

SUSTAINABILITY REPORT 2025



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1 General

1.1 Company Information (B1/B2 & C1 & C8)

This sustainability report covers the business activities of REFKO Feuerfest GmbH as a sole proprietorship. Option B (Basic + Comprehensive) of the VSME standard was selected for reporting. The company's economic activity relates to the development, manufacture and sale of refractory products and is classified under NACE C2320. The balance sheet total and turnover are not published for the 2025 reporting year. The company classifies both figures as sensitive information. In the 2025 reporting year, the company employed 16 staff members.

Due to a lack of data, information on greenhouse gas emissions from the upstream and downstream value chain (Scope 3) is not included in the sustainability report. The disclosure of waste indicators in accordance with B7.38(a) and B7.38(b) has been omitted. These indicators are not currently collected, as REFKO generates only household waste.

The company's registered office is located at 50.468689, 7.754713 in Ransbach-Baumbach. There are no other company-owned sites or premises. Apart from certification to DIN ISO 9001, there are no specific sustainability-related certificates or awards.

In the reporting year 2025, the company generated no revenue from activities defined as exclusion criteria for Paris-aligned EU reference benchmarks under Article 12 of Delegated Regulation (EU) 2020/1818. No revenue was generated from the exploration, extraction, processing, storage, transport or trade of fossil fuels (coal, crude oil, natural gas), nor from the manufacture of agrochemical products, tobacco cultivation or production, or from controversial weapons. The company is not excluded from EU reference benchmarks aligned with the Paris Agreement.

1.2 Sustainability (C1 & C2)

Since 1983, REFKO has been a leading medium-sized company in the development and supply of innovative, high-quality monolithic refractory materials. Its products and services are designed for high-temperature processes in the metal industry (iron/steel and non-ferrous metals), the cement and lime industry, the glass industry, and in environmental technology, particularly in thermal waste treatment.

Across the world, REFKO's products enhance customers' processes and end products. The primary objectives are operational reliability and the reduction of production costs. A customer-focused approach, close on-site contact and an understanding of customers' process flows and challenges form the basis for achieving the best possible results. To meet high quality standards, all business processes are based on a quality management system certified to DIN EN ISO 9001:2015.

As a reliable driving force in the refractory industry, the company works with employees and customers to develop innovative, resource-efficient refractory solutions that make plants safer, more efficient and longer-lasting. In doing so, REFKO acts with respect in its interactions, demonstrates a commitment to responsibility and impact, remains flexible even in difficult situations, ensures quality through expertise and shapes progress through openness.

REFKO – flexible, refractory, progressive.

Sustainability encompasses three areas. Ecological, social and economic aspects form the framework for limiting environmental impacts, fulfilling our responsibility towards people and ensuring long-term economic stability.

In the ecological sphere, the focus is on resource-efficient solutions and circular product development. REFKO develops refractory solutions with a longer service life, higher efficiency and optimised energy use for the customer. In addition, the company aims to increase the use of recycled and secondary raw materials in its products in order to promote circular material use.

In the social sphere, the focus is on safe and reliable working conditions for our own employees. They are a key factor in our success and shape the quality, stability and further development of the company. Through its reliable products, REFKO takes responsibility for user safety. In addition, the upstream value chain is assessed in terms of human rights considerations and monitored for potential violations.

Responsible corporate governance creates the framework for sustainable action. Clear structures, integrity and the protection of sensitive data ensure the trust of employees, customers and

partners. At the same time, a stable economic foundation creates the conditions for implementing environmental and social measures in the long term.

Values form the cornerstone of cooperation, both in contact with customers and in our daily interactions. REFKO is built on respect, commitment, flexibility, competence and openness. A name that sums up our approach.

Respect is demonstrated by listening, taking other perspectives seriously and treating one another fairly. **Commitment** involves taking responsibility, contributing ideas and actively driving issues forward. **Flexibility** is evident where we react quickly to change and find pragmatic solutions. **Competence** means working with precision, sharing knowledge and ensuring quality through experience. **Openness** thrives on addressing issues clearly, dealing constructively with feedback and being curious. This is how REFKO becomes a clear benchmark for collaboration.

