

2023

Sustainability Report



CeramTec

About CeramTec

Since 1903, CeramTec has innovated in the design and production of ceramic components to meet the needs in health care and industry. Our teams have spent decades honing their expertise through application and research, and we are using this experience in our journey towards sustainable operations.

Our world-leading ceramic solutions include our Biolox® range for medical applications, our high-performance substrates, piezoceramics, and a wide selection of specialised components for industrial, aerospace, automotive, electronic, and semiconductor applications.

Our portfolio comprises well over 10,000 products, components, and parts. For more information, visit our [website](#). What underpins our success is the dedication of our people to continue to develop innovative ceramic solutions.

3,800+
employees worldwide

€817+
million revenue in 2023

16
production sites in
Europe, the Americas, and Asia

CeramTec global locations

● Sales offices

● Subsidiaries

America

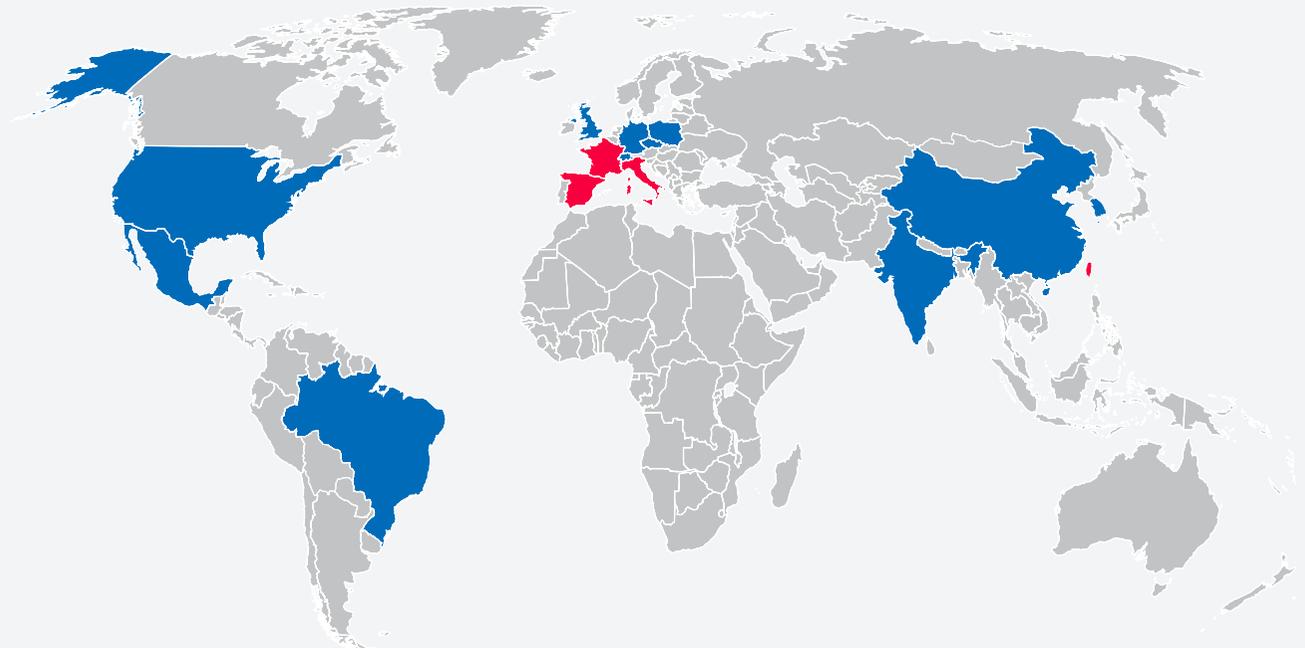
USA, Brazil, Mexico

Europe

Germany, Switzerland, United Kingdom,
Poland, Czech Republic, France, Italy, Spain

