We take a grain of sand and turn it into your favorite countertop, a vibrant space of interaction that is the heart of your home.
Dear Stakeholders,

I am thrilled to introduce Caesarstone’s first ESG and Sustainability Report. While a strong commitment to the environment and the people we work with has been a core part of our business since we were founded, this report is an opportunity for us to share our sustainability vision, performance data, and goals for the future.

This past year, we faced unprecedented challenges dealing with the health, economic, and social implications of the Covid-19 pandemic. While we had to make several adjustments to aspects of our business operations, we were also reminded how important it is to take care of each other – our employees, partners, suppliers and customers. I am proud of the Caesarstone employees around the world, who demonstrated their dedication to keeping our facilities and business operations running smoothly and safely during this time. It is a testament to our culture and commitment that we did not have any significant layoffs during the pandemic and continued to be there for our partners across the value chain, including our colleagues, suppliers, and customers.

For over three decades, we have crafted countertops that combine substance and essence. We view our stone surfaces as the foundations that become the beating heart and grounding point of a house, and we take this responsibility very seriously. Our commitment to the earth, safety, and the heart of the home infuses all that we do. This report describes our past and current activities, and looks towards the future as we put greater emphasis on sustainability and growth across our business activities and units.

At Caesarstone, we are committed to sustainability through continued innovation of our products and greener production processes. We are focused on a value chain built on environmental, health, and safety practices.

Yuval Dagim
CEO
OUR BUSINESS

Bringing the wonder of the world into the home
OUR VISION

To be the first brand of choice for countertops all around the world

OUR STRATEGY

- Multi-material, premium countertop player
- Global footprint expansion
- Consumer experience and customer engagement
BUSINESS HIGHLIGHTS

Caesarstone is a concept and lifestyle-driven company with a customer-centered approach to designing, developing, and producing high-end engineered surfaces used in residential and commercial buildings globally.

Our Employees
~2,000
full time at end of 2020

Our Reach
+50
countries

Global Market
~5%
engineered quartz sold globally (by volume)

+100
models of quartz and porcelain

Our Financials
$486.4M
revenues in fiscal 2020*

$546M
revenues in fiscal 2019

Units
~1M
slabs shipped worldwide

Our Stock
CSTE
traded on the NASDAQ

* Our business was impacted by COVID-19 in 2020. After a difficult Q2, we recovered quickly and continue this growth trend in 2021.

For more information about our financial results, please see our Annual Report on Form 20-F for the year ended December 31, 2020, filed with the U.S. Securities and Exchange Commission, or the SEC, on March 22, 2021.
OUR HISTORY

Caesarstone started in 1987 in Kibbutz Sdot Yam, located on the shores of the Mediterranean Sea near the city of Caesarea in Israel. There was a terrazzo tile factory at the kibbutz, and based on development work conducted by several kibbutz members and others, Caesarstone was established and the factory changed its focus to quartz surfaces, establishing itself in the domestic market.

In 2005, an additional production facility in Bar-Lev Industrial Park in Israel was opened. Subsequently, we began establishing subsidiaries in our main global markets, including Australia, Canada, US, Singapore, and the UK. In 2012, Caesarstone started trading on the Nasdaq in New York and in 2015, we opened a new facility in the US to serve our growing North American market.

TIMELINE

1987
Establishment of Caesarstone at Sdot Yam

1990
International distribution

1998
Caesarstone available in North America, Australia

2001
Second production line

2005
Opening of second production facility in Bar-Lev, Israel

2008
Caesarstone Australia established

2009
Caesarstone US, Canada established

2012
Caesarstone shares traded on NASDAQ: CSTE

2015
Opening of first production facility in US

2017
Caesarstone UK established

2020
Lioli Ceramica and Omicron Granite and Tile acquired
WHAT WE DO

Caesarstone is a pioneer of the natural quartz surfaces market and has become a multi-material company by adding porcelain and natural stone to our portfolio from 2021. We are proud of our vision to bring the magic of the earth’s raw materials into people’s homes, with our surfaces becoming the bedrock of everyday life for people around the world.

A Caesarstone countertop is the heart of the home. Life flows by, families and people grow and change, but the countertop remains timeless. It’s where everything happens - the special place for coming together with friends and family, where people find their creative space alongside others. Our surfaces set the mood and pace for the entire household, every day.

Caesarstone products offer superior aesthetic appeal and functionality through a distinct variety of colors, styles, textures, and finishes. Our strong commitment to service has fostered growing customer loyalty in over 50 countries. Our position in the global market has been achieved through continuous investment and innovation, extensive research and development, highly trained personnel, and an advanced infrastructure. We take pride in our ability to set new standards in innovation and craftsmanship and continue to set trends in the industry.

Caesarstone is a pioneer of the natural quartz surfaces market and has become a multi-material company by adding porcelain and natural stone to our portfolio from 2021. We are proud of our vision to bring the magic of the earth’s raw materials into people’s homes, with our surfaces becoming the bedrock of everyday life for people around the world.

Our Organization

We have about 2,000 employees across operations in Israel, the US, Australia, Canada, UK, Asia, and India*. We have grown to be one of the largest providers of engineered quartz surfaces in the world, with net revenue of $546 million in 2019 and $486.4 million in 2020. Our products account for approximately 5% of global engineered quartz by volume in 2020, and our four largest markets are in the US, Australia**, Canada, and Israel.

* In late 2020, Caesarstone acquired two companies, Lioli Ceramica, a producer of porcelain slabs based in India, and Omicron Granite and Tile, a premier stone supplier in the US. The total number of employees listed above includes Lioli and Omicron employees. As these are recent acquisitions, business and operations details are not included in the 2020 Caesarstone ESG Report; however, they will be included in future reports.

** Unless otherwise stated, reference to Australia in this report includes Australia and New Zealand.
OUR VALUES

We believe in leading by example. We understand that our reputation as a leader in our industry not only depends on our products, but also on the way we engage with each other, our partners, customers, and suppliers.

In 2018, we decided to undergo a formal process to articulate and better communicate our values. We embarked on an extensive collaborative process, involving both management and employees, to define our corporate values. As a result of this intensive process, the Caesarstone Values are now embedded in the daily working life of our organization.

Our core values serve as an internal compass and reflect who we are and who we want to be, as individuals and as an organization. Our values are reflected in everything we do – each decision and interaction.

We launched a global implementation plan to raise awareness of our values, including training on the values framework across the globe, visualization of our core values and behaviors in our offices and meetings rooms, and the progressive alignment of our Human Resources (HR) processes according to these values.

In 2020, we launched a new performance evaluation process based on the values framework and our updated Code of Conduct. Internal communications and messaging is aligned with our values and we make sure to embed our values in all relevant processes and communications, such as the CEO letter, Town Hall meetings, and more.

**People First**
We treat each other with fairness and respect. We consistently provide opportunities for professional development and personal growth. The health and safety of our employees, suppliers, partners and communities are our first priority.

**Accountability**
Together, we take ownership of our business and future. We are responsible for the actions we both directly and indirectly influence. Our behaviors and results are aligned with our goals.

**Innovation**
We are committed to fresh thinking and breakthrough ideas that create value for our customers and our business. We embrace curiosity and creativity in our endeavor to lead the industry.

**Winning Spirit**
We are enthusiastic and foster a ‘can-do’ attitude in striving to be No 1. We are committed to excellences, setting goals that stretch and challenge us. We share and celebrate our achievements.

OUR CODE OF CONDUCT

The Caesarstone Code of Conduct is a reference guide that supports our day-to-day decision making and behaviors throughout the company. The Code is centered on our core values and includes specific guidelines for actions and behavior at the company.

The Code includes guidelines for reporting concerns and asking questions, information on enforcement, and a certificate of compliance to be signed by employees. The Code has been introduced to every employee (current and new) and is widely and is available to all employees on an internal employee application. In 2020, all employees and directors received online training about the Code.

To ensure awareness and compliance, the Code is translated into local languages and includes contact information for senior management, so employees can seek advice or report any concerns or issues. During 2021, we are introducing a more accessible multi-channel global hotline for employees to report issues anonymously.
CAESARSTONE PRODUCTS

Our Countertops

Raw Quartz, Transformed

Raw quartz is abundant in nature - it is common like sand, but harder than steel. We are a multi-material company working mainly with quartz, as well as porcelain and natural stone. We engineer surfaces that provide advantages we believe are unattainable in marble, granite, and other natural stones. We take a pure mineral and transform it into a surface that's more than stone, that's at the heart of the home.

Immense Strength and Durability

Quartz countertops are among the hardest stone surfaces, made from naturally occurring minerals (7 on the Mohs scale of 10). Caesarstone aims to use the purest quartz particles molded with resins and pigments to make the most resilient surfaces on the market. As we fully trust our products, we are committed to a lifetime warranty.

Peace of Mind in Usability and Safety

Our quartz products are built to last and come with a lifetime guarantee. We believe our countertops have everything a good surface needs – they are nonporous, non-toxic, and require no sealants or wax to retain the Caesarstone hygiene standard. They do not host bacteria, mold, or mildew - remaining safe and hygienic for ultimate cleanliness. All Caesarstone quartz products are NSF certified.

Special Features

Low Maintenance

Our surfaces do not require any sealants and require minimal maintenance and cleaning, thereby significantly reducing the need for cleaning materials and detergents.

High Performing and Durable

Our surfaces are long lasting and durable, providing both improved life-cycle cost and additional investment value. Our lifetime product warranty reflects the high performance and durability of our products.

Low Emitting

Our quartz surfaces meet stringent product emissions standards and have very little impact on indoor air quality. All Caesarstone quartz products are independently certified as low-emitting surfaces by GREENGUARD certification.

* In the next report we will also address the features of our Porcelain and Natural stone countertops as we acquired Lioli and Omicron at the end of 2020.
Caesarstone Collections

Our quartz product offerings consist of four collections, each designed to have a distinct aesthetic to appeal.

Classico
A classic, multi-color collection ranges from salt-and-pepper motifs to vivid color blends

Supernatural
Luxurious marble & stone designs inspired by nature

Metropolitan
Inspired by the trend of raw industrial design

Outdoor
Inspired by outdoor culture and trends, with breakthrough proprietary technology

For the full line of Caesarstone products visit: http://global.caesarstone.com/catalogue/
Caesarstone Porcelain offers a new point of view. It marks a leap in technology, functionality, and design, delivering a high degree of durability and strength for added safety and peace of mind that boost dynamic living and creativity, indoors and outdoors.
How Our Products Are Made

Quartz is transformed into breakthrough countertops with Caesarstone's engineering knowhow, care, and craftsmanship.

Quartz surfaces were pioneered by Caesarstone in 1987, applying patented cutting-edge technologies which have stood the test of time. We leverage the outstanding qualities of quartz, making it what we believe to be the ideal stone for residential and commercial spaces, as the surface of choice for architects and designers worldwide.

The manufacturing process for our engineered quartz products typically involves blending quartz with polyester and pigments. Using machinery acquired primarily from Breton, the leading supplier of engineered stone manufacturing equipment, together with our proprietary manufacturing enhancements, this mixture is compacted into slabs by a vacuum and vibration process. The slabs are then moved to a curing kiln where the cross-linking of the polyester is completed. Lastly, the slabs are gauged, calibrated, and polished to enhance shine.

Quartz surfaces were pioneered by Caesarstone in 1987 with our patented cutting-edge technologies that have stood the test of time.

Once the slabs are complete, they are supplied to third-party fabricators, contractors, developers, and builders who may cut and finish the slabs for customized installation.
Caesarstone products are manufactured in our facilities in Israel at Kibbutz Sdot-Yam and Bar-Lev Industrial Park, in the US at Richmond Hill, Georgia, and in India at Morbi, Gujarat. Finished slabs are shipped from our facilities in Israel and the US to our distribution centers worldwide, directly to customers and to third-party distributors worldwide.

In addition to our manufacturing facilities, we work with select OEMs (Original Equipment Manufacturers) to produce specific product lines in China (mainly for our Australian market) and Italy (for our porcelain surfaces). For more info about working with OEMs, please see the Supply Chain Management section.

50 Countries
We’ve been at the helm of surface innovation since 1987, and our products are available worldwide.
CORPORATE GOVERNANCE

Caesarstone maintains a robust corporate governance structure to conduct our business, with effective risk management strategies and practices in place.

The Caesarstone Board of Directors meets regularly at least six times a year, with additional meetings as needed. Of our nine Board members, five are independent according to NASDAQ rules (55%), two have specific financial skills (23%), and three are women (33%).

Directors
Dr. Ariel Halperin, Chairman
Nurit Benjamini
Lily Ayalon
Roger Abrahavnel
Ronald Kaplan
Dori Brown
Tom Pardo Izhaki
Ofer Tsimchi
Shai Bober

The Board has four standing committees:

- Audit Committee: Responsible for reviewing the adequacy of our internal financial controls, risk assessment, and management and related parties transactions with Kibbutz-Sdot Yam.
- Nominating & Corporate Governance Committee: Assists the board in identifying and evaluating individuals qualified to become directors.
- Compensation Committee: Oversees policies related to overall executive compensation.
- Strategy Committee: Overseeing M&A opportunities, growth, and go to market strategies.

Corporate governance documents, including the Code of Conduct, Code of Ethics, and Board committee charters, are available on the Investor Relations section of our website under ‘Governance Documents’.

Every year, three new topics are identified for an internal audit study and one topic is followed up from the previous year. An internal audit on a specific topic is presented each quarter, based on a specific issue raised in the risk assessment, including ESG topics. As a public company, we comply with all regulations related to the Sarbanes-Oxley Act, known as the Corporate and Auditing Accountability, Responsibility, and Transparency Act.

Risk Management
Senior management is extremely active in identifying and managing risk across the company, including those related to ESG topics. A risk assessment is conducted every year, with a three-year internal plan developed to address relevant issues. The latest risk assessment is currently underway in 2021. Relevant issues are presented to the audit committee and the Board of Directors.

We are undergoing the process of building a risk management program, with the goal of developing a corporate risk management plan in 2021. In 2020, we began a New Product Introduction process, which includes end-to-end management of new products, from R&D through production and marketing.

For any grievances, anyone (e.g., shareholder, customer, supplier, or other interested party) can contact Caesarstone’s Board to provide comments, report concerns or ask questions to the General Counsel & Corporate Secretary via email, postal mail, or the reporting hotline operated by an external company, Lighthouse, LLC. The total number and nature of critical concerns that were communicated to the highest governance body in 2020 was zero.

For further information about risks we face, please see the 2020 Caesarstone Annual report.

