



SUSTAINABILITY REPORT 2022



Diego Pol

**Sole Administrator
Masutti Marmi e Graniti Srl**

I am Diego Pol, Sole Director of Masutti Marmi e Graniti Srl, which I am pleased to introduce today. For more than 100 years, the company has been in the stone industry to manufacture products for kitchens, bathrooms and, general furniture by transforming natural stone,

ceramics and, quartz. Our processing center can rely on cutting-edge technology and production processes and is located in San Martino di Colle Umberto in the province of Treviso.

Our work is based on a solid and concrete principle: to satisfy our customers and avoid disputes about the quality or breakage of the product during transportation and assembly. Those elements characterize the market and are the focus of our research and innovation efforts every day.

We have reached these important milestones through meticulous analysis of the methodologies and materials used for the packaging of our goods. For transportation, we rely on our vehicles and/or trusted couriers. We select the raw materials to process by applying strict quality controls, and we source only from companies that guarantee continuity of supply and most importantly, selected and extremely high-end materials.

We believe in training our operators and customers as well, especially the installers. That is why we send out technical memos and organize training sessions to build loyalty for an effective and efficient value chain.

However, it is not up to us to certify our achievements. Masutti Marmi is among the very few processors to boast an integrated Quality, Environment, and Safety certification system issued by SGS.

Since CESAF Srl acquired Masutti Marmi e Graniti in 2018, we have experienced a steady and unstoppable growth trend, with a production value in 2022 39% higher than in 2021 and about 74% higher than in 2018.

This achievement fills us with pride and repays us for our efforts in every area, not just production alone. All this results from a long and purposeful path toward internationalization, innovation, ecological transition, and sensitivity to environmental and social issues, that the company has been pursuing for a while.

The sustainability of our processes is also important and makes us stand out featuring simple but effective policies with tangible and well-measured KPIs that are leading us to draft an ESG sustainability report in 2023.

This report takes into consideration the three dimensions of sustainability: economic, environmental, and social. For all of these aspects, the company has activated governance policies and specific practices with an integrated perspective. Indeed, there cannot be environmental sustainability without social sustainability policies, and vice versa.

And I am convinced of this!

Foreword

The **Sustainability Report**, also known as the **ESG Reporting** or Report, is a document in which a company communicates its performance and any progress it has made in the environmental, social, and governance areas.

The concept of sustainability, for the company, and thus of its ESG Report, is precisely based on these three criteria:

- **Environmental sustainability:** Acting sustainably to protect the environment and not compromising the processes of biological systems.
- **Social sustainability:** Aiming at improving living conditions through the promotion of health services, education, social services, employment, enhancement of traditions, and cultural pluralism.
- **Economic Sustainability:** Contributing to the development of society by reducing risks and costs, and improving the quality of services without increasing or reducing potential negative spillovers.

KPIs, short for **Key Performance Indicators**, are a set of quantifiable measures that the company uses to benchmark its performance over time. These metrics can determine the company's progress in achieving its strategic and operational goals based on the ESG criteria mentioned above.



Index

Environmental sustainability

Environmental

Packaging recovered from customers	6
Wastewater treated and reused	7
Garbage disposal	8
System certification	9
Self-production from renewable energy	10
Territory and Customer Awareness	11
Transportation	12

Social sustainability

Social

Economic value distributed to stakeholders	16
Employees	17
New Hires in 2022	18
Females	19
Nationality of employees	20
The average age of employees	21
Corporate welfare	22
Total accident rate	23
In-house training provided	24
Outbound training provided	25
Economic value distributed for the valorization and the contribution to the territory	26
Release of information in the territory	27

Economic sustainability

Governance

Corporate structure in terms of responsibility and management	31
Revenues	32
Revenue growth 2021 - 2022	33
EBITDA	34
Inclination to export	35
Product destination countries	37
Market diversification	38
Product diversification	40



SUSTAINABILITY REPORT 2022

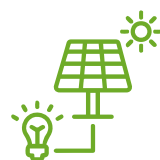
Environmental Sustainability Environmental

Environmental sustainability | Environmental



Packaging recovered from customers

7.5 %



Self-produced power with photovoltaic implant

58 %
of the Masutti's need



Wastewater treated and reused

-17.49 %
water disposed compared to 2021



Territory and Customer Awareness

2
active and updated channels



Garbage disposal

100 %
controlled



Transportation

71 %
of the deliveries made by Masutti vehicles



System certification

ISO 9001 - ISO 14001 - ISO 45001

Packaging recovered from customers



Masutti Marble and Granite likes to define itself as a green-friendly company. A company that constantly works to minimize the negative impact on the environment. With this mission, we have built our vision, which allows us to consider ourselves friends of the environment by carrying out values and ideals that make us stand out. The recovery and reuse of wooden packaging are among them.

A policy that Masutti has been applying for some time and for which it has launched a specific awareness campaign among customers, the purpose of which is to limit the deforestation linked to the raw material: *Un imballo riciclato è un albero salvato!* Every time packaging is returned, we recognize a small but telling economical value.

Once the set amount is reached, we will give the Client a voucher, that can be spent on the next order placed at Masutti Marmi.

For sure an initiative bringing a minor contribution to the preservation of the environment, but certainly a big step toward positive change for all.

The campaign was launched via newsletter 2021 and continues to this day. To draw attention to it, a specific sticker is placed on the packages of each of our deliveries:



Masutti Marmi e Graniti e l'ecosostenibilità: la nuova visione green, colonna portante dell'intera organizzazione Masutti.

SOSTENIBILITÀ & ECOSOSTENIBILITÀ

Sostenibilità è costruire un equilibrio globale tra l'uomo e l'ecosistema, dare vita a una forma di sviluppo che salvaguardi l'ambiente e garantisca i bisogni attuali e futuri.

Adottare uno stile di vita ecosostenibile vuol dire intraprendere quotidianamente un insieme di azioni volte a rispettare l'ambiente e gli animali in un'ottica ecologica.

OBIETTIVO ECOSOSTENIBILITÀ

L'obiettivo principale dell'ecosostenibilità è quello di ridurre al massimo l'impatto ambientale di ogni tipo di azione umana sulla Terra. In parole povere, significa attenzione all'ambiente in tutti i processi produttivi, significa ridurre al minimo il consumo dell'energia e di risorse da fonti rinnovabili, significa usare materiali biodegradabili, compostabili o riciclati.

Alcuni dei punti cardine dell'ecosostenibilità sono il **riciclo** e il **riuso**.

«VIVERE» L'ECOSOSTENIBILITÀ

Preservare l'ambiente è un dovere di tutti.

Ogni essere umano nel suo piccolo può e deve contribuire a salvare il pianeta dal collasso ambientale adottando le cosiddette buone pratiche dell'ecosostenibilità.

Ecco perché anche noi di Masutti, nella nostra attività quotidiana, utilizziamo tecnologie, procedure, accorgimenti ecosostenibili, a basso impatto ambientale.

