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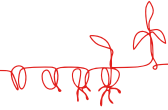
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Letter to stakeholders



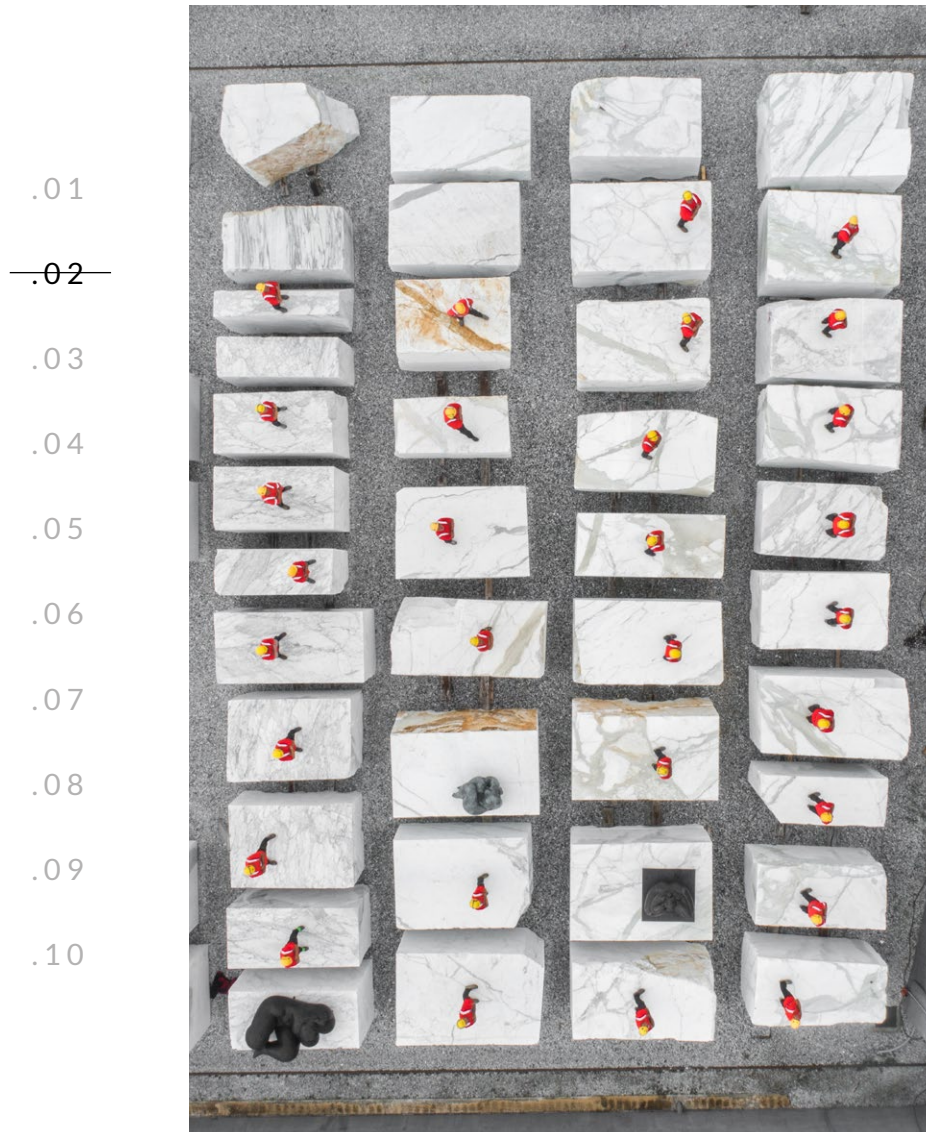
I am glad to present the first Franchi Umberto Marmi Sustainability Report. With this first edition, we have started an exciting and challenging working path that collects and highlights our efforts to do business responsibly. This has always been an outstanding characteristic of FUM since its origins that still involves the whole company, starting from the Board of Directors, aiming at achieving an ethical and responsible business both for resources and people. Our first Report is an extraordinary opportunity to experience the passion of people working for this company regarding these topics.

With this experience, we want to create a "virtuous cycle" of dissemination and awareness that allowed us to better collect data and information aiming at drafting this first Report. This edition was also prepared according to the most stringent principles of compliance to GRI Standards.

We wish to emphasise how this approach aiming at doing business repre-

sents an important strategic lever to differentiation that allows us to stand out not only for our approach to business but also for our important choices regarding responsibility since we believe that our stakeholders and Customers are increasingly selecting companies which have a sustainable business approach. For this reason, we show our commitment to this end on all fronts: from the management of energy resources and wellbeing of our employees to the impact on the local communities, to confirm our wish to reflect the values of respect and reliability. Regarding this, our commitment to sustainably invest and modernise our processes and the responsible management of our business will allow us to develop more and important evolutions through a clear and responsible communication and the regular update of the Report. We are therefore starting a path we all believe in and which will see us accurate and constant in showing the new goals we will reach.

Alberto Franchi
President and CEO



Methodological Note



This first Sustainability Report of Franchi Umberto Marmi Group is meant to be both a reporting tool on the main environmental, economic, and social aspects and an instrument for regulatory compliance, dissemination and dialogue with stakeholders, with whom Franchi Umberto Marmi wants to maintain productive and long-lasting communications that are also important according to the materiality analysis. To define the content of the FUM report, the following principles were considered: stakeholder inclusiveness, context, materiality and completeness. A working group made up of top management and some executives of the company participated in the preparation of the Sustainability Report.

Through meetings and consultation forums, the working group analysed the material topics and chose the most relevant issues for the company and its stakeholders, thus preparing the Report. Numerous company functions contributed to the preparation of this document on the basis of their competences.

The future goals of Franchi Umberto Marmi have been defined based on the Company's planning tools:

- Industrial Plan,
- Strategic Plan,
- Budget.

During the calendar year, there are various key moments that contribute to the strategic planning such as: review of the Environment and Energy management systems, preparation of the Financial Statement and the periodical Safety meeting. The reporting was carried out hand in hand with the analysis of material issues and with the identification of the Company's internal and external stakeholders, also through consultation with a questionnaire.

This Report has been prepared in accordance with the GRI Standards (Core option) and refers to the reporting period 2019/2020/2021. The Report will be updated every 3 years.

The reporting scope refers to the Franchi Umberto Marmi facility (the Company's registered office), located in via Del Bravo in Avenza di Carrara and to the production unit, located in via Canale, where the sawing activity is carried out. Based on transparency, FUM S.p.A. decided to undertake the assurance process of its Sustainability Report involving its internal staff. The sustainability report has been subjected to external assurance by DNV Business Assurance Italy Srl.



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Our History

“ Some stories touch for what they want to tell or they move for how they are told. Some of them are beautiful and worth listening to. Then, some of them talk about beauty. The real and timeless one. The beauty that leaves people stunned. The story of Carrara marble is exactly one of this

”

Group History, the origins

Franchi Umberto Marmi is a leading company in the Carrara marble district founded in 1971 as a third-party processing company, mainly locally. Following the acquisition of the first shareholdings in excavation companies in the 1980s and thanks to professional commitment and financial growth, the company has widened its horizons over the years, becoming an international leader in the marketing of blocks and slabs of white Carrara marble. The history of Franchi Umberto Marmi started 50 years ago, when the ability of a man to look beyond created a reality that is still based on the inestimable value of sharing. Today, the Company Franchi Umberto Marmi is a solid reality in the economy of the stone sector internationally, specialised in processing, design and supply of marble and its products. Here, a team of over forty people works driven by the same mission and the same desire to do things well, contributing to the diffusion of this precious natural stone in the world as an authentic expression of "Made in Italy". Calacatta, Bianco Gioia and Statuario thus become the starting point of a long journey continued by the founder's son Alberto and daughter Bernarda who, with the same spirit of innovation and love, carry out a business project and promote the

values of an ethic based on a deep feeling of humanity that has been transmitted to them.

Today, Franchi Umberto Marmi is involved in the processing and supply of marble, guaranteeing high quality products, both for slabs and blocks. The activity of the company is mainly concentrated within the 59,000 square meters of the Carrara headquarters, making the company the largest exhibition space in the world entirely dedicated to white Carrara marble. The Company has been the winner of various awards such as the Best Communicator Award (prize addressed to the exhibitors at the fair); its materials were used to build the "Tower One" of the World Trade Center and the new wing of Mecca in Jeddah. Its recent listing on the AIM market of the Italian Stock Exchange (now Euronext Growth Milan) is a milestone in its journey towards excellence, as well as being a further incomparable guarantee of its continuous growth and of the consolidation of its competitive position. Franchi Umberto Marmi chose all its managers from the local community, remaining true to the territory where it operates and that it contributes to promote.

“

**Today the Company
Franchi Umberto Marmi
is a solid reality in the economy
of the stone sector internationally,
specialised in processing,
design and supply of
marble and its products.
Here, a team of over 40 people works
driven by the same mission and
the same desire to do things well,
contributing to the diffusion of this
precious natural stone in the world
as an authentic expression
of "Made in Italy".**

”

1971

Founded by
Umberto Franchi

80'S

Acquisition of
the first quarries

90'S

Entrance in the
Asian and Middle
East markets

2003

Umberto's son and
daughter take the
lead of the Company

Entrance in the
American market

2006/08

Purchase and
renovation of the
industrial complex

Showroom's
construction

2011

Involvement in the
implementation of
prestigious projects
such as the **World
Trade Center** and
the Mecca

2014/15

Acquisition of the companies
Marmi Pregiati Carrara
(25%), **Artana Marmi** (25%)
and **Escavazione La Gioia**
(50%)

2017

Acquisition of the
Company
**Escavazione Calacatta
Bondielli** (33%)

2019

Partnership with the
company **Corsi & Nicolai**,
Australian supplier

2020

Listing on the **AIM Italia**
segment through the busi-
ness combination TheSpac

2021

Acquisition of the companies
**Ingegnere Giulio Faggioni
Carrara** (50%), **Ciot NY** (33%)
and **Recovery Stone** (51%)

Governance

Franchi Umberto Marmi is a joint-stock company with a Board of Directors consisting of 11 members, 2 of whom are independent, which will remain in office until the approval of the financial statements at December 31, 2022.

Franchi Umberto Marmi governance system aims at ensuring a responsible and transparent management of the business towards third parties, employees, collaborators, shareholders, and the market in general, with a view to pursuing social goals.



Alberto Franchi
President and CEO



Bernarda Franchi
Vice President and CEO



Maurizio Saravini
Director



Paolo Orlando Daviddi
Director



Gianluca Cedro
Director



Marco Galateri di Genola
Director



Roberto Lettieri
Independent Director



Maurizia Leto di Priolo
Independent Director



Gualtiero Vanelli
CEO



Andrea Franchi
Director



Davide Giovanetti
Director

Legal representative:

Alberto Franchi

Supervisory bodies:

The Board of Statutory Auditors, made up of 3 statutory auditors and 2 alternate auditors, will remain in office until the approval of the financial statements at December 31, 2022.

Supervisory Board Legislative Decree 231

Independent Auditors:

Deloitte & Touche S.p.A.

Activities and brands

Our range of products

The administrative headquarters of Franchi Umberto Marmi is located in via Del Bravo, at Avenza di Carrara. Here, there are the offices, the warehouse, the polishing process and an ultramodern showroom, where it is possible to see the different materials and their usage thanks to the exhibition of finished products.

The cutting process of marble blocks takes place close to the marble quarries, more precisely in Via Canale, the historical headquarters of the Company. Here blocks are transformed in raw slabs with the desired thickness and loaded on goods vehicles that bring them in Via del Bravo for the finishing operations.