Sustainability Governance

Every month, we have a global management meeting that includes all C-level executives, and our Corporate headquarters functions convene on a bi-weekly basis. We have a quarterly extended Leadership Forum which includes approximately 70 managers to review business performance. This forum includes Q&A and general open discussion.

Authority is integrated across the management team: the HR department oversees social issues, the Finance department oversees economic issues, and the Environmental Safety & Health, Research & Development, and Product team oversee environmental issues together. The CEO is closely engaged with senior management across departments and locations. Shaped by employee input and participation, a comprehensive approach is taken to each employee’s role and their health, safety, and wellbeing to enhance the performance of their individual responsibilities and obligations.

Executive level responsibility for ESG is shared among the VP HR, VP Production, and CFO, who each report directly to the CEO; information is shared with the Board of Directors, as appropriate. In 2020, Yoav Tzidon, Director of Corporate Development, was appointed to oversee ESG activities company-wide, reporting directly to the CEO.

Senior management consults with relevant stakeholders regarding ESG topics and these topics are shared with the Board of Directors, as appropriate. The 2020 ESG Report will be presented to the Board of Directors.

Anti-Corruption

Caesarstone bases its business relationships on trust, transparency, and accountability. We are committed to comply with all applicable anti-corruption laws and regulations, including without limitation, the US Foreign Corrupt Practices Act and the UK Bribery Act. We do not seek to improperly influence the decisions of our business partners by offering business courtesies and require that the decisions of our employees and directors not be affected by such courtesy and maintain independence of judgement.

All employees and directors are required to follow the company’s guidelines with respect to gifts, hospitality, expense reimbursement and travel. Bribery is prohibited in all of our business dealings. Our system of internal controls, reporting and record management enable good business decision-making, ensure the quality of financial reporting, help detect and prevent fraud and facilitate compliance with laws and policies.

The company issued an anti-corruption policy, addressed in the Caesarstone Code of Conduct. Every employee joining the company has to read the Code of Conduct and the anti-corruption policy and sign a statement that they are committed to act accordingly with those policies. Once a year, a reminder is sent to all employees by email with the relevant policies. In addition, in every management meeting, there is a hypothetical situation posed about an ethical dilemma, which often covers the topic of anti-corruption. There have been no legal actions pending or completed during the reporting period (2019, 2020) alleging any corrupt practices.

Risks related to corruption are being continuously evaluated by the finance, legal and other relevant teams, such as Sales & Marketing and procurement. In addition to training and proper monitoring and recording of expenses, we take great care when entering into any engagement with governmental or quasi-governmental bodies.

Anti-Competitive Behavior

Competition and antitrust regulations are intended to protect and promote fair and free competition, ensuring a level playing field for all businesses. This area of law varies from jurisdiction to jurisdiction, generally prohibiting anti-competitive practices, such as agreements with competitors to fix prices, allocation of markets or customers, participation in group boycotts, questionable intelligence gathering about competitors and efforts to obtain or maintain a monopoly through means other than competition on the merits.

Caesarstone’s employees commit to follow applicable laws and internal policies, as described in the Code of Conduct. There have been zero legal actions pending or completed during the reporting period (2019, 2020) regarding anti-competitive behavior and violations of antitrust and monopoly legislation.
Our Commitment

- We follow applicable laws, regulations, and our internal policies relating to competition and antitrust
- We do not suggest or engage in any actions or agreements that limit fair and free competition
- We avoid discussions with competitors that could create the appearance of impropriety
- We do not attempt to obtain information of or about our competitors in an illegal or unfair way
- We do not take unfair advantage of our market position

Customer Privacy

Privacy protection is a strategic priority for Caesarstone and we have established strong governance measures to protect the privacy and security of employee and third party information. We are committed to compliance with privacy legislation, including GDPR. We are transparent about how we handle data and respect the privacy of our employees and third parties who share personal data with us. There have been no substantiated complaints concerning breaches of customer privacy to date.

Stakeholders

We value our stakeholders and strive for open, transparent communication with them. We engage with our stakeholders through a variety of methods and channels, including marketing materials, localized websites, showrooms, in-person and virtual meetings, and training materials available on line and presented in conferences and seminars. For our employees, we regularly communicate via newsletters, Town Hall meetings, and a designated employee application.

Our engagement covers a wide range of topics and we encourage feedback and open dialogue amongst stakeholders. Topics include product and design materials, creative ideas for inspiration, health and safety information, and business-related issues such as sales, orders, service terms, operational data, supply chain matters, and key initiatives and activities.

Key stakeholders include:

Consumers
Fabricators
Kitchen & Bath Retailers and Studios
Architects & Designers
Constructors
Suppliers
Investors & Shareholders
Regulatory Bodies
Employees
COLLABORATION & PARTNERSHIPS

Caesarstone is ISO 14001 certified, a global standard for environmental protection; ISO 9001 certified, a quality management standard; NSF certification for public health and safety; and has been awarded the respected Greenguard.

CE: indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area.

[Link to website]

ISO 14001: the international standard for establishing an environmental management system to guide working towards meeting environmental goals; monitoring compliance activities; investing in tools for enhancing a quality environment; employee and supplier training; health and safety procedures; and establishing efficient production processes.

Caesarstone is certified with the Environmental Management System in accordance with ISO 14001.

[Link to website]

GREENGUARD: All Caesarstone quartz surfaces comply with GREENGUARD certification, which verifies that Caesarstone products meet the most stringent indoor air emission standards.

[Link to website]

GREENGUARD GOLD: All Caesarstone quartz surfaces comply with the GREENGUARD GOLD standard (formerly known as GREENGUARD Children & Schools Certification), which evaluates the sensitive nature of school populations combined with the unique building characteristics found in schools and presents the most rigorous product emissions criteria to date.

[Link to website]

HEPA: The Health Product Declaration (HPD)® Open Standard* requires full disclosure of potential chemicals of concern in products by comparing product ingredients to a set of priority hazard lists based on the GreenScreen for Safer Chemicals and additional lists from other government agencies. In May 2019, Caesarstone updated its HPD to align with the new HPD v2.1.1 standard. The HPD covers Caesarstone surfaces in all available models and colors.

[Link to website]

NSF: The International Health and Safety Foundation standard ensures our working surfaces are safe for use in all food environments. Caesarstone’s non-porous surfaces inhibit the growth of mildew and bacteria, thus creating a hygienic surface.

[Link to website]

NSF/ANSI 51: The NSF/ANSI 51 standard* requires full disclosure of potential chemicals of concern in products by comparing product ingredients to a set of priority hazard lists. The NSF/ANSI 51 standard is recognized by the American National Standards Institute (ANSI) and is used by the building industry to evaluate materials used in healthcare facilities.

[Link to website]

Scientific Certification Systems (SCS): Certified for recycled content. Some of our products are made from pre-consumer recycled raw materials, such as mirror and glass or high-quality reclaimed post-production waste from the fabrication process.

[Link to website]

Mindful Materials: Caesarstone products are found in the Mindful Materials library, a platform that enables the building industry to obtain information concerning statements and certifications regarding quality and environmental aspects of products.

[Link to website]


[Link to website]

Good Housekeeping Seal: Caesarstone has earned the Good Housekeeping Seal from the Good Housekeeping Institute. From its inception in 1909, the Good Housekeeping Seal has been guiding consumers to the best products to purchase in the marketplace. Caesarstone is the only countertop manufacturer to hold the Good Housekeeping Seal.

[Link to website]

Red List Declaration: Caesarstone publishes a Red List declaration, self-certifying that none of the materials from the Red List, as detailed on the International Living Future Institute website, is intentionally added to a specific list of Caesarstone models.

[Link to website]

Nordic Ecolabel: Caesarstone’s models are listed in the Building Materials Database for the Nordic Ecolabel.

[Link to website]
Memberships
We are members of A.S.T.A. World-Wide, the global Agglomerated Stone Manufacturers Association, as well as the Australian Engineered Stone Advisory Group (AESAG). Caesarstone’s participation in these external initiatives is voluntary and non-binding, and certifications apply to specific products and locations, as noted in the certification details.

Taxes
We adhere to all tax requirements of the local authorities in each jurisdiction where we operate and we regularly report our taxable income. We are committed to paying our taxes in a timely manner, as required by each local jurisdiction. Taxes are managed by our Finance team, overseen by our corporate Controllers.

We report on any taxable income linked to the risks reflected by each of our activities. The CFO, and in certain cases the Board of Directors, will approve any changes to our tax strategy. The Finance team and CFO are responsible for compliance with our tax strategy. For details on financial info and taxes, please see our 2020 Caesarstone Annual report.
Sustainability is a natural extension of our core values.
Our sustainability vision draws upon our commitment to people, accountability, and innovation. At Caesarstone, our sustainability goals are centered around these core areas: sustainable products, environmentally responsible production, health & safety, and social responsibility.

**Sustainable Products**
We are committed to developing environmentally friendly and low-silica products with a lifetime warranty.

**Environmentally Responsible Production**
We are committed to an environmentally responsible production process, including reducing our carbon footprint, reducing styrene emissions, increasing our use of renewable energy, reducing water use, and reducing waste. We are currently exploring more advanced environmentally sustainable transportation opportunities to improve our logistics and supply chain processes.

**Health & Safety**
We are committed to our goal of achieving a world class Health & Safety system, aligned with our global plan for a best practice approach in our facility practices and processes. We seek to keep our people and industry safe through raising awareness of safety practices.

**Social Responsibility**
We are committed to acting in a socially responsible manner and having a positive impact across the value chain, including for our employees, suppliers, customers, and the communities we work in.
ESG MATERIALITY ANALYSIS

For our first ESG report it was crucial to identify the key sustainability issues for material to our business activities. We worked with external consultants and ESG experts on an extensive process that included identification of topics and selection and prioritization of those that are most material.

Identification of topics included an external benchmark of players in the industry and the sector at large, a review of relevant global standards, and government and business initiatives. In addition, we conducted an internal exploration, including conversations and surveys with various stakeholders, including senior leadership, employees, and the Board of Directors.

The ESG material topics we identified fall under four major categories:

- Environment and sustainability
- People
- Economics
- Consumers and innovation

The second phase of the process was the prioritization of the topics according to their importance for Caesarstone and various stakeholders. As part of our larger initiative to support stakeholder dialogue, a survey was created for various stakeholders to receive their feedback and opinions.

Based on the consultations with internal and external stakeholders, each topic received a ranking according to importance. Results were presented to the Caesarstone Sustainability Steering Committee, the Committee which was created in order to lead and supervise the establishment and ongoing implementation of the ESG process in the company. The Committee was presented with a list of topics with varying levels of priority, after which the Committee developed the final list.

The following topics are considered ESG material for Caesarstone:

<table>
<thead>
<tr>
<th>Environment and sustainability development</th>
</tr>
</thead>
<tbody>
<tr>
<td>#</td>
</tr>
<tr>
<td>----</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
<tr>
<td>8</td>
</tr>
<tr>
<td>9</td>
</tr>
<tr>
<td>10</td>
</tr>
<tr>
<td>11</td>
</tr>
<tr>
<td>12</td>
</tr>
<tr>
<td>13</td>
</tr>
<tr>
<td>14</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>People</th>
</tr>
</thead>
<tbody>
<tr>
<td>#</td>
</tr>
<tr>
<td>----</td>
</tr>
<tr>
<td>15</td>
</tr>
<tr>
<td>16</td>
</tr>
<tr>
<td>17</td>
</tr>
<tr>
<td>18</td>
</tr>
<tr>
<td>19</td>
</tr>
<tr>
<td>20</td>
</tr>
<tr>
<td>21</td>
</tr>
<tr>
<td>22</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consumers and innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>#</td>
</tr>
<tr>
<td>----</td>
</tr>
<tr>
<td>31</td>
</tr>
<tr>
<td>32</td>
</tr>
<tr>
<td>33</td>
</tr>
<tr>
<td>34</td>
</tr>
</tbody>
</table>

CAESARSTONE ESG MATERIALITY MATRIX

Issues in the upper right section are indicated for prioritization.
SUSTAINABLE DEVELOPMENT GOALS

In recognition of our role as a global company, we are committed to working towards Sustainable Development Goals (SDGs), as defined by the United Nations. These global goals were established in 2015 as part of the 2030 Agenda for sustainable development, and are designed to achieve a better and more sustainable future for all. The 17 SDGs cover the world’s most pressing social, environmental, health, and economic issues, with specific targets for each.

Businesses can play a critical role in achieving these global goals, and we recognize the opportunity they present to develop innovative solutions with a positive impact on society, while improving stakeholder engagement, managing risk, and developing a shared language for social and environmental sustainability activities.

As part of the process of defining our sustainability strategy and goals, we worked with external experts to identify the SDGs that are relevant for Caesarstone. We view the SDGs as a basis for impacting the local communities in which we work, as well as contributing to positive global change. We are proud to play a part in this international initiative.

To identify the SDGs relevant for Caesarstone, a thorough mapping of each goal was conducted based on select criteria, including potential impacts for the company and the wider world. The aim was to identify those SDGs that maximize positive impact on both a business and global level. Mapping of the SDGs included an analysis of current company activities, priorities, as well as potential benefits. Final SDGs were selected in consultation with Caesarstone’s senior leadership.

The following SDGs are the ones we identified as the most significant and impactful for us:

SDG | UN Target | Caesarstone’s relevant activities to achieve this goal
--- | --- | ---
3.9 | By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination. | Training: We work to ensure a healthy workforce. Through the development of the Master of Stone program, we create standards and a training program to ensure the health and safety of employees, suppliers, and partners.

Products:
- All Caesarstone products certified by GREENGUARD, maintaining stringent standards for air emissions
- Products comply with the HPD Open Standard
- Products comply with the NSF51 standard

Ensure healthy lives and promote well-being for all at all ages.

8.3 | Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services. | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

8.4 | Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead. | By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

9.5 | Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending. | Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

We are a growing company. We acquired Lili in India and Omicron in the US at the end of 2020, where we provide local jobs, and we continue to look for additional growth opportunities.

Some of our products are made from recycled raw materials, such as mirror and glass or high-quality reclaimed post-production waste from the fabrication process. These models have the Scientific Certification Systems (SCS) recycled content certificate.

We have clear and unequivocal policies banning all forms of discrimination against persons with legally protected characteristics. We are committed to recognizing diversity in all its forms and all employment-related decisions are made on the basis of business needs.

We are committed to growing our R&D team and investing in research that will enable us to upgrade the technological capabilities of our facilities with an emphasis on sustainability, including reducing our impact on climate change, increasing our use of recycled materials, and developing closed-loop materials and products.
SDG | UN Target | Caesarstone’s relevant activities to achieve this goal
--- | --- | ---
12.4 | By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment. | We aim to create durable, low-maintenance products that support healthier environments and better use of material resources. Our surfaces require minimal maintenance and significantly reduce the need for sealants, cleaning materials and detergents. Our quartz surfaces are long-lasting and durable, delivering improved lifecycle costs and investment value. We commit for a lifetime warranty for our products.

