Health and Safety

Cosentino’s safety policies are based on risk assessment, planning of preventative measures, maximum transparency in the reporting of incidents and accidents, improvement actions, implementation of procedures that address critical risks, ongoing employee training, communication, control and monitoring of action plans through production inspections and meetings, and audits of the prevention service of each affiliate.

Risk Assessment is the key element to plan the different activities of the health and Safety management system. The initial risk assessment result document and its corresponding updates should be taken into account when verifying the application of preventive measures in the workplace, whether through periodic inspections or internal or external audits, in order to verify the effectiveness of the solutions adopted.

Cosentino’s risk evaluations are conducted by Senior Prevention Technicians and cover all jobs and work stations. They must consider all the risks of the job or the environment that are unavoidable and that could affect employees’ health and safety.

Stages of the preventative process

Identification and analysis of risks

Risk assessment

Preventive planning

Application of preventive measures

Information and training

Implementation of preventive activities
In order to eliminate the risks to which employees may be exposed, accidents with personal injuries are investigated as are all near miss incidents that could pose a risk to people’s health. To facilitate this task in 2020, there is a commitment to conduct a risk assessment of at least one section per factory through Gensuite, a specific security software that traces safety actions in this area.

For Cosentino, the safety and welfare of its employees is a priority. As such, the company has a Health and Safety Committee—a joint and chartered participation body for the regular and periodic consultation of the company’s actions in preventative areas formed in accordance with Article 38 of Law 31/1995. This committee is comprised of three company representatives and three prevention delegates, whose roles are set out in Article 35 of the Prevention Law, all of whom have full voting rights.

In addition to the members of the Health and Safety Committee, prevention technicians and company employees with special qualifications or information on the matters to be addressed may participate in a non-voting capacity. Meetings will be held monthly or when requested by either party.

The Health and Safety Committee deals with any current issues in the organisation with particular relevance to the health and safety of workers.

Cosentino has set up a Joint Prevention Service that implements processes for employee participation and consultation as follows:

- Providing support to the Gensuite tool through which different participation tasks are organised, such as:
  - Preventive safety observations (PSOs), through which personnel managers observe tasks and make proposals for their improvement.
  - Regular meetings are organised between shift workers on the different production lines to discuss safety issues. The proposals are coordinated as actions that are monitored by the technicians assigned to each production facility.
- Weekly safety requirement meetings are held between the prevention technician and the production manager of each plant, where the actions being taken with regard to safety are monitored.
- Accident statistics and knowledge about the prevention measures to be applied in certain risk situations such as Near Miss or occupational accidents, are shared with workers through the Safety Alert tool, which is published in the Safety Corners located in each plant.
- A Medical Service with specialised staff is available to employees for any kind of consultation.
- Sensitive personnel are also served by both the Medical Service and the People and Health and Safety departments in order to make any possible adaptations to the workplace.
- The Health and Safety department coordinates communication tools such as videos, posters and Best practice manuals, which are then distributed among internal staff and clients.

An annual safety week is held, in which various health and safety awareness campaigns are carried out and exemplary individual conduct is rewarded.
At Cosentino Group we work every day to be a leader in the areas of risk prevention and occupational health, with the objective of creating a safe working environment and achieving the goal of “Zero Accidents”.

**Change in Accident Rates TCIR and LTIR**

<table>
<thead>
<tr>
<th>Year</th>
<th>TCIR</th>
<th>LTIR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>4.1</td>
<td>4.1</td>
</tr>
<tr>
<td>2018</td>
<td>1.77</td>
<td>4.1</td>
</tr>
<tr>
<td>2019</td>
<td>1.53</td>
<td>3.48</td>
</tr>
</tbody>
</table>

**Health and safety training and promotion**

- Routines Safety Programme
- Promotion of healthy life habits
- Health and safety training: 13,635 hours of training at Cantoria HQ.

**Commitment**

to the entire value chain: employees, partners, customers and suppliers.

**Objective**

*Zero Accidents*

**€12.8 million**

Investment in safety
Commitment to our value chain

In 2019, we invested 12.8 million Euros in safety at the Cantoria plant, 9.1 million of which was spent on preventing exposure to dust. These actions have mainly consisted of implementing pneumatic transport, suction systems, water control systems in polishing lines, placing activation systems outside the equipment, air-breathing systems, ventilation, water treatment systems and sectioning off areas during closures.

Cosentino’s management system, which covers all employees, contractors and stakeholders such as customers and suppliers, follows the standards of the regulations in force, consisting of Policy, Prevention Plan, procedures, safety instructions and operational instructions. In 2019, adaption of the Management System ISO 45001 was started. The following have been defined as a result: Integrated manual of Safety, Quality and Environment, risk assessment procedure, training, change management procedure, non-compliance and audits.

With regard to occupational health services, Cosentino carries out health surveillance programmes in accordance with applicable regulations. In this regard, the factory in Cantoria has arranged the discipline of Medicine in the Workplace with the Quirón Prevención organisation.