Quarry



Transport of blocks



Sawmill



Transport of slabs



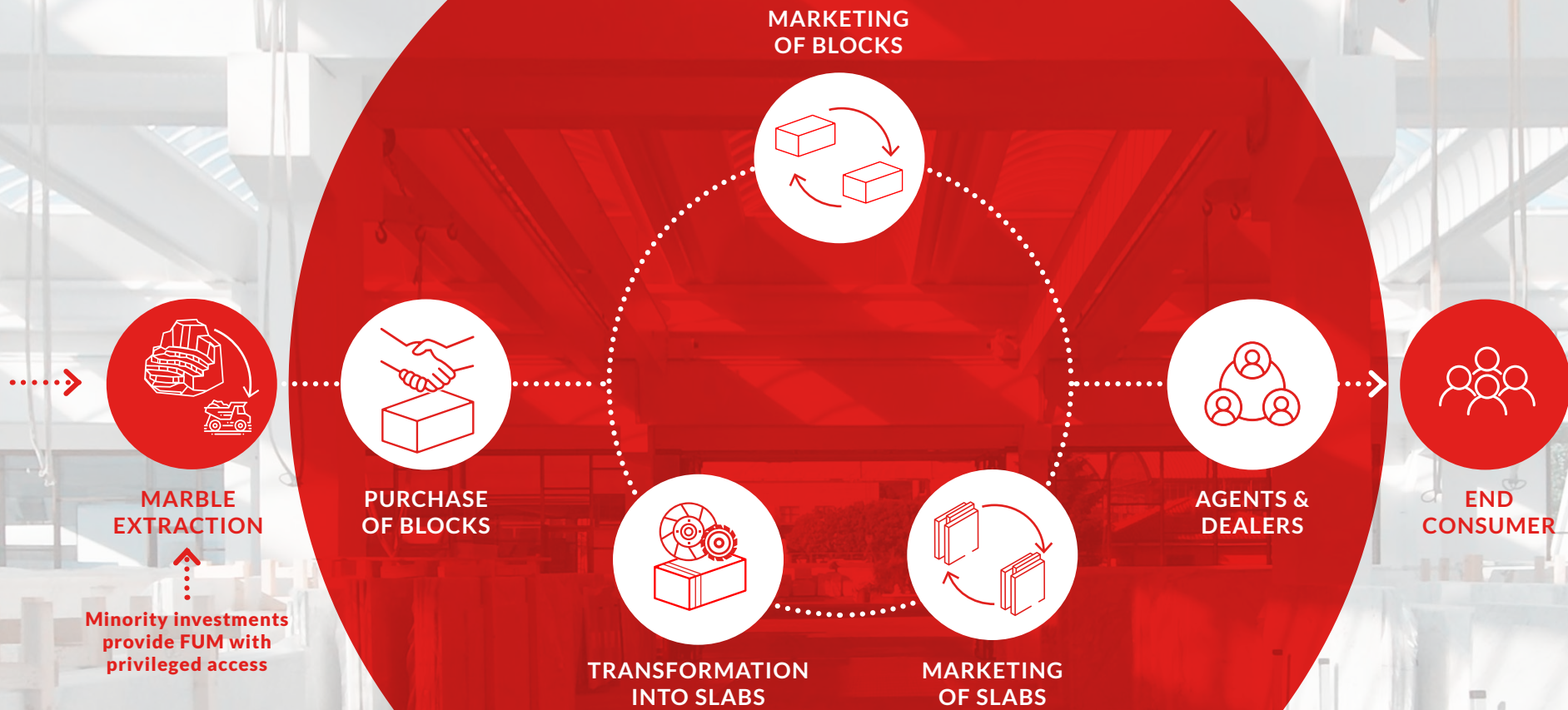
Finishing



Finished product



Purpose of FUM activity



Our marbles



CALACATTA FAMILY

CALACATTA FRANCHI marble is quarried in the Bettogli quarries and it is a precious natural stone synonymous with contemporaneity. Its ivory background with sinuous dove-grey veins gives it a soft and sophisticated nuance. These neutral shades make it easily matched to marble with other colours, from brown to coloured. It is also possible to find pyrite fragments, as small marks, that characterise its origin. With its fine grain and limestone background, Calacatta is ideal for indoor use for floors or walls, bathroom and kitchen furnishings and also in design furnishings.



STATUARIO FAMILY

STATUARIO FRANCHI marble is quarried in the Bettogli quarries and it is a really prestigious natural stone. It is characterised by a bright white background and wide grey veins. Its ethereal elegance makes it a timeless product, capable of providing rooms with a luxurious character and great aesthetic value. It is suitable for use on flooring and cladding and in more futuristic applications. It can be combined with black and coloured marbles, fitting many types of combinations. Its homogeneity and compactness make it perfect to use in design and sculpture projects.



BIANCO VENATINO

BIANCO VENATINO marble is one of the best-known white Carrara marbles in the world. With a cloudy texture, this natural stone has a soft grey background and is characterised by dense and thin veins ranging from light grey to dark grey. The veins run across the slab rhythmically, making it unique and unrivalled. It is suitable for different kind of applications, both in classic and modern environments. Its medium-fine grain makes it porosity-free and, thanks to its weaving, it is resistant and perfect for numerous processing.



BIANCO CARRARA & GIOIA

GIOIA is among the most prestigious marble in the Apuan marble area. Quarried in the historic Gioia basin, it has unique characteristics thanks to its pattern characterised by small spots on the surface of the slab, hence the name “Dalmatian” in reference to the “spotted coat”. The cloudy background is light grey then gradually fading to the purest white. Its rhythmical and elegant pattern makes it suitable both for floors and cladding in classic or modern environments.



ZEBRINO

ZEBRINO marble is one of the most characteristic stones extracted in the Carrara marble basin, particularly in the Bettogli Apuan quarries. It shades from black to white blended by midtone that can be grey, beige or cream with veins running along the surface in a surprisingly parallel way. Sometimes very thin small veins seem to join the horizontal streaks. If cut in the opposite direction, it has a butterfly pattern perfect for unique creations.



BARDIGLIO

BARDIGLIO marble is typically bluish grey or light cerulean. It is one of the natural stone from the Carrara Apuan marble basin and it is known for being used since ancient times in combination with white, especially in the typical checkerboard floors that alternate grey and white tiles. Its uniform background is crossed by thin white veins that create a regular pattern. Sometimes these veins can be bluish, creating more marked patterns. It is a marble suitable for floors and cladding in different finishings.



MANHATTAN GREY

MANHATTAN GREY marble is a natural stone with pastel shades that mix with each other, creating unique combinations of different colours shades. Characterised by a dense network of medium-sized veins that run diagonally, it is an elegant and highly appreciated material for interior design projects, from floors to cladding.



GRIGIO COLLEMANDINA

GRIGIO COLLEMANDINA is a natural stone quarried in the Villa Collemandina area, in Lucca Province. It has an elegant and warm grey uniform background, often mixed with tobacco brown hints. Thin white veins run along its surface, creating a dense and very diluted pattern that does not dominate on the surface. The warm colour of its background makes it a sophisticated marble, ideal in both classic and modern interior design projects.

Market served

Customers

At Franchi Umberto Marmi customers feel comfortable because they are the partner with whom it is possible to reach a common goal. Both special and common requests are carefully examined and analysed with the customer to achieve the desired outcome. Those who need slabs and blocks for their work, such as studios and architects who are preparing a prestigious project, find consultants ready to welcome them.

The experience in the Italian market and in the international market has focused the attention of consultants and Alberto and Bernarda on the culture expressed by their customers, from the Mediterranean countries to northern Europe, from the East to the United States, from Brazil to China, from the Arab countries to Mexico. Different works in different places in the world,

different needs, different symbols, all addressed with the best means, people and professionalism.

Company's customers mainly include resellers (dealers) operating in the main international markets, such as China and the United States. The stone market in which Franchi Umberto Marmi operates includes the most important realities in the world: Italy, China, the USA, Qatar, Turkey, Saudi Arabia, Vietnam, Australia, Canada, Mexico. Besides these markets where the presence is already consolidated, there are new ones, to which FUM proposes itself with renewed enthusiasm and with the same professionalism and quality of the product: Argentina, South Africa, South Korea and Europe.



Winner of several awards such as the Best Communicator Award of Marmomacc (prize for exhibitors at the fair), at FUM every detail is examined and carefully treated and nothing is left to chance, from the exhibitions to the communication to the development of projects: a coherent way of operating and respecting the beauty of this precious material. Thanks to this, Franchi Umberto Marmi had the possibility to supply marbles for prestigious projects from the "Tower One" project of the World Trade Center to the construction of the new wing of Mecca in Jeddah, the Ebury Square Corinthia Hotel in London, 220 Central Park and Park Avenue 1010 in New York, as well as numerous Yves Saint Laurent stores.

Main export and sales markets

Italy
China
USA
Qatar
Turkey

Saudi Arabia
Vietnam
Australia
Canada

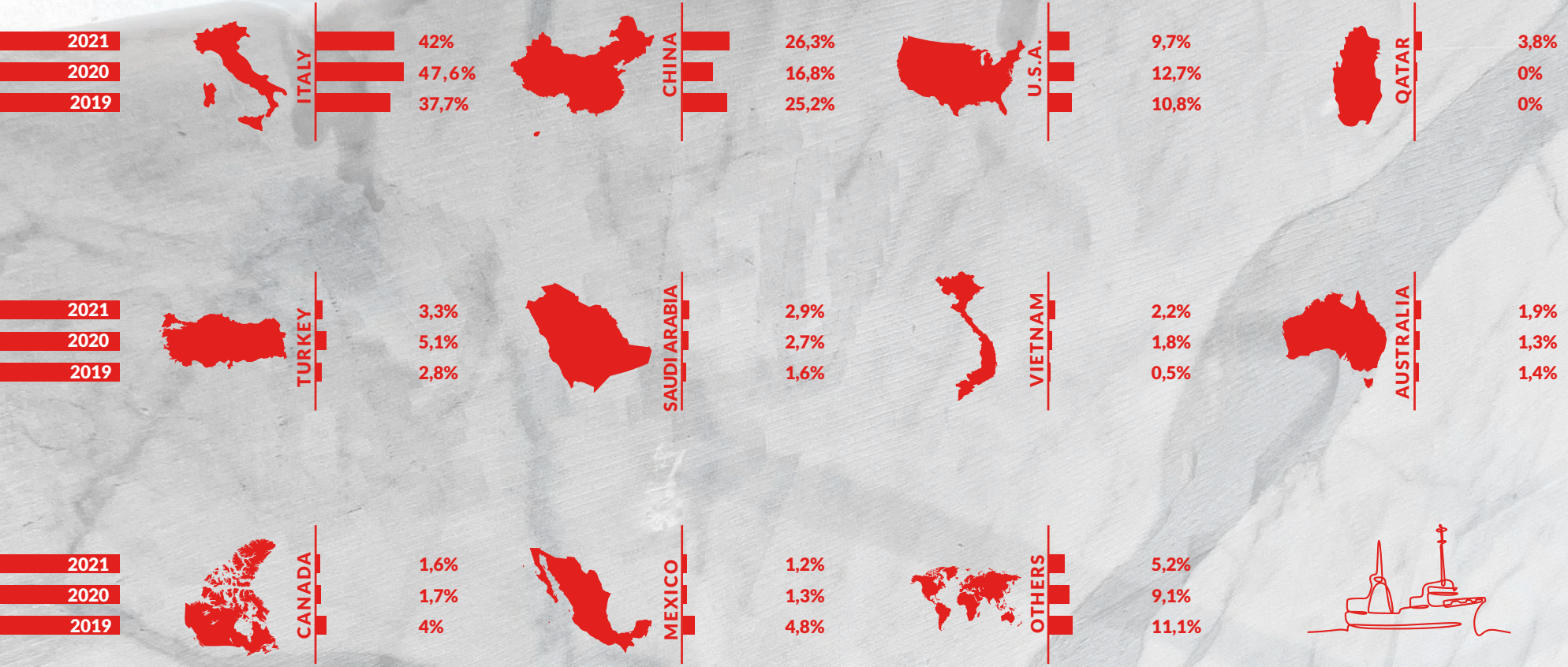
New Markets

Argentina
South Africa
South Korea
Europe

Exclusive projects

- + Tower One - NY
- + Penthouse - 5th avenue NY
- + Mecca - Jeddah
- + Ebury Square Corinthia Hotel - Londra
- + The Well - Toronto

Customers by turnover



Suppliers

For Franchi Umberto Marmi, the use of quality raw materials and the maintenance of collaborative relationships with its over 500 suppliers are essential. During the reporting period, no nonconformities with vendors were recorded. Franchi Umberto Marmi's main suppliers are vendors of marble, packaging material and consumables (abrasives and blades). Being aware of the importance of the company for the local economy, Franchi Umberto Marmi chooses its suppliers in Massa-Carrara and in the neighbouring provinces.