12.6 | Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle. | Our facilities have environmental and quality management certifications, including ISO 14001, ISO 9001, and NSF certification for public health and safety. This report is part of our ESG vision which we intend to pursue in the coming years.

12.8 | By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature. | We are committed to transparency and provide detailed product information on our product labeling and our website.

13.2 | Integrate climate change measures into national policies, strategies and planning. | Caesarstone understands the importance of energy efficiency and the transformation to renewable energy as part of our efforts to reduce our impact on climate change. We have a continuous improvement process plan in place to meet our energy reduction goals. Our new headquarters building in the UK is a green building with solar panels, water harvesting, and motion sensors for lighting.

13.3 | Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning. | We provide educational information and lectures related to climate change for employees. Our ESG report will be communicated to all employees.
OUR ESG PILLARS

Built upon the brand identity of the company, our pillars serve as the foundation for where our purpose and product come together. We draw upon these pillars as inspiration for our culture and business activities, and for the framework for our first ESG report.
EARTH

Bringing the richness of the world into the home, grounded in a complete life system
ENVIRONMENT & SUSTAINABILITY

Caesarstone is committed to conducting its business in compliance with all applicable environmental laws, regulations and permits in a manner that has the highest regard for sustaining the environment in which we operate. As we develop, manufacture and market our products, we work to reduce the environmental impact of our processes.

We are committed to resource efficiency in our production processes, including raw material management, energy savings, reducing our emissions, water recycling, packaging recycling, and efficient use of auxiliary materials. To help establish a comprehensive approach to our environmental management strategy and practices, in 2020 we further developed our approach and commitment to Environmental, Health, & Safety (EHS). We worked on this together with the Israel Ministry of Environment, ensuring we are implementing best practices across all areas.

We believe these new guidelines will support us on our path to improved environmental performance, which we consider a long-term endeavor and investment. Our approach to environmental management is one of continuous improvement – we not only ask ourselves what our employees would want us to do when it comes to environmental responsibility, we also ask what our neighbors would want us to do.

We are committed to resource efficiency in our production processes
This includes raw material management, energy savings, reducing our emissions, water recycling, packaging recycling, and efficient use of auxiliary materials.
PRODUCT

Life in Stone

Caesarstone countertops are where people spend treasured moments together, making memories that are everlasting. Our innovation relies on the highest quality materials which we use to create the main space for interaction and creation within a home – everything happens there, either on it or around it. Through our excellence in material engineering, our special touch moves from the lab into the home, becoming a part of the household.

The quality and composition of the materials we use is of critical importance. We spend a tremendous amount of time, effort, and resources in R&D and product development as part of Our Commitment and goal of using quality materials to produce the Caesarstone product.

Product Quality

We are leaders in our field and are committed to the development, production, and delivery of high-quality, safe products under our brand. Our business partners and consumers rely on the strength of Caesarstone’s brand and reputation and trust us to provide products meeting the highest standards of quality performance.

Our Commitment

→ We are committed to meet all applicable regulatory requirements and quality standards across all our facilities
→ We develop, implement, and follow internal quality principles and procedures
→ We take quality-related complaints seriously, and ensure that they are properly investigated and reported, as required
→ We do not compromise quality in anything we do; we do not take shortcuts
MATERIALS

We are committed to the superior quality, strength, and durability of our products. The materials used to create these products must meet the highest standards of performance and quality. Our product specialists and supply chain management team work closely with our suppliers to ensure the materials we receive are of the highest quality.

Raw quartz must be processed into finer grades of sand and powder before we use it in our manufacturing process. Polyester, which acts as a binding agent in our engineered quartz products, makes such products non-porous and highly resistant to stains. Pigments act as a dyeing agent to vary our products’ colors and patterns.

Main materials used by weight

<table>
<thead>
<tr>
<th>Material (Ton)</th>
<th>Country</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sand</td>
<td>USA</td>
<td>77,339</td>
<td>43,524</td>
<td>40,352</td>
</tr>
<tr>
<td></td>
<td>Israel</td>
<td>159,572</td>
<td>160,059</td>
<td>153,314</td>
</tr>
<tr>
<td>Resin</td>
<td>USA</td>
<td>11,060</td>
<td>6,307</td>
<td>5,859</td>
</tr>
<tr>
<td></td>
<td>Israel</td>
<td>20,483</td>
<td>21,614</td>
<td>19,265</td>
</tr>
<tr>
<td>Additives</td>
<td>USA</td>
<td>540</td>
<td>271</td>
<td>290</td>
</tr>
<tr>
<td></td>
<td>Israel</td>
<td>1,076</td>
<td>1,149</td>
<td>1,142</td>
</tr>
<tr>
<td>Pigments and Premix</td>
<td>USA</td>
<td>3,693</td>
<td>1,796</td>
<td>1,799</td>
</tr>
<tr>
<td></td>
<td>Israel</td>
<td>1,076</td>
<td>5,783</td>
<td>5,611</td>
</tr>
</tbody>
</table>

Recycled Materials

Approximately 1-1.5% of our raw materials are recycled, and we began to extend these initiatives in 2020. These include transitioning to recycled paper in the production process, with more than 1,200 tons of recycled paper used in 2020. In addition, we have started to recycle raw material bags, with 100k RM big bags recycled annually.

Caesarstone offers some products that incorporate high-quality reclaimed post-production waste from the fabrication process. These include products that incorporate high-quality reclaimed post-production waste from the fabrication process. The use of recycled materials reduces our demand for primary raw materials and diverts waste from landfills. Some products are made from pre-consumer recycled raw materials, such as mirror and glass.

SCS Certified Products

<table>
<thead>
<tr>
<th>Material</th>
<th>Recycled Crushed Glass Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jet Black</td>
<td>42% Pre-Consumer</td>
</tr>
<tr>
<td></td>
<td>Recycled Crushed Glass Content</td>
</tr>
<tr>
<td>Woodlands</td>
<td>2% Pre-Consumer</td>
</tr>
<tr>
<td>Coastal Grey</td>
<td>4% Pre-Consumer</td>
</tr>
<tr>
<td>Bianco Drift</td>
<td>2% Pre-Consumer</td>
</tr>
<tr>
<td>Atlantic Salt</td>
<td>4% Pre-Consumer</td>
</tr>
</tbody>
</table>

Resource Efficiency

In Israel, Caesarstone adopted resource-efficiency measures for its auxiliary materials in 2016 and continues to aim for improvement in the efficient use of these resources. The program has already yielded results, as demonstrated by the reduction of up to 50% of certain materials by extending their shelf life and by the enhanced organizational initiative to promote resource efficiency and waste reduction.

↓ 50% reduction of certain materials used

 Responsible Packaging

- Caesarstone was able to meet its target to reduce packaging waste for its main raw material by 70% between 2015 and 2017, and continues to implement packaging waste practices for other materials.
- 100% of the polymers that we use are delivered in reusable ISO tanks
- 100% of the boxes used to pack Caesarstone samples are made of recycled cardboard

Responsible packaging is a key target for Caesarstone
Caesarstone understands the importance of energy efficiency and the transformation to renewable energy as part of our efforts to reduce our impact on climate change.

Our energy use is tracked carefully and is managed by our energy committee, including an energy manager. Energy usage and related KPIs are reviewed quarterly for our production sites, and we have a continuous improvement process plan in place to meet our energy reduction goals. In addition, we comply with all local energy regulations in the respective countries we operate in and conduct an energy survey every 4.5 years in Israel.

Energy Consumption

Overview of Our Energy Consumption (Non-renewable)

<table>
<thead>
<tr>
<th>Purchased Energy</th>
<th>Energy consumption in the organization (GJ)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-renewable fuel consumed</td>
<td>Diesel</td>
<td>14,813</td>
<td>13,409</td>
<td>13,047</td>
</tr>
<tr>
<td></td>
<td>LPG</td>
<td>98,706</td>
<td>73,001</td>
<td>74,797</td>
</tr>
<tr>
<td>Electricity</td>
<td>Electricity</td>
<td>256,043</td>
<td>228,568</td>
<td>215,075</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>369,562</td>
<td>314,978</td>
<td>302,918</td>
</tr>
</tbody>
</table>

Electricity consumption in the organization* (GJ)

- Diesel
- LPG
- Electricity

4% decrease in energy consumption in the organization

Electricity Purchased for Consumption* (MWh)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>20,437</td>
<td>15,208</td>
<td>14,536</td>
</tr>
<tr>
<td>Israel</td>
<td>50,686</td>
<td>48,283</td>
<td>45,207</td>
</tr>
<tr>
<td>Total</td>
<td>71,123</td>
<td>63,491</td>
<td>59,743</td>
</tr>
</tbody>
</table>

Reduction in electricity usage in the US from 2018 to 2020 was achieved through efficient management of production and maintenance, and alternating production between lines 6 and 7.

We are committed to decreasing our energy usage in our production facilities. Our focus is on energy savings related to electricity and fuel (diesel and LPG), normalized to annual slab production.

To reduce our energy use, we carefully evaluate and select appropriate energy efficiency projects at each site. Energy efficient projects have included lighting upgrades, transitioning to natural gas, and upgrades of machinery and equipment with efficient models.

Recent Projects

**LIGHTING**
- Upgrade to LEDs in all 3 production facilities (in process)
- Upgrade to LEDs in corporate headquarters (Israel)

**GAS**
- Transition to natural gas; Bar Lev expected to be completed in 2022

**MACHINERY & EQUIPMENT**
- Upgrading equipment on a regular basis at all 3 production facilities; when machinery needs to be replaced, it is replaced with a more energy efficient model. We are transitioning to electric forklifts at select sites.

While we focus on energy reduction projects at all facilities, we saw increased usage of LPG and diesel at the Bar Lev facility in 2020. This was related to RTO work on weekends to avoid emissions and a temporary use of a 45 ton forklift that consumed more fuel than the original replaced equipment.

* Energy consumption was calculated using the “location” based calculation by using the coefficient based on the EPA’s ‘Emission Factors for Greenhouse Gas Inventories’ (March 2020) document and the United Kingdom’s department for Environment Food and Rural Affairs (DEFRA).

* Electricity consumption for 2020 stayed constant per SQM.
AIR

As climate change and its impacts become increasingly relevant on a global scale, and as awareness of the issue has grown around the world, we are committed to tracking our air emissions. We monitor two types of air emissions – GHG emissions that affect climate change and air pollutants (NOx, SOx, etc.) that affect health.

We are committed to the health of our employees and to populations living near our production facilities, and we are committed to the health of our global environment. As a responsible corporate citizen, we seek to conform with all regulations regarding emissions and regularly track and measure emissions from our production facilities - twice a year in Israel, and every two years in the US.

Emissions of concern related to our products are primarily silica dust, which we work to minimize at our production facilities and throughout the value chain (see more in Master of Stone section below), and styrene. We go beyond compliance and we have targets and threshold values for pollutants, with a focus on styrene and silica across our facilities. Silica emissions are regularly checked internally, according to local self-testing regulations and we conduct periodic external checks, as per local government regulations.

Projects are coordinated with local and national authorities, as well as nearby communities. Caesarstone is committed to reducing our greenhouse gas emission. Reporting of greenhouse gas emissions accords with the internationally established Greenhouse Gas Protocol Standard.

Our GHG emissions intensity calculation, i.e., the relative intensity of our Scope 1 and 2 emissions per SQM product in FY2020, was 11.26 KgCO₂e.

This calculation, which marks 2020 as the base year for comparison in future calculations, acts as a point of comparison for us to track the intensity of our emissions over time, assisting us in accurately accounting for the extent of our environmental impacts.

Our CO₂eq Emissions Breakdown (tCO₂e)

<table>
<thead>
<tr>
<th>Scope 1</th>
<th>US</th>
<th>Israel</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2,959</td>
<td>3,929</td>
</tr>
<tr>
<td>2019</td>
<td>2,198</td>
<td>3,069</td>
</tr>
<tr>
<td>2020</td>
<td>2,131</td>
<td>3,217</td>
</tr>
</tbody>
</table>

Scope 2 *

| 2018    | 8,123  |
| 2019    | 6,044  |
| 2020    | 5,777  |

* Scope 2 emissions were calculated using the “market” based approach where possible by using the coefficient of utility used. When not possible, The “location” based calculation was done by using the coefficient based on the EPA’s Emission Factors for Greenhouse Gas Inventories (March 2020) document, The Israel Ministry of Environmental Protection.

Global GHG Emissions (scope 1+2) (tCO₂e)

<table>
<thead>
<tr>
<th>Scope 1</th>
<th>Scope 2</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>-12%</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>-5%</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>-5%</td>
<td></td>
</tr>
</tbody>
</table>

5% decrease in global GHG emissions (Scope 1,2)
WATER

As a company founded on the shores of the Mediterranean in a country where water scarcity has historically been of high concern, we have a special connection to water. We are committed to minimizing our water use and effluent, and to protecting our natural water resources.

Our Approach to Water: Reduce, Reuse, Recycle

Water is an essential part of the creation of our products and ensures our production process runs smoothly and safely. In our facilities, water is withdrawn mainly as tap water from the municipal water system and is used mainly in the polishing department, where it helps reduce dust and particulate matter from entering the airstream.

In addition to recycling water, we also take measures to reduce the amount of water we use. Water reduction projects include the installation of flow meters to detect and repair leaks quickly and efficiently.

Between 2015 and 2020, we reduced water use per slab by 24%.

We undertake efforts to filter and clean the water that is discharged from our facilities to the municipal wastewater treatment facilities, where it is treated and disposed as brine into the sea. We coordinate our water recycling with the local regional council, as well as the Israel Ministry of Environment.

Caesarstone water initiatives serve as a model for water recycling and reuse in the industrial sector in Israel, aligning with national efforts to reduce overall water consumption.

Noise

We completed a major noise reduction project at our Sdot Yam facility in 2020. This was done over concern of the noise emitting from our facility and its impact on nearby residents. Through the project, we accomplished a 10-15% reduction in decibels, contributing to the improved quality of life for our neighbors.
## WASTE

We work to minimize our waste through the reduction, reuse, and recycling of materials. Hazardous waste impacts the environment, our communities, and the health and safety of our employees.

We comply with all local and national regulations regarding waste disposal and ensure full compliance with the disposal of toxic materials. We continuously search for new recycling and circular economy opportunities, both at our production and corporate sites.

In 2020, we completed a full mapping of our waste streams at all production facilities, which helped us identify opportunities to reduce waste at the source and divert more materials to recycling.