Asia

China, India, South Korea,
Malaysia, Taiwan



01

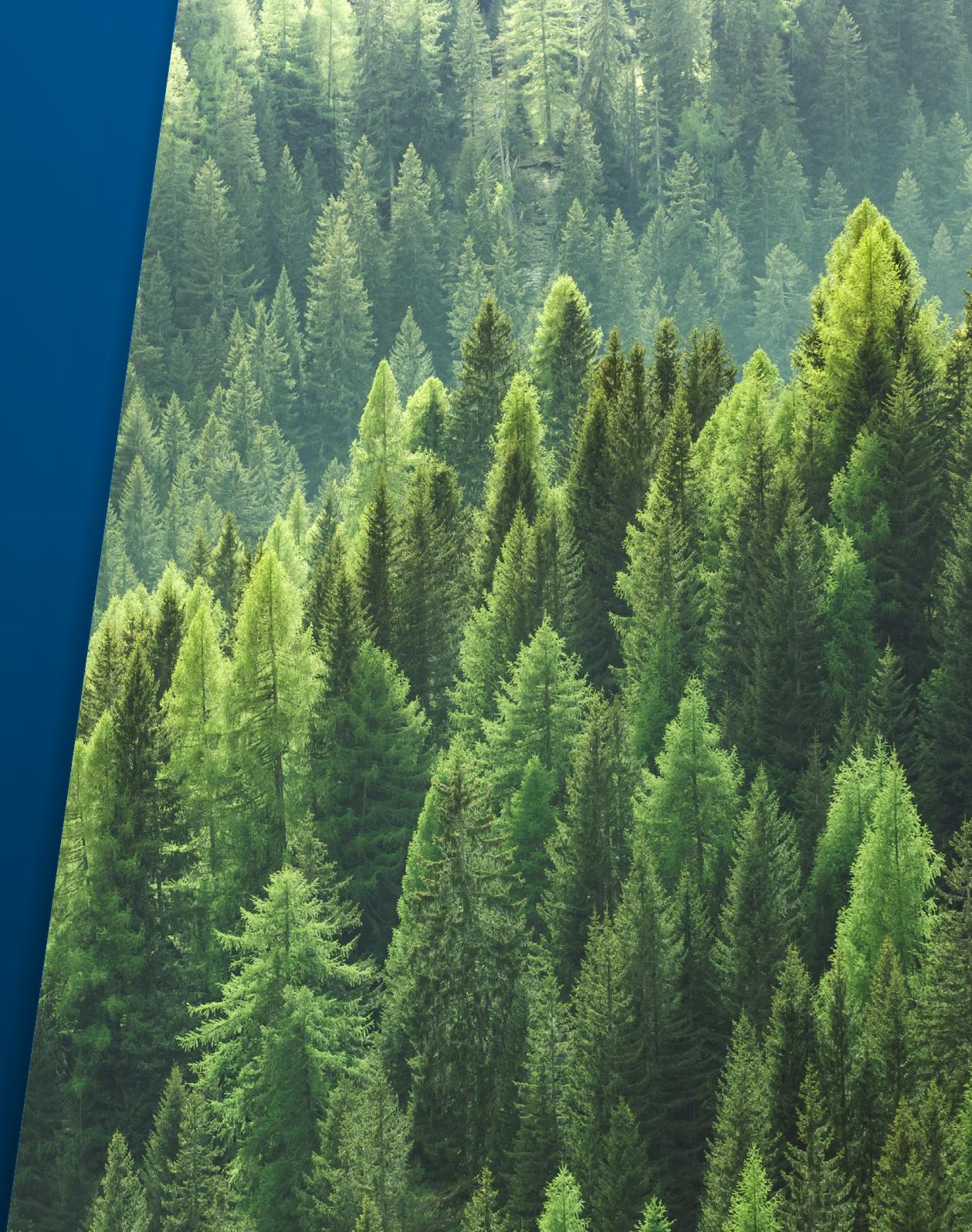
Our ESG strategy

Introduction

4 →

Our ESG ambitions

5 →





Introduction

We are conscious of the need to meet and maintain compliance with developing sustainable standards, as well as embracing our responsibility to future generations by promoting better environmental and social practices. We acknowledge that we are an inherently energy-intensive enterprise, which means we have a specific responsibility to research and implement mitigation strategies. In 2023, we set our sights on producing a bespoke ESG strategy that will suit the needs of our business, our people, and our sustainable capabilities.

“ ESG is not just about doing the right thing; it’s about what’s right for our customers, employees, partners, the environment, all stakeholders, and thus for CeramTec. As a management team, we firmly believe that integrating ESG principles into our strategy, actions and targets will not only enhance our overall success but also contribute significantly to our financial performance. ”

CeramTec Management Board

ESG: Where we are headed

Own operations



We are dedicated to leading the way in sustainable operations, with a focus on decarbonisation and high standards in ESG. Our goals include:

- Becoming an industry leader in decarbonisation with a target to achieve net zero emissions.
- Upholding high ESG standards across all value-creation processes.
- Ensuring a safe workplace with zero accidents by implementing robust health and safety measures.
- Embedding ESG principles as a fundamental part of our employee value proposition.

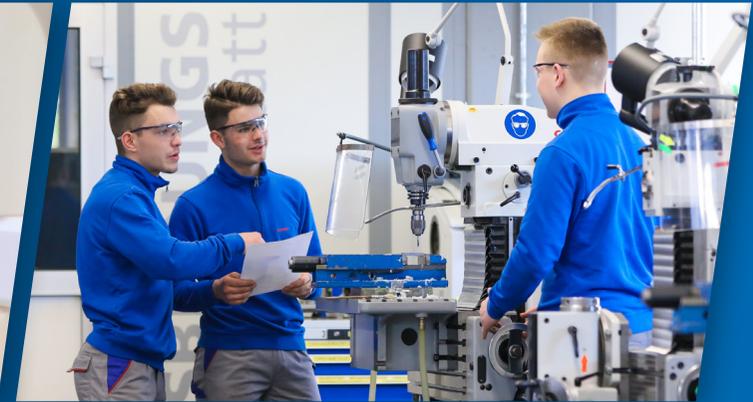
Products and customers



Our products are designed not only for quality but also to support our customers' sustainability efforts. We focus on:

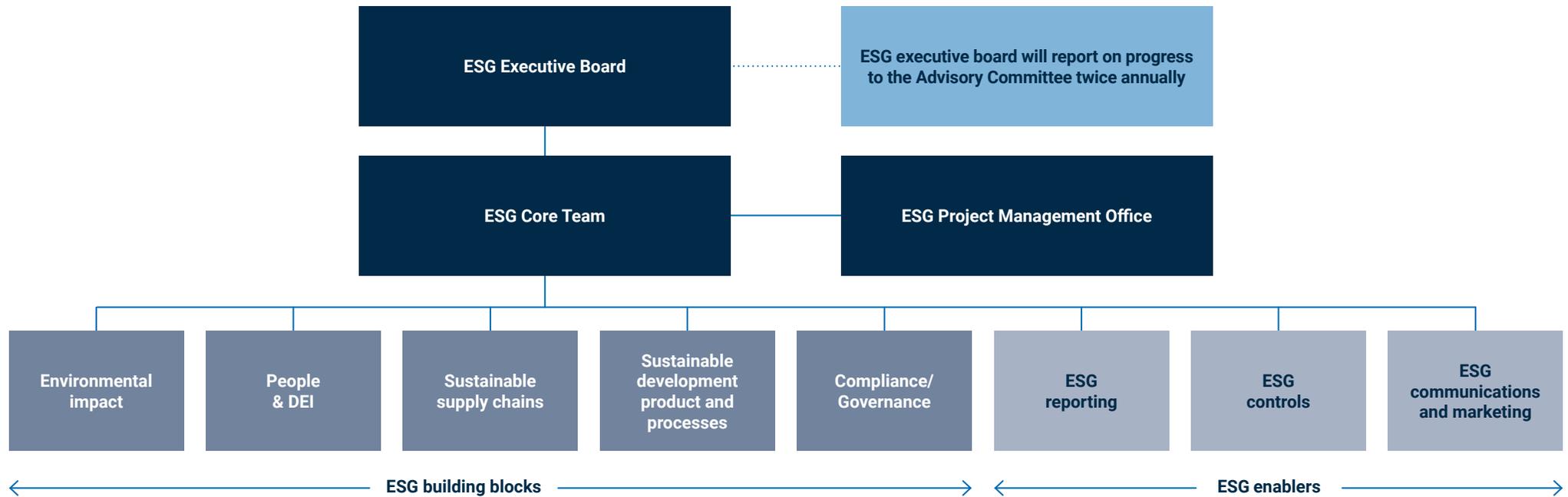
- Delivering best-in-class quality across our product offerings.
- Developing technical ceramics that aid the sustainability transformation of our industry customers, especially in areas such as electrification and smart grid technology.
- Offering durable, biocompatible implant components that enhance the well-being of patients.

Value to society



We believe in making a positive impact on society by fostering an inclusive and ethical environment. Our social responsibility initiatives include:

- Being a fair and equal opportunity employer, committed to driving employee training, capability development, and providing equal opportunities.
- Promoting respect and recognition for all employees and building respectful relationships with our business partners.
- Maintaining a zero-tolerance policy for non-compliant behaviour and discrimination, ensuring an ethical workplace for all.



