, training courses and the purchase of PPE was raised to €100,000 (double the figure set aside in 2020). Of this amount, €85,500 was effectively spent.

The same budget of €100,000 for health and safety measures has been confirmed for the year 2022. As regards personal protective equipment, in 2021 two automatic PPE dispensers were installed

at the Zimella facility, leading to benefits for this facility in terms of greater efficiency in the equipment, resultant financial savings and a more streamlined ordering process. Our goal for 2022 is to install a further automatic dispenser to benefit our colleagues at the Villesse facility.

Below is a summary of the accidents recorded in 2021:

A total of four accidents occurred at the Zimella production site, leading to a total number of lost days because of temporary injury of 172.

One of our goals as a Company is to limit the number of accidents (the target being zero) and their severity.



ZIMELLA

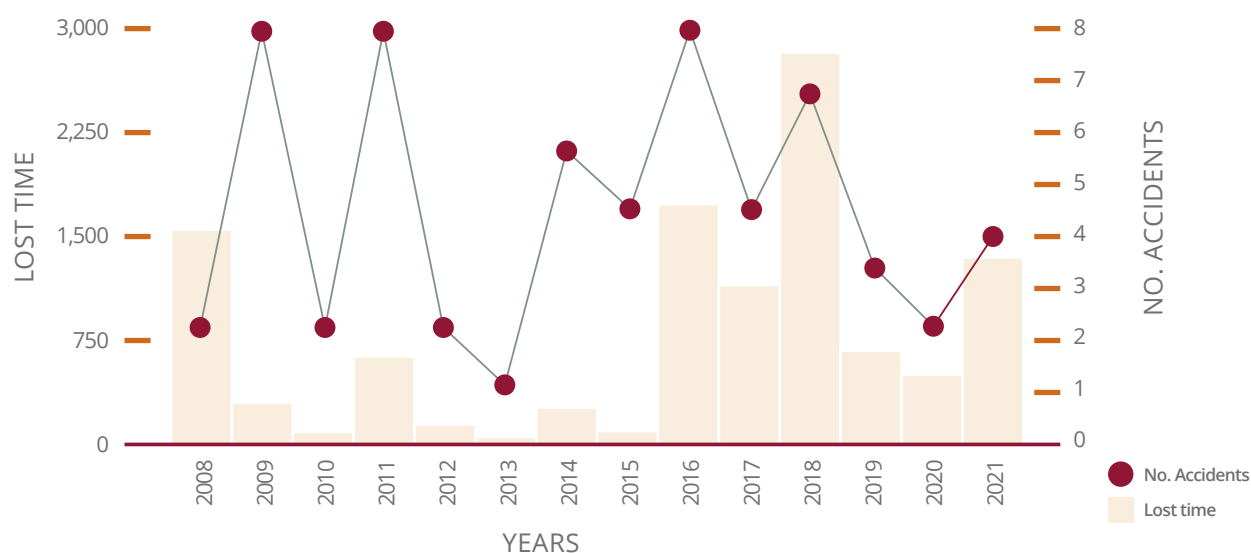
YEAR	EMPLOYEES INSURED	HOURS/YEAR WORKED	NO. INJURIES > 3 DAYS	DAYS OF TEMPORARY DISABILITY	FATAL ACCIDENTS	INCIDENCE RATE	FREQUENCY RATE	SEVERITY RATE
2008	57	81,789	2	196		35.09	24.45	2.4
2009	56	94,647	7	39		125	73.96	0.41
2010	54	94,482	2	13		37.04	21.17	0.14
2011	50	89,294	7	81		140	78.39	0.91
2012	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

Accident statistics in summary

Incidence rate =	No. Accidents *1,000 Employees insured
Frequency rate =	No. Accidents *1,000,000 Hours/year worked
Severity rate =	Days of temporary disability *1,000 Hours/year worked

ACCIDENT TREND COMPARED WITH PREVIOUS YEAR

YEAR	INCIDENCE RATE	FREQUENCY RATE	SEVERITY RATE
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

TEMPORAL TREND OF LOST TIME AND NUMBER OF ACCIDENTS - ZIMELLA

VILLESSE

YEAR	EMPLOYEES INSURED	HOURS/YEAR WORKED	NO. INJURIES > 3 DAYS	DAYS OF TEMPORARY DISABILITY	FATAL ACCIDENTS	INCIDENCE RATE	FREQUENCY RATE	SEVERITY RATE
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

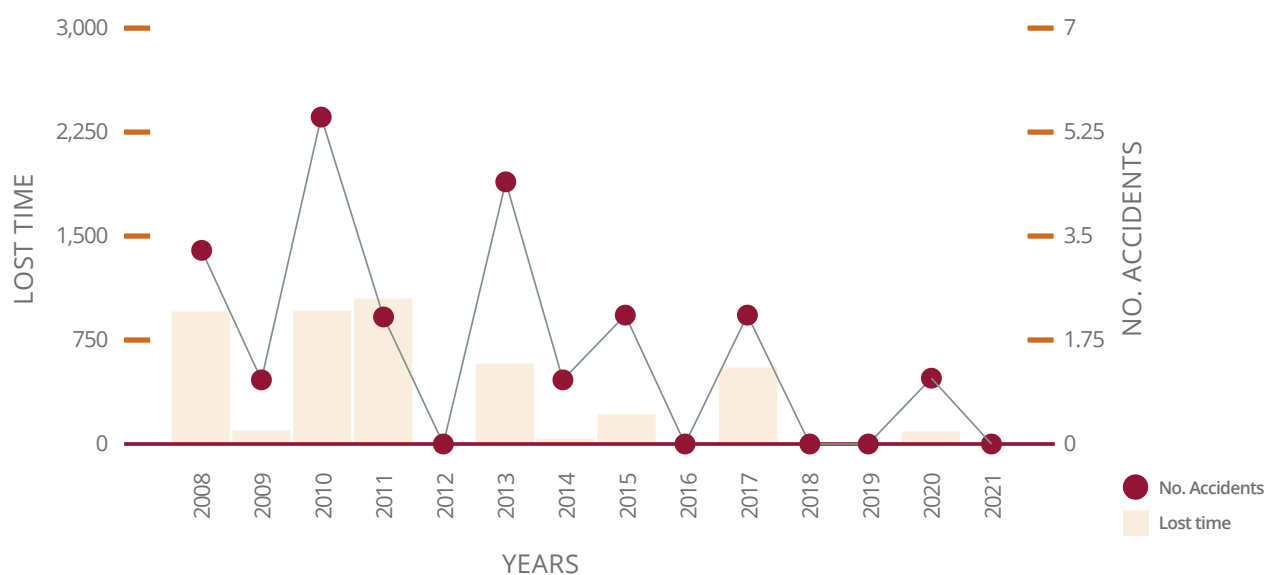
Accident statistics in summary

Incidence rate =	No. Accidents *1,000 Employees insured
Frequency rate =	No. Accidents *1,000,000 Hours/year worked
Severity rate =	Days of temporary disability *1,000 Hours/year worked