We will begin to track our hazardous and non-hazardous waste in 2021. This will help us reach our waste reduction targets. We expect to track:

- Hazardous and non-hazardous waste
- Waste sent to landfill, including sludge, industrial waste
- Other items such as nylon, big bags, pallets, etc.
- Iron to be sent to recycling

### Hazardous Waste (tonne)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>Rate of change 2018-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>74</td>
<td>175</td>
<td>48</td>
<td>-35%</td>
</tr>
<tr>
<td>Israel</td>
<td>74</td>
<td>60</td>
<td>117</td>
<td>58%</td>
</tr>
<tr>
<td>Total</td>
<td>148</td>
<td>235</td>
<td>165</td>
<td>11%</td>
</tr>
</tbody>
</table>

In Israel, we experienced an increase in hazardous waste from 2018 vs. 2020 due to a rise in acrylic use and packaging material, as well as a change in disposal methods according to updated regulations.

In the US, we experienced an increase in 2019 due to the identification of new waste streams. In 2020, we decreased our hazardous waste due to a reduction in production and the reclassification of certain tank wastewater to non-hazardous waste.

### Packaging Waste

Reducing packaging waste is a key target for Caesarstone. We continue to implement packaging waste practices for other materials:

- 100% of the polymers that we use are delivered in reusable ISO tanks
- 100% of the boxes used to pack Caesarstone samples are made of recycled cardboard

### OUR WATER GOAL

↓ 10% decrease per slab by 2025 in municipal water use

---

### Water Usage

<table>
<thead>
<tr>
<th>Country</th>
<th>Liter water / SQM product</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>Water withdrawal</td>
<td>17,182,000</td>
<td>15,208</td>
<td>14,536</td>
</tr>
<tr>
<td></td>
<td>Water withdrawal per SQM manufactured</td>
<td>14.5</td>
<td>48,283</td>
<td>45,207</td>
</tr>
<tr>
<td>Israel (Water press)</td>
<td>Water withdrawal</td>
<td>99,009,000</td>
<td>80,078,000</td>
<td>45,684,000</td>
</tr>
<tr>
<td></td>
<td>Water withdrawal per SQM manufactured</td>
<td>34.9</td>
<td>30.9</td>
<td>17.8</td>
</tr>
<tr>
<td>Total</td>
<td>Water withdrawal</td>
<td>116,191,000</td>
<td>86,807,000</td>
<td>50,388,000</td>
</tr>
<tr>
<td></td>
<td>Water withdrawal per SQM manufactured</td>
<td>28.9</td>
<td>27.1</td>
<td>16.0</td>
</tr>
</tbody>
</table>

Data was calculated based on “market based” water usage, and calculated using data from the Israeli Ministry of Environmental Protection.
The Challenge of Sludge

As a byproduct of our production process, sludge is produced. Currently, sludge is disposed of with our industrial waste. One of the challenges we face is trying to find a secondary use for the sludge we produce, which contains some amount of silica. The composition of our sludge is similar to the composition of our slabs, except for minor differences in treatment material used in our water treatment process. Over the years, we’ve reached out to several organizations and businesses to see if they could use the sludge in their industrial processes.

In 2019, in partnership with the Israel Ceramic & Silicate Institute, we conducted a study to investigate potential commercial usage of Caesarstone sludge. The physical and material consistency of the sludge was analyzed and different methods for potential reuse were investigated, including using the sludge as structural fill, trench backfill, and pavement base, among other solutions. We continue to investigate commercially viable options for reuse of the sludge and in 2021, we plan to conduct a pilot with a local company.

Eliminating Disposable Cups

To reduce waste in the corporate environment, in 2020 we removed disposable cups and switched to reusable cups. Except for areas that require disposable cups due to safety reasons, we eliminated nearly all of our single-use plastic and paper cups. Employees now enjoy their coffee and water in reusable glasses or mugs.

Paper Reduction in Production Facilities

Paper is used to protect and wrap the slabs during the production process.

2020 Paper Usage in tons

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>Rate of change 2018-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>911</td>
<td>679</td>
<td>687</td>
<td>-25%</td>
</tr>
<tr>
<td>Israel</td>
<td>1,571</td>
<td>1,451</td>
<td>1,476</td>
<td>-6%</td>
</tr>
<tr>
<td>Total</td>
<td>2,482</td>
<td>2,130</td>
<td>2,163</td>
<td>-13%</td>
</tr>
</tbody>
</table>

In 2020, we transitioned our payroll system to a digital platform. This allows us to avoid printing and mailing paper pay stubs. Instead, all pay stubs are available electronically, with the possibility for employees to print as needed. This initiative was part of our digital transformation, with the goal to optimize our business operations, improve tracking capabilities, and reduce paper usage.

We plan to look into other business systems to move from paper-based systems to online digital platforms, including our taxes and invoice systems. This will support our digital transformation goals, helping us reduce our paper usage and helping to save space for archival printed records.
ENVELOPMENTAL COMPLIANCE

Environmental compliance is a high priority for Caesarstone, as it contributes to our environmental efforts to reduce our carbon footprint, our commitment to comply with all regulatory requirements, and dedication to the health and safety of people and the planet.

We undertake an annual review of compliance for all legal requirements, and our EHS department has an ongoing work plan to monitor and track compliance, including monthly meetings to track and follow up on any issues.

In 2020, we had no significant fines or non-monetary sanctions (administrative or judicial) for non-compliance with environmental laws and/or regulations. There were no significant fines, non-monetary sanctions, or cases brought through dispute resolution mechanisms.

In 2020, we installed an online styrene emission monitoring system at our Bar-Lev facility in 2020 and we are in the process of implementing other such requirement issued by the Israel Ministry of Environmental Protection.

The Israeli Ministry of Labor, Social Affairs and Social Services (IMLSS) conducts an annual audit of our plants, and we adhere to regulations issued by the US Occupational Safety and Health Administration (OSHA).

See the Caesarstone 2020 Annual report for further details related to environmental regulation.

We comply with all local and national regulations related to environmental and health and safety compliance.

In 2020, we installed an online styrene emission monitoring system at our Bar-Lev facility in 2020 and we are in the process of implementing other such requirement issued by the Israel Ministry of Environmental Protection.

The Israeli Ministry of Labor, Social Affairs and Social Services (IMLSS) conducts an annual audit of our plants, and we adhere to regulations issued by the US Occupational Safety and Health Administration (OSHA).

See the Caesarstone 2020 Annual report for further details related to environmental regulation.

We comply with all local and national regulations related to environmental and health and safety compliance.

In 2020, we installed an online styrene emission monitoring system at our Bar-Lev facility in 2020 and we are in the process of implementing other such requirement issued by the Israel Ministry of Environmental Protection.

The Israeli Ministry of Labor, Social Affairs and Social Services (IMLSS) conducts an annual audit of our plants, and we adhere to regulations issued by the US Occupational Safety and Health Administration (OSHA).

See the Caesarstone 2020 Annual report for further details related to environmental regulation.

We comply with all local and national regulations related to environmental and health and safety compliance.
SAFE

Securing health & wellness for our employees and partners
ENVIRONMENT, HEALTH & SAFETY

We are committed to conduct our activities with the highest regard for the safety and health of each other, our business partners, customers, consumers, and the general public. We are continuously working to improve our safety record by instilling a strong safety culture worldwide. Each of us is responsible for and shares in the benefits of a safe and healthy workplace. Any behavior and activities that undermine safety are prohibited.

We at Caesarstone believe that every person has the right to a safe and healthy work environment and that injuries and safety incidents are avoidable.

Furthermore, we believe that compliance with applicable local and international laws, regulations and standards designed to protect health and safety is fundamental and enhances value for our organization. The health and safety of our employees, customers, suppliers, contractors, and fabricators is a priority for us.

Through process and product monitoring, we aim to protect the environment and the people who work with our materials. This is part of the core values of our company. Information on safety data and updates is regularly shared with employees and managers, and safety is a key issue raised in general meetings with employees and managers.

Our EHS Approach and Commitment

- Enhance employee awareness of company policies & standards
- Implement risk management in the work environment
- Set and review environmental, health and safety policies, objectives and targets, and allocate the needed resources to achieve them
- Initiate, educate, and recognize safe behavior and compliance with environmental protection standards
- Learn from incidents and prevent recurrence
- Create a work environment that encourages personal responsibility and accountability
- Encourage and consult with employees to support our efforts to continually improve health and safety performance
- Promote a proactive environmental, health and safety culture, where our people and partners at all levels work to meet and exceed requirements
- Establish safety as a fundamental value throughout all our activities
EHS Projects at our Facilities

As a measure of our commitment to health and safety, in 2019 we established the Nuphar & Lotus programs which seek to implement EHS best practices and engineering and material solutions to reduce hazardous materials, with a focus on silica, styrene, and acetone.

Nuphar focuses on the reduction of styrene and acetone at the three Caesarstone production facilities, while Lotus focuses on the safe handling of dust which contains silica at the three Caesarstone production facilities, as well as at external fabricators.

About 40 projects have been identified and developed according to the needs and activities of each Caesarstone facility and implemented across sites when applicable. Projects and corrective actions are tracked and monitored on a regular basis, prioritized according to need, and reported upon regularly to senior management. The Caesarstone EHS team, along with the Engineering teams, manages and implements Nuphar and Lotus projects on site. In some cases, an external organization is deployed to conduct consulting, sampling, testing and implementation. Projects are reported to the Board of Directors as appropriate on an ongoing basis.

Projects include Industrial Hygiene Monitoring, Environmental Monitoring, and Area Sampling, focusing on the molding, feeding, and polishing areas at the Caesarstone production facilities.

40 projects
focus on reducing hazardous materials, silica, styrene, and acetone
Caesarstone believes in and seeks to establish a safe working environment for everyone operating in our industry. Just as we ensure the safety and quality of our products in homes, offices, and commercial developments around the world, we also take measures and seek to protect our fabrication partners who are a key part of our value chain.

Our vision is a safe, clean, dust-free workspace for the entire stone industry

Three years ago, in line with our core value of People First, we decided to take a new approach to working with fabricators. We developed an industry-first education and training program created specifically for fabricators and their employees on health and safety issues in the workplace.

The program focuses on working to create a workspace free of the dangers of potentially hazardous respirable crystalline silica dust (RCS). With the correct safety measures in place, silicosis and other diseases associated with RCS are 100% preventable.

Through market research we have learned that much information exists globally around safety measures for the prevention of silicosis. However, feedback from fabricators worldwide was that there was a significant gap in the consistency of information available. So, we took on the project of developing a training program to provide a platform which offered health and safety information for those who work with engineered stone.
Program

Master of Stone for fabricators was launched in 2019, and since then we have expanded the program across a number of countries, such as the US, Canada, Australia, and the UK.

Master of Stone includes an online training center aimed at helping us communicate with our fabricators on the topics of Health & Safety, professional know-how and added value content for fabrication plant managers. The program makes safety and professional working guidelines accessible to our fabricators worldwide.

We view the development of the program as an investment in our business partners and in the industry as a whole, and the program is free and available for use by anyone in the industry.

The goal of the program is to provide educational information and training presented in straightforward, clear language. Through Master of Stone, we emphasize that safety is a crucial part of a fabricator’s professional skills. The program consists of several components, including a website, online training center, certification, and educational and awareness materials.

At the end of each safety module in the Training Center, there is a short questionnaire in which the participants are asked to rate their satisfaction with the content.

4.5-4.8 (out of 5) participant satisfaction score

Components

- Good Practice Guide, available on the Master of Stone websites and distributed as a printed brochure
- Training Center: Online training modules for fabricators, with a certificate of completion
- Safety Data Sheet (SDS)
- Health and Safety articles
- Caesarstone University
- Educational posters
- Online videos

Components

- AIRBORNE DUST MONITORING
- REDUCING RESPIRABLE CRYSTALLINE SILICA
- PERSONAL PROTECTIVE EQUIPMENT
- CLEANING, MAINTENANCE & HYGIENE
- OTHER PROCEDURES

Components

- Wear the Right PPE
- Use Wet Machinery
- Eat in Designated Areas
- Use Wet Tools

Wear the Right PPE

Protect yourself from hazardous dust with Personal Protective Equipment

Safety goggles
Mask
Hearing protection

Use Wet Machinery

Prevent the creation of hazardous dust by using wet machinery

CNC
Water jet
Machinery doors

Eat in Designated Areas

Eat, drink and take your breaks away from the fabrication area

Cutting
Polishing
Drilling

Use Wet Tools

Prevent the creation of hazardous dust by using wet fabrication tools

Cutting
Polishing
Drilling
Engagement

6 websites
for the US, Canada, Australia, UK, Israel

6 languages
training center materials available in Arabic, Chinese, English, French, Hebrew, Spanish

2,054 fabricators
joined the website

884 people
completed training modules (as of July 2021)

336 views
of the safety highlights video

403 views
of the silica dust health hazards and protection video

50 businesses
participated in a training workshop in Israel

100 fabricators
participated in training at International Surface Event Expo in the US (Jan. 2020)

Collaboration & Outreach

To promote proper health and safety practices across the industry, we work with several organizations and regulatory organizations around the world. In Europe, we are working with NEPSI (the European Network for Silica) and the A.S.T.A. (Agglomerated Stone Manufacturers Association) to update and rewrite the NEPSI Good Practice Guide.

In addition, we partner with the International Surface Fabricators Association (ISFA), a global organization that helps fabricators improve product quality, increase safety measures and more. In 2021, we began to offer the Master of Stone training free to ISFA members.

In Australia, we are involved with the New South Waste task force for dust diseases, as well as the National Dust diseases task force, and we participate in roadshows across Australia educating fabricators on how to improve their safety practices. We plan to continue our work with all international associations to tackle the issue of dust diseases.

Sharing Our Message

We adhere to all requirements related to product service information and labeling. In 2020, we launched new product labels, using the language and messaging developed in the Master of Stone program. These labels are affixed to the slabs that are delivered to fabricators, and reflect the importance we put on creating transparent, authentic marketing materials.

We provide product information containing details and information regarding the properties of our products and safe use recommendations. Our warning materials are constantly evolving as we attempt to be more impactful and effective in increasing adherence to the safety measures required when fabricating our products. There were no claims made against warnings provided during the reporting period.
OCCUPATIONAL HEALTH & SAFETY

Health and safety are a top management priority, and EHS KPIs and targets are reviewed regularly at monthly management meetings and are reported to and overseen by the Board of Directors in quarterly meetings. The Caesarstone EHS team manages all issues related to occupational health and safety, and has implemented an EHS system based on all relevant global requirements, including OSHA and local standards in the various countries in which we operate and conduct business.

