

Policy statement on social responsibility and human rights

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For Refratechnik and all its employees, the observance of law and order is a matter of course, and is also reflected in the Refratechnik Value Statement: "Our actions as a company are not only dictated by what is legal, but far more so by what is also right". Refratechnik acts responsibly with people, the environment, and animal welfare, and also accepts economic, ecological, and social responsibility along the supply chains.

The Refratechnik Group has a worldwide setup and develops, manufactures, and installs high-grade refractories for high-temperature industrial processes. As a systems supplier, we offer customized and all-inclusive refractory solutions for all major industrial sectors.

Hereby, responsible dealing with our employees, customers, and suppliers, as well as the use of natural resources is firmly established in our business activities. Regarding social and ecological impacts, we act responsibly in our business activities.

This policy statement is based on the following human rights standards and guidelines:

- International Bill of Human Rights incl. the relevant rights from the UN Civil and Social Covenants
- International Labour Organisation's (ILO) fundamental principles and rights at work
- OECD Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- UN Convention on Children's Rights
- UN Convention on Women's Rights
- UN National Action Plan for Business and Human Rights (NAP)
- Paris Climate Agreement
- Minamata Convention
- Basle Convention
- Stockholm Convention
- Principles of the UN Global Compact

This policy statement and the Refratechnik Group's Code of Conduct cover the basic principles of our actions as well as the demands placed on the actions of our business partners. Hereby, the standards and guidelines listed above are always observed.

We request every individual to observe these principles during daily work, thereby influencing our business operations in a lasting manner. This applies equally within our group of companies and with regard to our suppliers.

Our guiding principles

Commitment to human rights

Our demand is that the universal human rights and basic rights are observed, particularly in the working conditions. Humans are always at the center of our activities. Therefore, we see the globally valid regulations for the protection of human rights as fundamental, all-inclusive requirements, with top priority given to the ban of child labour and forced labour.

Commitment to work and health protection

We observe the applicable legislation to ensure fair working conditions, including adequate wages and standard working hours. The promotion of safety at work, health, and prevention are primary aims of the Refratechnik Group. The workplaces of our employees comply with current safety-related standards. Moreover, we protect our employees by means of preventive measures for working safety.

Mutual respect and integrity

Respectful and fair interaction with each other is the DNA of our group of companies. We always treat colleagues, business partners, and customers in the same way we would like to be treated. Thereby, it is of utmost importance to us that any form of harassment, such as mobbing or sexual harassment, and any repression of other opinions or attitudes is not tolerated. We always observe personal rights. Any discrimination based e.g. on ethnic origin, religion, ideology, disability, age, sexual orientation, gender or other personal characteristics, is firmly opposed.

We are aware that multiplicity is a benefit for our company. We promote a fair and tolerant environment in which every individual feels that he/she belongs and is accepted.

Responsible use of resources

Our aim is to have as little impact on the environment as possible, as well as promoting environmental protection and the preservation of natural resources.

For us, a resource-saving approach is essential, and is the basis for sustainable manufacturing. Regarding the amounts of waste and waste water produced, we also try to act in an environmentally conscious manner (e.g. through recycling measures and the reuse of materials).

Responsibility in the supply chain

For our business operations, we need raw materials, technical products, components, packaging material, and services from reliable suppliers. Cooperation is always in good partnership, and our minimum standard requirements are specified in the Refratechnik Supplier Code of Conduct. Our suppliers are required to comply with the binding ethical, social, and ecological standards, and to apply them in their upstream value chain.

Social responsibility

As Refratechnik Group, we are fully aware of our social responsibilities. Hereby, a special contribution is made by the Alexander Tutsek Foundation. The Alexander Tutsek Foundation is a non-profit organization that promotes contemporary art and engineering science. In the field of art, the focus lies on the promotion of young artists and improvement of their training possibilities in the foundation's main fields of interest. Apart from students' exhibition projects, also the production of complex works of art is financed. In the field of science, the foundation mainly supports research and teachings in engineering science. Hereby, the knowledge gained in the natural sciences is used for our daily lives and make an important contribution to society's technical progress.

For the Alexander Tutsek Foundation, the promotion of a wide base of young new experts and engineers is a continuous task. Primarily, this involves the improvement of training opportunities and providing financial support to enable young people to focus strongly and sustainably on their training.

In addition to the foundation's work, the Refratechnik Group makes donations in the fields of sport, education, and social skills. But these donations are never granted to obtain commercial advantages.

Ethical business practices

We always conduct our business operations in accordance with ethical standards and in compliance with all relevant laws, regulations, and in-house rules. When dealing with our customers, suppliers, competitors, and business partners, we always observe the applicable regulations and do not enter into any agreements or transactions that are unlawful in any way. Violations of applicable law or in-house regulations are not tolerated. These include e.g. compliance with competition and antitrust regulations, regulations to prevent corruption, and compliance with foreign trade law.

The control system's five core elements

Our control system to ensure compliance with these guiding principles has five core elements. These are based on the principles defined in the German Act on Corporate Due Diligence Obligations in Supply Chains (abbreviated LkSG):

- **Risk analysis:** This serves to identify, evaluate, and prioritise risks to human rights and environmental risks
- **Prevention:** Measures are defined to minimise and prevent risks in our own fields of business, and in direct and indirect supply chains.
- **Complaints procedure:** The complaints procedure must provide access to the internal or external complaints procedure by third parties, suppliers, and employees.
- **Corrective measures:** Appropriate remedial measures are taken to prevent, end, or minimise the associated risk if a violation of human rights or environmentally related actions is identified.
- **Documentation and reporting obligation:** An annual report is made for the public about identified risks to human rights and environmental risks, the associated measures, and the evaluation of their effectiveness.