ACCIDENT TREND COMPARED WITH PREVIOUS YEAR

YEAR	INCIDENCE RATE	FREQUENCY RATE	SEVERITY RATE
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

TEMPORAL TREND OF LOST TIME AND NUMBER OF ACCIDENTS - VILLESSE



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 free 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 free 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 external workers, as they showed a significant reduction in the amount of respirable dusts released.

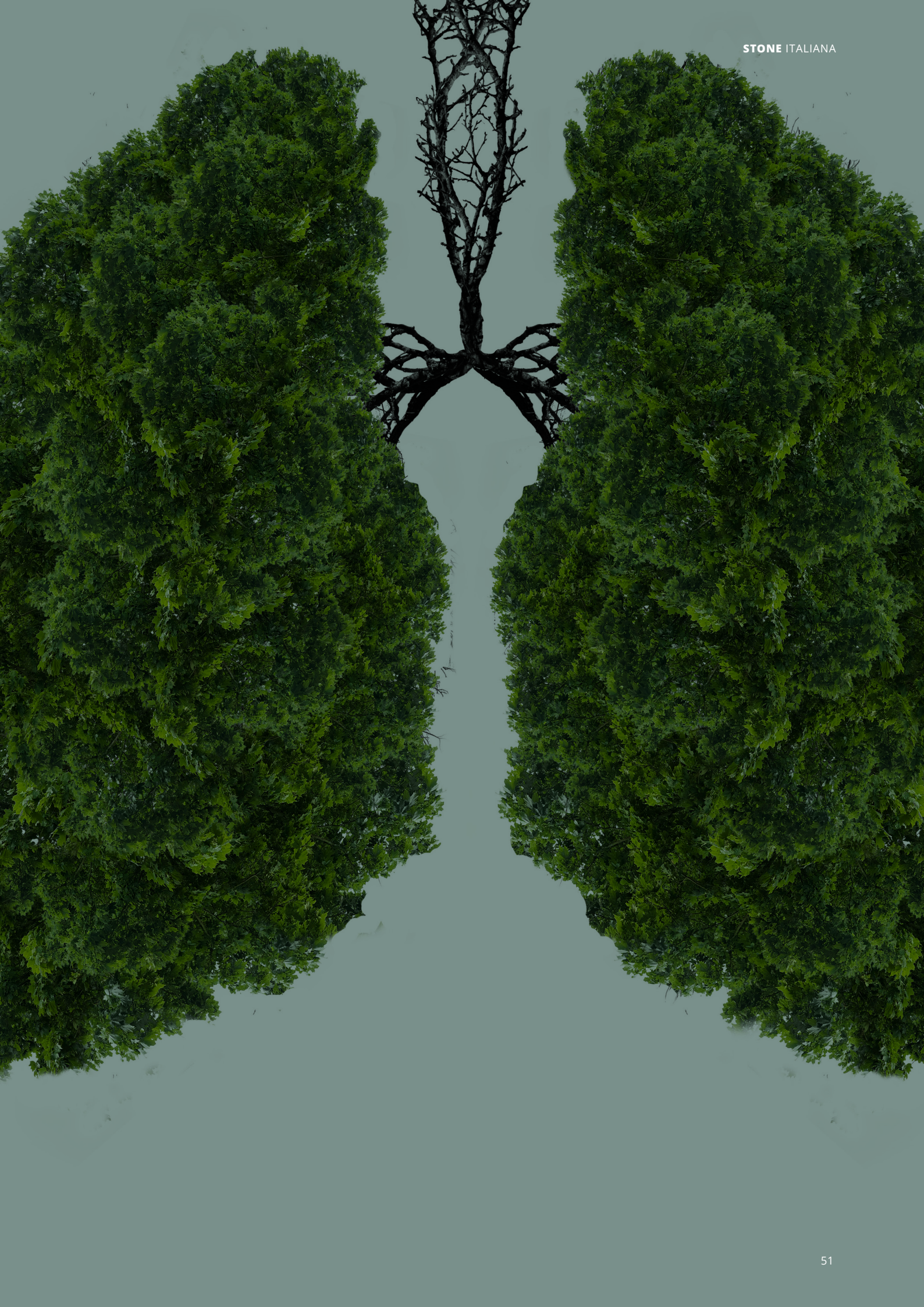
Since 2002, we have informed our fabricators how to process our product safely and about the risks associated with incorrect processing methods. This information is provided through our VPI (Voluntary Product Information) on our website.

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.

Thanks to a financial contribution from the European Commission and with the support of the technical and scientific resources made available by the national institutes for health and safety in

the workplace in Spain, the UK and Germany, in 2021 NEPSI developed the following projects:

- Updating and implementation of the Good Practice Guides (with the direct involvement of A.St.A);
- Creation of dedicated risk management sheets for the Engineered Stone sector (with the support of A.St.A);
- Development of an e-learning platform to raise awareness among workers about the risk of silicosis (in cooperation with A.St.A);
- Development of a protocol for a shared methodology for measuring exposure to free crystalline silica drawn up by IRAS (Institute for Risk Assessment Sciences) – Utrecht University, Netherlands.



ONGOING **TRAINING** AND **RESOURCE** DEVELOPMENT

In 2021:

TOTAL HOURS OF TRAINING:

986

AVERAGE NO. OF HOURS OF TRAINING PER EMPLOYEE:

9.5 hours/employee

We've always concentrated on mandatory training when it comes to health and safety in the workplace.