We continue to build a strong EHS culture with all management teams, standardizing policies and activities across sites. The EHS team manages the continual improvement of the EHS management system to achieve improvements in overall occupational health and safety performance through quarterly and annual reports to senior management, identification, and monitoring of relevant EHS KPIs, and remediation efforts. The EHS management system covers all employees at Caesarstone.

Comprehensive hazard identification and risk assessments are made at each facility every three years or before significant changes. These include detailed incident investigations with corrective measures identified. Risk assessments are conducted in all factory departments, and there is a ‘lessons learnt’ team to identify and track remedial efforts related to any incidents to avoid repeat occurrences. Workers can report work-related hazards to the EHS team or senior management by contacting them directly or via the EHS management system software specializing in occupational health. When necessary, medical tests are completed for employees by external labs. Occupational health and safety is managed by the Safety Committee. To ensure workers’ access and participation, we conduct roundtable events with employees on topics related to safety and health, and employees are invited to be part of the ‘lessons learnt’ team. In addition, employees participate in weekly safety meetings to review rules and updates.

All factory employees in Israel and the US receive annual training on all health and safety issues, as well as weekly “stand up” training sessions on a specific topic. Trainings are provided free of charge, during working hours. There are EHS recognition programs in all our plants, where employees are recognized for their participation in the hazard observation (good catches) program and receive recognition for improvements made to EHS practices.

EHS Activities

→ Maintaining an EHS management system
→ Determining EHS indicators
→ Creating internal, cross-department audit plan
→ Developing incident reporting process
→ Communicating changes and updates
→ Building a mechanism for employees to identify gaps and raise issues regarding safety
**Promotion of Worker Health**

Prevention and mitigation of occupational health and safety impacts is part of the ISO45001 certification program. We track risks and risk assessments, and put into place activities for mitigation solutions, for example, the Nuphar and Lotus programs.

A Health and Safety committee led by our CEO conducts routine meetings, bringing together all relevant managers. As part of our health and safety efforts, we continuously map various risks associated with our activities, and consult with health and safety professionals, occupational specialists and physicians; these experts participate, on our behalf, in conventions in order to stay up to date with best practices and scientific developments.

We have implemented an occupational health and safety management system based on recognized international standards & guidelines for employees. This allows us to conduct thorough investigations into various risk factors and mitigate risks.

**We track all risks and risk assessments**

**Lost Time Incident**

(Last 10 quarters)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3-18</th>
<th>Q4-18</th>
<th>Q1-19</th>
<th>Q2-19</th>
<th>Q3-19</th>
<th>Q4-19</th>
<th>Q1-20</th>
<th>Q2-20</th>
<th>Q3-20</th>
<th>Q4-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lost Time Incidents</td>
<td>16</td>
<td>14</td>
<td>12</td>
<td>10</td>
<td>8</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

With our Health & Safety culture embedded throughout the company, we have continuously improved lost time events. From 2018 to 2020, we saw a 72% reduction in Loss Time Injuries (LTI), due to significant investment in education and training on the part of management and employees.

**Work-Related Ill Health**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of fatalities as a result of work-related ill health</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Rate of fatalities as a result of work-related ill health</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of recordable work-related ill health injuries</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Rate of recordable work-related ill health injuries</td>
<td>0.63</td>
<td>0.97</td>
</tr>
<tr>
<td>Number of hours worked</td>
<td>3,200,000</td>
<td>3,095,475</td>
</tr>
</tbody>
</table>

Despite our ongoing efforts and activities, accidents and injuries still occasionally occur.
SUPPLY CHAIN MANAGEMENT

We work with a wide range of partners and suppliers across the globe and seek to secure the highest quality materials. These include suppliers for our principal raw materials, as well as suppliers for our corporate operations, such as business equipment, materials, and software.

Quartz, polyester, and pigment are the primary raw materials used in the production of our engineered quartz products. We acquire raw materials from third-party suppliers, who ship raw materials for our engineered quartz products to our manufacturing facilities in Israel and the U.S., primarily by sea. Our raw materials are generally inspected at the suppliers’ facilities and upon arrival at our manufacturing facilities.

Quartz is the main raw material component used in our engineered quartz products. We purchase quartz from our quartz suppliers after it has already been processed by them. We acquire quartz from suppliers primarily in Turkey, Belgium, India, Portugal, the US, and Israel.

We work closely with our global suppliers across the supply chain and seek to ensure they provide us with quality materials and meet our environmental and social standards. We do so through audits and evaluations conducted onsite by Caesarstone staff or via third party organizations, as well as through information that suppliers are required to provide. These include supplier quality audits, a supplier QA checklist, and specific questionnaires for OEMs focused on quality, based on similar levels and criteria for our internal facilities.

Our process for approving suppliers is extensive and can take approximately 7-12 months. It can include an evaluation of a supplier’s economic viability, an on-site visit, and an overview of their business operations and procedures.

Working with Original Equipment Manufacturers (OEMs)

As demand for our products rose, we considered options for producing our products closer to market to support local economic development and reduce our logistics footprint, both environmentally and economically. Three years ago, we began to work with select OEMs in China to serve various markets, such as Australia. While it takes approximately 5-6 weeks to ship our product from Israel to Australia, products can be shipped from China to Australia in about two weeks. This not only reduces supply chain costs, but it also reduces pollution due to sea freight.

Currently, we work with two OEM facilities in China for our quartz products and a facility in Italy for our porcelain products. We put tremendous resources into ensuring both materials and production processes meet our standards. In 2020, OEM products accounted for approximately 15% of our total sales by volume of slabs and approximately 10% of revenue.

To become a partner OEM, companies must answer a dedicated OEM supplier questionnaire which includes environmental questions, social questions (including slavery and anti-bribery), accident statistics, health & safety questions, and company history.

To review the environmental and social performance of our OEMs, we have a full time OEM Manager based in Israel and we have approximately 15 local staff in China via a third-party company who perform audits at the OEMs. These employees are trained in our QA techniques and standards.

As part of our OEM program, we share a significant amount of knowledge and expertise with change out to these local production facilities. We conduct weekly quality calls to review any investigations or corrective actions and monthly meetings to review supply, quality, improvement plans, customer feedback, and any training needs. We are proud of our close partnership with our OEM companies and the high standards and shared values we have developed together.

Suppliers: Environmental & Social Issues

Environmental issues related to supplies is an important matter, especially for the companies that supply us with the raw materials for our products, and which can potentially have significant environmental impacts. It is very important that suppliers comply with environmental standards, in order to prevent the material from having impurities or excess dust, which is harmful to health and hygiene. In addition, the packaging method is critical in preventing significant dust leakage into the environment.

Vendors are by evaluated by Caesarstone according to:

- **Quality:** Quality of raw materials received during the year, and percentage of deviation reports for raw materials not in good condition.
- **Continuous improvement:** How the company has improved during the year, according to Caesarstone requirements regarding packaging, shipping, environment, and safety.
- **Documentation:** Compliance with documentation in accordance with ISO management and procedures.

We have a close working relationship with our suppliers, who make all efforts to improve and correct any issues.
HUMAN TOUCH

Putting people first in our joint journey of craftsmanship, creativity, and development of our surfaces
PEOPLE FIRST

Our values are reflected in everything we do - each decision and interaction. At Caesarstone, we put People First. We treat each other with fairness and respect. We welcome and embrace diverse perspectives. We consistently provide opportunities for professional and personal growth, and we solve problems and create solutions as a team. We constantly deepen and expand our knowledge, striving for excellence and the highest quality in our work and materials.

HUMAN RIGHTS

We respect international social principles aimed at promoting and protecting human rights. We are committed to preventing any practices that violate human rights in our operations and supply chain. This is declared in our Code of Conduct, and is included in employee training related to the Code.

We respect international social principles aimed at promoting and protecting human rights. We are mindful of these principles, both for our internal operations and the companies we work with throughout our supply chain. We believe human trafficking, child labor and forced labor is unacceptable, and we are committed to preventing these practices in our operations and supply chain. This is stated in our Code of Conduct.

Caesarstone will not do business with suppliers or operations that are violating human rights. Where we have doubts regarding suppliers or operations in this regard, we will require them to commit to the prohibition against violations of human rights in their operations and may conduct audit measures or pursue other available alternatives.

Issues of human rights are a concern evaluated when we consider making an investment, and indeed our significant investment during 2020 included adherence to our Code of Conduct as part of the transaction.

When engaging with a major supplier, our vetting process includes questionnaires designed to assess human rights risks, and commitments to that respect are received included in our main purchasing contracts.
OUR EMPLOYEES

The Caesarstone special touch is applied throughout our design, engineering, and production process. It passes from the hands of our employees to the homes and workspace of our clients, and the craftsmanship shines through the entire journey.

Our employees are the heart of this journey and our organization, bringing their dedication, creativity, and expertise to work every day to make sure we are creating authentic products, with care. As such, we put tremendous resources and energy to support our employees and make sure they’re operating in the best possible work environment that is friendly, warm, reliable, safe, and trustworthy.
## ISRAEL

### Information on Employees and Other Workers 2019 - 2020

#### Year over Year Change 2019-2020

<table>
<thead>
<tr>
<th>By employment type</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
<th>% Full-time</th>
<th>Year over Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>161</td>
<td>476</td>
<td>637</td>
<td>29%</td>
<td>17% 20%</td>
</tr>
<tr>
<td>Part-time</td>
<td>5</td>
<td>4</td>
<td>9</td>
<td>2%</td>
<td>-2% 0%</td>
</tr>
<tr>
<td>Total</td>
<td>166</td>
<td>480</td>
<td>646</td>
<td>20%</td>
<td></td>
</tr>
</tbody>
</table>

Proportion of Full-Time out of total:
- Men: 25%
- Women: 74%
- Total: 27%

Proportion of Part-time out of total:
- Men: 1%
- Women: 1%
- Total: 1%

<table>
<thead>
<tr>
<th>By employment contract</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
<th>% Full-time</th>
<th>Year over Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
<td>164</td>
<td>480</td>
<td>644</td>
<td>28%</td>
<td>16% 19%</td>
</tr>
<tr>
<td>Temporary</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>5%</td>
<td>0% 50%</td>
</tr>
<tr>
<td>Total</td>
<td>166</td>
<td>482</td>
<td>648</td>
<td>20%</td>
<td></td>
</tr>
</tbody>
</table>

Proportion of Permanent out of total:
- Men: 25%
- Women: 74%
- Total: 72%

Proportion of Temporary out of total:
- Men: 0%
- Women: 1%
- Total: 1%

<table>
<thead>
<tr>
<th>Non-employee workers</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
<th>% Permanent / total</th>
<th>Year over Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>

**# of non-employee workers**

---

* The proportion of a particular gender category out of all workers of a particular employment type
** Includes contractors, interns, and all others who work under an external contract

---

## AUSTRALIA

### Information on Employees and Other Workers 2019 - 2020

#### Year over Year Change 2019-2020

<table>
<thead>
<tr>
<th>By employment type</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
<th>% Full-time</th>
<th>Year over Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>43</td>
<td>58</td>
<td>101</td>
<td>5%</td>
<td>-2% 3%</td>
</tr>
<tr>
<td>Part-time</td>
<td>18</td>
<td>20</td>
<td>38</td>
<td>-37%</td>
<td>100% -30%</td>
</tr>
<tr>
<td>Total</td>
<td>62</td>
<td>78</td>
<td>140</td>
<td>2%</td>
<td></td>
</tr>
</tbody>
</table>

Proportion of Full-Time out of total:
- Men: 36%
- Women: 48%
- Total: 38%

Proportion of Part-time out of total:
- Men: 1%
- Women: 17%
- Total: 2%

<table>
<thead>
<tr>
<th>By employment contract</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
<th>% Permanent / total</th>
<th>Year over Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
<td>4</td>
<td>58</td>
<td>62</td>
<td>92%</td>
<td>2% 61%</td>
</tr>
<tr>
<td>Temporary</td>
<td>16</td>
<td>17</td>
<td>33</td>
<td>0%</td>
<td>100% 6%</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>75</td>
<td>95</td>
<td>30%</td>
<td>-23% 6%</td>
</tr>
</tbody>
</table>

Proportion of Permanent out of total:
- Men: 5%
- Women: 73%
- Total: 35%

Proportion of Temporary out of total:
- Men: 20%
- Women: 98%
- Total: 26%

<table>
<thead>
<tr>
<th>Non-employee workers</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
<th>% Permanent / Gender</th>
<th>Year over Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>5</td>
<td>6</td>
<td>-65%</td>
<td>93%</td>
</tr>
</tbody>
</table>

**# of non-employee workers**

---

* The proportion of a particular gender category out of all workers of a particular employment type
** Includes contractors, interns, and all others who work under an external contract

---

---

<table>
<thead>
<tr>
<th>Contents</th>
<th>From the CEO</th>
<th>Our Business</th>
<th>ESG Vision</th>
<th>Earth</th>
<th>Safe</th>
<th>Human Touch</th>
<th>Heart of the Home</th>
<th>Annex</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

Caesarstone ESG Report 2020 | 97

---

96 | Caesarstone ESG Report 2020
Employee Communication

As a global, dispersed company with employees in many locations across the world, we focused on internal communication as a key corporate priority in 2020. We have made a commitment to increase the frequency and quality of our internal communications to reach all employees and make sure we are providing ongoing, transparent information on company performance, changes, strategy, and more. This has become even more crucial with the outbreak of the Covid-19 pandemic and uncertainty felt across the globe.

Starting in 2020, we published monthly CEO updates to all employees, with even more frequent updates during the Covid-19 pandemic. We offer quarterly virtual Town Hall meetings led by our Global CEO and VP HR, in which we present company results, business news, and answer any questions our team members may have, whether related to business operations or the organization.

In May 2020, we launched an internal communication application for all employees, which has been deployed across the globe with over 90% of our global workforce connected. Through this app, called myCS, we are able to deliver frequent online communication and offer an easy-to-use channel for all employees to be updated on company news.

We send financial report summaries to all employees and they receive notification of any public announcements related to stock or public financial news. We act according to all legal requirements for notifications related to any operational changes and provide appropriate notice to employees as required by local regulations, prior to the implementation of any significant operational changes that could substantially affect them.

Employee Engagement

In 2020, we conducted local pulse surveys on select topics in various locations, and we plan to conduct a full employee engagement survey in 2021. At our production facilities, we hold open roundtable tables for all employees, so they can receive updates, provide feedback, and ask any questions.

---

Employee data is presented for three of our major sites of operations: Israel, Australia, and North America (US & Canada). Together, these sites make up over 95% of our business employees.

Data is compiled by ADP headcount reports.