The aim of this control system is to identify and minimise risks to human rights and environmental risks within the company's own fields of business, in the supply chains, and in subsidiaries that fall under the controlling influence of the parent company. The measures required to achieve this aim follow the dimensions "Prevention", "Detection", and "Reaction", with particular focus on prevention.

1. Prevention – Measures to prevent violations of Social Compliance

Risk analyses are carried out regularly in order to identify our risk profile, which permit risks to be classified and prioritised according to country and industrial sector, as well as our scope of influence.

Based on the results of this risk analysis and the risks it identifies, preventive measures are developed across departments to minimise risks. Amongst others, these include:

- Based on current events and new insights, we continuously develop our Code of Conduct and the Supplier Code of Conduct, as well as applicable compliance guidelines and other compliance-relevant specifications.
- We request our suppliers to observe the minimum requirements specified in our Supplier Code of Conduct, and also to apply the requirements in their own supply chains.
- We support the implementation of suitable measures and strategies in our suppliers' fields of business, and adapt these according to the legislative developments.

2. Early detection of violations

All employees, business partners, and external third parties should have the opportunity of informing about possible violations of human rights and environmental damage, as well as corrective means. For this reason, the Refratechnik website provides an anonymous and web-based whistleblower system. This system is accessible by all employees, business partners, and other third-parties. The information received via the system is taken very seriously and is examined and processed by Refratechnik management, Compliance, and with the involvement of other departments. Whistleblowers are informed by the system about the processing results. Hereby, the legitimate interests of suppliers and the rights of employees are always guaranteed, in particular with regard to data protection.

Information given by the whistleblower in good faith will have no negative effects (e.g. retaliatory measures or discrimination).

3. Reaction to violations

In the event of identified or reported risks, systematic checks are initiated, and further steps required to minimise or eliminate the risks are initiated together with the relevant managers of the Group companies and other responsible specialist departments.

Our suppliers are committed to participate in clarification activities. They are also required to inform potentially affected persons about violations notified in the Refratechnik whistleblower system.

The measures taken are appropriate and reasonable. For example, these can be:

- Internal investigations by management, Compliance, and other specialist departments
- Training and consultation
- Preventive measures
- Written reprimands
- Termination of business relations in serious cases.

Effectiveness test are carried out regularly by the human rights officer.

Procedure and findings of risk analysis

Risk analyses are carried out regularly for Refratechnik's own business fields, and also for direct suppliers. In this way, possible violations of human rights and environmental damage are to be identified, evaluated, and prioritised at an early stage.

Risk analysis in own business field

In a first step, the risks of Refratechnik Holding GmbH in its own field of business, its subsidiaries, and sub-subsidiaries are examined by country and industrial sector as part of an abstract initial assessment. Hereby, country-related as well as sector-related risks are identified by means of a database analysis. The results of this risk analysis are shown in a three-part format (low risk – medium risk – high risk).

The resulting database permits a more detailed overview of risks to human rights and the environment within the Refratechnik Group. The insights acquired by the abstract assessment are passed on to the Refratechnik Group managers for a qualitative evaluation regarding the likelihood and possible resulting damage. The overall insights acquired in this way are bundled in a risk inventory, and are supplemented by further data from the complaints procedure. The risks are then assessed regarding the severity of the breach (defined by extent, scope, irreversibility), likelihood of occurrence, and own contribution to the cause. This permits a basis for further preventive and remedial measures to be created.

The risk analysis in our own fields of business was started in 2023.

Hereby, the aim is to implement preventive measures as soon as possible, and eliminate existing risks.

Risk analysis of direct suppliers

The risk analysis procedure for direct suppliers essentially follows the procedure already described for our own fields of business.

In a first step, and analogous to the abstract risk analysis of Refratechnik Holding and its subsidiaries, the suppliers are evaluated in terms of country and industry risk.

The subsequent detailed risk analysis includes the findings of the abstract risk analysis with the findings from the complaints procedure and adverse media monitoring. Hereby, the likelihood of occurrence of possible violations and their severity are also assessed, and Refratechnik's own contribution to the cause is determined.

As an additional factor, Refratechnik's intervention capability is also included. The latter is determined by means of the purchasing volume and other indicators (e.g. type of contract), and the prioritised accordingly.

Similarly, also the results of the suppliers' self-declarations (via questionnaires) are taken into account for the specific risk assessment. For this, the questionnaires are sent to selected suppliers following a previous risk assessment.

The overall risk determined in this way is also displayed in a risk inventory. Consequently, the prioritisation will influence the preventive and remedial measures.

The risk analysis was started in 2023, and is presently still being carried out. Preventive and remedial measures are derived from the insights obtained from the risk analysis.

The aim of the measures is prevention and (if necessary) corrective measures against the violations, as well as supplier sensitisation.

Reporting

The planned and implemented preventive and corrective measures are reported and documented regularly. Resulting insights are used for continuous optimisation of the risk management system.

Effectiveness checks

A review of effectiveness with regard to human rights and environmental risks is carried out regularly by the human rights officer. The latter carries out the audits at all relevant subsidiaries, and reports directly to the management of Refratechnik Holding GmbH.

In particular, the audits include:

Annual check of the preventive and correcting measures (§§6 V, 7 IV LkSG), and of the complaints procedure (§8 V LkSG)

Effectiveness check of implemented measures to prevent human rights and environmental violations.

Miscellaneous

The validity and effectiveness of this policy statement is continuously checked and adapted. It forms the basis for implementing our risk management.

Information and violations of this policy statement can be reported to Refratechnik anonymously or openly at any time via the digital complaints system.