Nevertheless, we still want to work to develop more training opportunities for our resources;

this is why in 2021 we worked to draw up a map of all our staff's competencies, a Road Map that will allow us to arrange and deliver extra targeted training to the different departments, with the aim of adding to the technical and professional competencies of our

employees through training plans for specific needs and in line with our development targets.



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. In an ever more culturally complex society, one where we move in a competitive, global market, placing the 'person' at the centre and including everyone is a primary aim for us.

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 2021, 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.

To allow all our staff to express themselves, we administered an employee satisfaction survey, which also served as a way of gauging the atmosphere in the Company.

In this questionnaire, employees had the opportunity to signal any suggestions for improvements, which were then used to plan and/

or implement targeted measures.

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 2021, we did not record any lack of compliance with the laws on social and economic behaviour we are subject to.

OUR ENVIRONMENTAL SUSTAINABILITY

“ *Ever since our foundation in 1979, we've taken environmental sustainability as our guide in our way of doing business. In 2021, we published our first Sustainability Report, where our sustainable strategy and our trajectory for reducing and mitigating environmental impact 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;
- A reduction of the impacts caused by our production activities at the Zimella and Villesse facilities;
- Strict compliance with legislation and analysis of our atmospheric emissions.

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

In 2021, we did not incur any form of sanction due to non-compliance with environmental laws and regulations.



ENERGY

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

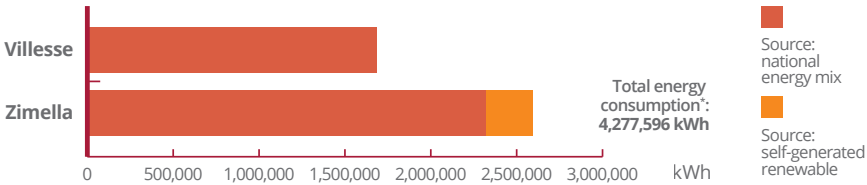
We have witnessed a significant reduction (18%) in energy consumption since 2019, which can be attributed to various factors:

- substitution of old lightbulbs with LEDs;
- intervention to increase the efficiency of machinery;
- special maintenance performed on the solar panels;
- reduction of slab production using presses and in the use of the finishing line.

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

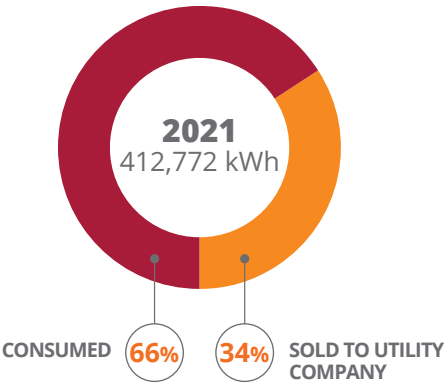
All the production plants and the lighting in the offices and production plants are **powered by electricity**.

ENERGY CONSUMPTION BY FACILITY AND TYPE OF ENERGY SOURCE



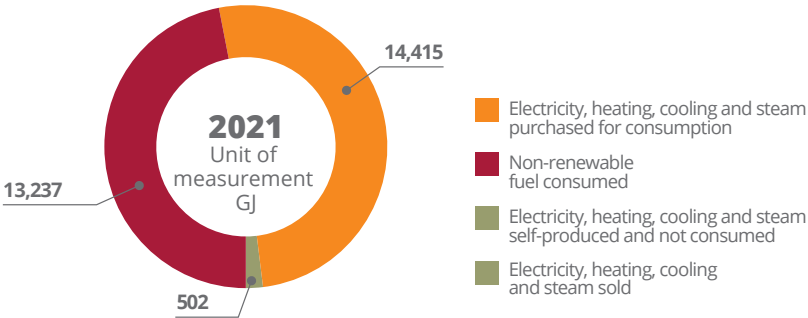
Data source: Energy meters

ELECTRICITY FROM SELF-GENERATED RENEWABLE SOURCES



Data source: Energy meters

TOTAL ENERGY CONSUMED WITHIN THE ORGANISATION



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 in order to reduce the environmental and financial

impacts associated with our energy use. Every maintenance operation performed on our machinery and at the Zimella and Villesse plants is done with the aim of leading to energy savings.

At the Villesse facility, we've bought next-generation vacuum pumps in order to reduce and increase the efficiency of our energy consumption.

The lighting in both facilities has been changed, substituting the old bulbs with LEDs, with the aim of achieving a total energy saving of 50% compared with the previous year as far as lighting is concerned.

The operation to substitute the old lights was carried out in September 2021, which is why we are waiting until the end of 2022 to record and assess the benefits.



TOWARD GREEN ENERGY

Our choice of energy mix is another factor which has allowed us to reduce our environmental impact in terms of CO₂ emissions and to limit our dependence on conventional external energy sources.

In 2011, we installed a 400kW/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.

Our intention is to continue with other measures to increase the

amount of energy we produce from renewable sources, through close monitoring of the systems, a reduction in dispersion and doubling up operations to keep the panels clean.

EMISSIONS



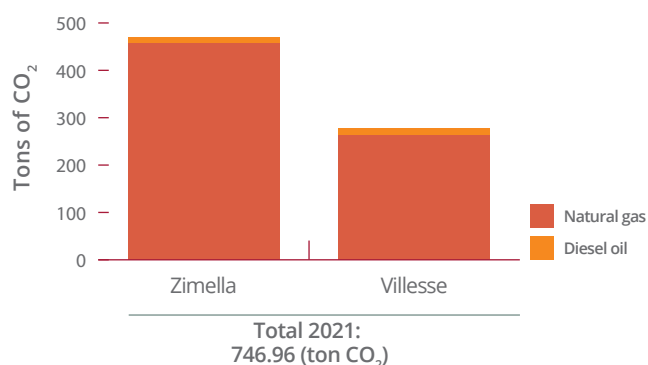
Our production activities generate emissions of dusts, VOCs and VOSts into the atmosphere, as well as greenhouse-gas emissions from the combustion of natural gas, diesel oil and use of electricity. If we look at our two production plants, Stone Italiana reduces these emissions by creating a more positive relationship between indirect energy consumption (in other words, the use of electricity, as mentioned above) and direct energy consumption (in other words, the use of natural gas).

Stone Italiana has decided to limit its emissions as far as possible through various measures, one of which is substituting our diesel-oil-fuelled forklifts with a range of electric vehicles. The new forklifts have already arrived at the Zimella facility and the Villesse facility will also shortly be fully equipped.