MASUTTI È GREEN FRIENDLY

Essere Green Friendly vuol dire essere "amici dell'ambiente".

Come dimostra di esserlo Masutti?

- Siamo certificati ISO 14001, norma internazionale ad adesione volontaria, che specifica i requisiti di un sistema di gestione ambientale.
- Produciamo energia elettrica grazie ad un impianto fotovoltaico installato sulla copertura delle unità immobiliari locate. La fornitura copre il nostro fabbisogno giornaliero.
- Trattiamo le acque utilizzate durante la lavorazione delle lastre grazie ad apposito impianto, oltre a monitorare il processo di smaltimento dei materiali di scarto derivanti dal trattamento stesso.
- Abbiamo lanciato una linea dedicata alla pietra naturale, la Natural Stones Masutti.
- Oggi presentiamo una campagna di sensibilizzazione per il riutilizzo degli imballi in legno; perché **un imballo riciclato è un albero salvato!**
- Ultimo non ultimo: lavoriamo materiali che non contengono o quantomeno limitano il contenuto di resine e silici.

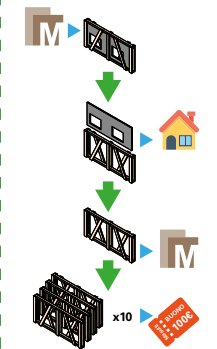


COME FUNZIONA

Per ogni imballo che ci verrà restituito,

riconosceremo un valore di 10€.

Al raggiungimento di 10 imballi resi, ti consegneremo un **buono di 100€** da spendere sul tuo prossimo ordine in Masutti Marmi.



Wastewater treated and reused



-17.49 %
water disposed
compared to 2021

We treat water used during the processing of stone slabs through a dedicated closed-loop purification plant. In this way, we reuse the clarified water for other production cycles for approximately one year without the necessity to substitute it.

We monitor the disposal process of the scrap materials deriving from the treatment itself.

The compressed air equipment used for the manufacturing produces condensation water, which is considered a regular industrial dumping since it entails a number of impurities. In Masutti, this item is correctly disposed of as well.

Using less, using it better.

Tangible proof of what has just been stated is the amount of water disposed of in 2022, decreasing by 17.49% compared to the previous year. It is an extremely positive figure if we consider at the same time the increase in production activity, which led to an economic saving of 21.28%.

This is one of the many sustainability challenges that the company intends to continue pursuing because the future of sustainable water management also depends on everyone's ability to contribute to the goal.



Garbage disposal



**100 %
controlled**

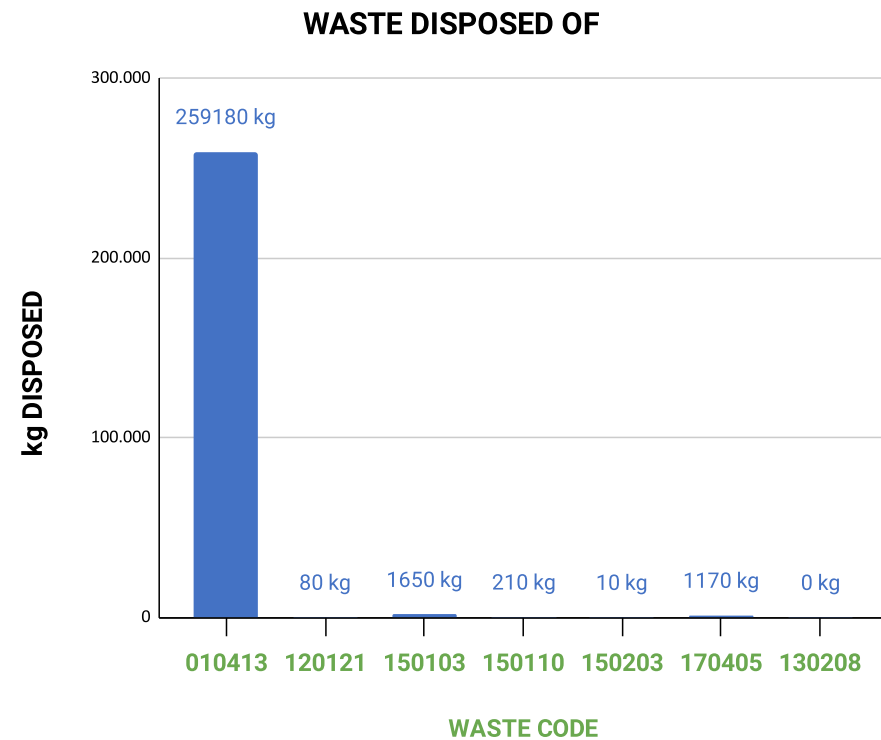
In 2022, waste generation increased by 60.21 % year on year as a result of growth in production activity.

Waste produced in Masutti consists mainly of stone cutting and sawing waste, wood packing material, tools and grinding exhausted materials, filter materials, iron and steel.

Major hazardous wastes include packaging containing residuals of hazardous substances or contaminated with them, used oils from engines, gear and lubrication.

The data under review show an exponential growth in waste generated from stone cutting and sawing (+71.37% compared to 2021) and a considerable contraction in wood packaging material (-86.51% compared to 2021). It is certainly the effect of the recycling awareness campaign launched in late 2021.

It is also important to point out that even with increasing production activity, we managed to contain the share of hazardous waste with a growth of 16.67% (from 180 kg in 2021 to 210 kg in 2022).



System qualification



ISO 9001
ISO 14001
ISO 45001

The quality of the product/service has a fundamental role for the Client and also for the efficiency of the Company's internal processes. It is also essential to keep an eye on the environment and safety.

With the integrated certification for Quality, Safety and Environment, the Company establishes a corporate management system with the scope of creating a process for overall improvement on all levels and in all the processes to reach excellence.

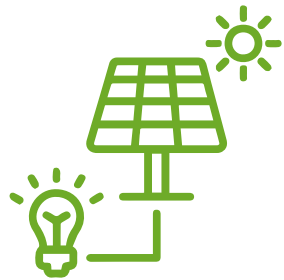
MASUTTI MARMI E GRANITII centered this goal. In fact, we received the certifications for the ISO 9001 Quality (October 2018), ISO 14001 Environment and ISO 45001 Safety in the Workplace (both in November 2019). Renewal (ISO 14001 and 45001) and review (ISO 9001) audits took place in fall 2022, all of which were successful.

The Owner believed it was essential to develop its own integrated management system in order to optimize at the same time the Company's performances, the environmental effects of the activities, risks connected to the work, the personnel and of course this is also an added value for the exterior market.

These certifications are the recognition of many efforts spent to improve the company's structure and - at the same time - they prove that there is a shared working culture, focused on professionalism. Above all, the certificates are a guarantee of reliability for our clients, suppliers, employees and co-workers. And also MASUTTI is among the first companies in this field in Italy to reach this important goal.



Self-produced power with photovoltaic implant



58 %
of the Masutti's
need

Renewable energies are always getting more attention from companies. The perception connected to the importance of a fully Eco-sustainable industrial development with a minor environmental impact is spreading around faster and faster.