Franchi Umberto Marmi prefers renewable contracts with its suppliers, trying to differentiate the supply chain with the aim of guaranteeing high quality material to satisfy its customers.

MARBLE BLOCKS



Local
Massa-Carrara
and neighbouring provinces

PACKAGING MATERIAL



Polystyrene, polyethylene
and wood

Local
Massa-Carrara
and neighbouring provinces

CONSUMABLES



Abrasives and blades

Local
Massa-Carrara
and neighbouring provinces

PROPORTION OF SPENDING ON LOCAL SUPPLIERS



Local Suppliers: suppliers from the neighbouring provinces of Massa Carrara, La Spezia, Lucca and Pisa.

Our employees

Franchi Umberto Marmi recognises the value of human resources, the respect for their autonomy and the importance of their participation to company activities. The employment management aims at encouraging professional growth and employee's skills, also by applying incentive instruments. The company is committed to guaranteeing functioning and effective internal relationships and communications in order to keep a healthy and productive work environment where every skill is enhanced and where every employee can feel as an integral part of the Company. Franchi Umberto Marmi is committed to ensuring a healthy working environment for all its employees.

Today Franchi Umberto Marmi employs 42 people, with an average age of 42 years. The number of employees remained almost unchanged in recent years, the ratio between new hires and the employees who have terminated the collaboration contract remained positive, except for a slight decline in 2020. The company gave important space to women in the administrative and organisational fields: the women hired by Franchi Umberto Marmi are employed especially in these roles.

Confirming the commitment to its employees, Franchi Umberto Marmi promotes stable and permanent employment and in 2021 the percentage of permanent workers was 95%. The overall turnover rate decreased over the three-year reporting period, from 32.5 in 2019 to 21.7 in 2021.

Franchi Umberto Marmi is committed to maintaining a high level of training and participation for its workers, being aware of the importance of training and involvement of all employees in company objectives and goals.

Employees' training needs are identified thanks to the company's policies, the environmental policy and the management systems implemented by Franchi Umberto Marmi. Over the years, employee training has become increasingly important and the hours of training provided increased in the three-year reporting period: in 2021 the company provided its employees with a total of 622 hours of training, compared to 302 in 2019, passing from an average of 7 hours per employee provided in 2019 to an average of 14.8 in 2021. All FUM S.p.A. internal activities are carried out by employees.





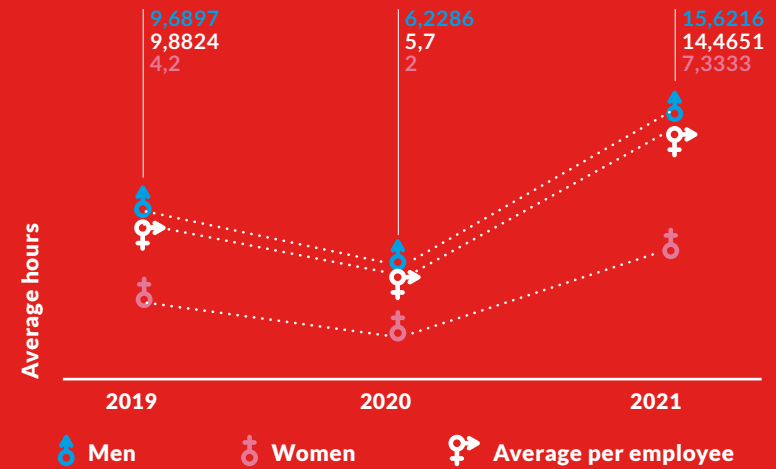


“
FUM
promotes
stable and permanent
employment
and in 2021 the
percentage of
permanent workers
was 95%
”

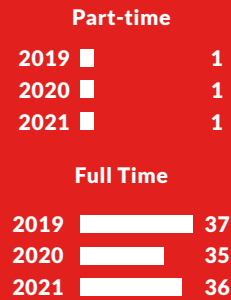
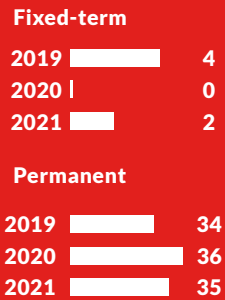
Annual hours of employee training by category

	2019	2020	2021
Manager	2	48	6
Office workers	33	48	62
Manual workers	267	132	554
Tot.	302	228	622

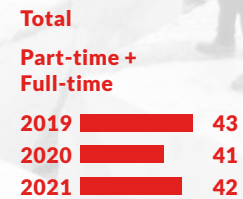
Average hours of training

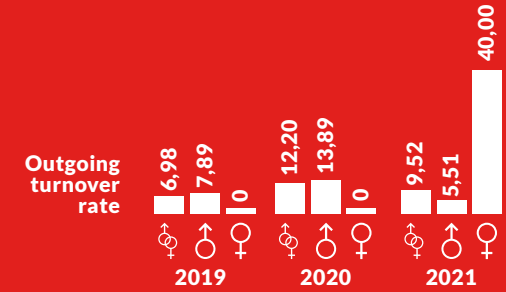
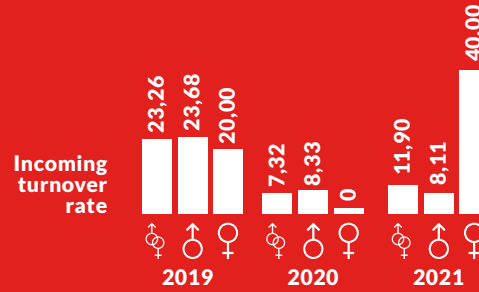
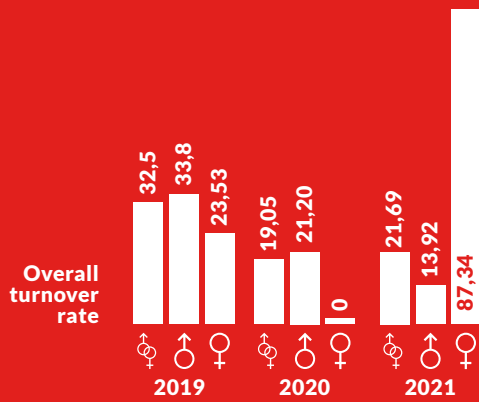


Number of employees as of December 31 per employment contract

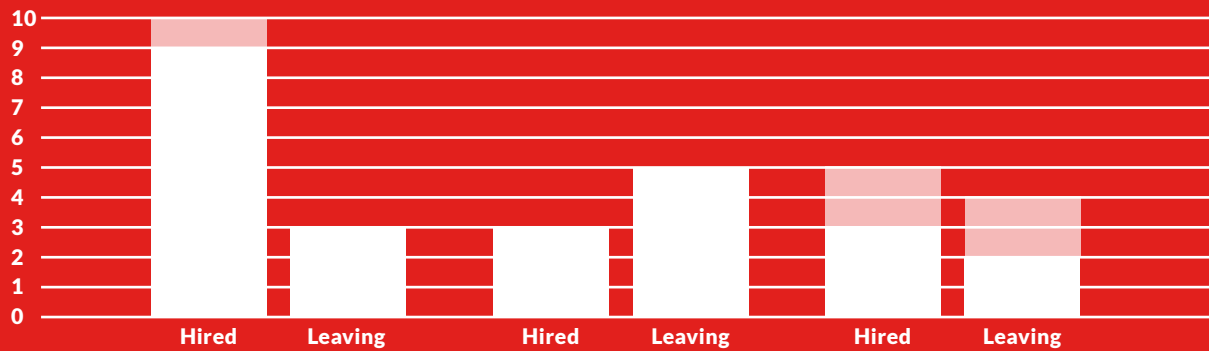


Number of employees as of December 31 per employment type





Number of employees hired/leaving



Men Women

Franchi Umberto Marmi and the local community

Franchi Umberto Marmi S.p.A. is characterised by its strong bond with the area. Since its foundation, it has always been aware that the territory in which it operates represents the main social, environmental and economic wealth, to be respected and protected for the future.

Regarding its social commitment, through the Fondazione Marmo Onlus, the Company undertakes a range of initiatives that have a strong impact on the communities of the Carrara area and important collaborations with local entities, non-profit organisations and health services.

AREA 51 is an example, with the project Navigando senza Barriere; The Association Fabula, which takes care

of autistic children; Famiglia Paradiso, a crowdfunding for the purchase of a special vehicle for the movement of disabled people; Caritas, and many others. In particular, Fondazione Marmo was born from the desire of a group of entrepreneurs to give solidity and continuity to the many solidarity actions that were already being carried out by individual companies.

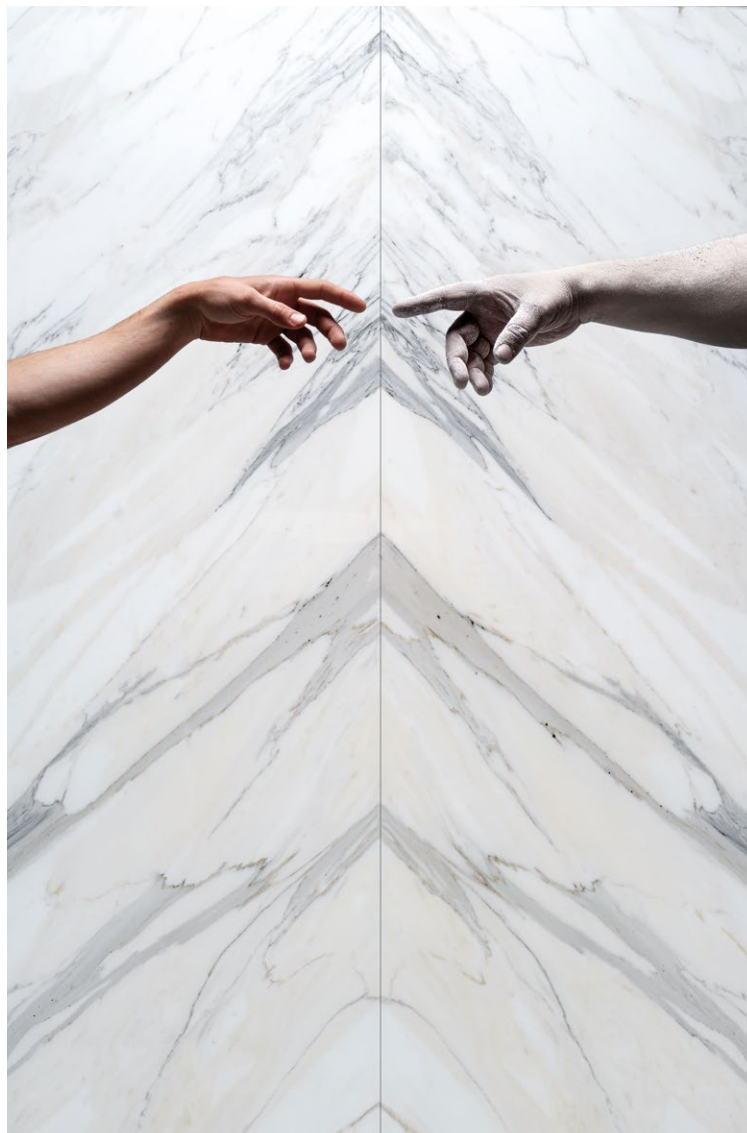
Finally, with the establishment of Accademia Franchi, the Company has set the goal of training high-profile professionals, aimed at fostering relational development, promoting interaction with the academic world and spreading the culture of marble all over the world.

- Confindustria Marmomacchine - www.assomarmomacchine.com
- Pietra Naturale Autentica - www.naturalstoneisbetter.com
- Fondazione Marmo Onlus - www.fondazionemarmo.it





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Our Vision

Franchi Umberto Marmi has always been committed to bringing the culture of marble as the culture of the city of Carrara all over the world and in the most prestigious places. The Company works to maintain the standards of excellence in the processing and marketing of marbles and their derivatives and has always been committed to spreading the culture of marble and the tradition that binds this noble material to the city of Carrara all over the world.

Principles and values of the group

Vision and mission

Among the company values, it is possible to find growth, creativity and sense of cooperation. To make these values effective, the Company adopted a Code of Ethics, which provides that all company activities must be carried out in compliance with the law, according to the principles of reliability, professionalism, integrity, honesty, decency, respect and transparency, as well as respecting the interests of its external interlocutors. These principles are the basis of the Company's commitment to an ethical conduct without compromise, aimed at maintaining a solid and acknowledged reputation.

