

## **CERAMTEC GROUP MODERN SLAVERY ACT STATEMENT 2023**

### **pursuant to the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act**

#### **INTRODUCTION**

This statement is made pursuant to the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (“**Canadian Modern Slavery Act**”) and sets out the steps that the CeramTec Group has taken in the financial year 2023 and is continuing to take to ensure that Modern Slavery does not occur within its supply chains and operations.

The term “Modern Slavery” encompasses slavery, servitude, human trafficking and forced and child labour. The CeramTec Group has a zero-tolerance approach to any form of Modern Slavery. We are committed to acting ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of Modern Slavery taking place within our supply chains and operations.

This statement has been prepared for the financial year ending 31 December 2023 and describes the steps taken by the reporting entities set out below to assess and address the risks of Modern Slavery in their business and supply chains.

#### **REPORTING ENTITIES**

This statement is a joint statement of the following entities pursuant to the Canadian Modern Slavery Act:

- CeramTec GmbH (HRB 734826, District Court Stuttgart), Federal Republic of Germany
- CeramTec Czech Republic s.r.o. (Section C, File 9276, District Court Ostrava), Czech Republic
- CeramTec UK Ltd. (00851165), United Kingdom
- CeramTec North America LLC (2243538, State of Delaware), United States of America

Together these reporting entities are referred to as CeramTec Group, “we”, “us”, or “our”.

#### **ORGANISATION**

The CeramTec Group is headquartered in Plochingen, Germany, and sells its products throughout the world. With more than 3,500 employees and production sites and subsidiaries in Europe, the Americas and Asia, as a manufacturer and supplier, the CeramTec Group has a worldwide presence.

#### **OUR BUSINESS**

Advanced ceramics from the CeramTec Group are used in the vehicle and automotive engineering, electronics, energy and environment, equipment and mechanical engineering

industries and as components in medical device systems and medical equipment, and in many other applications.

## **OUR POLICIES ON MODERN SLAVERY**

We have established/revised a number of internal policies and processes to strengthen our commitment to conducting business in an ethical and transparent manner. These include:

- Re-issuance of the [CeramTec Code of Conduct](#) in March 2023: This code explains the manner in which we behave as an organization and how we expect our employees and suppliers to act. As part of this, CeramTec Group supports international efforts to promote and protect human rights, including an absolute opposition to child labor, slavery, human trafficking and forced labor.
- Recruitment process: We operate a robust recruitment process, including conducting eligibility to work in the particular country and performing checks for all employees to safeguard against human trafficking or individuals being forced to work against their will.
- Revision of the [Supplier Code of Conduct](#) in April 2023: We have substantially revised our the Supplier Code of Conduct (referred to as the CeramTec Group Supplier Standards) better to comply with national and international regulations and ethical labor standards that protect human rights and the environment, including the Canadian Modern Slavery Act. These changes are as follows:
  - The CeramTec Group's expectations of suppliers and the values of business conduct are described more clearly and in more detail.
  - The prohibition of child labor and forced labor has been more strongly emphasized through rewording.
  - A new section for reporting violations has been added to promote ethical behavior and mitigate risk in the supply chain.
  - A new section on Due Diligence, Audits and Events of non-compliance has been added to highlight our commitment to supplier standards, and we reserve all rights to take necessary action to uphold this responsibility.
  - In general, the Supplier Code has been substantially restated to comply with the requirements under the German supplier due diligence legislation (*Lieferkettensorgfaltspflichtengesetz*).
- Responsible Supply Chain Handbook of CeramTec UK Ltd.
- Supplier Handbook of CeramTec UK Ltd.; and
- Augmenting our Ethics Hotline to allow for telephonic in addition to internet access and underscoring that the Ethics Hotline is also accessible to third parties.

## **DUE DILIGENCE PROCESS ON MODERN SLAVERY IN OUR SUPPLY CHAINS**

Within our supply chain, raw materials and components are sourced on a global basis. It is one of our core policies to do business only with suppliers who share our values and who conduct their operations in an honest and ethical manner. As part of this commitment, we conduct due diligence on suppliers in line with a risk analysis.

In addition, CeramTec UK Ltd. operate a supplier policy and maintain a released supplier list. Only those suppliers may become a released supplier, who successfully pass our due diligence process and have confirmed to us in writing that:

- they have taken steps to eradicate Modern Slavery within their business and
- they urge their own suppliers to do the same.

Our General Purchasing Policies also require our suppliers to comply with all applicable laws and the UN Global Compact Principles, which require businesses to support and respect human and labor rights.

Therefore, in case any supplier of CeramTec Group does not comply with the requirements of the Canadian Modern Slavery Act, we have reserved the right to terminate a supplier contract at any time should any instances of Modern Slavery in the sphere of the respective supplier's responsibility come to light.

## **FORCED LABOUR AND CHILD LABOUR RISK ASSESSMENT IN OUR BUSINESS AND SUPPLY CHAINS**

We are continuously carrying out forced labour and child labour risk assessments to identify possible risks relevant to our operations and supply chains. We have identified following possible risks:

### Possible risk factors:

- Supply of raw materials
- Mining of raw materials

### Possible risk sectors:

- Manufacture of non-metallic mineral products

### Possible risk geographies:

- China
- United States of America

We are continuously working to determine whether any of our suppliers actually fall under any of the above risks and have not identified any such cases to date.

There have also been no verified cases of Modern Slavery within the CeramTec Group's business or supply chains, and we have therefore not yet had the necessity to take any specific remedial actions.

## **TRAININGS AND OTHER COMPLIANCE ACTIVITIES**

The CeramTec Group's employees receive the CeramTec Group Code of Conduct on their first day at work, which clearly expresses our commitment to human rights. Furthermore, the Compliance Department conducts regular training on the Code of Conduct. In 2023, it has rolled out comprehensive training on the Code of Conduct training to all employees worldwide, beginning with headquarters in Germany in 2023, and has started to conduct the same training on a global scale in the first quarter of 2024. The aim of this project is to increase awareness of the Code of Conduct, raise the visibility of the Ethics Hotline and to promote integrity and ethics in all CeramTec Group companies, including the reporting entities. This training will be conducted on an annual basis and includes an acknowledgment by employees to abide by the Code of Conduct.

In addition, we conduct regularly training for our procurement/buying teams so that they understand the signs of Modern Slavery and what to do if they suspect that it is taking place within our supply chain.

In order to provide a local point of contact for compliance issues and to enhance the management of compliance and Modern Slavery risks such as forced labor and human trafficking in the core business and supply chains, the Compliance Department has appointed Compliance Liaisons in all CeramTec Group facilities, subsidiaries and offices.

There is an Ethics Hotline in place for all CeramTec Group employees as well as external parties to report any concerns with respect to Modern Slavery, potential violations of human rights or other ethics issues. The Whistleblower Hotline permits anonymous reporting and is reachable via the internet or by telephone.

## **OUR PERFORMANCE INDICATORS**

We will know the effectiveness of the steps that we are taking to ensure that Modern Slavery is not taking place within our supply chain and operations if:

- No reports are received from employees, the public, or law enforcement agencies or our Suppliers through the CeramTec Group's Ethics Hotline system or other reporting channels that indicate that Modern Slavery practices have been identified.

*In accordance with the requirements of the Canadian Modern Slavery Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.*

May 22, 2024

### **CeramTec GmbH**

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CEO

Karin Decker  
Human Rights Officer

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Vladimír Šamšula  
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### **CeramTec UK Ltd.**

Paul Turnbull  
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