The goal we set for reducing our diesel oil consumption was met and even exceeded in 2021 – compared with 2019, we recorded a 26% reduction in our use of this fuel.

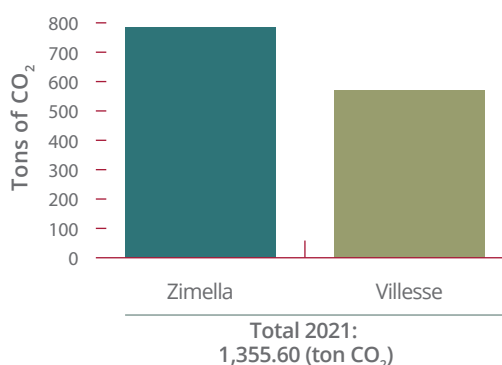
As far as greenhouse-gas emissions are concerned, we focused our attention on an analysis only of our carbon dioxide (CO₂) emissions and took into account only the emissions generated by our production activities (Scope 1 and Scope 2) and not those related to the raw materials, the transport of materials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

**DIRECT CO₂ EMISSIONS
(SCOPE 1)**



**INDIRECT CO₂ EMISSIONS
(SCOPE 2)**

Energy from the utility Company



"The CO₂ emissions were calculated based on the data provided by utilities bills and meters. Source of the emission factors for natural gas and diesel oil: ISPRA, Jan 2020, Table of National Standard Parameters. As regards diesel oil, we took an average density of 850kg/m³. Source of emission factors for energy: AIB 2019, European Residual Mixes 2019 -> Production Mix 2019 (Italy)".

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

In 2021, we recorded a greater consumption of natural gas than in 2020, caused by an increase in the production of slabs (and therefore a greater production of raw materials). This led to an increase in Scope 1 emissions, while the Scope 2 value, on the contrary, diminished.

We carry out annual measurements of our dust, 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.

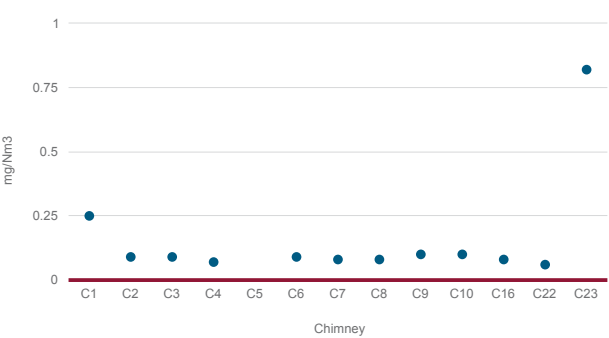
The analyses we performed in 2021 showed emissions that were well under the TLVs (see the complete analyses in the Appendix).

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 MEASUREMENTS OF ATMOSPHERIC EMISSIONS

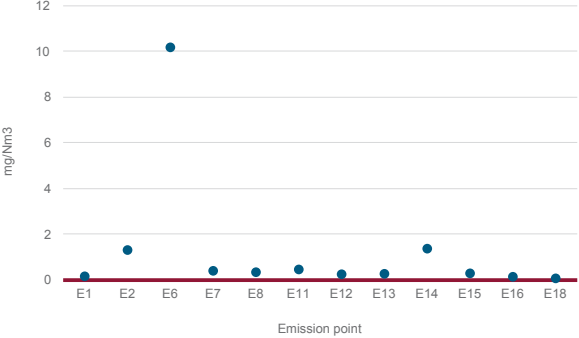
ZIMELLA - TOTAL DUST EMISSIONS

Threshold limit value: 10 mg/Nm³



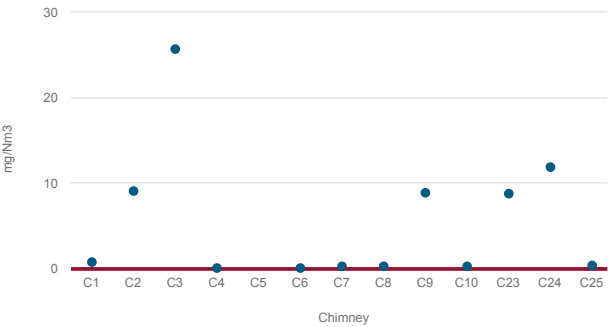
VILLESSE - TOTAL DUST EMISSIONS

Threshold limit value: 150 mg/Nm³



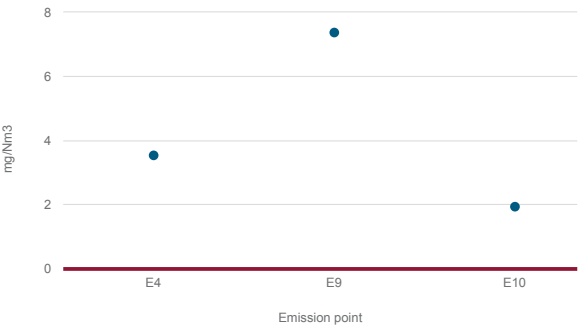
ZIMELLA - T.O.C. EMISSIONS

Threshold limit value: 100 mg/Nm³



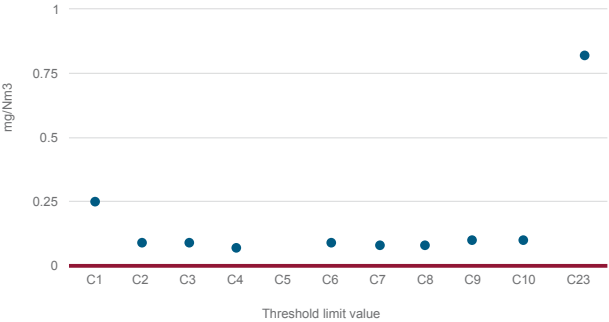
VILLESSE - V.O.C. EMISSIONS

Threshold limit value: 150 mg/Nm³



ZIMELLA - CRYSTALLINE SILICA EMISSIONS

Threshold limit value: 5 mg/Nm³



WATER

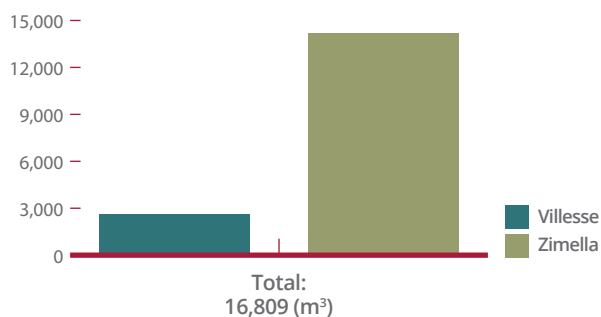
“*Monitoring the quantity and quality of water extracted after processing is a fundamental act for us, as it allows us to ensure that our processes are top-quality and to carefully manage such a precious resource.*”

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 2021 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)



Data source: well-water meters

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 have set ourselves the goal for 2022 of cutting by 5% the amount

of waste that has to be disposed of instead of being reused.