In particular, through its Code of Ethics, Franchi Umberto Marmi assumes the following as the founding elements of its mission:

1. Being a point of reference in the sector of processing and marketing of marble and their derivatives, committing to fully satisfying

its customers.

2. Spreading the culture of marble and the tradition that binds this noble material to Carrara all over the world.
3. Pursuing the continuous improvement of the processes carried out in the short and long term.
4. Applying a personnel policy that allows to maintain a high level of motivation and involvement towards the achievement of company objectives.
5. Achieving economic results.

Pursuant to art. 6 paragraph 1 letter b) of the Legislative Decree 231/2001, the Company has established its own Supervisory Board named «Organismo di Vigilanza (OdV)» in collegial composition, endowed with full and autonomous powers of initiative and control over the Company's activities. The OdV is responsible for monitoring the effectiveness, the updating and the observance of the Model adopted by the Company and its constituent elements, in order to prevent crimes from which the administrative liability of the Entity may arise.

Our management systems allow us to effectively control risks in assessing and solving any environmental, social and economic problems, applying the precautionary principle as well as identifying and

governing potential risks.

In order to allow the OdV to fulfil its task, the Company has set up an information exchange system according to which the employees, as well as those who cooperate in pursuing the Company's purposes, are required to promptly inform the OdV with regard to any violation of the Model and its constituent elements, as well as with regard to any other aspect potentially relevant for the purposes of the application of Legislative Decree 231/2001 (e.g. illegal or ethically incorrect situations).

All communications to the OdV (reports or periodic information flows) must be made using the specific e-mail address.

The Code of Ethics applies to employees, collaborators (consultants and third parties who have contractual relationships with the Company), Directors and Statutory Auditors.

During the reporting period, there were no episodes of discrimination and non-compliance with laws and/or regulations in social or economic matters, nor legal actions for corruption, anti-competitive behaviour, antitrust and monopolistic practices.

The adoption of the FUM Code of Ethics and its application guarantee the commitment of the Company to the abolition of child labour and any form of exploitation.



The 10 Principles of the Company

- .01 Compliance with laws and regulations
- .02 Respect for individuals
- .03 Fairness and honesty
- .04 Impartiality, equality and absence of discrimination
- .05 Privacy and protection of personal data
- .06 Environmental protection
- .07 Diligence and good faith
- .08 Documentation of activities and transparency
- .09 Fair competition
- .10 Protection of copyright and industrial property rights

Long-term strategies and commitments

MARKET PENETRATION

Penetration focused on high margin markets, such as China, the USA and Australia. The growing demand for high-end marble is expected to boost FUM sales

MARKET EXPANSION

FUM has set goals to expand into new geographic areas such as the Gulf Cooperation Council, Eastern Europe and Vietnam

PARTNERSHIP

Development of existing and new partnerships around the world with Ciot NY and Corsi & Nicolai for an unique opportunity to increase FUM's reach and advantage over its competitors

PROJECTS

Decades of collaborations allow FUM to take part in exclusive projects in New York and Saudi Arabia, increasing its brand awareness and positioning in the luxury market

TRANSFORMATION WITH ADVANCED TECHNOLOGIES

Recovery Stone acquisition (2021): Joint venture with Il Fiorino (51% owned by FUM), investing in robotic technology consistent with Industry 4.0, speeding up and improving marble transformation processes, to be operational in the second half of 2022

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The Path towards Sustainable Development

Over the years, Franchi Umberto Marmi has made sustainability a real business model. Research, innovative tools and rigorous standards are the basis of targeted choices, not only regarding the manufacturing processes, but also the entire work environment, so as to guarantee the well-being of those who contribute every day to increase the value of the Company by guaranteeing high quality standards of products.

“ Sustainability as a virtuous combination of important investments and sustainable development goals. Sustainability as love for the territory and commitment to the environment. Sustainability as a daily challenge. ”

Ongoing certifications

For some time, the Company has started an environmental sustainability analysis that is not only limited to its own processes, but which includes the entire life cycle chain of its products. In 2020, this path led to the “Environmental Product Declaration of Bettogli Marble slabs of thickness 2 and 3 cm”, or rather to the certification and publication of an Environmental Product Declaration registered at The International EPD® System.

The study was developed according to the ISO 14040, ISO 14044, ISO 14025 standards and the requirements of the UNI EN 15804 standard and includes all the processes relating to the functioning of the product.

In addition, there is the company's desire to reach always better organisational levels.

In this respect, Franchi Umberto Marmi has adopted a Certified Integrated Management System according to the reference standards.

The company management systems enable an effective risk control in assessing and solving any environmental, social and economic problems, by applying the precautionary principle and identifying and governing potential risks.



Stakeholders and stakeholders' engagement

Franchi Umberto Marmi maintains a constant relationship with its stakeholders: it dialogues with the institutions and maintains relations with trade unions and local communities, through a productive and constant communication. To prepare this first Sustainability Report, the stakeholders who can most influence Franchi Umberto Marmi and who can be significantly influenced by the company's activities have been identified. A direct dialogue with these stakeholders was held, aimed at identifying the relevant issues to be reported in the financial statements.

The process to identify Franchi Umberto Marmi stakeholders involved some meeting with the management, during which it was possible to identify the most relevant and important categories for the company and the methods of involvement to be implemented.

FUM S.p.A. aims to update the list of stakeholders and to involve them annually in updating and sharing material issues.

In addition, FUM aims to improve and implement the engagement of its stakeholders through:

1. information: dissemination of the contents of the Sustainability Report, the EPD and the new GHG inventory, via website, newsletters and social media;
2. dialogue: stakeholders' involvement in improvement targets also through discussion and company training/information sessions;
3. participation: collection of information and consultation at fairs or events.



Materiality

The identification of material issues, relevant for stakeholders and for Franchi Umberto Marmi, is fundamental for the preparation of the Sustainability Report; through this survey, the company can detect which are the most important issues for its stakeholders and management and can thus report them in the financial statements.

Material issues are topics that can reasonably be considered necessary to reflect the economic, environmental and social impacts of the organisation or to influence the decision-making processes of stakeholders.

“

"Material" topics are those representing the relevant impacts of the organisation in the economic, environmental and social fields or that influence stakeholders' decisions.

”

The issues relevant to Franchi Umberto Marmi's stakeholders were assessed as significant for the preparation of this report. In particular, the direct involvement of stakeholders consisted in sending a questionnaire, whose results were used to identify the fundamental issues to be included in the considerations on the economic, environmental and social impacts of the organisation or that were relevant in influencing the decision-making processes of stakeholders.

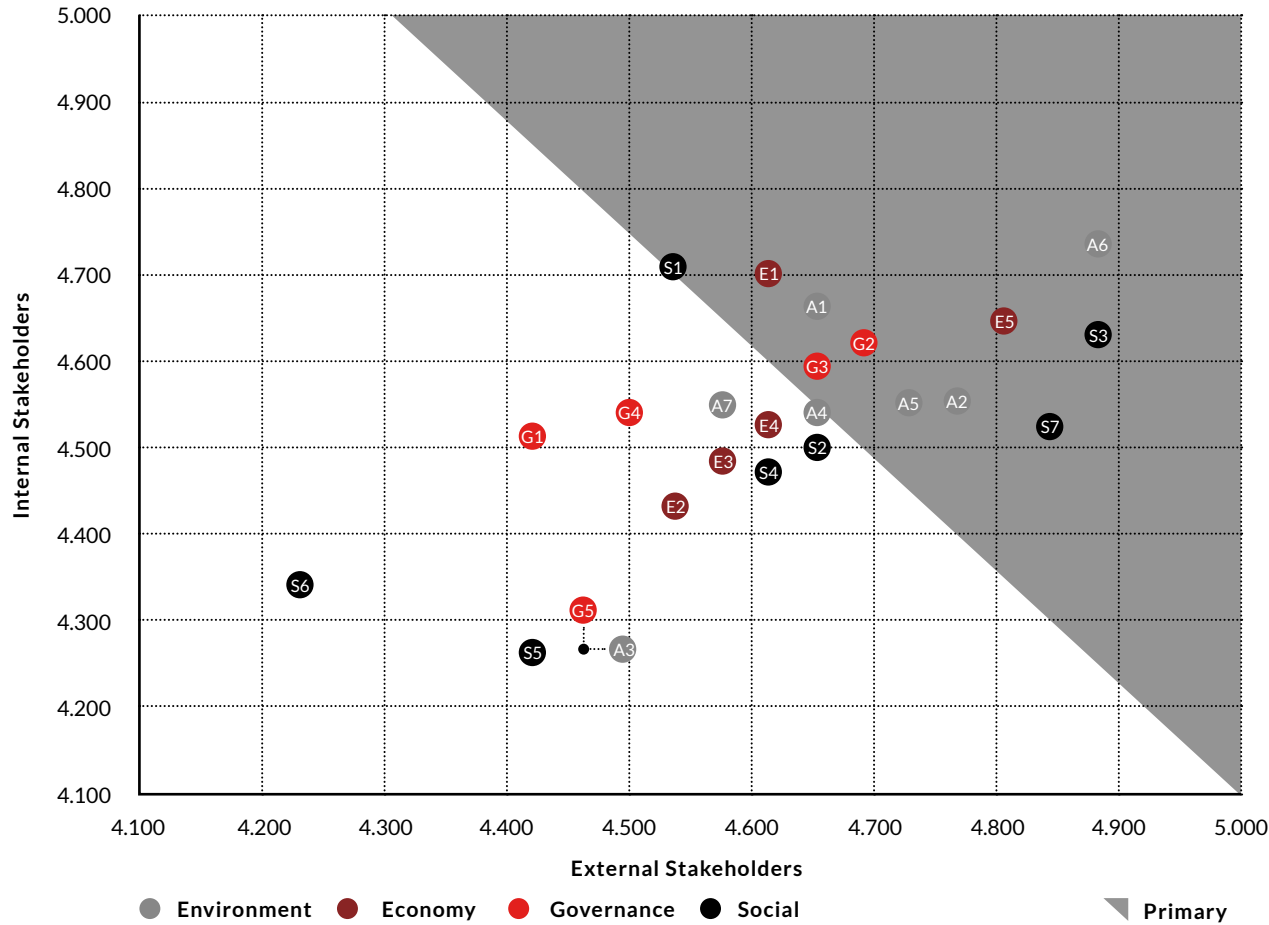
On these issues, each Italian or foreign stakeholder or each category of stakeholder had to evaluate the importance of the actions or topics described in the questionnaire, giving their opinions (from 1 = not relevant to 5 = key importance). The results

pointed out an evident alignment between the assessments of the company employees and the external stakeholders: the material topics in this Sustainability Report are those that have had the highest scores on both sides.

The answers were then collected and processed to construct the materiality matrix and to identify the relevant issues to be reported in the Sustainability Report. Stakeholder engagement saw the participation of 64 stakeholders, who responded to the questionnaire, offering their opinions about materiality and thus offering their collaboration in preparing the materiality of the Sustainability Report.

	Questionnaires sent	Questionnaires received	% answers
Internal Stakeholders <i>(Employees)</i>	47	38	80%
External Stakeholders <i>(Customers, Suppliers, associations, public institutions etc.)</i>	95	26	27%

The material topics, shown in the table and in the following chart, were selected from the analysis conducted and were integrated with some considered significant by the Management.



