

20<sup>th</sup> February 2023

Dear Valued Customer,

As you may be aware, there have been a number of news items regarding engineered stone in recent days. Given Caesarstone's prominence in the engineered stone industry, it is not surprising that we have been named in the news coverage.

At the outset, Caesarstone expresses its deepest sympathy for anyone who has contracted silicosis by simply doing their job. Silicosis is an avoidable occupational disease and we are absolutely committed to playing our role in its eradication.

We take issue with a number of claims made in the recent news coverage, particularly regarding the safety of engineered stone and the efforts of Caesarstone and others to build a safer industry by addressing the risk of silicosis. We provided a comprehensive response to all questions put to us by the journalist only some of which made it into the media coverage..

In particular, I'd like to highlight a few of the points we made:

- Engineered stone is entirely safe to consumers in its installed form and silica only presents a risk to workers if stone is handled incorrectly.
- Efforts to improve safety standards have been hampered historically by some non-compliance with product handling requirements, a lack of regulatory enforcement and the absence of a national standard. This is the role of employers and work safety bodies.
- Caesarstone's response to the issue has been to provide clear warnings and guides for safe handling of stone, to actively work with government and regulators on improved safety regimes and to invest heavily in fabricator education to improve safety standards. This includes comprehensive safety guides, DVDs and being the only engineered stone manufacturer that runs a free online safety training program in 12 languages called *Master of Stone*. To date, 3,800 people have completed the course worldwide.
- Caesarstone has consistently stated that it believes that the key to improving industry safety is the implementation of a nationally consistent, mandatory licensing scheme – modelled on the Victorian regime introduced in 2022 – with a rigorous auditing and enforcement structure to support it. In the absence of a national scheme, the industry went so far as exploring the creation of a self-regulatory accreditation program but could not overcome legal issues raised by the Australian Competition and Consumer Commission.
- Finally, it is worth emphasizing that banning engineered stone, as some have called for, will not resolve the issue of silicosis in Australia. As well as engineered stone, silica is contained in many products and industries including porcelain, natural stone, bricks, concrete and the natural sandstone encountered in tunnelling and construction. Almost all substitute materials for engineered stone except wood and laminate contain some level of silica. This means, regardless of their level of silica content, they must be handled with exactly the same safety procedures and equipment as engineered stone.

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- All stone, including engineered stone, can be handled safely provided the right procedures are followed and the right equipment is used.

The recent media coverage included claims of an industry 'cover-up' regarding the risks of engineered stone. Caesarstone find this claim distasteful and entirely without foundation given the significant actions undertaken by Caesarstone and others to improve industry safety.

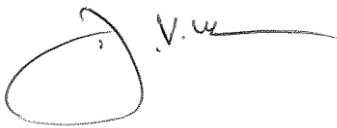
Caesarstone has been providing clear warnings to customers about the quartz content of engineered stone, the risk of silicosis and safe handling procedures since the 1990s. These predate Caesarstone's entry to Australia. Since 2010, when Caesarstone recognised the problem of silicosis, every slab has carried a prominent warning. As mentioned above, we have also focused heavily on fabricator education, and we have engaged closely with government through our participation in state-based taskforces in NSW, Queensland and Victoria and the National Dust Disease Taskforce.

The engineered stone industry has matured greatly in recent years, with a significant improvement in professionalism, work practices and safe handling by fabricators. This needs to continue. Banning a product that can be handled safely makes no sense. Licensing an Industry to ensure full compliance does make sense.

As a significant stakeholder in the engineered stone market, Caesarstone's efforts to improve industry safety are ongoing and have increased over the years. We are deeply engaged with this important issue and are committed to continuing to collaborate with all stakeholders to build a safer industry.

As always, if you have any questions about engineered stone or Caesarstone itself, please don't hesitate to contact me directly.

Yours sincerely,



David Cullen  
Managing Director APAC