As well as increasing the percentage of waste we reclaim and reuse, the Company is committed to studying new ways to make use of defective slabs and using recycled or low-environmental-impact raw materials.

In 2021, we hired staff specifically to ensure the efficacy of our systems for managing waste and scrap materials.





TARGETS REACHED

AREA	ACTION	GOALS
HUMAN RESOURCES	Competency mapping and survey on atmosphere among staff	We've mapped all our staff's competencies and carried out a survey on the atmosphere among staff, gathering suggestions for improvements in every area of the Company.
ENVIRONMENTAL IMPACT	Reduction in use of paper	In 2021, we achieved a 20% reduction in the use of headed paper used to print waybills.
	Appointment of a resource to monitor the environmental checklist	A resource has been appointed to provide greater control over and closer monitoring of our environmental checklist.
	Reduction in the respirable dust in the work environment when producing COSMOLITE®	Environmental analyses were carried out during production of COSMOLITE® with excellent results as regards free crystalline silica emissions. We will be able to set a goal for percentage reduction in 2022.
	Reduction in the use of diesel oil for forklift trucks by moving over to electric vehicles	In 2021, we reduced our consumption of diesel oil by 26%.
HEALTH AND SAFETY	Automatic PPE distributor	Two automatic PPE dispensers have been installed at the Zimella factory.
RESEARCH AND DEVELOPMENT	Search for resins with a high proportion of plant-based components	Our goal for the three-year period 2021-2023 is to start using a resin containing 30-35% plant-based components. In 2021, we achieved a figure of 25% of ingredients from plant-based sources.
LIFE CYCLE ANALYSIS	Broadening of our product environmental impact assessments by moving from a "cradle to gate" to a "cradle to grave" analysis	We've performed a "cradle to grave" LCA on all our products.
SUPPLY CHAIN	Adoption of sustainability criteria when choosing suppliers	We've added the ISO 14001 and ISO 45001 certifications to our criteria and added the availability of virgin/recycled raw materials to our assessment criteria.
ENERGY	Increase energy efficiency by using LED lighting	We've substituted all the old lightbulbs in Zimella and Villesse with LED lighting.

IMPROVEMENT GOALS

AREA	ACTION	GOALS
HUMAN RESOURCES	Targeted supplementary training	By the end of 2023, targeted training will be provided in line with Company needs and the role performed by each employee.
	Draw up a Merit-Based Rewards Plan	By the end of 2023, the parameters for implementing the Merit-Based Rewards Plan will be defined.
	Set up a communal space in the Zimella facility	Before the end of 2022, we will set up an area that employees can use to read newspapers, or play table football or card games.
COMPANY SPACES	Renovation of our meeting spaces and creation of a new showroom	Before the end of 2022, the new exhibition spaces and a new meeting room will be ready.
DIGITALISATION	Enhancement of Internet network	In 2022, we will enhance the network infrastructure and Wi-Fi coverage.
	Implementation of pilot MES	The Company aims, by the end of 2023, to implement the pilot MES on Press 3 and the polishing machine at the Zimella plant.
ENVIRONMENTAL IMPACTS	Reduction in paper use	For 2022, we forecast a 50% reduction compared with 2020 (in proportion to the number of waybills issued during the year).
	Greater use of recycled materials and minerals	For the two-year period 2022-23, the Company aims to increase its use of recycled inert materials by 20% compared with 2020. As far as packaging (wood, cardboard) is concerned, our goal is to use 2% more recycled materials.
	Increase in salvaged waste	The Company is committed to increasing the total amount of waste salvaged and reused by 5% compared with the figures from 2020, by the end of 2022.
	Draw up carbon footprint for COSMOLITE®	The Company is committed to measuring the greenhouse gas emissions associated with producing COSMOLITE® by the end of 2022.
	Environmental declaration ISO 14021 concerning the recycled material content of COSMOLITE®	Before the end of 2022, Stone Italiana intends to draw up and certify the environmental declaration ISO 14021 RECYCLED CONTENT for COSMOLITE®.
	Greenguard Gold certification for COSMOLITE®	The Company aims to obtain GREENGUARD GOLD certification regarding VOC emissions for the COSMOLITE® product in 2022.
HEALTH AND SAFETY	Raise awareness of the importance of using PPE when processing quartz slabs	Stone Italiana has committed to reviewing and publishing the new Voluntary Product Information (VPI) on its website by the end of 2022.
	Automatic PPE dispenser	A new automatic PPE dispenser is scheduled to be installed at the Villesse facility in 2022.
RESEARCH AND DEVELOPMENT	Search for resins with a high percentage of components from plant-based sources	Our goal for the two-year period 2022-23 is to start using a resin containing 30-35% plant-based components. We currently use a resin which contains 25%.
	Creation of products by reusing internal resources	The Company has committed to reducing the amount of unusable stock in its warehouses by 10% by the end of 2023. This will be achieved by using the stock to make new products.
	Manufacture products using recycled minerals	By the end of 2024, Stone Italiana aims to produce the majority of its materials using recycled minerals.
WATER	New sedimenter for the Zimella facility	A new sedimenter is scheduled to be installed on the Zimella finishing line before the end of 2023, which will avoid water wastage and therefore reduce consumption.
MARKETING	Launch of a new marketing campaign	Stone Italiana has a new marketing campaign to be implemented over the course of 2022, comprising a new corporate image, a new website, advertising campaigns and digital marketing.
	Promote an app allowing customisation of products	By the end of 2022, an app will be available to professionals allowing them to design customised products.