For each relevant issue the scope and type of impact have been identified, as reported in the following legend:

P - Scope
 1 - Group
 2 - Group and Province of Massa Carrara and its neighbours
 3 - Employees of the Group

T - Type of impact
 1 - Caused by the Group
 2 - Caused by the Group and directly related to its activities

Relevant issues

A1	Use of renewable sources and energy efficiency	P/1 · T/1
A2	Water consumption	P/1 · T/2
A4	Atmospheric emissions and climate change	P/1 · T/2
A5	Waste management	P/1 · T/2
A6	Compliance with environmental standards	P/1 · T/1
E1	Economic performance	P/1 · T/1
E5	Materials: use, recycling and recovery	P/1 · T/2
G2	Methods for managing environmental impacts	P/1 · T/1
G3	Methods for managing social impacts	P/2 · T/2
S1	Employment	P/3 · T/1
S3	Health, safety and wellbeing of employees	P/3 · T/1
S7	Human Rights	P/1 · T/2

Non-relevant issues

A3	Biodiversity	P/2 · T/2
A7	Supply chain environmental certifications	P/1 · T/2
E3	Technological innovation <i>(investments in innovation and new technologies or products)</i>	P/1 · T/1
G4	Corporate governance transparency	P/1 · T/1
S4	Health and safety of customers	P/2 · T/1
S6	Social sustainability of the supply chain	P/2 · T/2

Not-relevant issues integrated in the financial statements by the management

G1	Methods of managing economic impacts <i>(turnover, revenues ... etc.)</i>	P/2 · T/2
E2	Financial support to the territory	P/1 · T/1
S5	Territory engagement	P/2 · T/1
E4	Quality of products and services	P/2 · T/1
G5	Business Integrity <i>(Code of Ethics and Legislative Decree no. 231/2001)</i>	P/1 · T/1
S2	Human resource development	P/3 · T/1

The materiality analysis highlighted that the most significant issues for Suppliers are the health and safety of workers and the respect of the environmental legislation, for Customers the innovation and quality of the products and for the employees the employment and the contributions to the territory.

SDGs and Franchi Umberto Marmi commitment

In September 2015, the governments of the 193 member countries of the United Nations General Assembly approved the Sustainable Development Goals (SDGs), 17 goals brought together in the action program for peace and prosperity for people and the planet, known as the 2030 Agenda for Sustainable Development. The Sustainable Development Goals summarise the shared intentions of member states regarding key issues for sustainable development such as, among others, the fight against poverty, the elimination of hunger and the fight against climate change. The 17 goals are broken down into 169 targets, which the countries have committed to achieving by 2030; however, it is not only the States, but also many other private actors who are called upon to carry out

the necessary actions to achieve them. Ahead of its time, we decided to support and promote the 2030 Agenda and the SDGs and as industry leader we feel the responsibility to integrate these goals into our daily work and to embody this commitment and these objectives so that other companies may benefit from our experience and support the programme of the 2030 Agenda. Only through a collective responsibility, we will be able to bring about lasting and real changes, making business development increasingly sustainable. Thanks to our activities and the sustainable management towards which we are oriented, we think we can influence the following Sustainable Development Goals.





The 2030 Agenda is a cornerstone for sustainable development and it is the result of the UN conferences for sustainable development held in 1992, 2002, 2012 and the Millennium Development Goals that expired at the end of 2015. The 2030 Agenda represents the new global reference framework for the national and international commitment aimed at finding common solutions to the great challenges of the planet, such as extreme poverty, climate change, environmental degradation and health crises.

The 2030 Agenda applies to all countries, in the North and in the South, and

points out a set of priorities for sustainable development to be achieved by 2030.

The essential elements of the 2030 Agenda are the 17 Sustainable Development Goals and the related 169 sub-goals, which are grouped into five fundamental principles such as people, planet, prosperity, peace and partnership (the 5 P).

To identify the key lines of the action towards sustainability, Franchi Umberto Marmi put together the results of the materiality analysis and the UN sustainable development goals.



7 AFFORDABLE AND CLEAN ENERGY



TARGET

7.3

Increase and sharing of energy from renewable sources.

7.a

Consumption reduction and efficiency.

FRANCHI'S COMMITMENT

The installation of a photovoltaic solar system allowed Franchi Umberto Marmi to contribute to the production of green energy.

The new systems (such as the use of modern machinery/vehicles) allow to contain energy consumption .

8 DECENT WORK AND ECONOMIC GROWTH



TARGET

8.4

Gradually improving by 2030, the global efficiency of resources, consumption and production and break the link between economic growth and environmental degradation.

8.5

By 2030, achieving full and productive employment and decent work for all women and men, including young people and people with disabilities, and equal pay for work of equal value.

8.8

Protecting labour rights and promoting a safe and secure working environment for all workers, including migrant workers, especially women, and those in precarious work.

8.10

Strengthening the capacity of national financial institutions to encourage and expand access to banking, insurance and financial services for everyone.

FRANCHI'S COMMITMENT

Franchi Umberto Marmi has always been committed to research and development and optimisation of its processes with the aim of conserving resources.

Franchi Umberto Marmi guarantees employment and work to all its employees and offers opportunities without any distinction and with the utmost inclusiveness.

Thanks to its commitment in trade associations, Franchi Umberto Marmi contributes to the development of safe work.

Franchi Umberto Marmi has signed a memorandum of understanding with Banca Nazionale del Lavoro through which the Bank undertakes to contribute to the dimensional and qualitative growth of the companies that are part of FUM Production Chain, financially supporting the Supply Chain

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



TARGET

9.3

Increasing access of small industrial and non-industrial businesses, particularly in developing countries, to financial services, including loans at affordable prices, and their integration into related industries and markets.

9.5

Improving scientific research and the technological capabilities of industrial sectors in all countries, especially developing countries, by 2030, by encouraging innovation and significantly increasing the number of workers in research and development.

FRANCHI'S COMMITMENT

Franchi Umberto Marmi has signed a memorandum of understanding with Banca Nazionale del Lavoro through which the Bank undertakes to contribute to the dimensional and qualitative growth of the companies that are part of FUM Production Chain, financially supporting it.

Through the Franchi Academy commitment, it was possible to share the ten-year experience and innovation developed by Franchi Umberto Marmi, giving new generations the opportunity to draw from it.

10 REDUCED INEQUALITIES



TARGET

10.4

Equal employment and salaries for everyone.

FRANCHI'S COMMITMENT

Franchi Umberto Marmi has always implemented the personnel management and the commitment to ensure equal opportunities, reducing inequalities in results for all its employees.

11 SUSTAINABLE CITIES AND COMMUNITIES



TARGET

11.4

Strengthening efforts to protect and safeguard the world's cultural and natural heritage.

11.6

Reducing the negative per capita environmental impact in cities, with particular attention to air quality and management of urban and other waste by 2030.

11.7

By 2030, providing universal access to safe, inclusive and accessible, green and public spaces, especially for women and children, the elderly and people with disabilities.

FRANCHI'S COMMITMENT

Franchi Umberto Marmi has always been committed to preserving the natural heritage of its operations by minimising environmental impacts.

The reduced atmospheric emissions of Franchi Umberto Marmi contribute to good air quality.

Franchi Umberto Marmi is one of the promoters of the Fondazione Marmo Onlus, whose president is Bernarda Franchi. Through the Foundation, Franchi Umberto Marmi is committed to achieving these goals.

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



TARGET

12.2

By 2030, achieving sustainable management and efficient use of natural resources.

12.4

By 2020, achieving eco-friendly management of chemicals and all waste throughout their whole life cycle, in accordance with the international frameworks, significantly reducing their release into air, water and soil, to minimise their negative impacts on human health and environment.

12.5

By 2030, substantially reducing waste generation through prevention, reduction, recycling and reuse.

12.6

Encouraging businesses, particularly large corporations and multinationals, to adopt sustainable policies and integrate sustainability information into their reporting cycle.

FRANCHI'S COMMITMENT

Respect for natural resources is innate in Franchi Umberto Marmi's experience, reflected in the optimisation and efficiency of processes to minimise waste.

All waste from marble processing is completely recycled and reused.

All waste from marble processing is completely recycled and reused.

Franchi Umberto Marmi enhances both Customers and Suppliers awareness of sustainable practices in business development also thanks to external communication through its website.



TARGET

13.2

Incorporating climate change measures into policies and planning.

13.3

Improving education, awareness and human and institutional capacity regarding climate change mitigation, adaptation, impact reduction and early warning.

FRANCHI'S COMMITMENT

FUM has developed its own inventory of GHG emissions and it is planning to reduce them.

Franchi Umberto Marmi also contributes to raising awareness of the need to reduce emissions.



TARGET

15.4

By 2030, ensuring the conservation of mountain ecosystems, including their biodiversity, in order to improve their ability to provide performances essential for sustainable development.

15.5

Taking effective and immediate actions to reduce the degradation of natural environments, to the destruction of biodiversity and to protect endangered species by 2020.

FRANCHI'S COMMITMENT

Franchi Umberto Marmi collaborates with its customers and suppliers on hydrogeological risk mitigation projects for the protection and conservation of quarry areas.

FUM's goals

The goals that the organisation intends to achieve in the next period are listed below.

8 DECENT WORK AND ECONOMIC GROWTH



Workers' safety: implementing the training and developing awareness-raising actions and better management of work and of ergonomics in the offices. Training will also be extended to inclusion and diversity management for better personnel management. Formalising local purchasing and hiring policies to improve the impact on local communities

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Innovation and research: continuing to carry out the usual and ordinary research and development activity within the working processes aimed at achieving a continuous improvement in efficiency and consequently a lower and rational consumption of resources

11 SUSTAINABLE CITIES AND COMMUNITIES



Developing the process of sharing a formal policy involving suppliers, making them specifically responsible for their social and environmental performance

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Improving a responsible consumption and production through the improvement of the management systems of the supply chain and the Customers and Suppliers' awareness

13 CLIMATE ACTION



Reducing energy consumption and purchasing renewable energy. Offsetting GHG emissions to achieve carbon neutrality. Sharing with Suppliers and Customers the opportunity to contain and reduce emissions according to laws and regulations



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Economic sustainability

6.01 Economic performance

The management of FUM activities is monitored and checked periodically. To ensure the proper functioning and application of laws and regulations as well as internal policies, FUM has adopted a management model according to the Legislative Decree 231/2001 and a code of ethics. These actions aim at ensuring the carrying out of FUM activities in compliance with anti-corruption, anti-fraud and anti-competition legislation.

FUM guarantees the transparency of its operations through compliance with current legislation which requires the preparation of the half-yearly and annual financial statements and its review by an accredited body. In addition, the set of internal procedures developed according to the indications of the 262/2005 standard strengthens the monitoring of the company's financial resources management.

Economic Performance



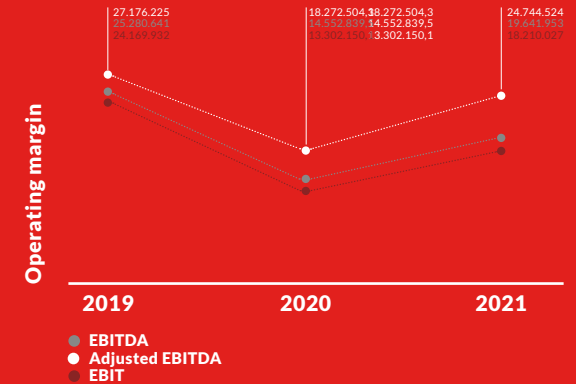
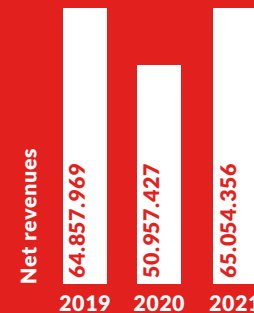
The Economic sustainability and the creation of added value and business continuity have always been the goals of Franchi Umberto Marmi, which has been committed for years to maintain working stability and continuity, trying to cope with market downturns and, in the last few years, the pandemic crisis and the geopolitical instability. During the financial year 2020, there was a reduction in sales due to the slowdown in commercial activities caused by the COVID-19 pandemic. This decrease affected not only the Italian market but also the global markets. In 2021 there was a recovery: the directly generated economic value increased from Euro 51,417 thousand (in 2020) to 65,413. Even the company's economic profitability indicator (EBITDA), after the start of the pandemic, had a recovery, passing from the decrease in 2020 (Euro 14,552 thousand) to 19,641 in 2021. With the

full resumption of trade in foreign markets, they should return to pre-pandemic levels.

The composition of the share capital of FUM is available at the following link <https://www.fum.it/investors/info-per-gli-azionisti/> where the "significant" shareholders, or those who hold a share of the Company's share capital higher than 5%, are listed.

The capitalisation of the Company varies according to the price of the securities that are traded on the Euronext Growth Milan market managed by the Italian stock exchange. At the following link <https://www.fum.it/investors/ificazione-del-titolo/> it is possible to monitor in real time the performance of the stock and consequently the capitalisation of the Company.