Masutti Marmi is one of these companies.

On the Company's roof, there is a photovoltaic system, which in 2022 produced (in terms of kWh) renewable energy covering 58% of its annual needs.

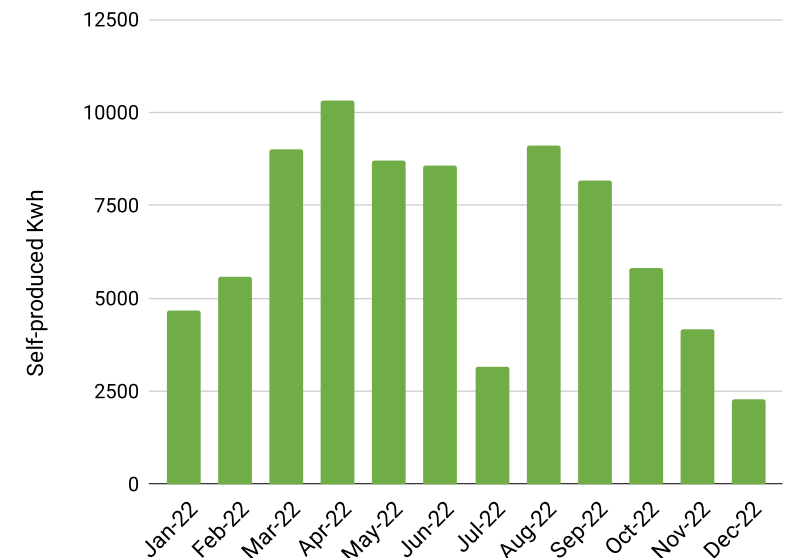
The remainder was purchased by Dolomiti Energia, a company that provides a 100% renewable and sustainable energy fuel mix, produced largely from hydroelectric sources. Thanks to energy produced from renewable sources (photovoltaic), an amount of CO₂ of 47.12 tons was avoided in 2022.

Winning choices for a cleaner environment and more sustainable production processes.

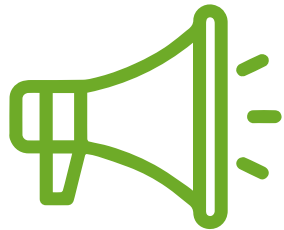
However, it is important to note that while the 2022 energy consumption, compared with the previous year increased by only 6% quite different was the increase in costs resulting from it, which rose by 56.23%. Needless to reiterate the causes leading to this sharp price hike.

In 2023, the wholesale price of energy is decreasing and therefore cost containment is desirable as a result. However, because Masutti has no additional space to use for the installation of photovoltaic panels, in light of the amount of energy that the company can self-produce and considering the volatility of the energy markets, various strategies to optimize consumption aimed at greater economic savings are being explored for the near future.

ENERGY EXCHANGED ON-SITE KWH 2022



Territory and customer awareness



2 active and updated channels

There are several initiatives aimed at spreading Masutti's green thinking in the area, to customers and suppliers as well.

The very first step in this direction (first channel) was taken thanks to the drafting and publication of the Company Profile, written in no less than 5 languages (Italian, French, English, Slovak, Arabic), released in hard copy and in digital format and uploaded to our website.

Communication through social media (second channel) is undoubtedly one of our strong points. Thanks to this tool, all *Casa Masutti* news and innovations, especially those related to environmental sustainability, a trending topic in recent times, find adequate space and prominence on our social channels.

Furthermore, there are publications in local periodicals, both print and online, via our newsletter which punctually informs Masutti users about our initiatives, policies, and environmental strategies. All of these platforms will certainly be more organized shortly.



Transportation



71 %
of the deliveries
made by
Masutti vehicles

2022 marked several deliveries made directly by Masutti equal to 71% of the total, growing by 4% compared to the previous year. A result that manifests appreciation for the good service we provide, as well as confirms the trust of our Customers.

The figure is interesting in that deliveries are made using company-owned vehicles, which are the latest generation of vehicles, compliant with the Euro 6 Standard. These are environmentally friendly vehicles that reduce harmful and pollutant emissions to the environment and health, specifically, those of particulate matter and carbon dioxide. What's more, this type of vehicle also makes it possible to limit fuel consumption compared with previous models, producing further savings.

However, to save on costs and limit the impact on the environment, one cannot rely only on adequate means of transportation but also on optimal route planning.

An optimized delivery route in fact ensures:

- fewer kilometers to travel and therefore less fuel consumed
- less fuel consumed and therefore less pollutant emissions
- optimization of rides and thus of the vehicles themselves
- Faster deliveries, avoiding errors on the time agreed with the customer

Smart delivery route planning can save 20% to 40% on fuel, driving time and air emissions, according to industry studies.





SUSTAINABILITY REPORT 2022

Social Sustainability Social



Social sustainability | Social



Economic value distributed to stakeholders

4,673,099 €



Females

16 %



Employees

19



Nationality of employees

2



New Hires in 2022

6



The average age of employees

49.8 years

Social sustainability | Social



Corporate welfare

3
benefits



Outbound training provided

29
technical insights



Total accident rate

0 %



Economic value distributed for the valorization and the contribution to the territory

20,000 €



In-house training provided

181.5 hours



Release of information in the territory

4
active and updated channels

Economic value distributed to stakeholders



4,673,099 €

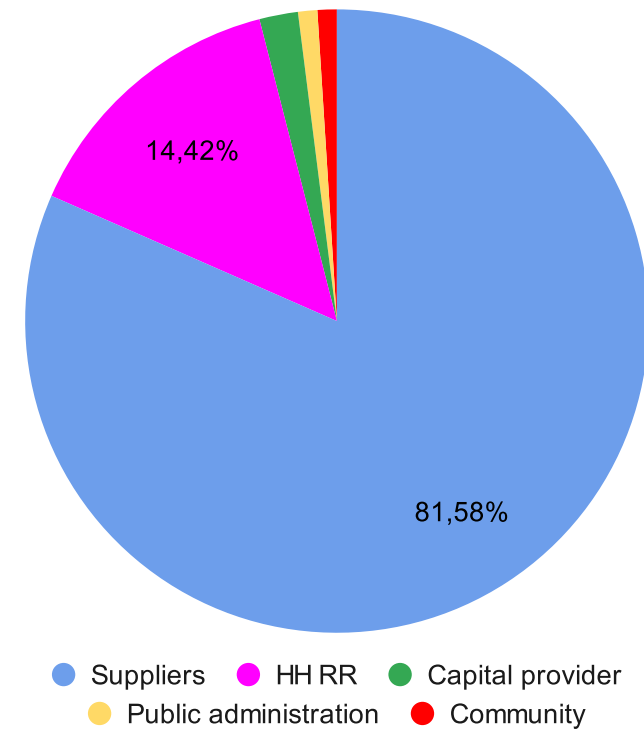
Through this indicator, a different key is provided to the values expressed in the annual financial statements. Determining the economic value directly generated and distributed represents a central element to express and concretize the wealth produced and distributed by Masutti in the territory and toward the stakeholders with whom business activities are entertained.