General disclosures (ESRS 2)

This report's structure is guided by the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). We are using the CSRD and ESRS as an opportunity to review the nuances of our ESG strategy and intend to issue our first fully CSRD-aligned sustainability statement as of 2026. All information included in this report is accurate as of the 31st December 2023.

Our ESG governance structure

Our commitment to sustainability is rooted in three core areas: Own Operations, Products & Customers, and Value to Society. In each area, we strive to set standards that contribute meaningfully to ESG goals. We believe that our ambition to manufacture sustainable products is both ethically and financially material to our business. Our ongoing communication with our stakeholders allows us to remain aware of the key ESG disclosures they would like CeramTec to share. By making public disclosures, we can demonstrate that we are acknowledging these requests, acting responsibly, and that we are reviewing and addressing these issues in our product development and production. To this end, we operate a team structure that ensures a comprehensive view of our ESG strategy. Our team drives our ambitions as we progress along our journey.

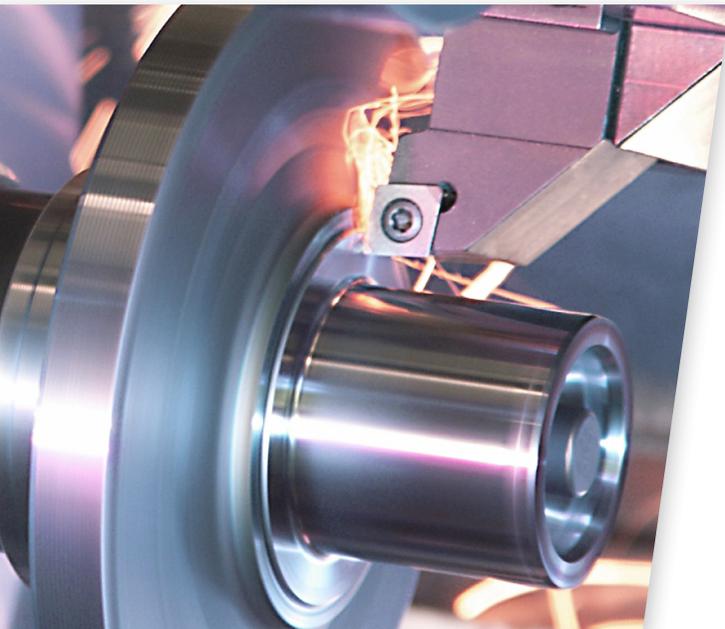
The CeramTec ESG team forms an important link in the organisation around many already existing company functions. It combines these efforts into a company-wide sustainability strategy. The work is supported by transparent ESG reporting and communication on all ESG-related topics through internal communication, statements to stakeholders, press/media releases on sustainability performance. Our goal is to further integrate ESG factors into our business strategy, product development, supply chain management, and stakeholder communication. We will identify ESG risks and opportunities by reflecting on our processes and taking appropriate measures continuously to improve our overall sustainability.

Our materiality assessment

It will always be our priority for our strategic activities to be purposeful and impactful. We therefore carried out a materiality assessment to review our internal capabilities, surveying a range of our stakeholders to identify on which areas we could have the most meaningful impact. In addition, we looked at those areas which will impact our business. The topics and subtopics against which we assessed our operations are those set out by the ESRS, in preparation for future alignment with the CSRD.

Topics in this report

We are in the process of reviewing our ESG strategy through a CSRD and ESRS lens, incorporating the requirements of a double materiality assessment. This report focuses topics that we deem most relevant for CeramTec at this point.



Topic	Subtopic
E1 Climate change	Climate change adaptation
	Climate change mitigation
	Energy
E2 Pollution	Pollution of air
	Pollution of water
	Pollution of soil
	Substances of concern ^[1]
	Substances of very high concern
E3 Water and marine resources	Water ^[1]
E5 Circular economy	Resources inflows, including resource use
	Resource outflows related to products and services
	Waste
S1 Own workforce	Working conditions
	Equal treatment and opportunities for all
	Other work-related rights
S2 Workers in the value chain ^[1]	Working conditions
	Equal treatment and opportunities for all
S4 Consumers and end users	Other work-related rights
	Information-related impacts for consumers and/or end-users
G1 Business conduct	Corporate culture
	Protection of whistleblowers
	Political engagement ^[1]
	Management of relationships with suppliers including payment practices ^[1]
	Corruption and bribery

[1] These topics are not included in our 2023 report, but will be reported on in future years if deemed material by the double materiality assessment.

02

Reducing our environmental impact

Environmental overview 9 →

Climate change 10 →

Greenhouse gas emissions 12 →

Circular economy 15 →



Environmental overview

We are actively researching innovative ways to decarbonise and reduce our energy consumption. While we are proud of our efforts, we recognise there is much more to achieve.

Certifications

A key aspect of responsible environmental operations is compliance with strict management systems. The frameworks below ensure our sites comply with responsible energy and environmental standards.

- **ISO 14001:** sets the standard for environmental management systems, helping organisations reduce their environmental impact through sustainable practices and regulatory compliance.
- **ISO 50001:** provides a framework for energy management systems, enabling organisations to improve energy efficiency, reduce energy consumption, and lower greenhouse gas emissions.



Our ambitions



How we track our performance

- Total energy consumption
- Total GHG emissions Scope 1 and 2
- Energy consumption from renewable sources (percentage of total energy consumption)

Actions to achieve targets

- Numerous operative activities and investments to reduce energy consumption in daily operations some examples are listed below:
 - Ongoing installation of photovoltaic (PV) panels
 - Purchase Power Agreement for 10 GWh of electricity produced by German PV park
 - CO₂ neutral electricity procurement strategy
 - Development of a decarbonisation roadmap
 - Green electricity by 2030

Climate change

Our processes are inherently energy-intensive, so we are continuously investigating ways to innovate and to reduce our energy use and CO₂ emissions. Our Supplier Code of Conduct clearly displays our expectations towards our suppliers' ambitions to reduce our environmental impact.

In this section, we will outline our current initiatives and strategy.