	2019	2020	2021
Directly-generated economic value	65.351.671	51.417.256	65.413.192
Economic value distributed	46.838.099	39.671.206	49.324.277
Economic value retained	18.513.572	11.746.050	16.088.915
	2019	2020	2021
EBITDA	25.280.641	14.552.839	19.641.953
Adjusted EBITDA	27.176.225	18.272.504	24.744.524
EBIT	24.169.932	13.302.150	18.210.027
EBITDA on turnover	38,8%	28,4%	30,1%
Adjusted EBITDA on turnover	41,7%	35,7%	37,9%



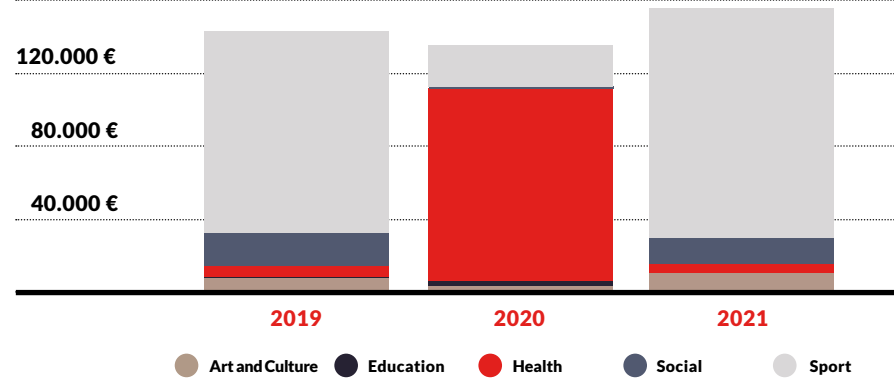
Financial support to the territory

Franchi Umberto Marmi represents an important reality in the Carrara area; the company has been committed for years to the enhancement of the area where it has been located for more than 50 years, helping to raise awareness and grow the culture of marble and the love for this material and its territory.

Following these values, a high percentage of Franchi's Umberto Marmi investments were towards local suppliers, i.e. suppliers located in the province of Massa Carrara and in the neighbouring provinces. This percentage has been increasing in recent years (87% in 2019, 89% in 2020, 97% in 2021) testifying to Franchi Umberto Marmi's commitment in supporting the local community of which it is an integral part. Its belonging to the community in which the company acts is also demonstrated through the investments in the area which in 2020, when the Covid emergency was still intense, were concentrated in the health/healthcare sector, with the aim of supporting the bodies responsible for the fight against the pandemic.

INVESTMENT IN THE COMMUNITY (EURO)

160.000 €



Total in the three-year period

23.449,51 € 3000 € 115.860 € 256.394,75 € 431.588,11 €

FUM S.p.A. contributions in the years of reporting are both commercial commitments relating to the sports sector and pro bono for the remaining portion.

Quality of products and services

Thanks to its environmental policy, Franchi Umberto Marmi is committed to ensuring high quality products, maintaining a high efficiency of its machines and equipment, in order to promote and enhance the processed natural stone.

Confirming the greater attention of Franchi Umberto Marmi to the quality of the product and to the needs and satisfaction of its customers, it should be noted that the few complaints received were resolved in a short time and with full customer satisfaction.

In addition, no complaints regarding violations of privacy and loss of customer data were recorded during the reporting period.



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Environmental Sustainability

Over the years, Franchi Umberto Marmi has created a real entrepreneurial model from sustainability in a world where acting with awareness and respect for people become absolute priorities. Research, innovative tools and rigorous standards are the basis of targeted choices, not only on the manufacturing processes, but on the entire work environment, so as to guarantee the well-being of those who contribute every day to increase the value of the Company by guaranteeing high quality standards of products.

The Integrated Management System adopted by Franchi Umberto Marmi in accordance with UNI EN ISO 9001 and UNI EN ISO 14001 regulations, has as its objective the control and management of the environmental impacts deriving from the Company's activities.

Purposes

In particular, the environmental policy adopted aims at:

- #01 Preventing any form of pollution generated by the activities;
- #02 Ensuring the compliance with the legal requirements and all other requirements relating to production/health and safety at work/environment applicable to the company reality;
- #03 Checking environmental impacts connected with its activities, considering the life cycle perspective of its products as far as possible in relation to the degree of corporate influence.

Goals

The commitment to the protection of the environment results in goals such as:

- #01 Ensuring the satisfaction of environmental safety expectations through continuous analysis of its relevant interests and related developments over time;
- #02 Ensuring the compliance of the work processes to the applicable regulations (voluntary and mandatory), in order to ensure the protection of the surrounding environment;
- #03 Ensuring the constant updating of corporate knowledge in order to guarantee the correct execution of the works requested by preserving the safety of workers and third parties and the protection of the environment.

The collaboration of employees of all levels on the path to environmental sustainability is considered essential by Franchi Umberto Marmi, implemented through the promotion of information programs and tools and personnel training.

The company undertakes to encourage the safeguarding of health and safety at work, environmental protection and maintenance of high-quality standards through the motivation, persuasion and training of the personnel, so that it performs the work in accordance with the planned requirements. The Environmental Management System adopted by the Company also wants to provide objective evidence of the compliance of the activities carried out with respect to the contractual requirements set out with customers and to the specific needs and goals of the company, while ensuring full control and surveillance of the environmental aspects related to the company activities. During the reporting period, no non-conformities with environmental laws and/or regulations have been recorded.

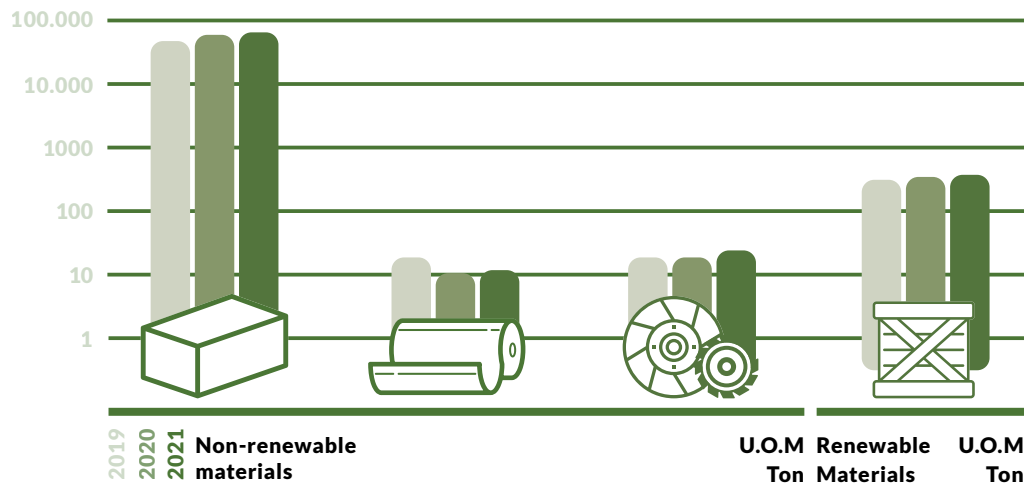


Materials

Franchi Umberto Marmi's production process mainly consists in the use of marble blocks, packaging materials and other consumables. The raw materials mainly used are:

- Marble blocks
- Packaging materials: polystyrene, polyethylene, wood
- Consumables: abrasives and blades

In the management of materials, FUM applies a principle of maximum savings. As a matter of fact, packaging is kept to a minimum and the new machinery installed allows to minimise the wear of consumables. Integrated management systems allow the monitoring and management of this issue.



Climate change



Climate change has been universally identified as one of the greatest challenges that nations, governments, economic systems and citizens will have to face in the coming decades: it has significant implications both for natural and human systems and can lead to a significant impact on the use of resources, production processes and economic activities.

The Intergovernmental Panel on Climate Change (IPCC) is the international body set up by the United Nations to compare and independently assess the state of world research on climate change; in the evaluation report released in 2007, IPCC concluded that over 90% of the phenomenon of global warming is caused by anthropogenic activities.

Almost all world's scientists and politicians agree that greenhouse gases (GHG) are the main cause of climate change. The most relevant GHG is represented by carbon dioxide (CO₂), which is produced by the combustion of fossil sources such as coal, oil and methane. The GHG gases included in the calculation are: CO₂ (Carbon dioxide), CH₄ (Methane), N₂O (Nitrous oxide), HFCs (Hydrofluorocarbons), PFCs (Perfluor-

ro-carbons), SF₆ (Sulfur hexafluoride) and NF₃ (Nitrogen trifluoride).

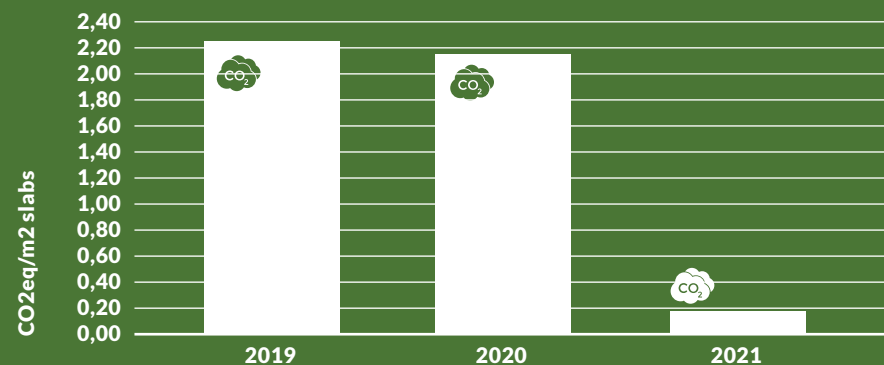
In its path towards sustainable development, Franchi Umberto Marmi has equipped itself with an important tool for monitoring and reducing greenhouse gas emissions: the GHG Inventory for the years 2019-2020-2021, which is currently in the certification phase.

For the three-year reporting period, FUM also assessed the value of indirect emissions, Scope 3 according to the indications of the GHG Protocol, estimated at 7740 tons CO₂eq for 2019, 6515 tons CO₂eq for 2020 and 7654 tons CO₂eq for 2021. These emissions are determined by contributions of raw materials and fuels production, by transport and by the end of life of its products.

In the FUM GHG inventory report there is a preliminary estimate of indirect emissions - Scope 3 GHG Protocol, which will be developed and reported in the next sustainability reports.

GHG emissions	U.O.M.	2019	2020	2021
Scope 1	CO ₂ eq/ton	41,8	46	67,6
Scope 2 - Market based	CO ₂ eq/ton	786,1	703,2	0,0
Scope 3	CO ₂ eq/ton	7740,0	6516,0	7654,0

CO₂eq Intensity (Scope 1 + Scope 2 MB)



In 2021 FUM obtained certificates of origin for 100% of the electricity used.