The management team bears responsibility for sustainability and sets the strategic direction. Operational integration into day-to-day business is handled by the Quality Management department, which oversees the sustainability measures approved by the management and ensures their implementation. With this sustainability report, REFKO provides transparency on how the company integrates environmental, social and economic aspects into its business activities. The report supports the structured presentation of measures and serves as a basis for the transparent management of sustainability issues.

1.3 Value chain (C1)

Considering the value chain is central to the implementation of sustainability at REFKO. In order to effectively implement a sustainable strategy, it is necessary to take a holistic view of all phases of a product or service.

This comprehensive perspective makes it possible to identify and manage all potential impacts, risks and opportunities in a targeted manner. The value chain is divided into upstream and downstream processes as well as the company's own business division.

In the upstream value chain, the focus is on the procurement of mineral raw materials and their further processing. The products primarily utilise bauxite, corundum, mullite-containing raw materials, fireclay and magnesite. These are supplemented by binders and auxiliary materials such as cement, additives, fillers and clay. The raw materials originate predominantly from China and the European Union. They are usually delivered already ground and are mixed and packaged by contract processors.

The company's own business division comprises sales, development, laboratory, engineering, administration and quality assurance. The company develops formulations, tests raw materials and

provides technical support to customers regarding the use of the products. The product range includes the sale of unshaped refractory products. Product-related consultancy and training are also offered.

In the downstream value chain, external haulage companies deliver the products to specialist firms. These firms further process the refractory materials or install them directly into industrial plants. During the service life, the materials are subjected to high thermal, mechanical and chemical stresses. Depending on the application, the materials are replaced at regular intervals. At the end of the life cycle, the waste consists mainly of removed refractory materials, some of which are contaminated. Recyclable fractions are sorted, processed and used as secondary raw materials. Heavily contaminated or technically non-recyclable materials are disposed of in accordance with regulations.

2 Materiality analysis

As part of its own sustainability strategy and in response to growing demands for sustainability reporting from clients and banks, REFKO has carried out a dual materiality analysis. The aim of this analysis is to identify issues that have a significant impact on the environment and society (impact materiality) and that may also be financially material for the company (financial materiality). The assessment was carried out in accordance with the European Sustainability Reporting Standards (ESRS), which were developed by the EFRAG (European Financial Reporting Advisory Group).

2.1 Stakeholder analysis (C1)

In preparation for the materiality analysis, the relevant stakeholders were identified. This was followed by a systematic assessment of their expectations and potential for influence. Stakeholders play a central role in sustainability management, as their perspectives influence both the strategic direction and the company's reputation and business success.

The identification of stakeholders serves to gain a clear understanding of their needs and their influence on the company. The involvement of internal and external stakeholders ensures that the sustainability strategy is based on well-founded expectations and takes into account the material impacts of the company's activities.

REFKO maintains regular dialogue with internal and external stakeholders who are either directly affected by the company's business activities or have a significant influence on the company's economic, environmental and social orientation. Their expectations and feedback are incorporated into operational and strategic decisions at various levels and support the company's further development.

Internal stakeholders include employees, shareholders and the sister company. External stakeholders include customers, suppliers, legislators, government authorities, service providers and the environment.