Targets

Reduce Scope 1 and 2 CO₂ emissions by

40%

by 2030





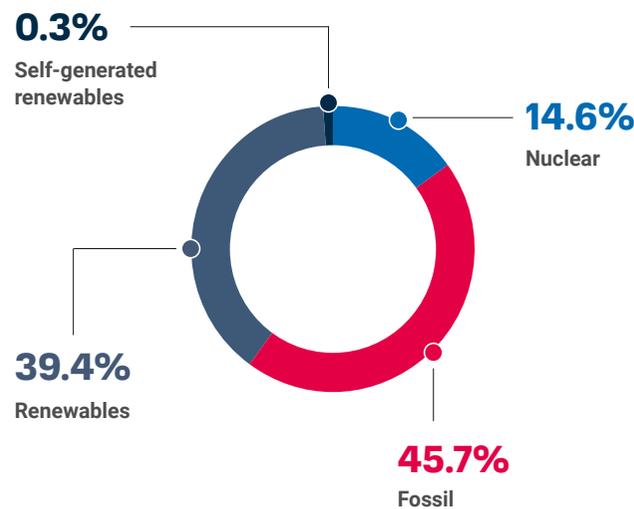
Energy consumption

We aim to transition to renewable energy sources, particularly electricity, by 2030, while actively working towards replacing fossil fuels wherever feasible for long-term elimination.

At time of reporting, fossil fuel sources account for 81.3% of our energy mix. To achieve our targets, we are evaluating the environmental footprint of each energy source we consume and exploring opportunities to integrate more renewable energy sources.

However, we plan to switch to renewable sources by expanding use of our own and purchased renewable electricity. Nearly 40% of our electricity sources are renewable already. We plan to grow this total through increasing owned and operated renewable energy sources such as photovoltaic panels on our sites and purchasing renewable energy certificates.

Electricity sources (in MWh)



Energy consumption and mix	2023 (in MWh)
Fuel consumption from coal and coal products	0
Fuel consumption from crude oil and petroleum products	4,551.43
Fuel consumption from natural gas	182,325.50
Fuel consumption from other fossil sources	171.17
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	47,849.70
Total fossil energy consumption	234,897.80
Share of fossil sources in total energy consumption	81.3%
Consumption from nuclear sources	14,499.33
Share of consumption from nuclear sources in total energy consumption	5.0%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	39,169.88
The consumption of self-generated non-fuel renewable energy	315.45
Total renewable energy consumption	39,485.33
Share of renewable sources in total energy consumption	13.7%
Total energy consumption	288,882.46

Greenhouse gas emissions

To establish a baseline for our greenhouse gas emissions (GHG), we reviewed and amended the methodology used to calculate our total emissions, and we are currently working on recalculating our baseline (2021) to be comparable with our 2023 and future data. We are also in the process of establishing a long-term net zero target.

Given where we are in our decarbonisation journey, we do not yet have complete, reportable data for our Scope 3 emissions, but are committed to meeting the calculation requirements to report on this in future years.

Our Scope 1 total includes stationary combustion, mobile combustion—such as from our car fleet, forklifts, and product transportation vehicles—and refrigerants. Solvents, binders, and plasticizers are for the time being excluded due to a lack of data for the year 2023. Calculations including mobile combustion do not include data for North America due to a lack of data for the year 2023.

Our Scope 2 location-based emissions include all consumed energy (electricity, district heat) multiplied by emission factors on a country level, which are provided by the International Energy Agency (IEA). Scope 2 market-based emissions include all consumed energy (electricity, district heat) multiplied by emission factors provided by the relevant energy provider.



	2023 retrospective (in tCO ₂ eq)	2030 milestones and targets
Scope 1 GHG emissions		
Gross Scope 1 GHG emissions (tCO ₂ eq)	38,092	Reduce combined Scope 1 and 2 CO ₂ emissions by 40% by 2030 (baseline 2021)
Scope 2 GHG emissions		
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	38,295	Reduce combined Scope 1 and 2 CO ₂ emissions by 40% by 2030 (baseline 2021)
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	35,629	Reduce combined Scope 1 and 2 CO ₂ emissions by 40% by 2030 (baseline 2021)
Significant Scope 3 GHG emissions		
Total Gross indirect Scope 3 GHG emissions (tCO ₂ eq)	Not available	
Total GHG emissions		
Total GHG emissions (location-based) ^[1]	76,387	Reduce Scope 1 and 2 CO ₂ emissions by 40% by 2030 (baseline 2021)
Total GHG emissions (market-based) ^[1]	73,721	Reduce Scope 1 and 2 CO ₂ emissions by 40% by 2030 (baseline 2021)

Our GHG intensity at CeramTec per net revenue amounts to the following:

GHG intensity per net revenue (tCO ₂ eq/Monetary unit) ^[2]	2023
Total GHG emissions (location-based) per net revenue	0.00009351 (in tCO ₂ e/€ net revenue)
Total GHG emissions (market-based) per net revenue	0.00009025 (in tCO ₂ e/€ net revenue)

[1] Total emissions only include Scope 1 and Scope 2 GHG emissions.

[2] Based on net revenue of 816.876.948,38 EUR.

Actions and resources

We have already implemented various measures to reduce our carbon footprint and are continuously discussing further actions, including energy efficiency measures, the use of renewable energy, switching to renewable fuels, and training our employees to handle resources responsibly. Our employees are encouraged to submit their ideas for emissions reductions, with regular surveys conducted.

One of our recent milestones on our decarbonisation pathway is the closing of a Power Purchase Agreement (PPA) in 2023. Through this, we source a portion of our electricity consumption from verifiable renewable sources in Germany. The solar parks began operation in March 2024. At some of our plants, we own and operate photovoltaic systems ensuring local sourcing of renewable energy. Other plants, such as those in our UK portfolio, are fully supplied with green electricity through 100% green electricity renewable energy certificates (REC), which have been in place since October 2023. We are already benefitting from projects initiated in recent years, such as our investment in waste heat recovery. Additionally, we remain conscious of energy efficiency and invest in LED lighting and other improvements in our buildings.

We are also enabling the transfer to fleets with more electric vehicles (EV), for example by introducing EV charging stations on site, with all of our German sites now fully equipped.

Pollution

Through proactive management and continued compliance with regulatory standards, we intend to promote a cleaner, healthier environment through pollution reduction.

Policies

Each of our sites operates a variety of air filters, thermal upgrades, cooling towers and wastewater treatment systems. All sites, including those without ISO certification, comply with the respective national legislation regarding pollution limits.

Our ISO 14001-certified sites at CeramTec GmbH (Plochingen, Ebersbach Marktredwitz and Lauf, all Germany), Czech Republic, UK, and China, have emergency management systems in place, including procedures to ensure preparedness for incidents also involving hazardous substances. These substances are stored in compliance with applicable legal requirements.