As a performance index of the company, the total emissions are reported scaled on specific production parameters, in this case the tons of CO₂eq per m² of marble slabs sold are reported. FUM's commitment and attention to climate change has led to actions that reduce CO₂eq emissions by 471 tons for 2021, making up 87% of the total. CO₂eq emissions decreased in the last three years compared to the processed

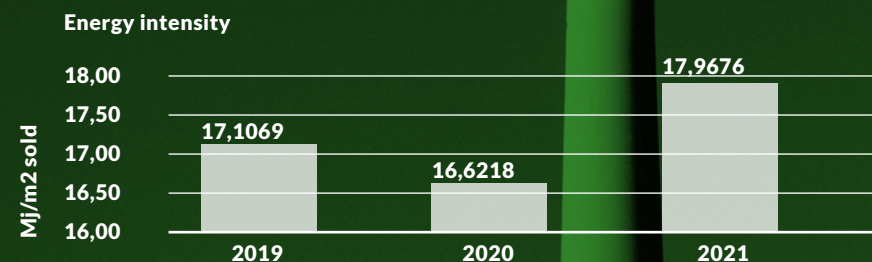
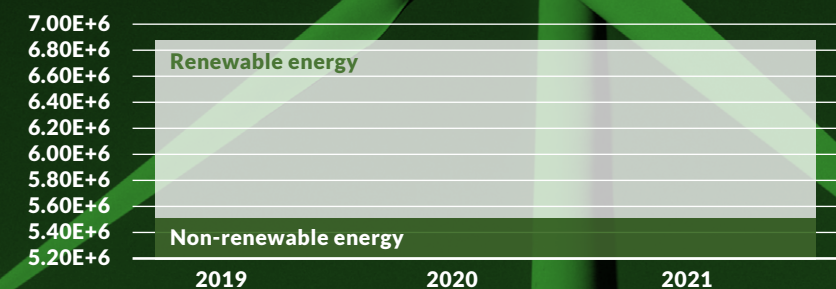
material, as shown by the indicator represented by the CO₂eq ton emitted per ton of processed marble. For calculating GHG emissions reference was made to the "operational control" approach and for the emission factors to official sources such as ISPRA AIB, IEA, DEFRA. The Ecoinvent 3.7 database was used to calculate the indirect emissions using the OPEN LCA software

Energy Efficiency and use of renewable sources

Franchi Umberto Marmi's commitment to safeguarding the environment and the territory has always been a principle that has inspired the production and all the company work. Franchi Umberto Marmi is committed to improving management and its performance, controlling its activities, complying with legal requirements, monitoring and controlling the environmental impacts of its activities, with a view to continuous improvement. Also, through the preparation of this first sustainability report, FUM undertakes to report the actions taken to monitor and reduce energy consumption. The company moved in this direction in 2012 and 2014 when photovoltaic panels were installed to produce electricity from renewable sources. Thanks to this solution, more than 93 MW/h of energy were produced in 2021. The energy consumption of Franchi Umberto Marmi S.p.A. relates to electricity, petrol and diesel..

Energy consumption	U.O.M.	2019	2020	2021
EE from network	MJ	6,17E+06	5,52E+06	6,51E+06
Petrol	MJ	7,41E+01	1,54E+02	1,46E+02
Diesel	MJ	4,89E+02	4,75E+02	7,66E+02
EE (from photovoltaic)	MJ	1,39E+05	2,37E+05	3,36E+05
Total energy consumption	MJ	6,31E+06	5,76E+06	6,85E+06

Energy consumption	U.O.M.	2019	2020	2021
Non-renewable energy	MJ	6,17E+06	5,52E+06	6,51E+06
Renewable energy	MJ	1,39E+05	2,37E+05	3,36E+05
Total energy	MJ	6,31E+06	5,76E+06	6,85E+06

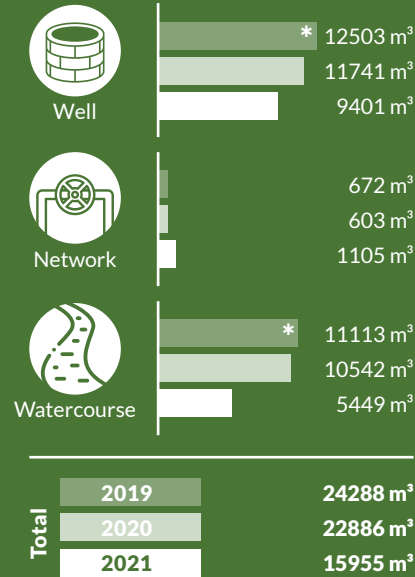


Water management

Water from Franchi Umberto Marmi network is mainly used for services, whereas river or well water is used for sawing and polishing operations.

The water supply is guaranteed by the withdrawal from a well and from a watercourse. Water from the production site is delivered to the public sewer and includes black water from septic tanks, run-off water from the stockyard and covered areas and process cooling water. Total water withdrawals, during the reporting period, decreased from 24,288 m³ in 2019 to 15,955 m³ in 2021.

To ensure an even better management of the water resource, Franchi Umberto Marmi will undertake, in the next few years, to install counter for measuring water discharges of the marble processing phases.



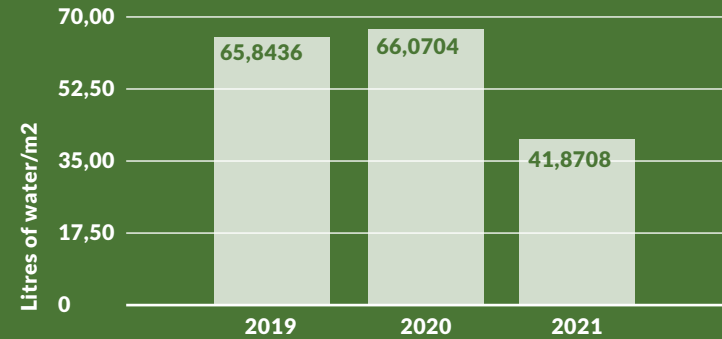
* Data relating to 2019 about water withdrawals from wells and watercourses were estimated based on production, since that year the counters were out of service and were replaced in 2020.

Water intensity, calculated based on the m² of marble slabs sold, decreased from 2019 to 2021, going from 65.8 litres of water emitted per m² of slabs produced in 2019 to 41.9 in 2021.

The integrated management systems allow to monitor the parameters of both consumption and quality of the water withdrawn and discharged annually.

FUM fully complies with the values imposed by its environmental authorisations both for water withdrawals and discharges in compliance with the environmental Act (Testo Unico Ambientale) Legislative Decree 152/2006 and subsequent amendments.

Water intensity



Waste management

Through its Environmental Policy, Franchi Umberto Marmi commits to reducing the waste produced and optimising its management. Waste produced by FUM activities mainly consists in:

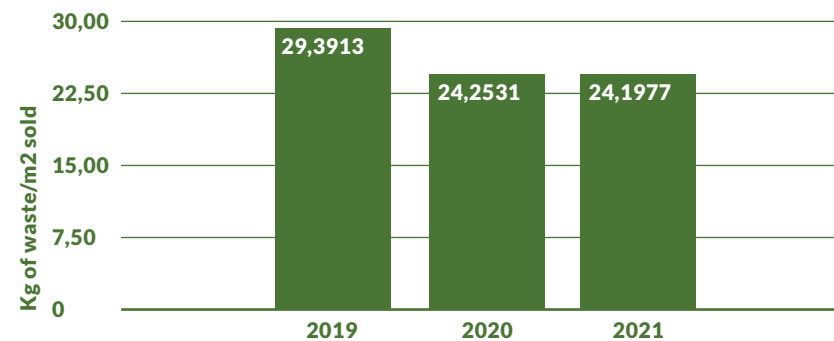
1. waste deriving from stone processing waste, constituting approximately 95% of the waste produced: marble slurry and broken slabs;
2. waste deriving from the production process, constituting approximately 1% of the waste produced: abrasive;
3. waste from packaging, constituting approximately 2% of the waste produced;
4. waste from septic tank sludge.

The only type of waste that is not sent for recovery is the sludge from septic tanks (non-hazardous waste), constituting approximately 0.03% of the total waste produced. This waste is sent to landfills.

The Integrated Management System allows to apply a correct waste management method, periodically verified through internal audits. The Annual Review ensures the verification of compliance with the mandatory rules and internal procedures that FUM has adopted in order to ensure proper management of this issue.

	U.O.M.	2019	2020	2021
Total waste	<i>Ton/Year</i>	10.842	8401	9221
Non-hazardous landfill waste	<i>Ton/Year</i>	3,5	1,0	0,0
Hazardous landfill waste	<i>Ton/Year</i>	0,0	0,0	0,0
Non-hazardous waste for recovery	<i>Ton/Year</i>	10.831	8395	9220
Hazardous waste for recovery	<i>Ton/Year</i>	6,9	5,2	0,61
% of waste for recovery	<i>Ton/Ton</i>	99,9%	99,93%	100%

Waste production intensity



Compliance with environmental standards

Franchi Umberto Marmi favours processing systems with a low environmental impact, committing to ensuring compliance with both safety and environmental standards. During the reporting period, no non-conformities with environmental laws and/or regulations have been recorded.

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Social sustainability

According to its Code of Ethics, Franchi Umberto Marmi respects the fundamental rights of people, protecting their moral, physical and cultural integrity and guaranteeing equal opportunities. The company opposes any behaviour or attitude that is discriminatory or harmful to the person, his beliefs and preferences. FUM also considers unacceptable and prohibited any type of harassment or unwanted behaviours, such as those related to race, sex or other personal characteristics, which have the purpose of violating the dignity of the person, both internally and outside the workplace. Franchi Umberto Marmi rejects all forms of child labour, forced labour and exploitation. During the reporting period, no episodes of discrimination and non-compliance with laws and/or regulations on social matters were recorded. Franchi Umberto Marmi, also through its Code of Ethics, is committed to guaranteeing a collaborative and non-hostile working environment, encouraging the collaboration of all personnel to maintain a climate of mutual respect for the dignity and reputation of each person.

Health, safety and wellbeing of employees

For Franchi Umberto Marmi the protection of physical and psychological conditions of the employee is fundamental and represents a daily commitment to be respected at every working stage. Through its Environmental Policy and thanks to its Integrated Management System, the Company is committed to preventing injuries and occupational diseases, ensuring a healthy and safe work environment. In addition, it is committed to implement an effective system for the prevention and protection of risks for the health and safety of employees, eliminating the dangers in the workplace and reducing the relating risks level as much as possible. Franchi Umberto Marmi also believes that it is extremely important to ensure accurate preventive maintenance activities of its equipment, to maintain high quality levels of the final product, at the same time guaranteeing the safety of employees and respect for environmental impacts. All Franchi Umberto Marmi's employees are covered by collective bargaining agreements.

FUM pays great attention to issues relating to health and safety in the workplace, which has also emerged as one of the fundamental aspects for both the Group and its stakeholders. Franchi Umberto Marmi implemented an integrated Quality, Environment, Hygiene and Safety management system to guarantee the protection and safety of its workers. Carrara site has an Integrated Management System compliant with ISO 9001, 14001 and UNI INAIL guidelines certified by third parties. The Integrated Management System allows active supervision in avoiding accidents and injuries at work thanks to the management, monitoring and continuous improvement implemented through the development and application of procedures, internal audits and periodic review of the system. The main measures adopted are:

- .01** *a protocol on the reduction of injuries;*
- .02** *a behavioural protocol aimed at defining good practices to limit exposure to the situations considered dangerous for some processes;*
- .03** *the scheduling of meetings between the main figures dedicated to health and safety (Prevention and Safety Service Manager, Workers' Safety Representative, Medical Officer) for the evaluation of the negative impacts of some processes on employees' health and safety;*
- .04** *periodic meetings for the prevention and protection from risks related to health and safety, as well as periodic meetings between the Prevention and Safety Service Manager and the Workers' Safety Representative aimed at keeping the main managers inside the plants constantly informed;*
- .05** *risk assessment document prepared in accordance with the requirements of Legislative Decree 81/08.*

FUM has implemented specific procedures that are part of the Integrated Management System, known by all workers thanks to internal training sessions, relating to emergency management, useful for defining the methods of reporting potentially dangerous situations and/or the presence of dangers also through communication to the persons in charge.

The main injuries occurred in the reporting period are modest, with a prognosis between two and eleven weeks. The accident rates reported in the financial statements were calculated according to the technical indications of the UNI-7249: 2007 standard. During the reporting period, no requests for recognition of occupational diseases were received.

Training of employees on health and safety issues

Employee training is a crucial issue and the growth through training and professional development are fundamental for FUM, with the aim of enhancing the skills of workers and increasing their knowledge, but also to ensure compliance with national legislation and workplace safety.

The performance of training activities is not perceived as a mere legal obligation, but also as a current need of the company organisation. For this reason, the specific needs of workers are collected to ensure the delivery of the training activities that best fit them and the operational needs. FUM provides training on health and safety issues, in accordance with local legislation. Furthermore, it is expected to deliver to employees a wide range of training activities defined by the managers of the various areas, as they know the specific needs of both employees and business processes.

In the most critical period of the Covid19 pandemic, FUM has implemented the procedures to ensure distancing in the workplace, the prohibition of access for people with symptoms, the limitation of access to external suppliers, the implementation of sanitising and cleaning actions and the drafting and implementation of a specific internal management procedure also obtained thorough specific internal information sessions.

With the adoption of the Integrated Management System, FUM periodically sets goals to improve the Environmental and Health and Safety issues that directly involve workers both in their identification and in the planning of actions to achieve them. The Integrated Management System protects all workers for health and safety at work.