APPENDIX

WASTE BY TYPE AND DISPOSAL METHOD

ZIMELLA

EWG	DESCRIPTION	HAZARDOUS	NON HAZARDOUS	RECOVERY	DISPOSAL
010413	waste produced from cutting and sawing stone, other than the waste described under heading 01 04 07		●	1,894,070	1,333,350
080111*	waste paints and varnishes containing organic solvents or other hazardous substances	●		660	1,520
080318	empty toner cartridges, other than those under heading 08 03 17		●	14	x
080409*	waste adhesives and sealants containing organic solvents or other hazardous substances	●		x	9,610
130205*	mineral oils for motors, gears and lubrication; non-chlorinated	●		720	x
150101	paper and cardboard packaging		●	7,880	x
150102	plastic packaging		●	x	x
150103	wooden packaging		●	27,420	x
150106	mixed-material packaging		●	51,090	x
150110*	packaging containing residues of hazardous substances or contaminated by such substances	●		4,720	x
150111*	metallic packaging containing hazardous solid porous substances (e.g. asbestos), including empty pressurised containers	●		x	x
150202*	absorbents, filtering materials (including not-otherwise-specified oil filters), cloths and protective clothing contaminated by hazardous substances	●		x	x
160213*	broken equipment containing hazardous components (2) other than those under headings 16 02 09 and 16 02 12	●		x	x
160214	broken forms of equipment other than those under headings from 16 02 09 to 16 02 13		●	3,590	x
160304	inorganic waste products, other than those under heading 16 03 03		●	x	x
160504	gas in pressurised tanks (including halons) containing hazardous substances	●		90	x
161001*	carbon-based refractory coverings and materials produced by metal extraction processes and containing hazardous substances	●		x	x
161002	carbon-based refractory coverings and materials produced by metal extraction processes, other than those under heading 16 11 01		●	x	64,780
170405	iron and steel		●	52,480	x
PARTIAL TOTAL		17,230 kg	3,434,764 kg	2,042,734 kg	1,409,260 kg
		0.5%	99.5%	59.2%	40.8%
TOTAL WASTE PRODUCED		3,451,994 kg			

VILLESSE

EWG	DESCRIPTION	HAZARDOUS	NON HAZARDOUS	RECOVERY	DISPOSAL
010413	waste produced from cutting and sawing stone, other than the waste described under heading 01 04 07		●	1,157,420	846,500
080112	waste paints and varnishes, other than those listed under point 08 01 11		●	590	x
140603*	other solvents and mixtures of solvents	●		5,110	4,000
150102	plastic packaging		●	19,840	x
150103	wooden packaging		●	49,130	x
150106	mixed-material packaging		●	112,060	x
150110*	packaging containing residues of hazardous substances or contaminated by such substances	●		3,800	x
160303*	inorganic waste containing hazardous substances	●		2,630	x
170405	iron and steel		●	11,330	x
PARTIAL TOTAL		15,540 kg	2,196,870 kg	1,361,910 kg	850,500 kg
		0.7%	99.3%	62%	38%
TOTAL WASTE PRODUCED 2,212,410.00 kg					

BREAKDOWN OF OUR MEASUREMENT OF ATMOSPHERIC EMISSIONS ZIMELLA

TOTAL DUST EMISSIONS THRESHOLD LIMIT VALUE 10 mg/Nm ³		T.O.C. EMISSIONS THRESHOLD LIMIT VALUE 100 mg/Nm ³		CRYSTALLINE SILICA EMISSIONS THRESHOLD LIMIT VALUE 5 mg/Nm ³	
CHIMNEY	mg/Nm ³	CHIMNEY	mg/Nm ³	CHIMNEY	mg/Nm ³
C1	0.25	C1	0.8	C1	0.25
C2	0.09	C2	9.1	C2	0.09
C3	0.09	C3	25.7	C3	0.09
C4	0.07	C4	0.1	C4	0.07
C5	-	C5	-	C5	-
C6	0.09	C6	0.1	C6	0.09
C7	0.08	C7	0.3	C7	0.08
C8	0.08	C8	0.3	C8	0.08
C9	0.1	C9	8.9	C9	0.1
C10	0.1	C10	0.3	C10	0.1
C16	0.08	C23	8.8	C23	0.82
C22	0.06	C24	11.9		
C23	0.82	C25	0.4		

BREAKDOWN OF OUR MEASUREMENT OF ATMOSPHERIC EMISSIONS VILLESSE

TOTAL DUST EMISSIONS THRESHOLD LIMIT VALUE 150 mg/Nm ³		V.O.C. EMISSIONS THRESHOLD LIMIT VALUE 150 mg/Nm ³	
CHIMNEY	mg/Nm ³	CHIMNEY	mg/Nm ³
E1	0.16	E4	3.54
E2	1.31	E9	7.37
E6	10.18	E10	1.94
E7	0.4		
E8	0.34		
E11	0.46		
E12	0.25		
E13	0.27		
E14	1.37		
E15	0.29		
E16	0.14		
E18	0.07		

CONSUMPTION AND EMISSIONS

	EMISSIONS (TON CO ₂)
SCOPE 1	
Natural gas - Zimella	457.53
Natural gas - Villesse	262.62
Diesel to fuel forklift trucks - Zimella	12.07
Diesel to fuel forklift trucks - Villesse	14.75
Total scope 1	746.96
SCOPE 2	
Self-generated renewable energy - Zimella	0.00
Electricity from the utility company - Zimella	785.65
Electricity from the utility company - Villesse	569.94
Total scope 2	1,355.60
TOTAL	2,102.56

TOTAL ENERGY CONSUMED WITHIN THE ORGANISATION		UNIT OF MEASUREMENT
Non-renewable fuel consumed	13,236.952	Gj
Renewable fuel consumed	0	Gj
Electricity, heating, cooling and steam purchased for consumption	14,415.33	Gj
Electricity, heating, cooling and steam self-generated and not consumed	501.63	Gj
Electricity, heating, cooling and steam sold	501.63	Gj
TOTAL	27,652.28	Gj

PURCHASES ANALYSIS (QUANTITIES, €, RECYCLED)

CATEGORY	PURCHASE VOLUME (€)
Raw materials	6,968,169.92
Auxiliary materials for packaging	554,102.63
Packaging	3,479.40
OVERALL TOTAL	7,525,751.95