Pollution to air, water, and soil

Our operations may result in some pollution to air, water, and soil. While we do not yet have the full data to provide detailed reporting on these impacts, we are actively working on data collection and analysis and are committed to sharing comprehensive information in future reports.

Substances of very high concern

Substances of very high concern (SVHCs) are substances that have hazards with serious consequences. A minor percentage of our net revenue was made with products and services that contain substances of very high concern.



Lead-free piezoceramics

CeramTec has developed a lead-free BNT-BT-based piezo ceramic, a sustainable alternative to conventional PZT piezoceramics that delivers comparable performance in various applications. This innovation enables the creation of lead-free ultrasonic flow sensors, crucial for precise, durable measurement in water, heat, and gas metering. BNT-BT piezoceramics are especially suited for applications like ultrasonic water meters, environmental sensors, and parts used in bubble detection in medical equipment. Novel lead-free BNT-BT-based piezo ceramic supports the transition to lead-free water networks.

Circular economy

At CeramTec, our operations are largely focused on production, so circular economy and all of its components are of very high importance to our sustainability strategy.

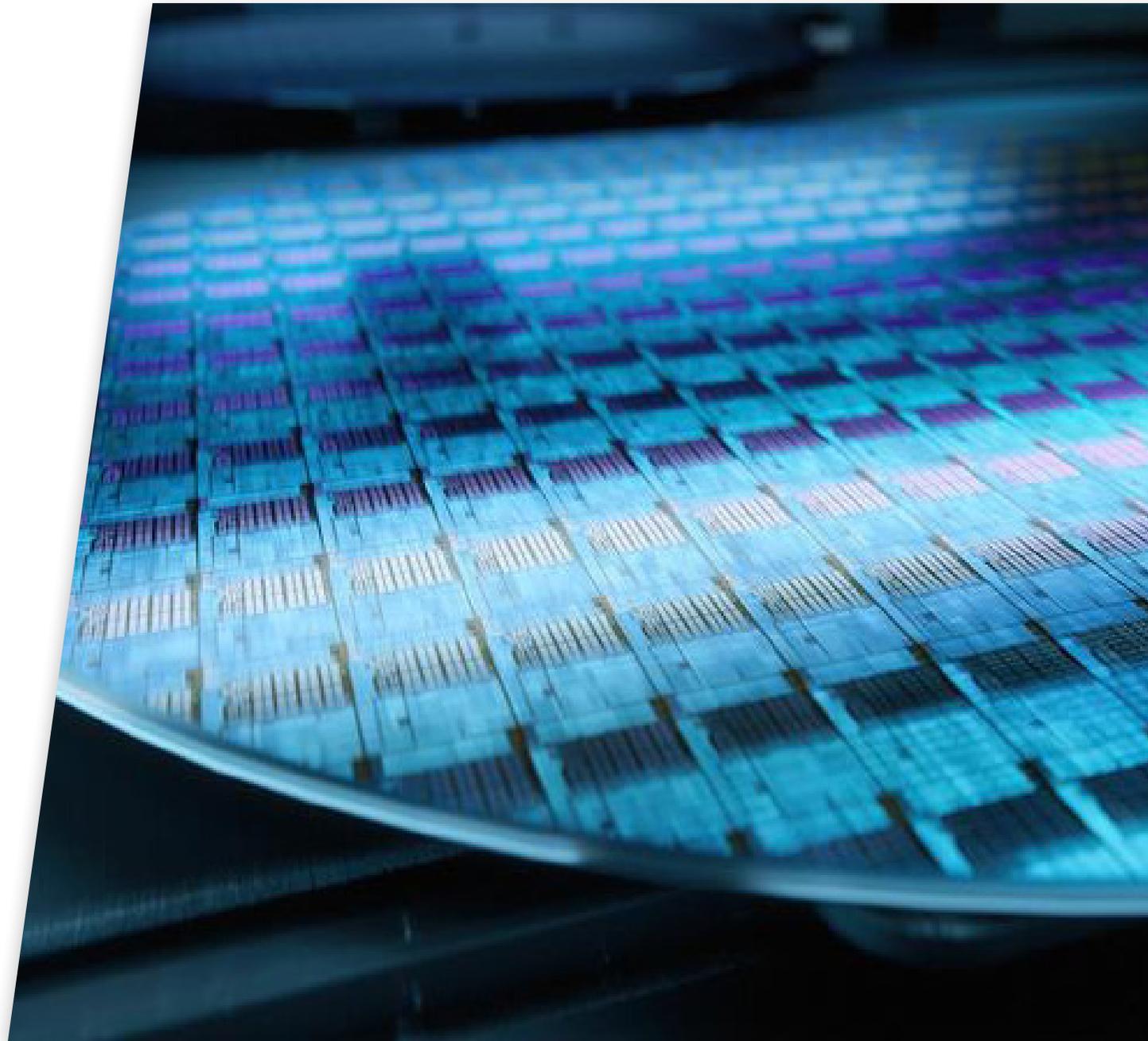
Actions and resources

Where possible, we resell our waste products to be recycled or repurposed. A portion of our ceramics waste is utilised by other companies, while some metals are sold to specialised waste companies.

Our waste is categorised as 'hazardous waste', 'non-hazardous waste' and 'radioactive waste' in accordance with the European Waste Catalogue (2014/955/EU). CeramTec do not generate or dispose of any radioactive waste. Hazardous and non-hazardous waste is generated at our sites and is disposed of in accordance with local regulations. At our German sites, for example, all waste is disposed of by specialised waste disposal companies, including documentation of the types of waste.

Waste tracking methods are tailored to each location: some sites record continuously, others use invoices, and many estimate weights through fill levels, collection frequency, or conversions; a few sites are still working toward providing weight data. In future reports, we intend to disclose a more granular breakdown of our waste generation and recycling processes.

Category	2023 total generated (in tonnes)
Total waste generated	6,263
Hazardous waste	1,575
Radioactive waste	0



03

Improving social outcomes in our industry

Social overview 17 →

Looking after our own workforce 19 →

Encouraging sustainable supply chains 23 →



Social overview

As we utilise our products and processes to improve industry outcomes, we also look internally and aim to foster a thriving workforce with a positive attitude. Diversity, equity, and inclusion (DEI) are core aspects of our corporate mission, whilst our policies, procedures, and everyday actions encourage a safe and healthy working environment.

Policies

We have specific policies in place regarding human and labour rights, human trafficking, forced labour, compulsory labour, child labour, workplace accident prevention and management systems, and elimination of discrimination. A renewed Safety, Health and Environment (SHE) policy is currently being drafted. The group-wide policy will consider industry-standard hazards and corresponding protective measures.