All recruitments in FUM are regulated by the National Collective Contract for Stone Industry which provides among the benefits a health insurance "Unisalute", which guarantees services and medical assistance not related to work (dental care, specialist visits, physiotherapy, etc.).

The Integrated Management System also protects the work and workers of external contracting and supply companies through specific documentation and procedures such as the DUVRI (Single Document for Evaluation of Risks of Interference), which guarantees compliance with current legislation and the protection of health and safety.

Table of GRI standards

Legend

- — Completely reported
- — Partially reported
- — Not reported
- Not relev. — Not relevant indicator

A disclosure not applicable to the scope of the FUM business is indicated as "not relevant"; information that is not currently accountable due to unavailability of data or not reported due to limited relevance to the material issues of FUM are indicated as "not covered" or "partially covered".

GRI Code	Covered	Section	Page of report
COMPANY PROFILE			
102-1	•	History of the group – the origins	7
102-2	•	Activities and brands – our range of products	10
102-3	•	Activities and brands – our range of products	10
102-4	•	Activities and brands – our range of products	10
102-5	•	Governance, Economic Performance	9;40
102-6	•	Market served	14
102-7	•	Our employees; Economic performance History of the group – the origins	17;40;7
102-8	•	Our employees; Appendix	17;56
102-9	•	Market served	14
102-10		Not applicable, being the first report prepared by the Organisation	
102-11	•	Principles and values of the Group	25
102-12	•	Franchi Umberto Marmi and the Local Community	23
102-13	•	Franchi Umberto Marmi and the Local Community	23
STRATEGY			
102-14	•	Letter to stakeholders	4
102-15	-		
ETHICS AND INTEGRITY			
102-16	•	Principles and values of the Group	25
102-17	•	Principles and values of the Group	25
GOVERNANCE			
102-18	•	Governance	9
102-19	-		
102-20	-		
102-21	•	Stakeholders and stakeholders' engagement	29
102-22	•	Governance	9
102-23	-		
102-24	-		
102-25	-		
102-26	-		
102-27	-		
102-28	-		

GRI Code	Covered	Section	Page of report
102-29	-		
102-30	-		
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102-32	-		
102-33	-		
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102-36	-		
102-37	-		
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102-39	-		

STAKEHOLDER INVOLVEMENT

102-40	•	Stakeholders and stakeholders' engagement	29
102-41	•	Health, safety and wellbeing of employees; Appendix	51;56
102-42	•	Stakeholders and stakeholders' engagement	29
102-43	•	Stakeholders and stakeholders' engagement; Materiality	29;30
102-44	•	Materiality	30

REPORTING PRACTICES

102-45	•	Methodological note	5
102-46	•	Materiality	30
102-47	•	Materiality	30
102-48		Not applicable, being the first report prepared by the Organisation	
102-49		Not applicable, being the first report prepared by the Organisation	
102-50	•	Methodological note	5
102-51		Not applicable, being the first report prepared by the Organisation	
102-52	•	Methodological note	5
102-53	•	Last page	58
102-54	•	Methodological note	5
102-55	•	GRI Tables	52
102-56	•	Methodological note	5

MANAGEMENT METHOD

103-1	•	Materiality	30
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GRI Code	Covered	Section	Page of report
ECONOMIC PERFORMANCE			
103-2	•	Economic performance	23;45
103-3	•	Economic performance	40
201-1	•	Economic performance; Appendix	40;57
201-2	-		
201-3	-		
201-4	-		
202-1	-		
202-2	•	History of the group - the origins	7
203-1	•	Financial support to the territory; Appendix	41;56
203-2	-		
204-1	•	Financial support to the territory; Appendix	41;57
205-1	-		
205-2	-		
205-3	•	Principles and values of the Group	25
206-1	•	Principles and values of the Group	25
from 207-1 to 207-4	-	Not relevant	

ENVIRONMENTAL PERFORMANCE

103-2	•	Environmental Sustainability	43
103-3	•	Environmental Sustainability	43
301-1	•	Materials; Appendix	45;55
301-2	-		
301-3	-		
302-1	•	Energy efficiency and Use of renewable energies; Appendix	47;55
302-2	-		
302-3	•	Energy efficiency and Use of renewable energies; Appendix	47;55
302-4	-		
302-5	-		
303-1	•	Water management	48
303-2	○	Water management	48
303-3	•	Water management; Appendix	48;55
303-4	-		
303-5	-		
304-1		Not relevant	
304-2		Not relevant	
304-3		Not relevant	
304-4		Not relevant	

GRI Code	Covered	Section	Page of report
305-1	●	Climate change	46
305-2	●	Climate change	46
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305-4	●	Climate change	46
305-5	-		
305-6	-		
305-7	-		
306-1	○	Waste management	49
306-2	○	Waste management	49
306-3	●	Waste management; Appendix	49;56
306-4	○	Waste management; Appendix	49;56
306-5	●	Waste management; Appendix	49;56
307-1	●	Compliance with environmental standards	49
308-1	Not relevant		
308-2	Not relevant		

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103-2	●	Our employees; Social Sustainability; Health, safety and wellbeing of employees	17; 50; 51
103-3	●	Our employees; Social Sustainability; Health, safety and wellbeing of employees	17; 50; 51
401-1	○	Our employees; Appendix	17; 56
401-2	-		
401-3	-		
402-1	-		
403-1	○	Health, safety and wellbeing of employees	51
403-2	●	Health, safety and wellbeing of employees	51
403-3	○	Health, safety and wellbeing of employees	51
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403-6	●	Health, safety and wellbeing of employees	51
403-7	○	Health, safety and wellbeing of employees	51
403-8	●	Health, safety and wellbeing of employees	51
403-9	●	Appendix	57
403-10	○	Health, safety and wellbeing of employees; Appendix	51; 58
404-1	●	Our employees; Appendix	17; 55
404-2	-		
404-3	-		

GRI Code	Covered	Section	
405-1	○	Our employees; Appendix	17; 56
405-2	-		
406-1	●	Principles and values of the Group	25
407-1	○	Principles and values of the Group; Social Sustainability; Health, safety and wellbeing of employees	25; 50; 51
408-1	●	Principles and values of the Group; Social Sustainability; Health, safety and wellbeing of employees	25; 50; 51
409-1	●	Principles and values of the group; Social Sustainability; Health, safety and wellbeing of employees	25; 50; 51
410-1	-		
411-1	Not relevant		
412-1	-		
412-2	-		
412-3	●	Principles and values of the Group; Social Sustainability	25; 50
413-1	○	Franchi Umberto Marmi and the Local Community	23
413-2	-		
414-1	Not relevant		
414-2	Not relevant		
415-1	Not relevant		
416-1	-		
416-2	-		
417-1	-		
417-2	-		
417-3	-		
418-1	●	Quality of products and services	42
419-1	●	Principles and values of the Group	25

Appendix

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ENVIRONMENTAL DATA

RAW MATERIALS

Materials (301-1)	U.O.M.	2019	2020	2021
Non-renewable materials	Ton.	48320	52191,2	57486,1
Renewable materials	Ton.	258	295,2	311,2

ENERGY

Energy consumed within the organization (302-1)	U.O.M.	2019	2020	2021
Non-renewable energy sources	MJ	6,17E+06	5,52E+06	6,51E+06
Renewable energy sources	MJ	1,39E+05	2,37E+05	3,36E+05
Total energy consumption	MJ	6,31E+06	5,76E+06	6,85E+06

Energy intensity (302-3)	U.O.M.	2019	2020	2021
Total energy consumption	MJ/m ²	17,11	16,62	17,97

WATER RESOURCE

Water withdrawal (303-3)	U.O.M.	2019	2020	2021
Water withdrawals from the aqueduct	m ³	672	603	1105
Water withdrawals from underground	m ³	12503	11741	9401
Water withdrawals from surface	m ³	11113	10542	5449
Total water withdrawal	m ³	24288	22886	15955
Fresh water (≤1.000 mg/l of total dissolved solids)	m ³	24288	22886	15955
Other types of water (>1.000 mg/l of total dissolved solids)	m ³	0	0	0

WASTE

Waste produced (306-3; 306-4)	U.O.M.	2019	2020	2021
Total waste	Ton.	10842	8401	9221,1
Percentage of waste for recovery	%.	99,90%	99,93%	100,0%
Waste intensity	ton/m ²	29,4	24,3	24,2

SOCIAL DATA

EMPLOYEES

Collective bargaining agreements (102-41)	U.O.M.	2019	2020	2021
Number of employees covered by collective bargaining agreements	num	43	41	42
Total number of employees	num	43	41	42
Percentage of employees covered by collective bargaining agreements	%	100	100	100

Number of employees as of December 31 per employment contract (102-8)	2019		2020		2021	
	Temporary	Permanent	Temporary	Permanent	Temporary	Permanent
Men	4	34	0	36	2	35
Women	1	4	0	5	0	5
Total	43		41		42	

Number of employees as of December 31 per employment type (102-8)	2019		2020		2021	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Men	37	1	35	1	36	1
Women	5	0	5	0	4	1
Total by employment type	42	1	40	1	40	2
Total	43		41		42	

Total turnover rate (401-1)	2019	2020	2021
Total turnover rate	32,5	19,05	21,69
Total turnover rate Men	33,8	21,20	13,92
Total turnover rate Women	23,53	0,00	87,34
Incoming turnover rate	23,26	7,32	11,90
Incoming turnover rate Men	23,68	8,33	8,11
Incoming turnover rate Women	20,00	0,00	40,00
Outcoming turnover rate	6,98	12,20	9,52
Outcoming turnover rate Men	7,89	13,89	5,41
Outcoming turnover rate Women	0,00	0,00	40,00
Employees by job category (405-1)	2019	2020	2021
Male Manage	2	2	2
Female Manager	-	-	-
Male office workers	3	3	3
Female office workers	5	5	5
Male workers	33	31	32
Female workers	-	-	-
Employees by age (405-1)	2019	2020	2021
18-30	18	19	18
31-50	5	3	20
>51	20	19	4
Total	43	41	42

INVESTMENTS

Investments in the local community	U.O.M.	2019	2020	2021
Euro invested	Euro	30.913	118.001	16.830

TRAINING (404-1)

Annual hours of training per employee	U.O.M.	2019	2020	2021
Total hours delivered	Hours	302	228	622

Hours of training by category	U.O.M.	2019	2020	2021
Manager	Hours	2	48	6
Office workers	Hours	33	48	62
Manual workers	Hours	267	132	554

Average hours of training by category	U.O.M.	2019	2020	2021
Manager	Average hours	1.00	24.00	3.00
Office workers	Average hours	4.13	6.00	7.75
Manual workers	Average hours	8.09	4.26	17.31
Total	Average hours	7.0	5.6	14.8

Average hours of training by category	U.O.M.	2019	2020	2021
Male	Average hours	7.4	6.1	15.6
Female	Average hours	4.2	2.0	8.8
Total	Average hours	7.0	5.6	14.8

HEALTH AND SAFETY IN THE WORKPLACE (403-9; 403-10)

Injuries	U.O.M.	2019	2020	2021
Death	Nr	0	0	0
Serious injuries	Nr	0	1	0
Number of recordable injuries	Nr	0	2	0
Frequency index	#	0	27,417	33,16
Severity index	#	0	1,96	1,04
Incidence index	#	0	5	0
Hours worked	Hours	72511	72447	80538

ECONOMIC DATA ECONOMIC INDICATORS

Operating margin (201-1)	U.O.M.	2019	2020	2021
EBITDA	Euro	25.280.641	14.552.839	19.641.953
EBIT	Euro	24.169.932	13.302.150	18.210.027
EBITDA on turnover	%	38,8%	28,4%	30,1%

Economic value (201-1)	U.O.M.	2019	2020	2021
Directly generated economic value: revenues	Euro	65.351.671	51.417.256	65.413.192
Economic value distributed	Euro	46.838.099	39.671.206	49.324.277
Economic value retained	Euro	18.513.572	11.746.050	16.088.915

Export	U.O.M.	2019	2020	2021
Export (extra ITA) on total turnover	%	62,3	52,4	58

Economic value (204-1)	U.O.M.	2019	2020	2021
Proportion of spending on local suppliers	%	87	88	97

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S I G N E D B Y N A T U R E