Stakeholders	Interests and expectations	Involvement and dialogue
Internal		
Employees	Secure and stable jobs, occupational safety and health and safety at work, fair and timely remuneration, a supportive working environment, transparent communication, reliable structures and clear processes, flexible working time models, professional development and training, involvement in workplace-related issues, compliance with legal requirements	Regular dialogue in day-to-day work, staff appraisals, company social events
Shareholders	Economic stability, long-term corporate development, strategic direction, investment decisions, compliance with legal requirements, transparent information	Shareholders' meeting, ongoing consultations
Sister company (Dr. Ludwig GmbH)	Reliable production capacities, availability of raw materials and security of supply, stable interfaces in processes, transparency regarding planning and priorities, compliance with agreed payment terms, cooperative partnership	Operational coordination regarding orders, workflows and interfaces
External		
Customers	Product quality and process reliability, reliability and adherence to deadlines, solution-oriented communication, technical support, transparent pricing, innovations and new solutions, compliance with laws and standards, increasing sustainability requirements	Technical customer support, direct communication, assistance with application queries
Legislators / Authorities / Government (Tax Office)	Legal certainty, compliance with legal requirements, proper record-keeping, timely submissions and declarations, compliance with requirements relating to raw materials and framework conditions	Communication within the framework of required procedures and documentation
Service providers (freight forwarders, insurers, IT, waste disposal companies, consultants, TÜV)	Professional reliability, clear responsibilities, timely service delivery, transparent documentation, quality of consultancy and audit services	Ad hoc exchange regarding the respective projects
Silent		

Environment	Conservation of resources, strengthening of the circular economy, reduction of waste, reduction of environmental impact including CO ₂ , responsible management of raw materials	Focus on resource-efficient and circular economy approaches, use of recycled and secondary raw materials.
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Employees ensure expertise, quality and performance within their own business area. Shareholders shape the company's long-term direction and influence key decisions regarding economic stability and further development. The sister company, as a manufacturing entity, is essential for product availability and quality. Customers determine requirements for product quality and process reliability and, through their orders and turnover, contribute to the company's long-term stability. Suppliers influence product performance and security of supply through the quality of raw materials and delivery reliability. Legislators, the state and public authorities, including the tax office, establish the legal and administrative framework, compliance with which is a prerequisite for legally compliant business operations. Certain services within the company are provided by specialised external service providers, including in particular IT services.

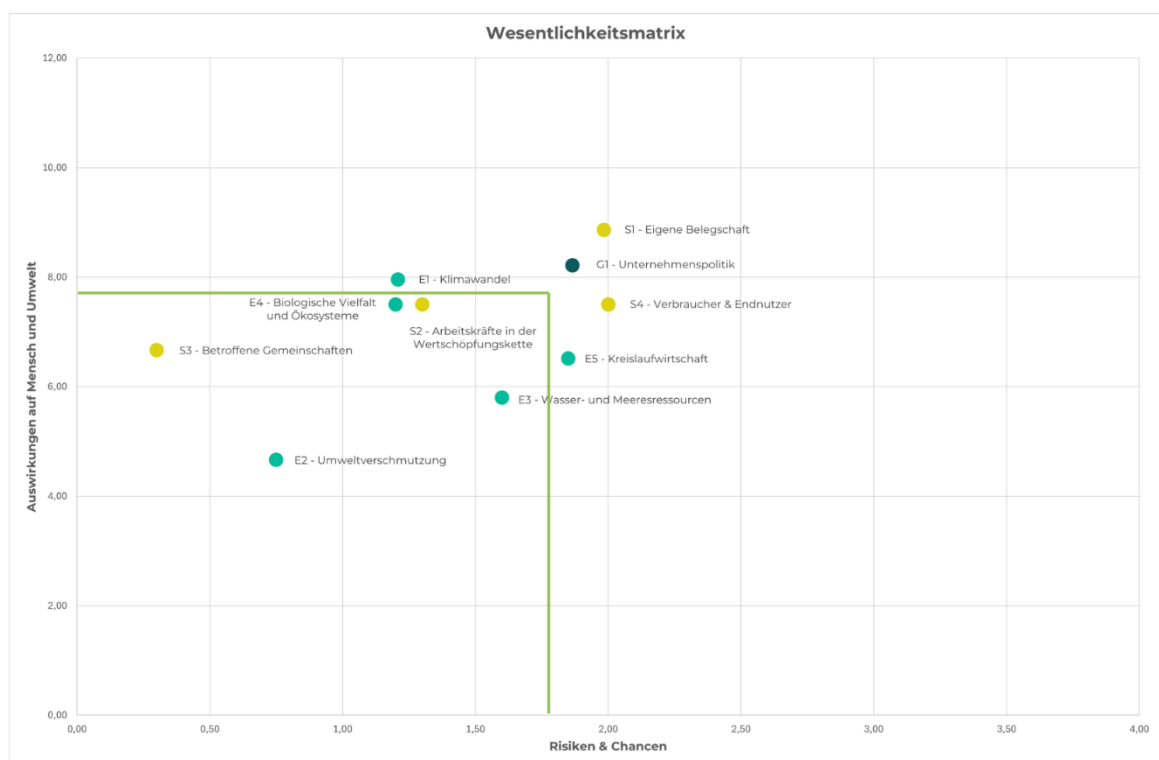
The environment is regarded as a silent stakeholder because, whilst it does not directly engage in dialogue as an actor, it is permanently affected as the basis for the availability of raw materials and as a point of reference for environmental impacts, thereby giving rise to a special responsibility on the part of the company.