Our ambitions



How we track our performance

Actions to achieve targets

Promote equal opportunity and improve team performance through diverse teams

- Percentage gender distribution in top management
- Percentage gender pay gap
- Percentage of employees having participated in DEI training
- Plans to implement DEI team to promote inclusion, women in leadership, and internal role models
- Planned implementation of DEI and bias training
- Inclusive employer branding through gender-neutral job postings and embracing diverse applicant pools

Workplace conditions reflect high health, safety, and welfare standards

- Lost Time Accident (LTA) rate
- Lost Time Accident Frequency (LTAF) rate
- Near miss rate of work-related accidents
- Percentage employees receiving safety & health training
- Flexible working models, including hybrid working where available and flexible shift patterns where relevant
- Safety training, health and well-being workshops
- Workplace assessments and provision of personal protective equipment
- Company medical service, voluntary vaccinations, preventive medical care offer
- Employee well-being initiatives
- Mental wellbeing app

Encourage and empower employee engagement

- Percentage of employee survey participation
- Adjustment of the KPIs after the first execution of an employee survey
- Received German Idea Management Award
- Social dialogues, such as dinners or jogging with board members
- Initiated first annual employee survey in selected sites
- Continue to tailor our actions based on employee survey results



Certifications

The CeramTec Group's materials testing labs are responsible for clear, professional testing from initial sampling to documenting the end results. These labs are accredited by the German Accreditation Body (DAkkS) according to the DIN EN ISO/IEC 17025 standard.

Quality and rigorous testing are essential in ensuring the safety of both workers and end-users, as they help identify potential hazards, prevent defects, and uphold reliability, thereby reducing the risk of accidents and enhancing trust in the final product. We are proud to uphold a range of certifications for our safety and quality management:

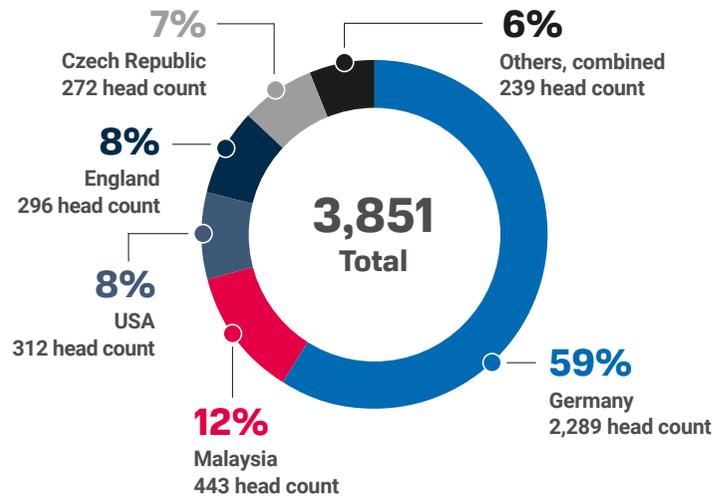
- **ISO 9001:** an internationally recognised standard for quality management systems, ensuring that organisations consistently meet customer and regulatory requirements through continuous improvement.
- **DIN EN ISO 13485:** specifies the quality management requirements for the design and manufacturing of medical devices, ensuring compliance with regulatory standards and safety protocols.
- **DIN EN ISO/IEC 17025:** defines the general requirements for the competence of testing and calibration laboratories, ensuring the accuracy and reliability of testing results.

Looking after our own workforce

None of our operations would be possible without the efforts and commitment of our workforce. The health and wellbeing of our people is a priority to us, and we continue to introduce policies and initiatives to support this objective.

Employee numbers

By country



By region and employment type 2023

Germany	Europe (excl. Germany)	North and South America	Asia	Total
Number of employees (head count)				
2,289	662	353	547	3,851
Number of permanent employees (head count)				
2,122	608	343	532	3,602
Number of temporary employees (head count)				
167	52	6	7	232
Number of non-guaranteed hours employees (head count)				
0	2	4	8	14
Number of full-time employees (head count)				
2,132	615	349	539	3,635
Number of part-time employees (head count)				
157	45	0	0	202

The total number of employees who have left the company during the reporting period and the rate of employee turnover in the reporting period

Number of voluntary resignations^[1]:
230, equivalent to a 5.97% turnover

Percentage of persons with disabilities amongst employees (subject to legal restrictions on collection of data)^[2]

3.90%

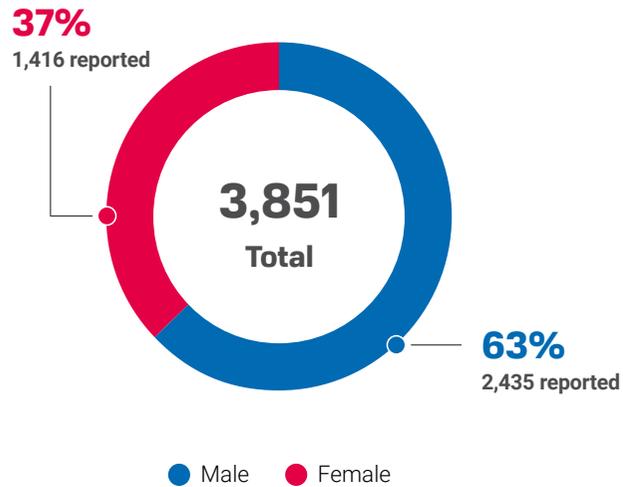
[1] Includes voluntary, retirement, and other.

[2] This excludes our UK site due to legal restrictions.

By gender

We aim to recruit a diverse range of applicants, promoting fair access to all positions and improving our ratio of female to male employees. Therefore, we use inclusive language in our job adverts and ensure internal progression opportunities are equally promoted. Our management and HR teams undertake diversity-focused workshops to ensure inclusivity in recruitment, in line with our policy for gender equality and equal pay for equal work, following applicable legal requirements.