In 2022, Masutti generated economic value distributed to stakeholders, in the form of payments and others for an amount of 4,673,099 Euros.

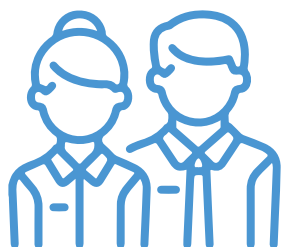
The main recipients of this value were suppliers, who got 81.58 % of the total value distributed, and human resources, who received 14.42% of the total.

The share allocated to capital providers was 2%, while the public administration (in the form of taxes and fees) and the community (in the form of sums disbursed to organizations and associations as support for cultural, humanitarian and sports projects) each had 1%.

Economic value distributed to stakeholders



Employees



19

As of December 31, 2022, the company had 19 employees, 17 of them with long-term contracts. The table below highlights the roles and duties of each.

OUR TEAM

ADMINISTRATION

Diego Pol	CEO
Soldera Barbara	Order confirmation liaison
Saffioti Carmen Laura	Switchboard and customer relations

SALES

Longo Roberto	General and Sales Management
Della Colletta Donatella	Sales Agent
Moschetto Cosimo	Sales Agent

PRODUCTION AND LOGISTICS

Del Fiol Francesco	Technical Department
Armellin Massimo	Technical Department
Marchioni Davies	Production manager
Soccol Danny	CNC worker
Nuzzo Pasquale	CNC worker
Budoski Tihomir	Milling
Budoski Naumche	Milling
<i>Coan Andrea</i>	Bench Finishing
De Lorenzo Luciano	Edge Polishing
Antonio	
Alessi Batù Pietro	Bench Finishing
Carlet Moreno	Bench Finishing
Da Ronch Michele	Bench Finishing
Favretti Marcello	Packaging
<i>Tomasi Virgilio</i>	Transportation and Delivery

New employees in 2022



In 2022, there were 6 new hires, or +46.15% compared to the beginning of the year and more recruitments are already planned for the coming year.

Masutti Marmi applies a precise introduction policy for new hires in the organization.

The Owner proposes to all new hires (unless specific exceptions are made) a three-month trial, structured in phases and goals to be achieved. If all the parties are happy, it is possible to reiterate for an equal period, and at the end of the six months, a long-term contract is considered.

In the trial, the company tries to acquaint the worker with the main aspects that characterize the firm, a strategy stemming from the desire to make him/her feel a part of the system. This implies providing him/her with clarification on the tasks to be performed and their future within the company.

Therefore, from the first day of work, the new employee is paired with a senior employee, a kind of mentor and internal reference point, who will explain all aspects of the assigned task and clarify any doubts and convey the right motivation to work under the best conditions to empower productivity.



Females



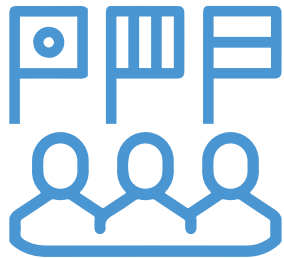
16 %

In 2022, the female component accounts for 16% of Masutti's employees, with 2/3 of them engaged in administration and the remainder in the sales department.

The female quota will certainly have a greater impact in 2023 since the board decided to hire a female employee in production, quite an innovation for the stone industry.



Employees Nationality



2

Right now there are two nationalities in Masutti Marmi: Italian and Macedonian. However, in the Masutti context there has always been an all-round view regarding cultural, ethnic and religious differences, as according to AD Pol regardless of nationality, religious belief and intellectual heritage anyone can be a valuable asset to the organization.

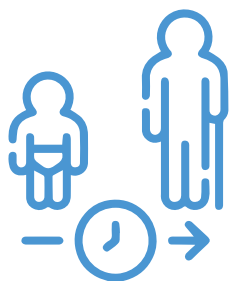
Masutti Marmi is a place where everyone, no matter who they are or what they do for the company, feels and will always feel equally involved and supported. Ours is a particularly sensitive and inclusive environment.

According to Pol, diversity is a value that every company must take care of so that all people can express their skills to the fullest, enabling the company to overcome the challenges and competitions ahead.

Thus, no discrimination or exclusion for any future hiring of individuals of different ethnicities or otherwise.



Employees average age



49.8
years

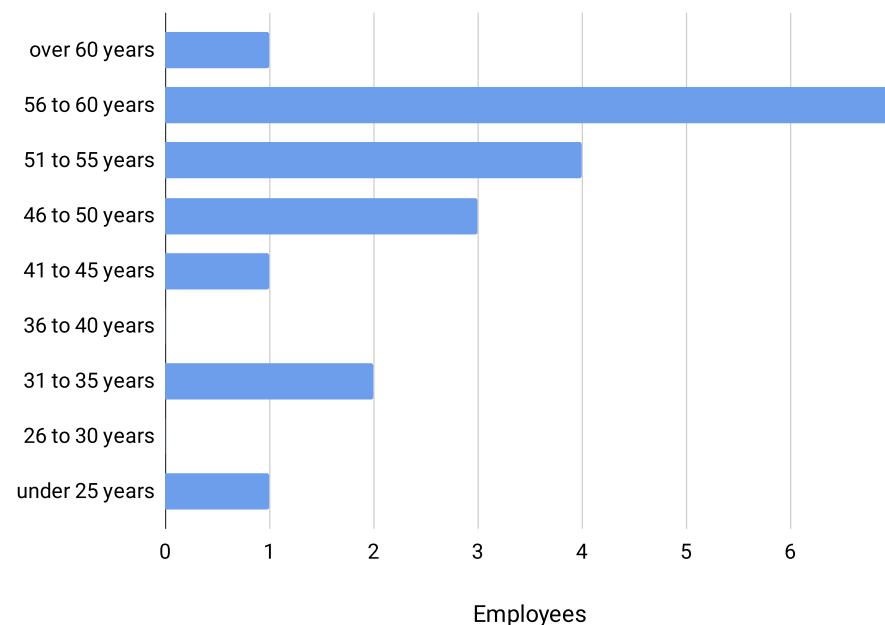
Regarding the average age of the Masutti workforce, we emphasize the concrete and effective action put in place since the establishment of the new ownership as in 2022 and as previously noted there was the inclusion of new professional staff such as the strengthening of the technical department, the finishing and CNC department, and the administrative sector. This policy has led to an important lowering of the average age of Masutti Marmi staff: from 53.9 years in 2020, 51.7 in 2021, to 49.8 years in 2022.

An ongoing journey that demonstrates how Masutti Marmi intends to promote employment opportunities for workers under 50 (both men and women) to increase company productivity and efficiency, enhance potential and consolidate the company's growth expectations.