We continue to grow our company. As part of our commitment to having a diverse, inclusive workplace, we strive to ensure everyone has an equal opportunity to join our team and gain access to secure, permanent employment. A great majority of our workforce is full time, with more than 98% having permanent contracts in 2020.
DIVERSITY & EQUAL OPPORTUNITY

Caesarstone values the diversity of backgrounds, skills, and abilities that a global workforce brings to our business. Providing equal opportunities to develop people’s full potential encourages higher quality and more productive work, reduces employee turnover, and increases morale and engagement.

Across our global locations we have a diverse, vibrant employee community and it is part of our work culture to hear different languages spoken in our office and production facilities. In Israel, our employees come from across the country and include the full diversity of local society, including different nationalities, religion, and ethnicities. Our employees include members of under-represented communities, such as Arab Israelis and Druze, Ultra-Orthodox Jews, Ethiopian Jews, in addition to people with disabilities.

We are very proud of our diversity and consider it a privilege that the Caesarstone workplace is a space where members of different communities come together, working towards a common purpose and goal.

Our diversity efforts include supporting all employees, across nationalities and gender, to reach their full professional potential at Caesarstone.

Our Commitment

→ We recognize each other’s diverse abilities and experiences and accept different perspectives
→ We make employment related decisions based on business needs, job qualifications and employee competencies and expertise
→ We respect the right to freedom of association pursuant to applicable laws
Diversity of Governance Bodies and Employees

<table>
<thead>
<tr>
<th>Age Group</th>
<th>% Women</th>
<th>% Vulnerable Group</th>
<th>Over 50</th>
<th>% 30-50</th>
<th>% Under 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Age 30</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Ages 30-50</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Over Age 50</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Executive (C-Suite or Equivalent)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>% Women</th>
<th>% Vulnerable Group</th>
<th>Over 50</th>
<th>% 30-50</th>
<th>% Under 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Age 30</td>
<td>38%</td>
<td>0%</td>
<td>46%</td>
<td>54%</td>
<td>0%</td>
</tr>
<tr>
<td>Ages 30-50</td>
<td>36%</td>
<td>0%</td>
<td>64%</td>
<td>36%</td>
<td>0%</td>
</tr>
<tr>
<td>Over Age 50</td>
<td>30%</td>
<td>0%</td>
<td>27%</td>
<td>73%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Senior (VP or equivalent)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>% Women</th>
<th>% Vulnerable Group</th>
<th>Over 50</th>
<th>% 30-50</th>
<th>% Under 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Age 30</td>
<td>30%</td>
<td>0%</td>
<td>27%</td>
<td>73%</td>
<td>0%</td>
</tr>
<tr>
<td>Ages 30-50</td>
<td>40%</td>
<td>0%</td>
<td>23%</td>
<td>77%</td>
<td>0%</td>
</tr>
<tr>
<td>Over Age 50</td>
<td>44%</td>
<td>14%</td>
<td>12%</td>
<td>86%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Middle Management

<table>
<thead>
<tr>
<th>Age Group</th>
<th>% Women</th>
<th>% Vulnerable Group</th>
<th>Over 50</th>
<th>% 30-50</th>
<th>% Under 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Age 30</td>
<td>44%</td>
<td>14%</td>
<td>12%</td>
<td>86%</td>
<td>3%</td>
</tr>
<tr>
<td>Ages 30-50</td>
<td>47%</td>
<td>8%</td>
<td>17%</td>
<td>81%</td>
<td>2%</td>
</tr>
<tr>
<td>Over Age 50</td>
<td>14%</td>
<td>21%</td>
<td>17%</td>
<td>60%</td>
<td>23%</td>
</tr>
</tbody>
</table>

Non-managers

<table>
<thead>
<tr>
<th>Age Group</th>
<th>% Women</th>
<th>% Vulnerable Group</th>
<th>Over 50</th>
<th>% 30-50</th>
<th>% Under 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Age 30</td>
<td>14%</td>
<td>21%</td>
<td>17%</td>
<td>60%</td>
<td>23%</td>
</tr>
<tr>
<td>Ages 30-50</td>
<td>16%</td>
<td>20%</td>
<td>20%</td>
<td>58%</td>
<td>22%</td>
</tr>
<tr>
<td>Over Age 50</td>
<td>25%</td>
<td>23%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Ratio of Basic Salary and Remuneration of Women to Men

<table>
<thead>
<tr>
<th>Employment category</th>
<th>2019</th>
<th>2020</th>
<th>Change YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive (C-Suite or Equivalent) - Average pay</td>
<td>94%</td>
<td>94%</td>
<td>0%</td>
</tr>
<tr>
<td>Senior (VP or equivalent) - Average pay</td>
<td>81%</td>
<td>85%</td>
<td>4%</td>
</tr>
<tr>
<td>Middle Management - Average pay</td>
<td>90%</td>
<td>91%</td>
<td>1%</td>
</tr>
<tr>
<td>Non-managers - Average pay</td>
<td>115%</td>
<td>122%</td>
<td>6%</td>
</tr>
<tr>
<td>Overall</td>
<td>91%</td>
<td>93%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Non-discrimination

We have a clear anti-discrimination policy, as stated in the Caesarstone Code of Conduct.

We do not discriminate based on characteristics that are protected by applicable law and we treat all employees fairly without regard to age, race, nationality, origin, religion, gender, color, place of residence, condition of pregnancy, fertility treatments, marital status, parental status, disability, veteran status, sexual orientation, political preference, viewpoint, and military reserve service. In 2020, there were no incidents of discrimination at Caesarstone and there was no change in year over year employment-related complaints from 2019.

Employment

Our employees are the heart of Caesarstone. As a global company, we seek to ensure we meet all local labor and employment laws and regulations related to salaries, recruitment, benefits, etc. In each country, we offer competitive employment and benefit packages, with the aim of taking care of our employees now and in the future, after their retirement. We do not have any collective agreements.

Benefits

In 2020, Caesarstone Canada received $1,338,600 in grants from the Canadian government and Caesarstone UK received $286,457 in incentives or benefits from the UK government related to COVID-19 assistance and programs. Caesarstone Singapore received $20,747 in incentives or benefits from the Singapore government in 2018, $8,705 in 2019, and $189,064 in 2020 for COVID-19 relief.

Employment Turnover

<table>
<thead>
<tr>
<th>Age Group</th>
<th>New Hires</th>
<th>Attrition (Voluntary, Retirement, Termination, Death)</th>
<th>Rate of New Hires</th>
<th>Turnover rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Age 30</td>
<td>Women</td>
<td>3</td>
<td>25</td>
<td>5%</td>
</tr>
<tr>
<td>Ages 30-50</td>
<td>2</td>
<td>27</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Over Age 50</td>
<td>1</td>
<td>31</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Total (Women)</td>
<td>30</td>
<td>23</td>
<td>2%</td>
<td>-3%</td>
</tr>
<tr>
<td>Under Age 30</td>
<td>Men</td>
<td>16</td>
<td>16</td>
<td>11%</td>
</tr>
<tr>
<td>Ages 30-50</td>
<td>48</td>
<td>60</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Over Age 50</td>
<td>8</td>
<td>19</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Total (Men)</td>
<td>72</td>
<td>110</td>
<td>11%</td>
<td>-6%</td>
</tr>
<tr>
<td>Under Age 30</td>
<td>Total (all ages)</td>
<td>19</td>
<td>31</td>
<td>5%</td>
</tr>
<tr>
<td>Ages 30-50</td>
<td>73</td>
<td>87</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Over Age 50</td>
<td>75</td>
<td>25</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Total (all ages)</td>
<td>167</td>
<td>143</td>
<td>26%</td>
<td>23%</td>
</tr>
</tbody>
</table>

9% reduction of our rate of turnover in 2020 vs. 2019. This reflects our deep commitment to our employees, their professional development growth, and the Caesarstone culture.
Parental Leave

Parental Leave 2019 - 2020

<table>
<thead>
<tr>
<th>Period</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of employees that took parental leave in the year previous to this reporting period</td>
<td>17</td>
<td>2</td>
<td>19</td>
<td>5</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Total number of employees that returned from parental leave during the reporting period</td>
<td>10</td>
<td>2</td>
<td>12</td>
<td>6</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Total number of employees returning from parental leave in the year previous to this reporting period, and were still employed at least 12 months thereafter</td>
<td>10</td>
<td>0</td>
<td>10</td>
<td>10</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Return to work rate</td>
<td>59%</td>
<td>100%</td>
<td>63%</td>
<td>120%</td>
<td>100%</td>
<td>117%</td>
</tr>
<tr>
<td>Retention rate</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>59%</td>
<td>0%</td>
<td>53%</td>
</tr>
</tbody>
</table>

We support all parents, men and women, in taking parental leave to raise their families. In all countries, we abide by local labor regulations, ensuring employees receive full parental leave benefits.

As our employees are the most important resource for the company, we are committed to supporting their health and wellness. We provide health insurance to employees and their families beyond compliance in most countries in which we operate, seeking to ensure that employees have what we believe to be the best available health care. We offer retirement and benefits plans in all locations according to legal requirements and we provide retirement and compensation at the local accepted levels.

Training & Education

We are committed to providing our employees with training and education needed to complete their jobs and for their individual professional development. All new employees go through a full onboarding process with personal onboarding plans, including a list of specific training or certifications needed to fulfill their job responsibilities and how they will receive the training. We put special emphasis on training and certification in the production plants, to ensure all employees are equipped with the knowledge and skills necessary to complete their jobs at the highest level. Each Caesarstone location has a yearly budget for staff training and development, with the local HR teams designing the program to meet the needs of the employees at each location.

Compensation Policy

Employees are compensated based on local market practice, laws, and regulations. As a practice, we pay above minimum wage. We pay above minimum wage across all regions. We evaluate and make a market comparison every year and plan salary increases accordingly.

Performance Review

One of our core values is People First, and we see great importance in giving our employees feedback and providing them opportunities to develop their careers. More than 80% of our employees receive regular performance and career development reviews.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>674</td>
<td>790</td>
</tr>
<tr>
<td>Women</td>
<td>334</td>
<td>404</td>
</tr>
<tr>
<td>Total</td>
<td>1,008</td>
<td>1,194</td>
</tr>
<tr>
<td>Managers</td>
<td>135</td>
<td>169</td>
</tr>
<tr>
<td>Non-managers</td>
<td>873</td>
<td>1,025</td>
</tr>
<tr>
<td>Total</td>
<td>1,008</td>
<td>1,194</td>
</tr>
</tbody>
</table>
A NOTE ON COVID-19

In 2020, as the world experienced the global Covid-19 pandemic and lockdowns were put into place in many of the countries where we operate, we had to adjust quickly to an evolving situation.

Responding to the Pandemic

- The VP of Global HR was nominated as the company officer in charge of the Covid response, coordinating management efforts around the world.
- Covid crisis teams were established in all regions and met throughout 2020 to assess local needs and publish directives and updates to employees. All local regulations were tracked and adhered to.
- We increased global communication to update all employees on the implications of the pandemic, with frequent written updates from the CEO, including virtual Town Hall meetings for all regions each quarter.
- As soon as the implications of the pandemic became clear, we arranged for employees who are able to work from home to do so. This included providing equipment needed to work comfortably at home and improving our IT infrastructure to support remote activities.
- Special attention was given to the production plants where we have high numbers of employees who cannot work from home. Several actions were taken to seek to make sure employees were safe and production was able to run as smooth as possible, including:
  - Separate shifts, so employees did not interact with others unnecessarily
  - Teams that did not work in shifts were moved to shift work
  - In Israel, we implemented transportation management to help people arrive to work independently, with expenses covered
  - In all three production plants, we implemented and enforced strict quarantine rules and safety measures above and beyond those required by local health directives
  - To retain employees and avoid layoffs as much as possible, we made use of government furlough programs where available. This allowed us to keep our headcount relatively stable throughout the pandemic, with minimal layoffs during this period.
  - At UK headquarters, we provide on-site Covid-19 tests to employees, in cooperation with the UK NHS.

Our employees’ health and safety is of the highest priority for us, and our management team and HR worked around the clock to ensure all appropriate measures were taken according to local regulations, to make sure our employees feel safe and secure – both physically and emotionally, during this uncertain time.

We are extremely proud of our entire team who demonstrated incredible care and empathy towards each other throughout the pandemic. Their actions, both on personal and professional levels, are helping us get through the pandemic with as much support as possible.

In June 2020, we conducted a pulse survey of our Israel employees to evaluate our Covid-19 response.

Results include:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Score (out of 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I feel the company took the appropriate steps to protect my health and safety during the Corona pandemic</td>
<td>4.8</td>
</tr>
<tr>
<td>2. The frequency of updates I received from the company during the months of the pandemic was satisfactory</td>
<td>4.76</td>
</tr>
<tr>
<td>3. Transparency and clarity of information and instructions I received from the company during the months of the pandemic was satisfactory</td>
<td>4.71</td>
</tr>
<tr>
<td>4. I understand the guidelines that I am required to follow in terms of health and safety to continue to protect me and my colleagues in the workplace</td>
<td>4.9</td>
</tr>
<tr>
<td>5. The company enforces the various guidelines and regulations on employees</td>
<td>4.17</td>
</tr>
<tr>
<td>6. I have the necessary equipment to protect my health during this period</td>
<td>4.77</td>
</tr>
<tr>
<td>7. I have confidence in the senior management that they are making the right decisions for the organization</td>
<td>4.72</td>
</tr>
<tr>
<td>8. I understand what I need to focus on and what is expected of me as part of my role during this period</td>
<td>4.84</td>
</tr>
</tbody>
</table>

Results from the Satisfaction Survey on the company’s conduct during the coronavirus period, May 2020.

I continue to be impressed by the dedication and commitment shown by our employees throughout the year. The care and compassion they demonstrated to each other, our communities, partners and clients was truly inspiring.

Efrat Yitzhaki
VP Global Human Resources
LOCAL COMMUNITIES

Social Initiatives

We are committed to supporting the communities in which we live. This includes supporting initiatives and organizations that work to improve educational, health, and social issues for people and youth who live nearby our facilities. It also includes working with architects and designers that we interact and interact with in the larger design community.

Indirect Economic Impacts

Our production facilities in Israel and the US provide a significant number of jobs to the surrounding local communities. In addition, many service providers are local providers who also benefit from the activity at our facilities. Due to the location of our facility and its indirect economic impact on the local community, we are entitled to a lower tax rate for the Bar Lev facility in northern Israel.

Supporting the Community

We have a long history of supporting local community initiatives in Israel, with an emphasis on helping youth at risk. Through our community activities, we support:

Beit Taf Youth Hostel

Located in Pardes Hannah, the youth hostel provides a safe environment for youth at risk who do not live at home. For more than 15 years, we have supported the youth hostel's activities through annual financial contributions, as well as employee volunteer hours.