Number of employees (head count)



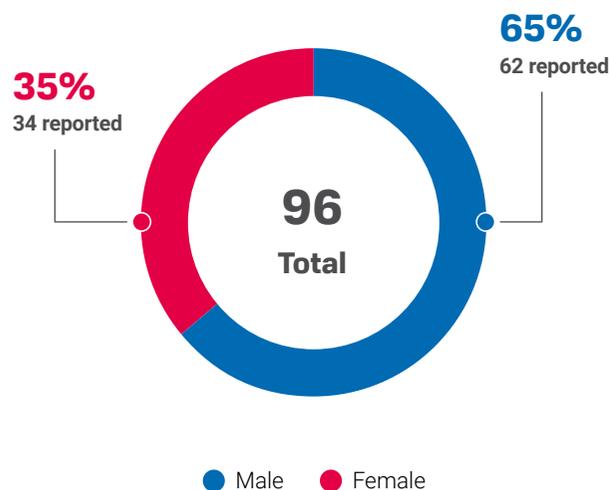
By gender and employment type 2023

Female	Male	Other	Not disclosed	Total
Number of employees (head count)				
1,416	2,435	0	0	3,851
Number of permanent employees (head count)				
1,327	2,278	0	0	3,605
Number of temporary employees (head count)				
89	143	0	0	232
Number of non-guaranteed hours employees (head count)				
0	14	0	0	14
Number of full-time employees (head count)				
1,245	2,390	0	0	3,635
Number of part-time employees (head count)				
171	31	0	0	202

Top management diversity

To operate a diverse and inclusive workforce, it is important to us that we accurately represent our people at the top level. Our definition of top management is those employees at Board Level and the two levels below, provided that they hold management positions and have personnel responsibility. Our total workforce gender ratio is 36% female, 64% male, proportionally represented by a 35% female, 65% male top management. This is positive for our current workforce, and we intend to maintain this balance going forward. Our "CT Lead" program actively promotes women in leadership, which you can read more about on [page 22](#).

Top management (by gender)



Gender pay gap

Across the CeramTec Group, we are committed to pay equally for comparable functions irrespective of gender. In our first year of calculations, our unadjusted gender pay gap in 2023 was 23.96%. The methodology we used followed the ESRS standard of categorising employees by gender, combining their annual ordinary pay with any relevant bonus pay, and dividing this by annual working hours. We then calculated the average hourly salary by calculating the sum of hourly salary per gender and dividing by total headcount per gender.

This gap is caused by structural factors across our locations, and an unequal representation of gender across our available job roles. We intend to continue promoting roles using inclusive language and investigating reparative actions in departments with gender pay gaps.

Health, safety, and wellbeing

The welfare of our staff is paramount to all of our operations. We intend to run a company where our employees feel cared for and protected in the workplace and are aware of all the extra benefits available to them.

All employees are provided with the appropriate personal protective equipment (PPE) as required for their role. CeramTec also operates a portal through which our employees can report 'near misses' in the workplace. Following an assessment of each report, we take the appropriate next steps to mitigate future risks.

In Germany, cooperation between the Works Council and our employee health and safety (SHE) department is a legal requirement. Employees are involved in inspections and in reports of near misses and near miss cases. There is high engagement from employees to encourage improvement in safety, health and environmental aspects.



Category	Total
Number of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	3,851
Number of fatalities in own workforce as result of work-related injuries and work-related ill health ^[1]	0
Number of recordable work-related accidents for own workforce ^[1]	21
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees ^[1, 2]	185

[1] These figures are reported monthly together with near misses to management and HR representatives.

[2] Includes lost time of more than one day following accidents, excludes lost time from ill health.

Incidents, complaints, and severe human rights impacts

We encourage confidential complaint reporting, and provide our employees with a dedicated concerns hotline, EthicsPoint, which you can read more about on [page 25](#). Per policy, we do not tolerate any retaliation against employees who ask questions or make reports in good faith. Violations of our non-retaliation policy may have legal consequences, such as penalties or even criminal prosecution.

At the time of reporting, there have been no fines, penalties, or compensation for damages resulting from incidents and complaints. No severe human rights incidents have been reported.

KPI	Total
Number of complaints filed ^[1] through our whistleblower channel for people in own workforce to raise concerns	9

[1] All complaints filed through EthicsPoint.

Human rights

We conduct our business in a manner that respects the human rights and dignity of all, and we support international efforts to promote and protect human rights, including an absolute opposition to child labour, slavery, human trafficking and forced labour. This work is upheld by our designated Human Rights Officer and supported by our entire organisation.

Material impacts to our workforce

In our central SHE policy, we consider industry-standard hazards. It is the responsibility of individual site managers to conduct risk assessments analysing additional risks. Information regarding these assessments is not available for this reporting year and thus is not considered in our Risks and Opportunities Register. We aim to include this information in future reports.

Health matters in the workplace

Health is a key part of our DNA as a company. At CeramTec, we offer a great variety of healthcare services to our staff, from skin screening to breast cancer awareness, and colon cancer detection in people over the age of 55. We also help facilitate blood donation initiatives and promote physical health by providing E-Bike charging stations and encouraging cycle-to-work schemes. This year we piloted a mental wellbeing app to our German cohort to support the mental health and well-being of our employees, and due to its success, we have extended its usage for another year.

Work-life balance

Where the working environment allows, flexible working hours and hybrid or remote working are offered to our employees to support a healthier work-life balance. In shift work, we put great effort into early and reliable shift planning through effective communication so employees can better plan their schedules.

Diversity

Our management training emphasises diversity, with regular workshops for managers and HR to foster inclusive personnel selection and promote women in leadership through awareness and effective training. This approach includes support from KBV Inclusion, a body representing disabled employees, and is reflected in a diverse management board. We also promote vocational training for students, including targeted initiatives like ‘Girls’ Day’ and internships to encourage young women in technical fields.

Training and development

“Learn and Grow” is one of CeramTec's corporate values. Continuous learning and development are a central aspect of not only our sustainability strategy, but also our business outlook. Our “Training and Competences” process instruction—applicable to our CT GmbH Industrial, Service Centre, and ETEC divisions—defines the structured approach to training within the organisation.

To ensure we are actively fostering talent, we implemented specialised talent management programs, with 20 graduates of the programme since it began in 2020. CeramTec Campus, our online learning service, offers a comprehensive range of soft skills development opportunities, supporting our employees in achieving personal and professional growth.

Employee training requirements are assessed and documented during the performance review process for those under collective agreements (in Germany) and through the target-setting process for our global workforce.

Employee engagement initiatives

CeramTec uses its intranet and CT Inside app (available in Germany) to share news, and recently piloted an employee survey in Germany, with plans to expand it globally in 2025. Key initiatives include equipping management with sensitive communication tools, holding HR updates and engagement circles with leaders, and hosting inclusive events like “pop-up dinners” with the board members. Additionally, an idea management program in Germany, recognised with the German Idea Management Prize 2023, encourages employee suggestions for improvement.