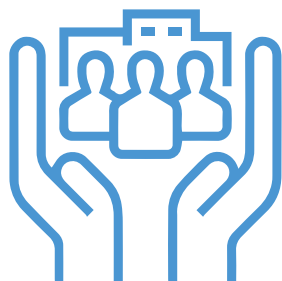
While the data show an aging workforce, the scenario in Masutti is changing course. In addition to a wider age range (in 2020, there were only employees between the ages of 40 and 60, while in 2022 Masutti workers cover all age groups) and the overall average has dropped by 7.5 %.

The age reduction trend of employees will certainly continue in the years to come since the ownership already has three new hires planned for 2023 (average age of new employees 33 years).

Masutti employee distribution by age - year 2022



Corporate Welfare



3 benefits

Wellness and productivity are the two key words that characterize Masutti's corporate welfare solutions, aimed at strengthening the workplace and increasing performance. There are various initiatives, benefits and plans put in place by ownership to improve the work and life quality of Masutti employees.

Company staff can enjoy daily fresh fruit (first benefit), which gives employees a healthy and at the same time energetic break during working hours, bringing good mood and well-being among workers, stimulating a healthy lifestyle, hand in hand with productivity.

Workers who cover a shift of more than six hours must be granted a break of not less than 10 minutes. In addition to the provisions of the state law, which stipulates how many breaks and their minimum duration, in Masutti, by express instruction of the owner and in improvement to the legal requirements, employees may take a second break from work (second benefit) of the same duration to recover mental and physical energies and mitigate the monotony and/or repetitiveness of work.

Also in compliance with current regulations, the company periodically provides workers in the production sector with all the required PPE, such as safety shoes, gloves, masks, face masks and filters. In addition to this, Masutti also takes

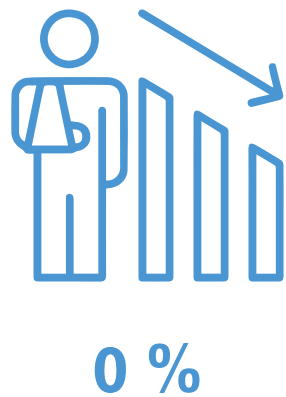
charge of providing work clothing.

All of this, always in quantities exceeding actual needs. This is to be sure that no production worker will ever be without the necessary PPE.

Another initiative adopted for its staff concerns the lunch break, which is an essential time for the well-being in the company.

To allow employees to make the most of and enjoy the time set aside for lunch, considering the 12 to 1 p.m. time slot and the related traffic congestion, the Owner allows employees who return home to leave the workplace 5 minutes earlier than the scheduled time and then return with the same anticipation (third benefit).

Total accident rate



Total accident rate The data recorded in 2022 confirm the effectiveness of the prevention measures adopted by the company. No accidents of any kind were recorded this year, even improving on the figure for the previous year, during which only 1 accident occurred to an employee no longer in the organization. For the injury, 10 days of absence due to temporary incapacity were recognized.

The figure is to be considered extremely positive, also in view of the increase in the employment force, with 6 new units from 2021 to 2022.



In-house training provided



181.5
hours

Undoubtedly human capital is the beating heart of the company and the success of every business is built around it. Human capital is undoubtedly the beating heart of the company, around which the success of any undertaking is built. In Masutti, training is the primary element to enhance the work of the staff implemented both internally and in role associations, to meet the training needs of personnel and implement everyone's skills.

In 2022, there were several training courses attended by our employees for a total of 181.5 training hours.

There were also many topics covered: from basic training in occupational safety to high and low-risk safety, from the correct use of PPE to evacuation routes, from training for the use of certain machinery to preparing for the use of the new accountability program, as well as specific refresher training.

Benjamin Franklin once said: An investment in knowledge pays the best interest. At Masutti we strongly agree that training our staff is an essential part of our business investment and growth strategy.



Outbound training provided



29
technical
insights

Since the new ownership took office, the company has periodically organized training and information programs aimed at customers, suppliers and third parties such as designers or installers. These programs focus on spreading the culture of stone, natural and synthetic, in all its forms from knowledge of the raw material to processing methods, from installation systems to maintenance treatments, from the launch of new products to the engineering of cutting-edge solutions, through specific insights related to approach and negotiation techniques, rather than direct sales or e-commerce.

Of course, the Covid-19 pandemic stopped some of our initiatives, which did not find concrete organization and development. However, this enabled us to create training models whose value was recognized by all those in the field.

There were also meetings aimed at customers organized in collaboration and partnership with our suppliers focused on informing and sharing industry news. These are constructive moments that invite inter-agency discussion and dialogue.

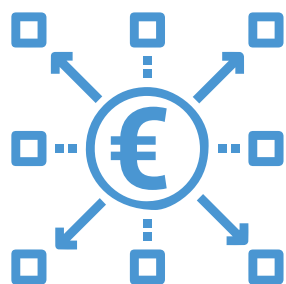
In addition to training courses, the company regularly and consistently sends newsletters to all its customers whose content is purely technical. They are brief but comprehensive informational items that keep the reader updated on the topics listed above. So-called technical insights are regularly uploaded to our website.



Although disguised as a happy hour, the three Masutti Aperi-Green events were an opportunity to get together with customers and suppliers but also to share ideas and news of Casa Masutti to make our actions and thoughts more sustainable, to improve environmental performance and to develop actions to implement behaviors that reduce the impact of our lives on the ecosystem.



Economic value distributed for development and contribution in the area



20,000 €

Masutti has always supported the growth of its territory, by acting effectively and economically to its valorization. We have a direct line with the institutions and the community in which we operate and try to be always present by supporting and promoting projects and initiatives in the field of sports, art, and culture

To this end at the end of 2022, Masutti donated more than 20,000.00 euros.

The company particularly values the importance of promoting team spirit and is strongly committed to youth development. Specifically, Masutti Marmi supports the Fregona Calcio amateur sports club in Treviso because the values and teachings conveyed by this association ensure healthy socialization among youngsters which the company strongly believes in.

The company was also a sponsor of the 21st Festival Burattini e Marionette of Colle Umberto. It is an international Figure Theater event: the magic of performances by the best Italian and foreign companies in the picturesque setting of the old courtyards of Borgo Mescolino. A sponsorship strongly desired by the S.D. Pol to make culture a focal point and create opportunities to be together amidst the laughter and amazed eyes of young and old people. A sponsorship strongly desired by the S.D.



Release of information in the territory



4

active and up-
dated channels

In 2022 the calendar was marked by several initiatives intended to make most people aware of the company, its mission, vision and values.

Developed in collaboration with Ultravioletto, there is also the “Arte+Impresa” project (first channel), whose goal is to connect the two entities so that the production of young Italian artists is supported by local companies. The project involved the artist Caterina Morigi’s stay at the company, where the young talent from Ravenna was able to learn and deepen her know-how and knowledge of materials by experimenting with them through the creation of five new works made from production waste.



The project has been widely publicized both in print and on the web.

