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Dear Stakeholders,

The past few years have been **full of change and challenge**, and strongly characterised by uncertainty. A period that has tested businesses all over the world, which have had to adjust rapidly to the ongoing changes. In recent years our priorities have always been to **safeguard the health and well-being of our employees**, to continue our relations with customers, suppliers and partners and to develop the business generally. Fortunately, **the Master spirit**, which has always been outstanding in terms of **problem solving, continuous improvement** and the quest for **innovative solutions**, has allowed us to seize the opportunities that often come hand in hand with difficulty.

However, this period also laid bare the **problems of the current model of production, consumption** and the **organisation** of society, helping us to reflect on the contribution we as a business can make to a better system in which **environmental sustainability, social equity and economic prosperity** become the dominant paradigm for a new development model for our civilisation.

In a continuation of the course we embarked on last year, today I am proud to present our second **Sustainability Report**, a tool I believe is a positive thing that can stimulate us to address the environmental, social and economic challenges that societies, businesses and governments will have to face in the coming years.

According to the influential global body **IPCC** (*Intergovernmental Panel on Climate Change*), we have less than 12 years until the tipping point when we will be unable to repair the damage caused. In this time, **unprecedented changes** need to happen in every aspect of society, including a reduction of at least 50% of CO₂ emissions.

With this report, the Master Group carries out an **audit process** of its sustainability initiatives, producing an innovative document in advance of the new European **Corporate Sustainability Reporting Directive (CSRD)** which, in the near future, will oblige organisations to report. The CSRD actually widens its scope from the year of publication (2026), expanding the obligation to report to large European non-listed businesses with similar financial and structural characteristics as Master Group.

We are deliberately **anticipating the legislation**, as we recognise the importance of taking a course that will increasingly align our ambitions and future actions with the expectations of our stakeholders.

The Sustainability Report combines economic/financial aspects with **EGS (Environmental, Social & Governance) goals, activities, results and impacts**, with an emphasis on defining the contribution we as a business can make to the achievement of the United Nations **Agenda 2030**.

Sustainable development is possible; it comes from change which is already happening in many individuals, young people especially, in businesses like Master Group and in many governments, which see an unprecedented opportunity in the transformation of society's current model of production, consumption and organisation.

We aspire to build a model of sustainable development that can increasingly **distribute the wealth generated**, with a particular focus on the well-being of people, the environment and the prosperity of our region. Indeed, we believe that leading companies should be judged not only for the intrinsic quality of the products and services they offer, but also by their **relations with and sense of responsibility to their local area and the environment**.

Despite the uncertainty and changes that have brought rapid evolution in the competitive panorama, the group's economic performance in the past two years registered **strong growth and good profitability**, the reward for our efforts and farsightedness.

In strictly economic/financial terms, 2022 was a positive year: the Master Group, global leader in the design and manufacture of hardware for aluminium doors and windows, ended the year with a turnover of 55.9 million euros, up 19% on 2021. A large amount of this growth was in foreign markets, where the company is reaping the reward of internationalisation projects initiated in past years, and ongoing investment:

we have opened a **new branch in Abidjan**, the economic capital of the Ivory Coast. Our hub in **West Africa** is a strategic investment for the group, as it seeks to increase its market share and presence in a geographical area predicted to see strong growth in the coming years.

In view of this, we have allocated an investment budget for the three-year period 2021-23 amounting to 18.3 million euros overall, equivalent to approximately 11.5% of expected revenue in the period, despite the uncertainty of the current international situation. The new investment will focus on innovation in IT, processes and products. Furthermore, in the Conversano business district, where we currently design and manufacture 94% of our products and employ over 300 people, we are planning a new factory of some 12,000 square metres; this will lead to increased production capacity, more efficient logistics and a consequent improvement in safety standards, to the benefit of our workers.

In 2022 we achieved an important goal which attests to our ongoing commitment to create an exceptional working environment for our employees: Master is certified as one of the sector's first **Great Places to Work**.

This prestigious title underlines Master Group's continuing efforts to create a healthy and stimulating working environment that allows our staff to carry out their day-to-day work in optimal conditions.

CONCLUSIONS

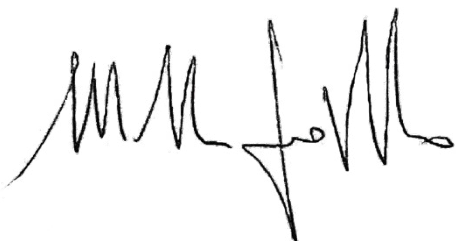
We will face the coming years with courage and responsibility. Alongside the ambitious economic goals we have set ourselves, the company's commitment to the local area, sustainability and social responsibility remains constant, with the **Masterability** programme: we want to establish our group as a virtuous model.

Finally, I would like to point out that the **report on sustainability and ESG impacts** is a valuable tool for setting ambitious, measurable objectives that will encourage everyone to act at the global level to achieve them, and to constantly improve our performance for a more prosperous, fairer and more equitable society.

As an organisation we will increase our commitment to **guarantee the dignity, equality and prosperity of workers**, to safeguard and disseminate culture, to **protect the climate and natural resources of the planet** for future generations and to create an ecosystem that ensures **sustainable development, both economic and social**.

This is a commitment to take responsibility, which we must make as a group. I thank every one of you in advance for the contribution you will make to this crucial mission, much needed to build a better future for all.

Michele Loperfido



Maria Luigia Lacatena
Chairperson and Chief Executive Officer Master Group



Michele Loperfido
Chairperson and Chief Executive Officer Master Italy