Communication with stakeholders takes place through various forms of dialogue. Dialogue with employees occurs in day-to-day work, as well as through performance reviews and internal consultations. Shareholders are involved in ongoing management, decision-making and strategic planning. Communication with the sister company is operational in nature, particularly regarding the coordination of production orders, capacities, raw material availability, and quality and process interfaces. REFKO maintains close contact with its customers as part of its technical customer support. In addition, the company offers customer-specific training courses. Suppliers are involved in the company's requirements through ongoing communication in procurement and via supplier questionnaires. Communication with legislators, the state and authorities takes place on an ad hoc basis within the framework of legally required procedures, notifications and documentation. Service providers are integrated into the respective commissioned service areas through close collaboration, in particular to ensure defined services and to carry out specialised tasks. REFKO addresses the expectations of the silent stakeholder, the environment, through resource-efficient and circular economy approaches, in particular by focusing on recycled and secondary raw materials as well as measures for waste prevention and closing the loop.

2.2 Double materiality analysis (C1)

The aim of the double materiality analysis is to systematically identify and assess the material impacts of the company's activities on the environment, society and the economy, as well as the sustainability-related risks and opportunities that may affect the company itself. The analysis follows the concept of double materiality in accordance with the European Sustainability Reporting Standards (ESRS) and encompasses impact materiality – i.e. the influence the company has on people and the environment – as well as financial materiality – i.e. the influence sustainability aspects may have on the company's economic situation. The focus is on so-called IROs (impacts, risks and opportunities), which have been identified along the value chain and mapped to the ten topic-specific standards of the ESRS.

Impacts are assessed on the basis of magnitude, scope and irreparability, as well as the likelihood of occurrence. Risks and opportunities are assessed according to their likelihood of occurrence and potential financial magnitude. An issue is considered material if it meets the criteria for impact materiality, financial materiality or both. By applying the dual materiality approach, relevant issues along the value chain were identified and prioritised. The assessment was carried out with regard to short-, medium- and long-term time horizons and takes into account both the company's own business activities and the upstream and downstream value chain, including its products and services. The material issues identified in this way form the content framework of the VSME report.



As part of the materiality assessment, the topics E1 Climate Change, E5 Circular Economy, S1 Own Workforce, S4 Consumers and End Users, and G1 Corporate Policy were identified as material for

REFKO. These topics reflect the key impacts of the company's business activities on the environment, people and corporate governance.

Significant impacts

REFKO's significant environmental impacts arise from the use of raw materials. Transport along the supply chain also contributes to climate impact, as raw materials, products and waste are sometimes moved over long distances by lorry and ship. However, this impact is less significant compared to raw material production. The impacts of business travel, the use of company vehicles and energy consumption in production are even smaller in terms of climate change.

Negative impacts in the context of environmental pollution arise from dust emissions at the contract manufacturer's production site, on whose premises REFKO is based. Additionally, impacts arise from air pollution resulting from business travel and employees' commuting. Furthermore, when secondary raw materials are stored outdoors, there is a risk that rain will wash away raw materials, thereby contaminating soil and water, unless suitable protective measures are taken.