In 2020, due to the Covid-19 pandemic, we were not able to participate in volunteer activities onsite at the hostel; we hope to continue these activities when possible.

Maagalim

Since 2019, we have been contributing support to Maagalim, a national educational non-profit organization that empowers at-risk youth in 11th and 12th grade from the geographical and social peripheries in Israel and helps them undergo a process of personal growth. Our support includes financial donations, as well as volunteer support.

Kibbutz Sdot Yam Higher Education Fund

In recognition of our founding as a factory in Kibbutz Sdot Yam, we support a higher education fund for kibbutz youth who attend university and study a topic related to Caesarstone’s business operations. We have provided full funding for dozens of students, paying for their entire university education. In 2020, we supported 7 students from the Kibbutz. Students study a wide range of topics, including engineering, design, business administration, law, and other specialties.

Skills Development through Surfing

We support the surfing activities of the nonprofit organization Rahafat Kibbutz Sdot Yam, where they provide sports training and skills development for youth at the kibbutz.

Supporting Kids with Special Needs

In 2020, we began working with the organization Yad LaYeled HaMeyuchad, “Lend a Hand to the Special Child,” which supports youth with special needs, helping them integrate into society. Our support includes financial donations.

Food Security

In honor of the major holidays in Israel, every year we make a donation to local nonprofit organizations that support food security in Israel.

Our Commitment

→ We prohibit forced and compulsory labor, child labor and human trafficking
→ We volunteer in communities in which we live and work
→ We improve the wellbeing of people in need through social and community investment
→ We encourage employees to enrich themselves in actively participating in their communities

Caesarstone is a major supporter of Camp Quality in Australia, an organization dedicated to improving the quality of life for young cancer patients and their families by providing a supportive environment, education, and fun.

As part of our commitment to supporting non-profit organizations, we plan to establish a donations program to donate Caesarstone countertops to non-profit organizations that are undergoing renovations of their facilities or undertaking new building construction.
HEART OF THE HOME

Bringing innovation to the space where families and friends come together
CONSUMERS & INNOVATION

We are committed to fresh thinking and breakthrough ideas that create value for our customers and our business. We embrace curiosity and creativity in our endeavor to lead the industry.

Caesarstone works with the leading sustainability organizations in the green building sector as part of its sustainability leadership. Our certifications for our manufacturing sites and products support our customers’ needs for green and healthy building products and contribute to green building projects.

As a member of the United States Green Building Council (USGBC), Caesarstone is a natural partner for green building projects worldwide.

We are in the process of developing our strategy for creating more sustainable products.
We take our inspiration from the environment and nature around us, whether it’s the neutral stones at our production facilities or the urban, industrial environment in which we work. We are committed to protecting the environment and keeping it safe for the coming generations - it is a way of life for us. A significant portion of our attention and research into new product development methods is based on these values, with the goal of increasing recycled materials, utilizing local resources and safer components, and bringing them together in beautiful products.

Our R&D group focuses on process improvements, including enhancing the use of safe materials, with the intention of developing new products for new markets. We are currently looking at opportunities to reduce or replace hazardous materials and evaluating opportunities for the reuse and recycling of products at end-of-life. In addition, we are considering methods for waste reduction, as well as the development of alternative surface materials.

An example of this approach can be seen in the Outdoor Collection, a groundbreaking collection developed to provide the convenience of stain-resistant, easy to clean, highly durable surfaces in the form of beautifully designed, material that can withstand rain, snow, or sunshine. This collection allows consumers to cook, dine, and entertain comfortably outdoors. New R&D initiatives are evaluated based on quality, environmental impact, and business viability, and we look forward to reporting on these developments in future ESG reports.

We take our inspiration from the environment and nature around us

We are committed to protecting the environment and keeping it safe for the coming generations.
DIGITAL TRANSFORMATION

We are committed to meeting our partners and consumers where they are and providing an easy-to-use, engaging, valuable digital experience. We aim to be a trusted companion for consumers, leading them through their journey of renovating their spaces - from inspiration to post-installation.

The Caesarstone Digital Team strengthens our connection with business partners and end consumers, and we aim to build data-driven, personal relationships with our consumers, offering them a variety of digital tools and information to meet their needs. Our goal is to create simple and joyful experience, and to alleviate stress or anxiety that can accompany renovations.

We recently introduced a new, state-of-the-art global brand website that puts the consumer at the center. In addition to a full product catalogue, it includes an inspirational gallery for design ideas and a 3D interactive, visualization tool and a project checklist to help consumers make decisions in the overwhelming renovation process. We also have a Personal Style Quiz to help consumer discover their interior design style that best reflects their taste.

We recognize the value of creating a personalized digital experience and guiding, empowering consumers to make decision at home, due to social distance restrictions due to Covid-19.

Interactive Visualize

See your countertop set in 3D, and picture your space taking shape.

Link to website

Personal Style Guide

Discover the interior design style that best reflects your taste.

Link to website
Bridging the gap between the virtual and physical worlds

Caesarstone digital experience bridges the gap between the virtual and physical worlds, helping people find the closest showroom, retailer, fabricator or design studio where they can see and feel our products.

In North America, Australia, and the UK, consumer can order online samples of their favorite colors, and get a taste of their new counter-top.

In Australia a virtual consulting is offered from our show rooms, enables remote colors & matching consulting and full slab view.

Inspiration Gallery

Spark your inspiration for your home, bathroom, laundry room, commercial.

[Link to website]

Project Checklist

Helping you map out the journey that brings your dream to life.

[Link to website]
THE CONCEPT HOUSE

The Concept House, located in central Israel, gives people the opportunity to find all of the company’s colors at full size. The space engages consumers through the striking presentation of materials and introduces experiences that ignite the imagination of lifestyle and design enthusiasts.

Visitors are invited to see and experience the raw materials, while admiring the full-scale design and colors. Smart scanners and digital technology allows visitors to view a wide variety of material combinations to find exactly the right design solution for their needs. Upon the conclusion of their journey, everything the visitor has scanned is brought to life with the help of advanced technology and 3D simulation. Realistic personalized renderings are sent to the visitor’s personal email at the end of the visit.

We continue to develop innovative tools to support our connection with partners across the value chain. The tools we offer are available for designers and their clients, and are built to provide value across the renovation journey.

The Concept House was designed by Baranowitz + Kronenberg, an internationally acclaimed architecture and interior design studio founded by Irene Kronenberg and Alon Baranowitz.
ARCHITECTS & DESIGNERS

We work with leading global architects and designers to showcase the beauty, quality, and functionality of Caesarstone surfaces and share it with people around the world.

Milan Design Week

Since 2013, every year at the Milan Design Week we have partnered with world renown designers to showcase a certain attribute of Caesarstone materials – strength, movement, aesthetics, functionality, etc. These exhibitions provide an opportunity for a joint journey of creativity and inspiration for both designers and the public.

NENDO

Stone Edge, 2013

The Japanese design studio Nendo created the Stone Edge table collection, which consists of wooden tables with corner and leg details embellished with jewel-like pieces from the Caesarstone collection. The stone garden installation highlighted the strength of Caesarstone materials.
**RAW EDGES**

Islands, 2014

Created by the London based studio Raw Edges, the project reshaped the typical interior arrangement by positioning the surface as the starting point of kitchen design and food preparation processes, highlighting the design, beauty, quality, and functionality of Caesarstone surfaces.

**PHILIPPE MALOUIN**

Movements, 2015

The interactive installation included geometric, carved planters in a range of shapes, textures, and colors putting Caesarstone material at the heart of the creation process. It also included an eight-piece swing set made of the Caesarstone Supernatural collection, highlighting the material's qualities such as strength, durability, and flexibility – bringing an 'out of context' element into play.
TOM DIXON

The Restaurant, 2016

The Restaurant consists of four conceptual kitchens inspired by the elements – Earth, Fire, Water and Air. Each of the four kitchens introduced a different range of Caesarstone’s designs, demonstrating the versatility and beauty of the Caesarstone surfaces, combined with dining halls and products designed by Tom Dixon.

JAIME HAYON

Stone Age, 2017

In this collaboration with designer Jaime Hayon, Caesarstone materials were used as a precious component of his whimsical universe inspired by fauna – the natural world, and folklore. Blending fantasy with functionality, playfulness with craft, the installation incorporated over 48 Caesarstone colors combined with metal and glass, elevating the material to the luxury of precious stone.
SNARKITECTURE

Altered States, 2018

The NY based architecture firm Snarkitecture, known for taking everyday materials and converting them into unique installations, created Altered States, which focused on the idea of the kitchen island as not only a place for entertainment, hosting, performance and technology, but also as the hub for social life in general, inspired by the changing states of water, both in nature and in the kitchen.

Supporting Sustainable Practices for the Architect & Design Community

In a recent survey, eight out of ten design professionals indicated that sustainability and material health data are important in their product selection.

Material Bank

We are proud to work with Material Bank and support its sustainable business practices. The Material Bank is the largest sample provider for architectural and design projects in North America. Through its sample reclamation format, it reduces the number of samples needed, used, and produced.

Each manufacturer provides a limited number of samples per SKU. When an Architect or Designer orders a sample box of multiple product samples, the Material Bank delivers the samples in one box without plastic wrap, styrofoam or packaging. The boxes contain a return label, which allows the architect or designer to return the samples to Material Bank. The samples are then reused.

Mindful Materials

The mindful MATERIALS (mM) library is a free platform that is the leading building industry resource for aggregated health and sustainability product data. It is used by thousands of architecture and design professionals as a trusted source of product transparency and optimization information.

Caesarstone collaborates with the mM library, which is now linked to Material Bank to enable industry professionals to more easily prioritize sustainability in the specification and sampling process.
Caesarstone Trends Books

In 2018, we published Caesarstone Kitchen Trends, which looks at the latest trends that shape the design scene. The book explores kitchen and tech innovations, and how kitchens have become the central hub of the home. From lifestyle and cultural trends through surface treatments and finishes, four stories take the reader on a journey to better understand current aesthetics.

Our most recent trends book, Form Follows Food, was released in 2019 in partnership with Li Edelkoort, the world renown trend forecaster. The book explores three design trend directions, along with profiles of contemporary designers whose work is connected with food.
ANNEX

We measure ourselves, continuously
ABOUT THIS REPORT

This report covers the business operations and entities of Caesarstone as described above for the period of 2019-2020. We plan to include information on additional topics and business activities in future ESG reports, to be published bi-annually.

We would like to thank many people who contributed to our inaugural ESG report. The process was intense and collaborative, and offered us the opportunity to share our various experiences and aspirations regarding sustainability throughout the organization. We would like to thank our senior management teams in Israel, North America, UK, and Australia for their input and guidance, and the many managers and employees across the world who contributed their time and effort, as well as the information and data contained in the report.

Thank you to our external partners for their support and guidance throughout the process of creating this report, including EY, Portnov Mishan, and Tzipora Lubarr.

For additional information about this report, please contact:
Yoav Tzidon
Director of Corporate Development, Caesarstone
Yoav.Tzidon@caesarstone.com

SASB TABLE

TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

<table>
<thead>
<tr>
<th>Topic</th>
<th>Accounting metric</th>
<th>Category</th>
<th>Unit of measure</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Management in Manufacturing</td>
<td>(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable</td>
<td>Quantitative</td>
<td>Gigajoules (GJ), Percentage (%)</td>
<td>CG-BF-130a.1</td>
<td>GRI 302</td>
</tr>
<tr>
<td>Management of Chemicals in Products</td>
<td>Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products</td>
<td>Discussion and Analysis</td>
<td>n/a</td>
<td>CG-BF-250a.1</td>
<td>GRI 306</td>
</tr>
<tr>
<td>Product Lifecycle Environmental Impacts</td>
<td>Description of efforts to manage product lifecycle impacts and meet demand for sustainable products</td>
<td>Discussion and Analysis</td>
<td>n/a</td>
<td>CG-BF-410a.1</td>
<td>-</td>
</tr>
<tr>
<td>Wood Supply Chain Management</td>
<td>(1) Total weight of wood fiber materials purchased, (2) percentage from third-party certified forestlands, (3) percentage by standard, and (4) percentage certified to other wood fiber standards, (5) percentage by standard</td>
<td>Quantitative</td>
<td>Metric tons (t), Percentage (%) by weight</td>
<td>CG-BF-430a.1</td>
<td>None</td>
</tr>
</tbody>
</table>
### TABLE 2. ACTIVITY METRICS

<table>
<thead>
<tr>
<th>Topic</th>
<th>Category</th>
<th>Unit of measure</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual production</td>
<td>Quantitative</td>
<td>See note</td>
<td>CG-BF-000.A</td>
<td>GRI 305</td>
</tr>
<tr>
<td>Area of manufacturing facilities</td>
<td>Quantitative</td>
<td>Square meters (m²)</td>
<td>CG-BF-000.B</td>
<td>152,000 sqm</td>
</tr>
</tbody>
</table>