Encouraging sustainable supply chains

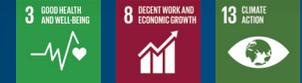
In 2023, we prepared to comply with the German Supply Chain Due Diligence Act, and our Human Rights Declaration and Risk Process are publicly available. We intend for CeramTec's entire supply chain to be responsible and ethical, with consideration for human rights and environmental best practice integrated into our supplier contracts.

Our certifications

Operating a responsible, well-governed supply chain is important to us. We are proud to set high standards for ourselves and our suppliers, and this is evident in the certifications we have obtained:

- **AEO:** Authorized Economic Operator: signifies that a business is recognised as a reliable and secure player in the global supply chain, facilitating streamlined customs processes and international trade.
- **IATF 16949:** a global standard for quality management in the automotive industry, focusing on defect prevention, reducing variation, and promoting continuous improvement throughout the supply chain.

Our ambitions



How we track our performance

All high-risk suppliers^[1] have been requested to complete an ESG assessment

- Percentage of high-risk suppliers that have undergone an ESG assessment
- Percentage of suppliers rated as high risk

All top suppliers^[2] have been requested to complete an ESG assessment

- Percentage of top suppliers that have undergone an ESG assessment

All suppliers undergo an ESG pre-risk check

- Number of top suppliers audited with on-site audit or third-party audit

Cultivate and strengthen partnerships with suppliers for a more sustainable and responsible supply chain

- Dialogue with suppliers, site visits, and renewed contracts

Actions to achieve targets

- Review of supplier code of conduct
- Implement new supplier code of conduct
- Online ESG risk assessment for suppliers
- Online ESG self-assessment for suppliers
- Further action based on risk assessment results

[1] High-risk suppliers: all suppliers that are rated as high-risk after an internal ESG risk assessment based on a variety of ESG indices.

[2] Top suppliers: Top 50 suppliers in spend, make up ~ 60% of spend.

04

Governance

Governance overview

25 →



Governance overview

Our governance approach ensures we are creating an inclusive and ethical environment for our people and those we do business with. For CeramTec, this means applying meaningful governance structures and following best practices when it comes to whistleblowing, employee recognition, and health and safety.

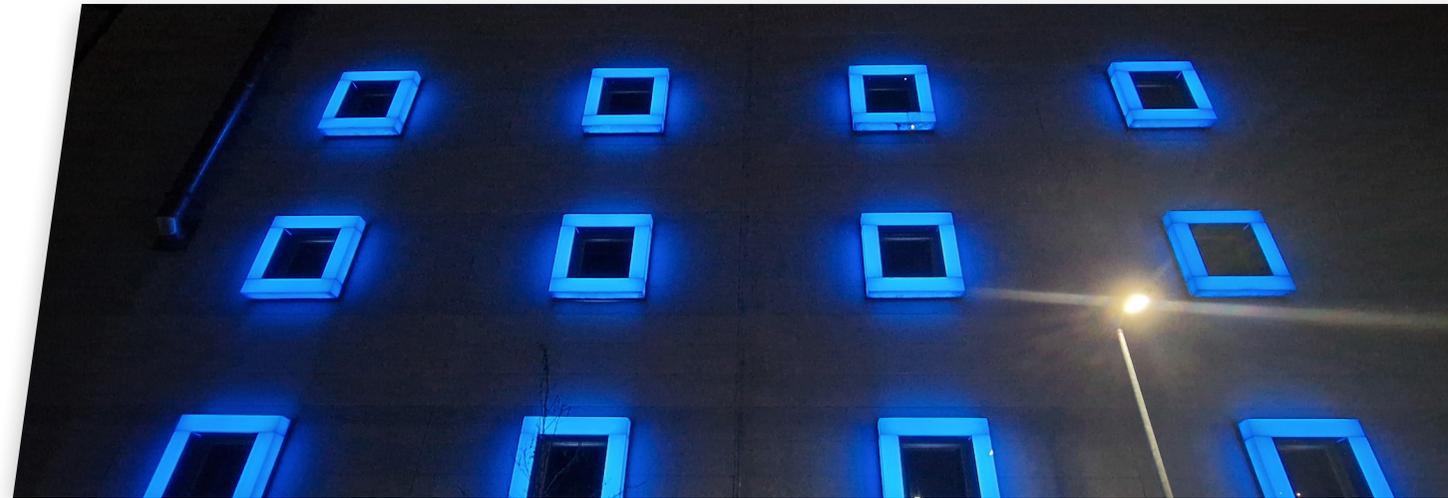
Supervisory bodies

The CeramTec Supervisory Board is comprised of both employer and employee members, in equal measure. They are given regular compliance training by the Chief Compliance Officer (CCO). The Advisory Committee which represents CeramTec shareholders is also regularly updated on CeramTec compliance matters.

Business conduct, policies, and corporate culture

Our Code of Business Conduct reflects our commitment to transparency and trust and lays out the various ways that our staff and third parties can report any concerns around how we conduct our business. Our Code of Conduct encourages strength through integrity and is available on our website. Our CeramTec Group Supplier Standards are publicly available and detail our expectations for our suppliers.

If any team member is not comfortable with the reporting options available, they can report anonymously through 'EthicsPoint', a third party managed reporting tool.



EthicsPoint offers online and telephone reporting, with translators, and is available 24/7. Any report received within CeramTec is managed appropriately, and in accordance with our guidelines.

CeramTec has a Non-Retaliation Policy for any whistleblowers who report or ask questions in good faith and our system is designed to protect the anonymity of those reporting, if they so elect.

An update to our Global Anti-Bribery and Anti-Corruption policy has been completed and will be rolled out by the end of 2024 with accompanying training.

Training, prevention, and protection of corruption and bribery

At CeramTec, we have a number of policies in place to prevent, detect, and address any allegations or incidents of corruption or bribery. These include ensuring training on our Code of Business Conduct as well as Anti-Bribery policy and Anti-Corruption policies. 98.46% of at-risk functions at CeramTec GmbH have completed respective training in 2023.

A global rollout of the training program is planned for 2024. At CeramTec, we take data privacy and security very seriously and to this end, all of our German colleagues are trained on the German data protection law as well as on cyber security risks and respective protective measures. Regular penetration tests are conducted to identify vulnerabilities, and our German sites maintain TISAX compliance, reflecting our commitment to stringent industry standards.

Category	Total
Number of convictions for violation of anti-corruption and anti-bribery laws	0
Amount of fines for violation of anti-corruption and anti-bribery laws	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	0



WWW.CERAMTEC.COM

For any queries or feedback about this report, please contact ESG@ceramtec.de