Under Health Monitoring, health examinations are carried out on new starters and all employees periodically on an annual basis.

Main lines of action

- To continue with our preventive action plan for employees initiated several years ago to minimise sources of dust, making any necessary investments, informing and training employees in best practices and ensuring the use of personal protective equipment.
- To maintain ongoing dialogue with our stakeholders, customers, installers, suppliers, employers’ associations, mutual companies, public administrations in the field of health and safety, trade unions, in order to find and disseminate the best available health and safety measures.
- To continue with our digitalisation programme on safety by providing the management chain with the tools to supervise activity and to report incidents and irregularities in terms of safety.
- To implement smoking cessation programmes in Cantoria and promote healthy habits.
- To certify the Cantoria factory according to an ISO 45001 management system over the next three years, in order to continuously improve beyond legal compliance.
- To consolidate compliance with the prevention measures of the free crystalline silica exposure reduction project being implemented in U.S. workshops, via an audit every 6 months and a specific silica assessment per workshop. Integration of Silica Engineering measures into maintenance plans, through Gensuite.
- Reporting of contractor incidents to purchasing, maintenance, engineering and production on a weekly basis.
- To include contractor accidents in our calculation of group accident rates.
Leadership programme in occupational health and safety

Our Safety by Routine programme is now a tried and tested key tool for accident reduction, reducing total accident rates by 30% in the four years since it was first implemented in 2016. Through these actions, we have improved leadership, commitment and daily management of health and safety, thanks to the reporting of actions in each area and follow-up in production meetings.

These actions include the implementation of the computer application Gensuite to improve the management of preventive activity. This system is now fully implemented in the United States, Oceania, Brazil and our factory in Spain. It is currently being rolled out in Europe.

The key measures taken include:

- Improved Accident Rates (TCIR) by 17% (3.4 vs 4.1).
- Reduction in Accident Rates with Sick Leave by 16% (1.5 vs 1.8).
- Reduction of severity rate by 10% (72 vs 80).
- USA: All posts remain under the limit.
- 1,233 safety improvement actions reported through the Gensuite platform, of which 1,003 have been closed.
- Start of the 5 Cardinal rules audits in the period from October-December resulting in:
  - 232 Improvement actions detected.
  - 202 Improvement actions completed.
  - 28 Proposals to issue warnings to contractors for safety breaches.
  - 23 warnings for non-use of PPE and failure to consign equipment to own staff.

- Latin America
  - Different types of training on employee safety (bridge crane, machine and equipment safety, respiratory protection, chemicals, working at heights, rotary machines);
  - Implementation of safety records in Gensuite;
  - Training for bridge crane instructors;
  - Review of the Emergency Plan and signs indicating the meeting points in the plant;
  - Installation of equipment locking devices using padlocks on looms;
  - Installation of exhaust fans (air extractors) in the grinding area on the deck of part of building 3.

17% Improved Accident Rates (TCIR) by 17% (3.4 vs 4.1)

16% Reduction in Accident Rates with Sick Leave by 16% (1.5 vs 1.8)

10% Reduction in severity rate by 10% (72 vs 80)
People

- Commitments made by Cosentino
  - Implementing a communication plan for employees about silicosis.
  - ISO 45001 certification in 2020 in the Cantoria plant.
  - Video broadcast about logistical handling in the centres on an international level.
  - To continue providing information to clients through classrooms, newsletters, communications etc.
  - To consolidate Silica performances in USA workshops, keeping dust levels below the limit.
  - Video broadcast of SCR Stone focus in Iberian centres.
  - Training customers in Iberia together with the CTM (Technological Centre for Marble, Stone and Materials) and the INSST (National Institute for Occupational Health and Safety) in Industrial Hygiene.

- In Latin America, the commitments for 2020 are:
  - Inspection of registered machines and equipment.
  - Review of the risk analysis of each sector of factories and centres.
  - Conducting SIPAT (Internal Week of Accident Prevention).
  - Environmental assessments (dust, noise and others) in the factory sectors.
  - Ergonomic assessment of each work station in offices and factories.

Each year, at the Cantoria work centre, the annual training plan, which contains all training given to workers in the area of occupational risk prevention, is drawn up jointly with the workers’ representatives.

Highlighted health and safety issues discussed with union representatives

1. An accident rate summary is presented monthly.

2. Initiatives carried out by the organisation, such as the implementation of the pneumatic system, are presented as collective protection measures against the risk of exposure to silica dust.

3. Initiatives in terms of protocols for the diagnosis of occupational diseases are presented to the prevention delegates.

4. This forum is used to inform workers’ representatives of changes in the workplace.

5. Updates are provided on the use of individual respiratory protection and progress in implementing collective protection measures, such as increased suction capacity in production lines.