To give greater visibility to this particular initiative there was also Masutti Marmi’s participation in the 11th edition of I cortili dell’Arte. This is a particular event that takes place every year in Fratta Tarzo (TV) to enhance artistic expression in its

various forms and languages and brings together painters, sculptors, photographers, ceramists and art lovers. On this occasion, Masutti Marmi presented the Making Special collection created by artist Caterina Morigi.



In collaboration with Atlas Plan, there is also participation in the Venice Film Biennale 2022 (second channel). On commission of the Emilian company, Masutti Marmi created the Curtain Corner, the perfect setting for hosting movie stars. During the Festival days, stars from the film, entertainment and sports industries signed the surface of this immense clapperboard. The installation was later auctioned and the proceeds were donated to young trainees to continue the training they had started to pursue their dream to work in the film industry.

To be continued...

Release of information in the territory



4

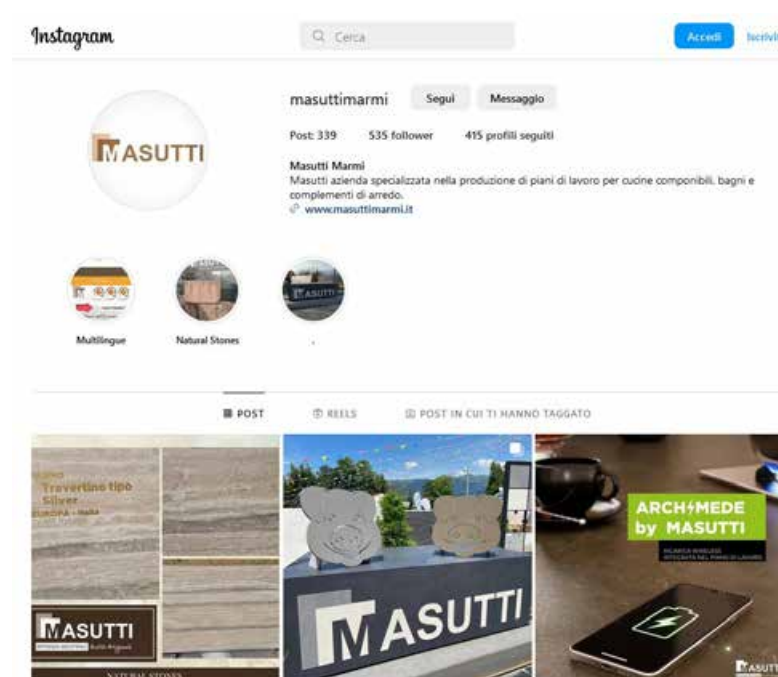
active and up-
dated channels

We have also a YouTube channel (third channel), which is periodically updated with institutional videos, short clips to share with users news, latest business proposals, implementation techniques, materials, and news in general. The same videos are available on our website.

A stable social media presence (fourth channel), provides us with constant and ongoing visibility within an ever-changing environment. In this way, our customers will get to know the brand better and better thus gaining loyalty.

Constant communication with actual and potential customers through weekly newsletters to create a direct and trusting relationship. We share valuable content that reflects the company's mission throughout.

The sponsorships, such as support for ADS Calcio Fregona and the Festival Burattini e Marionette can undoubtedly be considered means to spread information in the area.





SUSTAINABILITY REPORT 2022

Economic sustainability **Governance**

Economic sustainability | Governance



Corporate structure in terms of responsibility and management

100 %
ownership CESAF Srl



Inclination to export

8 %
incidence on 2022 sales



Revenues

2,948,242 €



Product destination countries

5
direct destinations



Revenue growth 2021 - 2022

+ 34.5 %



Market diversification

4 areas:
Kitchen Tops, Furnishing Tables,
Cladding Slabs, Tiles



EBITDA

5.71 %



Product diversification

Kitchen Tops 92.5 %
Furnishing Tables 2.5 %
Cladding Slabs 2 %
Tiles 3 %

Corporate structure in terms of responsibility and management



**100 %
ownership
CESAF Srl**

As shown in the Company Registration Report in February 2018, Cesaf Srl entered the capital of the Masutti company, acquiring 100 percent of the shares.

Masutti Marmi e Graniti Srl now has a fully paid share capital of Euros 154,000.00, with a capital increase of Euros 102,000.00 executed in March 2018.

The governance of Masutti Marmi e Graniti is entrusted to a Sole Director, Mr. Diego Pol, who is invested with the broadest powers for the ordinary and extraordinary management of the company.

The new ownership introduced several managerial, procedural, organizational, and commercial changes.

One concrete example of this is this document, drafted not out of regulatory constraint but out of a firm desire of S.D. to demonstrate Masutti's corporate efficiency to all stakeholders, communicating with transparency and objectivity the commitments made and the results achieved in the area of Corporate Responsibility.

In addition to the drafting of this ESG Sustainability Report, Masutti Marmi e Graniti has set as a goal for 2023, to obtain the Legality Rating attestation, since we are certain to be recognized as a company that operates in compliance with current regulations, with transparency and social responsibility, according to the tool developed by the Antitrust Authority (AGCM) in agreement with the Interior and Justice Ministries.



Revenues



2,948,242 €

The year 2022 ended with a value for “revenues from sales and services” of 2,948,242 euros, marking a 34.50% increase compared to the approximately two million two hundred thousand of the previous year and despite the rising commodity prices, geopolitical tensions, and inflation affecting the entire production sector.