RAW MATERIALS	QUANTITIES (KG)	PURCHASE VOLUME (€)	RECYCLED RAW MATERIALS (KG)	RECYCLED RAW MATERIALS (€)
Accelerating agents	3,420.00	1,708,917.91	-	-
Additives (3)	3,540.00	448,169.18	-	-
Paper	109,340.00	536,653.90	-	-
Catalysts	32,125.00	2,970,310.07	-	-
Colourants	154,088.20	206,793.05	-	-
Cristobalite	1,484,420.00	1,073,947.10	-	-
White granite	12,000.00	216,018.12	12,000.00	€ 2,328.48
Mixed inert materials	65,827.00	327,977.48	65,827.00	€ 5,675.44
Mother-of-pearl	4,500.00	12,124.23	4,500.00	€ 6,851.25
Marble	83,770.00	404,970.10	-	-
Material 1 (1)	1,340,766.50	4,676.92	1,340,766.50	€ 404,962.27
Material 2 (2)	327,990.00	28,865.51	327,990.00	€ 40,417.15
Porphyry	2,188.00	685.63	-	-
Quartz	8,419,713.00	2,198.60	-	-
Recycled quartz fragments	139,122.00	28,164.25	139,122.00	€ 77,777.01
Resin	1,439,593.00	1,813.44	-	-
Sands	4,032,870.00	360.00	-	-
Silane	14,000.00	-	-	-
Overall total	17,669,272.70	6,968,169.92	1,890,205.50	€ 538,011.60

(1) **Material 1:** This raw material is confidential, as its composition and the recipes for the products form part of Stone Italiana's intellectual property.

(2) **Material 2:** This raw material is confidential, as its composition and the recipes for the products form part of Stone Italiana's intellectual property.

(3) **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 PROCESSING AND PACKAGING	QUANTITIES (UNITS)	PURCHASE VOLUMES (€)
Abrasives	9,854.00	€ 226,896.00
Cutting discs	180.00	€ 19,362.27
Fickert heads	844.00	€ 114,150.16
Diamond cutting discs	148.00	€ 331.20
Rollers	391.00	€ 193,363.00
Overall total	16,387.00	€ 557,582.03

LIST OF GRI INDICATORS

DISCLOSURE (YEAR)	CORE	PAGE	NOTES
General disclosures [GRI 102 - 2016]			
102-1 (2016)	Name of the organization	1	
102-2 (2016)	Activities, brands, products and services	11	
102-3 (2016)	Location of headquarters	11, 71	
102-4 (2016)	Location of operations	6, 11, 71	
102-5 (2016)	Ownership and legal form	14	
102-6 (2016)	Markets served	12	
102-7 (2016)	Scale of the organization	7, 28, 29, 30, 14	
102-8 (2016)	Information on employees and other workers	35	
102-9 (2016)	Supply chain	31	
102-10 (2016)	Significant changes to the organization and its supply chain		No significant changes
102-11 (2016)	Precautionary Principle or approach	46	Currently absent
102-12 (2016)	External initiatives		To date, Stone Italiana does not adhere to external initiatives on environmental, social or economic matters
102-13 (2016)	Membership of associations	18	
102-14 (2016)	Statement from senior decision-maker	4	
102-16 (2016)	Values, principles, standards, and norms of behavior	18	
102-18 (2016)	Governance structure	17	
102-40 (2016)	List of stakeholder groups	8	
102-41 (2016)	Collective bargaining agreements	36	
102-42 (2016)	Identifying and selecting stakeholders	8	
102-43 (2016)	Approach to stakeholder engagement	8	
102-44 (2016)	Key topics and concerns raised	4	
102-45 (2016)	Entities included in the consolidated financial statements	6	There is no consolidated financial statement
102-46 (2016)	Defining report content and topic Boundaries	6	
102-47 (2016)	List of material topics	10	
102-48 (2016)	Restatements of information		None
102-49 (2016)	Changes in reporting		None
102-50 (2016)	Reporting period	6	2021
102-51 (2016)	Date of most recent report		2019-2020
102-52 (2016)	Reporting cycle		Annual
102-53 (2016)	Contact point for questions regarding the report	73	
102-54 (2016)	Claims of reporting in accordance with the GRI Standards	6	
102-55 (2016)	GRI content index	72	

LIST OF GRI INDICATORS

DISCLOSURE (YEAR)	CORE	PAGE	NOTES
102-56 (2016)	External assurance		Absent
Economic Performance [GRI 201 - 2016]			
Management approach (2016)			
103-1	Explanation of the material topic and its Boundary	36	
103-2	The management approach and its components	38, 39, 40	
103-3	Evaluation of the management approach	38, 39, 40	
Specific information			
201-1	Direct economic value generated and distributed	38, 39, 40	
Market presence [GRI 202 - 2016]			
Information on management methods (2016)			
103-1	Explanation of the material topic and its Boundary		
103-2	The management approach and its components	44	
103-3	Evaluation of the management approach	44	
Specific information			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	44	
Indirect Economic Impacts [GRI 203 - 2016]			
Information on management methods (2016)			
103-1	Explanation of the material topic and its Boundary		
103-2	The management approach and its components	45	
103-3	Evaluation of the management approach	45	
Specific information			
203-1	Infrastructure investments and services supported	45	
Procurement Practices [GRI 204 - 2016]			
Information on management methods (2016)			
103-1	Explanation of the material topic and its Boundary	39	
103-2	The management approach and its components	40, 41	
103-3	Evaluation of the management approach	40, 41	
Specific information			
204-1	Proportion of spending on local suppliers	39	
Materials [GRI 301 - 2016]			
Information on management methods (2016)			
103-1	Explanation of the material topic and its Boundary	23, 24, 25, 40	
103-2	The management approach and its components	23, 24, 25	