6. The action plans for the most typical accidents are discussed with the employees’ representatives.
Health and safety training

In 2019 a total of 387 training activities on employee health and safety have been carried out at Cantoria HQ. Compared to the previous year, this represents a decrease of 8.7% in the number of sessions delivered, since many of the needs had already been covered by the training provisions developed in the previous period. Meanwhile, the total number of staff trained increased to 3,483, which signifies an increase of 23.3% compared to 2018.

This data shows an increase of 7.7% in the total number of training hours, compared to the 13,635 total hours training in 2019. This increase is due to an improvement in the organisation of different sessions and a rise in interest in the topics proposed, increasing the number of participants in each session.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students trained</td>
<td>4,324</td>
<td>2,824</td>
<td>3,483</td>
</tr>
<tr>
<td>Total training hours</td>
<td>12,272</td>
<td>12,661</td>
<td>13,635</td>
</tr>
</tbody>
</table>

Training programme

Some of the areas included in the training programme in 2019

- Machine safety;
- ATEX ExB;
- Management chain responsibilities;
- Work permit management;
- Risks and preventive measures in industrial or administrative jobs;
- Authorisation in the industrial area and the distribution and logistics areas (fork-lifts, electric pallet truck, bridge crane/hoist, crane truck, mobile elevated platform for people, working at height, confined spaces);
- ATEX for operators;
- Handling chemical products;
- Recycling of ITC Mining;
- Second cycle of the construction sector;
- Safety Champion;
- Basic Level in Occupational Risk Prevention;
- First aid;
- GENSUITE.
Main accident rates

The main aim of all the activities mentioned above is to reduce our main accident rates.

These results are thanks to daily work and efforts and the ongoing promotion of a culture of prevention amongst our employees.

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall accident rate</td>
<td>10.19253</td>
<td>1.6436</td>
</tr>
<tr>
<td>Severity Rate</td>
<td>99.1</td>
<td>2.4</td>
</tr>
<tr>
<td>No. of occupational illnesses declared</td>
<td>8</td>
<td>0</td>
</tr>
</tbody>
</table>

In production posts where there are more men than women, the risk level is higher, so we have a high number of accidents and lost days affecting men. Furthermore, a larger number of women work in posts that are not involved in production itself and carry less risk, thus contributing to a lower accident rate.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accident with Sick Leave Rate (LTIR)</td>
<td>1.30</td>
<td>1.77</td>
<td>1.53</td>
</tr>
<tr>
<td>Severity Rate</td>
<td>66.30</td>
<td>80.1</td>
<td>71.7</td>
</tr>
<tr>
<td>Total Accident Rate (TCIR)</td>
<td>4.10</td>
<td>4.1</td>
<td>3.40</td>
</tr>
<tr>
<td>Lost days</td>
<td>2,344</td>
<td>3,011</td>
<td>3,086</td>
</tr>
<tr>
<td>Total number of accidents</td>
<td>141</td>
<td>156</td>
<td>150</td>
</tr>
<tr>
<td>Occupational Illnesses Rate</td>
<td>0</td>
<td>0</td>
<td>0.17</td>
</tr>
<tr>
<td>Absenteeism figures</td>
<td>1.70</td>
<td>1.80</td>
<td>3.80</td>
</tr>
<tr>
<td>Absenteeism hours</td>
<td>n.a.</td>
<td>n.a.</td>
<td>154,828.76</td>
</tr>
</tbody>
</table>

n.a.: Not available at the time of writing the report.

LTIR = (No. accidents with sick leave/hours worked) * 200000
Severity rate = (No. of days lost due to accident/hours worked) * 200000
Occupational illnesses rate = (No. declared BIR incidents/hours worked) * 200000

The absenteeism figures are limited to employees in Spain: (Days lost / (No. of workers x calendar days)) x 100
where days lost are the total number of days of absence, within the period of the total cases in the period.

Total Cases: These are cases that are on leave during the period, whether or not they began within the period.
Regarding the type of accidents, the most common and notable in 2019 were entrapment, cuts and blows due to handling materials (mainly slabs) and entrapment by machinery, mainly in production centres. Accidents in the commercial network predominantly relate to driving commercial vehicles, representing a challenge for improvement.

**Health and well-being programmes**

Cosentino’s responsibility to its workers is translated into a strategy that invites them to incorporate healthy diet and exercise habits, and to reduce the incidence of diseases associated with a sedentary lifestyle.

**In 2019 the Health Promotion Program was continued, based on:**

**Raising awareness of healthy nutrition**

To this end, information sessions were delivered by nutrition specialists and advisors from the Regional Government of Andalusia to workers from the Cantoria work centre (Almería, Spain). This action has been supplemented with the Healthy Canteen, introducing healthy dishes, and health and well-being messages.

**Promotion of physical activity**

Promotion of physical activity. The Activate project has been started, with a monitoring pilot of the physical activity programmes through the New Me smartphone app, carried out over 3 months.