Revenue growth 2021 - 2022



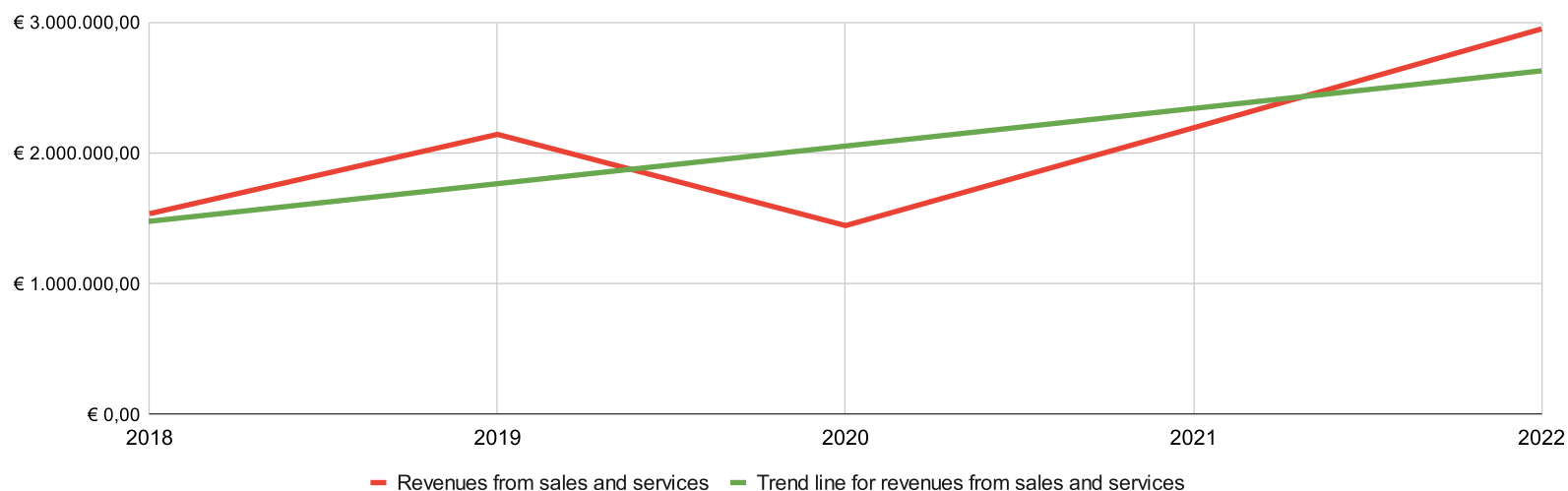
+ 34.5 %

By extending the revenue analysis of Cesaf Srl's for the year into the Masutti ownership structure, it becomes clear that between 2018 and 2022 the Company has experienced a steady growth trend, except for 2020, the year Covid-19 was globally spread.

The transition from the old to the new ownership marked an important change of pace also in terms of revenues: 2022 recorded a +34.5% over the previous year.

An extraordinary growth that reflects the new ownership's responsiveness, ambition, commitment, and ability to face and successfully overcome even the severe difficulties of the pandemic, succeeding in returning to pre-Covid values as early as 2021

Revenues from sales and services



EBITDA



5.71 %

Masutti Marmi's profitability ratio for 2022 is positive at 5.71%. This shows the company's ability to generate business through its characteristic operational management. The 2022 EBITDA also marks an improvement over previous years, with +3.37% compared to 2021 and +1.81% compared to 2020.

	2022	2021	2020
EBITDA	5,71 %	2,34 %	3,90 %



Inclination to export



8 %
incidence on
2022 sales

Pushing decisively the process of internationalization, market diversification and differentiation is one of Masutti Marmi's strategic goals. The company is currently engaged on multiple fronts:

1. The opening of Masutti Marmi Slovakia, a 100% Italian company whose purpose is to contribute to spreading Masutti's Made in Italy worldwide. The opening of the showroom of the newly formed Slovak company is just behind the corner.

MASUTTI



2. expansion to Luxembourg, to have our store in this country in the short term.
3. landing in other foreign countries, such as China, Japan, Norway, France, and USA. These markets have a fast-growing trend, which will certainly understand and welcome our everyday doing.

Our goal is to enhance - also abroad - Masutti's know-how which was achieved and hard-earned in Italy. The foreign market is always looking for the Italian product because it is an excellence. Talking about Made in Italy implies a product made in the Belpaese, thus conveying the idea of Italian excellence. Talking Masutti's Made in Italy represents the added value to that same product. Selling our product abroad has a clear purpose: to export and spread our expertise, our craftsmanship, our way of making innovation, in a single word, our knowledge that is so highly sought after abroad.

For sure, participation in the SICAM fair (International Exhibition of Components, Accessories and Semi-finished Products for the Furniture Industry) in Pordenone in October 2022 allowed us to show the world our many new proposals, our maniacal care for details, including the imperceptible ones, all of these elements create the difference between a well-

To be continued...

Inclination to export



8 %
incidence on
2022 sales

made product and an exceptional result. This exhibition repaid us for the passion fuelling our work by the varied foreign audience.



After the exciting experience at SICAM in Pordenone, Masutti is therefore planning for the near future to participate to:

- **BOUTIQUE DESIGN** of New York (2023) This fair is dedicated to promoting design products for hotels, restaurants, spas, and casinos. A must-attend event for hospitality and contract professionals. The U.S. hotel and retail

sector can be considered the most important in the world and is an attractive outlet market for furniture/contract products.

- **MAISON ET OBJET** of Parigi (January 2024), one of the main fair events in the furniture and homeware sector. The show attracts thousands of visitors each year who find the best productions and novelties there. It owes its success to its great transversality and ability to offer a broad presentation of the world of home, furniture, and design.

The participation will be together with other Italian companies operating in the sector thanks to the organization of the ICE-Agency for the promotion abroad and internationalization of Italian companies in collaboration with Confartigianato, the National Confederation of Crafts and Small and Medium Enterprises (CNA).

In 2022, Masutti exports accounted for 8% of the total turnover. The closing perspective for 2023 is to increase the achieved result, raising the export percentage incidence to at least 15%.

Product destination countries



5
direct
destinations

The year 2022 saw us entertain business exchanges, in addition to Italy, in 5 foreign states: Luxembourg, Slovenia, the United Kingdom, Austria, and Switzerland. This is an important first step in Masutti Marmi's internationalization process, because - in a context of increasing globalization - it is of utmost importance to be present in international markets

The benefits are certainly many: from increasing sales and prolonging the life cycle of products to expanding our customer portfolio, from developing new partnerships to growing experience and skills, but the main objective is undoubtedly to seize a great opportunity for business and economic expansion, reinforcing our competitive advantage.

Nevertheless, we cannot refrain from pointing out that by exclusively conducting B2C trade to companies and stores, we do not know who our Italian customers sell our products to (country/end destination of the product). Therefore, declaring our products are selling in only 5 foreign markets might be reductive and not exactly correct.

However, it is 2023's purpose to implement a business expansion and development plan that will lead us to reach out to other nations and markets.



Market diversification



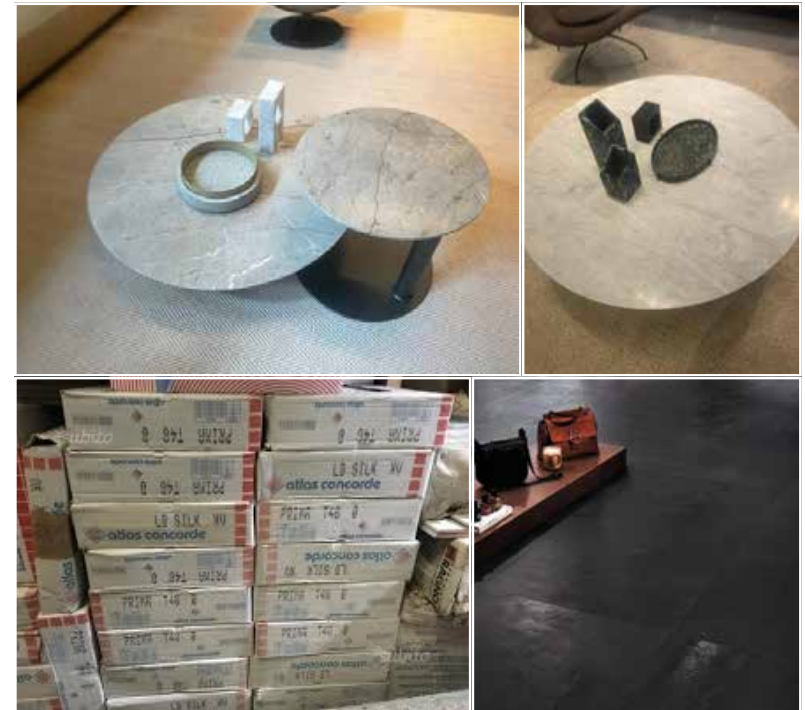
4 areas: Kitchen Tops, Furnishing Tables, Cladding Slabs, Tiles

From its establishment until the new ownership, the company has always focused and specialized in the manufacture of kitchen countertops, products made from both natural stones such as marble and granite, and synthetic materials, such as quartz and ceramics

The new ownership, thanks to the implementation of innovative and reforming company policies and strategies, has led to a diversification of the target market. This provided the enterprise with the opportunity to expand into other product sectors, albeit related to the one in which it already operates ("kitchen world").