DISCLOSURE (YEAR)	CORE	PAGE	NOTES
103-3	Evaluation of the management approach	23, 24, 25	
Specific information			
301-1	Materials used by weight or volume	30, 31	
301-2	Recycled input materials used	30, 31, 32	
Energy [GRI 302 - 2016]			
Information on management methods (2016)			
103-1	Explanation of the material topic and its Boundary	56, 57	
103-2	The management approach and its components	56, 57	
103-3	Evaluation of the management approach	56, 57	
Specific information			
302-1	Energy consumption within the organization	56, 57	
Water [303 - 2018]			
Information on management methods (2016-2018)			
103-1	Explanation of the material topic and its Boundary	61	
103-2	The management approach and its components	61	
103-3	Evaluation of the management approach	61	
303-1	Water withdrawal by source	61	
303-2	Water sources significantly affected by withdrawal of water		Not applicable: the water used in the production process is not discharged. It is continually reused and, if necessary, disposed of as mud.
Specific information			
303-3	Water recycled and reused	61	
Emissions [305]			
Information on management methods (2016)			
103-1	Explanation of the material topic and its Boundary	58, 59, 60	
103-2	The management approach and its components	58, 59, 60	
103-3	Evaluation of the management approach	58, 59, 60	
Specific information			
305-1	Direct (Scope 1) GHG emissions	58, 59, 60	
305-2	Energy indirect (Scope 2) GHG emissions	58, 59, 60	
Effluents and Waste [306 - 2016]			
Information on management methods (2016)			
103-1	Explanation of the material topic and its Boundary	62	
103-2	The management approach and its components	62	

LIST OF GRI INDICATORS

DISCLOSURE (YEAR)	CORE	PAGE	NOTES
103-3	Evaluation of the management approach	62	
Specific information			
306-2	Waste by type and disposal method	62	
Environmental Compliance [307 - 2016]			
Information on management methods (2016)			
103-1	Explanation of the material topic and its Boundary	54	
103-2	The management approach and its components	54	
103-3	Evaluation of the management approach	54	
Specific information			
307-1	Non-compliance with environmental laws and regulations	54	
Supplier Environmental Assessment [308 - 2016]			
Information on management methods (2016)			
103-1	Explanation of the material topic and its Boundary	39	
103-2	The management approach and its components	39	
103-3	Evaluation of the management approach	39	
Specific information			
308-2	Negative environmental impacts in the supply chain and actions taken	39	
Employment [GRI 401 - 2016]			
Information on management methods (2016)			
103-1	Explanation of the material topic and its Boundary	43	
103-2	The management approach and its components	43	
103-3	Evaluation of the management approach	43	
Specific information			
401-1	New employee hires and employee turnover	43	
Labor/Management Relations [GRI 402 - 2016]			
Information on management methods (2016)			
103-1	Explanation of the material topic and its Boundary		
103-2	The management approach and its components	44	
103-3	Evaluation of the management approach	44	
Specific information			
402-1	Minimum notice periods regarding operational changes	45	
Occupational Health and Safety [GRI 403 - 2018]			
Information on management methods (2016-2018)			

DISCLOSURE (YEAR)	CORE	PAGE	NOTES
103-1	Explanation of the material topic and its Boundary	46	
103-2	The management approach and its components	46	
103-3	Evaluation of the management approach	46	
403-1	Workers representation in formal joint management-worker health and safety committees	46	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	46	
403-3	Occupational medicine services	46	
403-4	Workers with high incidence or high risk of diseases related to their occupation	46	
403-5	Training of workers in occupational health and safety	46	
403-6	Promotion of the health of workers		Use of signage only
403-7	Prevention and mitigation of occupational health and safety impacts within commercial relationships	46, 50, 51	
Specific information			
403-9	Accidents at work	48, 49	
403-10	Professional diseases	50, 51	
Training and Education [GRI 404 - 2016]			
Information on management methods (2016)			
103-1	Explanation of the material topic and its Boundary	52	
103-2	The management approach and its components	52	
103-3	Evaluation of the management approach	52	
Specific information			
404-1	Average hours of training per year per employee	52	
Diversity and Equal Opportunity [GRI 405 - 2016]			
Information on management methods (2016)			
103-1	Explanation of the material topic and its Boundary	53	
103-2	The management approach and its components	53	
103-3	Evaluation of the management approach	53	
Specific information			
405-1	Ratio of basic salary and remuneration of women to men	53	
Non-discrimination [GRI 406 - 2016]			
Information on management methods (2016)			
103-1	Explanation of the material topic and its Boundary	53	
103-2	The management approach and its components	53	
103-3	Evaluation of the management approach	53	

LIST OF GRI INDICATORS

DISCLOSURE (YEAR)	CORE	PAGE	NOTES
Supplier Social Assessment [GRI 414 - 2016]			
Information on management methods (2016)			
GRI - 103: Management of the topic (2016)			
103-1	Explanation of the material topic and its Boundary	39	
103-2	The management approach and its components	39	
103-3	Evaluation of the management approach	39	
Specific information			
414-2	Negative social impacts in the supply chain and actions taken	39	
Customer Health and Safety [GRI 416 - 2016]			
Information on management methods (2016)			
GRI - 103: Management of the topic (2016)			
103-1	Explanation of the material topic and its Boundary	30	
103-2	The management approach and its components	30	
103-3	Evaluation of the management approach	30	
Specific information			
416-1	Assessment of the health and safety impacts of product and service categories	30	
Marketing and Labeling [GRI 417 - 2016]			
Information on management methods (2016)			
103-1	Explanation of the material topic and its Boundary	28, 29	
103-2	The management approach and its components	28, 29	
103-3	Evaluation of the management approach	28, 29	
Specific information			
417-1	Requirements for product and service information and labeling	28, 29	
Customer Privacy [GRI 418 - 2016]			
Information on management methods (2016)			
103-1	Explanation of the material topic and its Boundary	21	
103-2	The management approach and its components	21	
103-3	Evaluation of the management approach	21	
Specific information			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	21	Absent complaints
Socioeconomic Compliance [GRI 419 - 2016]			
Information on management methods (2016)			
103-1	Explanation of the material topic and its Boundary	53	

DISCLOSURE (YEAR)	CORE	PAGE	NOTES
103-2	The management approach and its components	53	
103-3	Evaluation of the management approach	53	
Specific information			
419-1	Non-compliance with laws and regulations in the social and economic area	53	

LOCATION OF THE HEADQUARTERS

Via Lavagno 213 – 37040 Zimella (VR)

LOCATION OF OPERATIONS

Via Lavagno 213 – 37040 Zimella (VR);

Via Trieste 33 – 34070 Villesse (GO)

CONTACT TO REQUEST FURTHER INFORMATION ABOUT THE REPORT:

Ms. Paola Dalla Valle

E-mail: paoladv@stoneitaliana.com