### GRI REPORTING INDEX

#### GENERAL STANDARD DISCLOSURE

**Organization Profile**

<table>
<thead>
<tr>
<th>102-1 Name of the Organization</th>
<th>Annual Report</th>
<th>Item 4, A. History and Development of the Company</th>
<th>37</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-2 Description of the organization’s activities; primary brands, products, and services, including an explanation of any products or services that are banned in certain markets</td>
<td>Annual Report/ESG report</td>
<td>Item 4, B. Business Overview</td>
<td>38,39,40</td>
</tr>
<tr>
<td>102-3 Location of organization's headquarters</td>
<td>Annual Report</td>
<td>Item 4, A. History and Development of the Company</td>
<td>37</td>
</tr>
<tr>
<td>102-4 Location of operations: Number of countries where the organization operates, and names of countries where it has significant operations and/or that are relevant to the topics covered in the report</td>
<td>Annual Report</td>
<td>Item 4, D. Property, Plants and Equipment</td>
<td>49</td>
</tr>
<tr>
<td>102-5 Nature of ownership and legal form</td>
<td>Annual Report</td>
<td>Item 4, C. Organizational Structure</td>
<td>49,50,51</td>
</tr>
<tr>
<td>102-6 Markets served, including geographic breakdown, sectors served, and types of customers/beneficiaries</td>
<td>Annual Report</td>
<td>Item 4, B. Business Overview</td>
<td>38,39,40,41</td>
</tr>
<tr>
<td>102-7 Scale of the reporting organization</td>
<td>Annual Report</td>
<td>Item 5, A. Operating Results</td>
<td>51-55</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Item 6, D. Employees</td>
<td>96</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Item 3, A. Selected Financial Data</td>
<td>1-4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ESG Report</td>
<td>What We Do</td>
</tr>
</tbody>
</table>
### GRI Indicator | Description | Disclosure Source | Section(s) | Page(s) | Omissions
--- | --- | --- | --- | --- | ---
102-8 | Total number of employees by employment contract (permanent and temporary) by region; Total number of employees by employment type (full-time and part-time) by gender; Whether a significant portion of the organization’s activities are performed by workers who are not employees; Any significant variations in the numbers reported above (such as seasonal variations) | ESG Report | Our Employees | 94 | 
102-9 | Describe the organization’s supply chain | ESG Report | Supply Chain Management | 88 | 
102-10 | Significant changes regarding the organization’s size, structure, ownership, or its supply chain | ESG Report | What We Do | 16 | 
102-12 | List externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses | ESG Report | Collaborations & Partnerships | 38 | 
102-20 | Executive-level responsibility for economic, environmental and social topics | Corporate Governance | 35 | 
102-21 | Consulting stakeholders on economic, environmental, and social topics | Corporate Governance | 35 | 
102-22 | Composition of the highest governance body and its committees | A. Directors & Senior Management | 73-77 | 
102-23 | Chair of the highest governance body | A. Directors & Senior Management | 73-77 | 
102-24 | Nominating and selecting the highest governance body | A. Directors & Senior Management | 81-84 | 
102-25 | Conflicts of interest | D. Risk Factors | 24 | 
102-26 | Role of the highest governance body in setting purpose, values and strategy | C. Board Practices | 81 | 
102-27 | Collective knowledge of highest governance body | C. Board Practices | 81 | 
102-28 | Evaluating the highest governance body’s performance | C. Board Practices | 81 |
<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Disclosure Source</th>
<th>Section(s)</th>
<th>Page(s)</th>
<th>Omissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-29</td>
<td>Identifying and managing economic, environmental, and social impacts</td>
<td>ESG Report</td>
<td>Corporate Governance</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>102-30</td>
<td>Effectiveness of risk management processes</td>
<td>Annual Report</td>
<td>ITEM 3, D. Risk Factors</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>102-31</td>
<td>Review of economic, environmental, and social topics</td>
<td>ESG Report</td>
<td>Corporate Governance</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>102-32</td>
<td>Highest governance body's role in sustainability reporting</td>
<td>ESG Report</td>
<td>Corporate Governance</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>102-33</td>
<td>Communicating critical concerns</td>
<td>ESG Report</td>
<td>Corporate Governance</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>102-34</td>
<td>Nature and total number of critical concerns</td>
<td>ESG Report</td>
<td>Corporate Governance</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>102-35</td>
<td>Remuneration policies</td>
<td>Annual Report</td>
<td>ITEM 6: B. Compensation of Officers &amp; Directors</td>
<td>88</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>ITEM 6 C. Board Practices – Compensation Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>ITEM 6 C. Board Practices – Compensation Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-37</td>
<td>Stakeholders’ involvement in remuneration</td>
<td>Annual Report</td>
<td>ITEM 6: B. Compensation of Officers &amp; Directors</td>
<td>77</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>ITEM 6 C. Board Practices – Compensation Committee</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Stakeholder Engagement**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Disclosure Source</th>
<th>Section(s)</th>
<th>Page(s)</th>
<th>Omissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-40</td>
<td>List of stakeholder groups engaged by the organization</td>
<td>ESG Report</td>
<td>Corporate Governance</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>102-41</td>
<td>Collective bargaining agreements</td>
<td>ESG Report</td>
<td>Our Employees</td>
<td>94</td>
<td></td>
</tr>
</tbody>
</table>

**Reporting Practice**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Disclosure Source</th>
<th>Section(s)</th>
<th>Page(s)</th>
<th>Omissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-42</td>
<td>Basis for identification and selection of stakeholders with whom to engage</td>
<td>ESG Report</td>
<td>Corporate Governance</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>102-43</td>
<td>Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group</td>
<td>ESG Report</td>
<td>Corporate Governance</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>102-44</td>
<td>Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting</td>
<td>ESG Report</td>
<td>Corporate Governance</td>
<td>36</td>
<td></td>
</tr>
</tbody>
</table>

*Omission of 102-44 ii. due to lack of data to be collected and reported in the next ESG report.*
## SPECIFIC STANDARD DISCLOSURES

### Economic

#### 201: Economic Performance

- **201-1** Direct economic value generated and distributed
  - Financial implications and other risks and opportunities due to climate change
  - Annual Report Item 5, A. Operating Results
  - Page: 58

- **201-2** Defined benefit plan obligations and other retirement plans
  - Annual Report Item 3, D. Risk Factors
  - Page: 35

- **201-3** Financial assistance received from the government
  - ESG Report Diversity & Equal Opportunity
  - Page: 104

- **201-4** Financial assistance received from the government
  - ESG Report Diversity & Equal Opportunity
  - Page: 103

#### 203: Indirect Economic Impacts

- **203-2** Significant indirect economic impacts, including the extent of impacts
  - ESG Report Indirect Economic Impacts
  - Page: 108

#### 205: Anti-Corruption

- **205-1** Operations assessed for risks related to corruption
  - ESG Report Corporate Governance
  - Page: 35

- **205-2** Communication and training about anti-corruption policies and procedures
  - ESG Report Corporate Governance
  - Page: 35

- **205-3** Confirmed incidents of corruption and actions taken
  - ESG Report Corporate Governance
  - Page: 35

### Environmental

#### 301: Materials

- **301-1** Materials used by weight or volume
  - ESG Report Materials
  - Page: 58

- **301-2** Recycled input materials used
  - ESG Report Materials
  - Page: 59

#### 302: Energy

- **302-1** Energy consumption within the organization
  - ESG Report Energy
  - Page: 60-61

  - Information for 302-1b is omitted as it is not applicable - Caesarstone does not consume energy from renewable sources.

  - The organization does not report information for parameters 302-1c ii-iv as the information is unavailable – Caesarstone does consume energy for heating, cooling, or steam.

  - Information for 302-1d is omitted as it is not applicable as Caesarstone does not produce energy resources.

- **302-4** Reduction of energy consumption
  - ESG Report
  - Page: DATA MISSING - PENDING
  - Page: 61-62

### Anti-Competitive Behavior

- **206: Anti-Competitive Behavior**

  - **206-1** Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
    - ESG Report Corporate Governance
    - Page: 35

### Tax

- **207: Tax**

  - **207-1** Approach to tax
    - ESG Report Taxes
    - Page: 40

  - **207-2** Tax governance, control, and risk management
    - ESG Report Taxes
    - Page: 40

  - **207-4** Country-by-country reporting
    - Annual Report Item 10.E: Taxation
    - Page: 115
<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Description</th>
<th>Disclosure Source</th>
<th>Section(s)</th>
<th>Page(s)</th>
<th>Omissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>303: Water</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>303-1</td>
<td>Interactions with water as a shared resource</td>
<td>ESG Report Water</td>
<td>65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>303-2</td>
<td>Management of water discharge-related impacts</td>
<td>ESG Report Water</td>
<td>65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>303-3</td>
<td>Water withdrawal</td>
<td>ESG Report Water</td>
<td>66</td>
<td></td>
<td></td>
</tr>
<tr>
<td>305: Emissions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>305-1</td>
<td>Direct (Scope 1) GHG emissions</td>
<td>ESG Report Air</td>
<td>62-64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>305-2</td>
<td>Energy indirect (Scope 2) greenhouse gas emissions</td>
<td>ESG Report Air</td>
<td>62-64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>305-4</td>
<td>GHG emissions intensity</td>
<td>ESG Report Air</td>
<td>64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>306: Waste</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>307: Environmental Compliance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>307-1</td>
<td>Non-compliance with environmental laws and regulation</td>
<td>ESG Report Environmental Compliance</td>
<td>71</td>
<td></td>
<td></td>
</tr>
<tr>
<td>308: Supplier Environmental Assessment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>308-1</td>
<td>New suppliers that were screened using environmental criteria</td>
<td>ESG Report Supply Chain Management</td>
<td>89</td>
<td></td>
<td></td>
</tr>
<tr>
<td>308-2</td>
<td>Negative environmental impacts in the supply chain and actions taken</td>
<td>ESG Report Supply Chain Management</td>
<td>89</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>401: Employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>401-1</td>
<td>New employee hires and employee turnover</td>
<td>ESG report Diversity &amp; Equal Opportunity</td>
<td>103</td>
<td></td>
<td></td>
</tr>
<tr>
<td>401-3</td>
<td>Parental leave</td>
<td>ESG report Diversity &amp; Equal Opportunity</td>
<td>104</td>
<td></td>
<td></td>
</tr>
<tr>
<td>402: Labor/Management Relations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>402-1</td>
<td>Minimum notice periods regarding operational changes</td>
<td>ESG report Employee Communication</td>
<td>99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>403: Occupational Health &amp; Safety</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>403-1</td>
<td>Occupational health and safety management system</td>
<td>ESG Report Occupational Health and Safety</td>
<td>83-84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>403-2</td>
<td>Hazard identification, risk assessment, and incident investigation</td>
<td>ESG Report Occupational Health and Safety</td>
<td>84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>403-3</td>
<td>Occupational health services</td>
<td>ESG Report Occupational Health and Safety</td>
<td>84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>403-4</td>
<td>Worker participation, consultation, and communication on occupational health and safety</td>
<td>ESG Report Occupational Health and Safety</td>
<td>84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>403-5</td>
<td>Worker training on occupational health and safety</td>
<td>ESG Report Occupational Health and Safety</td>
<td>84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>403-6</td>
<td>Promotion of worker health</td>
<td>ESG Report Occupational Health and Safety</td>
<td>86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI Indicator</td>
<td>Description</td>
<td>Disclosure Source</td>
<td>Section(s)</td>
<td>Page(s)</td>
<td>Omissions</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------</td>
<td>------------------</td>
<td>------------</td>
<td>---------</td>
<td>-----------</td>
</tr>
<tr>
<td>403-7</td>
<td>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</td>
<td>ESG Report</td>
<td>Occupational Health and Safety</td>
<td>86</td>
<td></td>
</tr>
<tr>
<td>403-8</td>
<td>Workers covered by an occupational health and safety management system</td>
<td>ESG Report</td>
<td>Occupational Health and Safety</td>
<td>86</td>
<td>For 403-8a,c Data is not fully available, to be collected and reported in the next ESG report</td>
</tr>
<tr>
<td>403-9</td>
<td>Work-related injuries</td>
<td>ESG Report</td>
<td>Occupational Health and Safety</td>
<td>86</td>
<td></td>
</tr>
<tr>
<td>403-10</td>
<td>Work-related ill health</td>
<td>ESG Report</td>
<td>Occupational Health and Safety</td>
<td>87</td>
<td></td>
</tr>
</tbody>
</table>

### 404: Training & Education

- **404-3** Percentage of employees receiving regular performance and career development reviews | ESG Report | Diversity & Inclusion | 105 |

### 405: Diversity & Equal Opportunity

- **405-1** Diversity of governance bodies and employees | ESG Report | Diversity & Equal Opportunity | 102 |
- **405-2** Ratio of basic salary and remuneration of women to men | ESG Report | Diversity & Equal Opportunity | 102 |

### 406: Non-discrimination

- **406-1** Total number of incidents of discrimination and corrective actions taken | ESG Report | Diversity & Equal Opportunity | 103 |

### 408: Child Labor

- **408-1** Operations and suppliers identified as having significant risk for incidents of child labor | ESG Report | Human Rights | 93 |

---

### 409: Forced or Compulsory Labor

- **409-1** Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor | ESG Report | Human Rights | 93 |

### 412: Human Rights Assessments

- **412-2** Employee training on human rights policies or procedures | ESG Report | Human Rights | 93 |
- **412-3** Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | ESG Report | Human Rights | 93 |

### 413: Local Communities

- **413-1** Operations with local community engagement, impact assessments, and development programs | ESG Report | Local Communities | 109 |
- **413-2** Operations with significant actual and potential negative impacts on local communities | ESG Report | Local Communities | 109 |

### 414: Supplier Social Assessment

- **414-2** Negative social impacts in the supply chain and actions taken | ESG Report | Supply Chain Management | 89 |

### 417: Marketing and Labeling

- **417-1** Requirements for product and service information and labeling | ESG Report | Sharing Our Message | 83 |
- **417-2** Incidents of non-compliance concerning product and service information and labeling | ESG Report | Sharing Our Message | 83 |
FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements with respect to Caesarstone's sustainability goals and its plans, intentions, expectations, assumptions, goals and beliefs regarding its business. These statements include all matters that are not historical fact and may be identified by the use of words such as “believes,” “expects,” “will,” “targets,” “goals,” “KPI” or similar expressions, including variations and the negatives thereof or comparable terminology. These forward-looking statements include, among other things, statements about expectations in connection with the Company's environmental, social and governance ("ESG") initiatives, including the targets and goals set forth in this report.

Caesarstone (the “Company”) cautions that its forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from those expressed in, or implied or projected by, the forward-looking information and statements in this report. Important factors that could cause actual results to differ from those anticipated in these forward-looking statements include, among other things: the extent of the Company's ability to meet its ESG goals and targets and the specified KPIs set forth in this report, including with respect to the reduction in water usage and electricity consumption; the extent of the Company's ability to maintain a healthy and safe environment for the Company’s employees; management of GHG and silica emissions; the degree of the Company's ability to develop, produce and deliver high quality and safe products; the Company's ability to effectively manage changes in its production and supply chain; the extent of the Company's ability to build-out and expand into certain markets; the Company's ability to effectively manage its relationship with suppliers; and those additional factors referred to under “Risk Factors” in Item 3.D of the Company's Annual Report on Form 20-F for the year ended December 31, 2020, filed with the U.S. Securities and Exchange Commission, or the SEC, on March 22, 2021, as supplemented from time to time. In light of these and other risks, uncertainties and assumptions, the forward-looking events described in this report may not occur. The forward-looking statements speak only as of the date of this report. The Company undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this report.

FISCAL 2020 REPORT

Except where noted, the information covered in this report highlights the Company's ESG performance and initiatives for fiscal year 2020. The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact of that information. Moreover, this report may use certain terms, including those that GRI or others may refer to as “material,” to reflect the issues or priorities of Caesarstone, its subsidiaries and its stakeholders. Used in this context, however, these terms are distinct from, and should not be confused with, the terms “material” and “materiality” as defined by or construed in accordance with securities, or other, laws or as used in the context of financial statements and reporting. This report may contain links to or information from other Internet sites. Such links and information are not endorsements of any products or services in such sites, and no information in such site has been endorsed or approved by Caesarstone.