We have therefore gradually approached the furniture market, with the production of furniture and coffee tables, as well as the construction market through the wall covering slabs and resale of tiles thanks to the partnership established with Atlas Plan, which specializes in the production of large porcelain stoneware slabs, and Atlas Concorde, an internationally renowned specialist in ceramic tiles of excellence.

We point out that the surfaces produced by Atlas Plan find continuity in the ceramic tiles made by the parent company Atlas Concorde and are manufactured with the same colors, textures, and finishes. This indissoluble consistency between the products of the two companies keeps multiplying our potential for inclusion in both the Italian and Slovakian target markets.



To be continued...

Market diversification



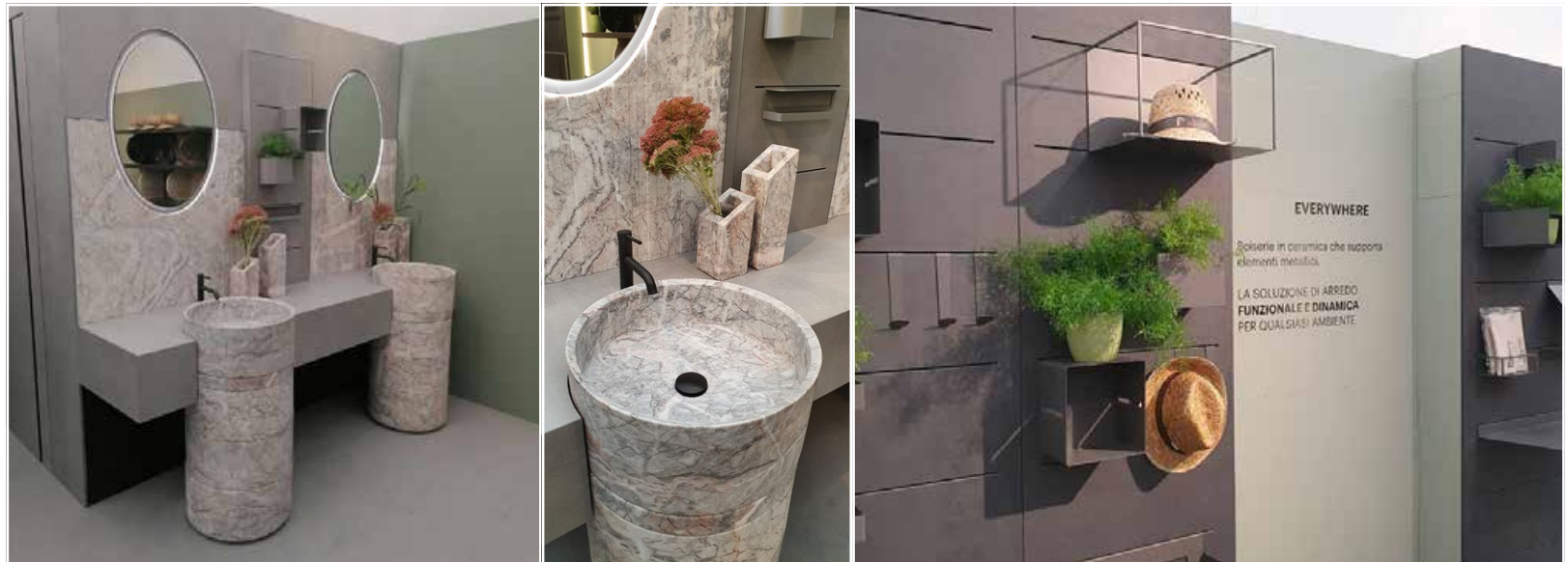
Expanding to other markets not only aims to develop our performance and increase business volume but also to enhance our image and reputation. Progressive expansion requires planning for specific goals, the ability to seize tangible opportunities, and the confidence of being able to deal with processes that change and will change our core business to some extent.

Yet the path of market diversification is not yet complete.

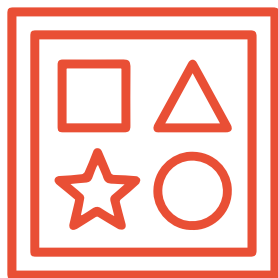
Several and important investments have been made in 2022, targeting to enter the bathroom market in 2023 along with the expansion to products intended for the furniture world (for more details on individual products, please read the next paragraph). Presented at the SICAM in Pordenone last October the Masutti bathroom furniture, the highlight is the bathroom top, which can be equipped with a washbasin, wall cladding, and coordinated flooring, as well as with a wall unit according to the request.

4 areas:

Kitchen Tops,
Furnishing
Tables,
Cladding Slabs,
Tiles



Product diversification



Kitchen Tops
92.5 %

Furnishing Tables
2.5 %

Cladding Slabs
2 %

Tiles 3 %

Closely related to the concept of market diversification sits the product differentiation proposed by Masutti. The expansion to different markets has led us to the presentation of many new proposals, which have however also involved the original kitchen market, which will be launched on the market in 2023.

In addition to kitchen tops (a term that extends beyond the worktop to the creation of islands, peninsulas, back panels and side panels), Masutti Marmi has long been offering its customers:

- its own line of quartz slabs
- its own line of ceramic slabs (Resilienza Metropolitana).
- wall cladding tiles and slabs
- furnishing and coffee tables, custom-made
- the reconstructed sink (stainless steel sink completely covered with the same material used for the top) and the drain cover cap (engineered by Masutti, made of the same material used for the top).

As anticipated, these products will be joined in 2023 by:

- bathroom top and sink
- the *Everywhere* equipped wall, a boiserie made of ceramic slab from Resilienza Metropolitana accompanied by several accessories in painted metal
- the *Masked sink*, a stainless steel tank whose side walls are covered with the same material as the kitchen top,

while the bottom is left exposed

- the line of furnishing accessories, vases, and objects to embellish any space and environment
- *Archimede by Masutti*, the wireless charging device integrated into the worktop



Many products are placed across several markets to satisfy a wide commodity range, because by differentiating the products we will promote customer loyalty and the consolidation of the company therefore creating room to open up to new markets, thus increasing internationalization.



MASUTTI

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