Water and marine resources are predominantly affected in the upstream value chain, as raw material extraction and processing by suppliers may be associated with increased water consumption. Furthermore, sealed storage and handling areas may restrict the natural infiltration of rainwater, which can adversely affect local water balances.

Impacts on biodiversity and ecosystems arise in the upstream value chain through raw material extraction by external suppliers. The development of new raw material sources can lead to the displacement of local species, deforestation and the loss of ecosystems. As the company is neither directly involved in extraction nor does it concentrate significant purchase volumes with individual suppliers, its ability to influence extraction methods is limited.

In the area of the circular economy, REFKO has a positive impact by marketing products containing recycled content and formulating blends to be reusable. This helps to reduce the demand for primary raw materials. Through close collaboration with customers on formulation development, REFKO can specifically influence the composition of products and design them in such a way that, at the end of the product life cycle, more environmentally friendly disposal and recycling are enabled. Plastic-based packaging can have a negative impact, as it can contribute to the formation of microplastics if disposed of improperly by the user.

In the social context, REFKO's main impacts relate to its own workforce and the safety of its customers. Furthermore, impacts on workers in the value chain and affected communities are relevant, although REFKO has only limited direct influence as it has its products manufactured by contract manufacturers.

Within our own business division, fair working conditions, pay based on collective agreements, and targeted occupational health and safety measures have a genuinely positive impact on the workforce. Additional initiatives such as flexible working arrangements, an employee-focused corporate culture, and the active promotion of equal opportunities enhance staff motivation, health and professional development.

Impacts on workers in the value chain arise in upstream raw material extraction. In mining regions with weak labour legislation, employees may be affected by precarious working conditions, inadequate pay or restricted labour rights. The extent of this risk varies depending on the country of origin of the raw materials. The company addresses these potential negative impacts through systematic supplier assessment via TrustNet and by implementing a Supplier Code of Conduct, which defines minimum requirements for social standards in the supply chain.

Impacts on affected communities arise both in the local region and in the upstream value chain. By providing secure jobs, REFKO makes a positive contribution to stability in the region and is actively committed to supporting social projects. In raw material extraction regions, however, the indirect impact on local communities can lead to social tensions, for example when water resources become scarce or habitats are affected by mining.

For consumers and end-users, product safety and technical reliability are of central importance. REFKO bears responsibility for the raw material composition and the testing of the refractory materials supplied, thereby playing a central role in product safety in industrial high-temperature processes. Regular technical dialogue with customers ensures that materials are used correctly.

In the area of economic sustainability, significant impacts arise from corporate governance and the structuring of business relationships. A clear governance structure with defined responsibilities and transparent decision-making processes strengthens internal control capabilities and contributes to compliance with applicable requirements. Prompt and timely payments strengthen suppliers' trust and improve REFKO's position with suppliers of critical raw materials. By offering even smaller production quantities from 500 kg, the company fills a gap in the market and assumes an important supply role for smaller customers and specialised applications. Through the reliable supply of key industries such as steel, cement and glass manufacturing, REFKO makes a significant indirect contribution to maintaining fundamental industrial value chains.

Key risks and opportunities

Environmental risks primarily concern the availability of critical raw materials and the impact of climate change on logistics and procurement. The global availability of key raw materials such as tabular, andalusite and fireclay is becoming increasingly limited. Geopolitical developments, environmental regulations in mining or logistical bottlenecks may lead to further shortages, which have a direct impact on production capacity, pricing and delivery reliability. Climate-related physical

risks affect the supply chain at several levels. Fluctuating water levels, extreme weather events and temperature changes can affect raw materials, storage and transport processes alike. These risks are described in detail in the following chapter. In addition, there is a potential risk that inadequate management of mineral residues could lead to environmental impacts and regulatory requirements. The extraction of refractory raw materials in countries with weak environmental legislation also carries the potential risk of environmental impacts, which could damage the company's image and ESG rating among customers.

Environmental opportunities arise where REFKO actively reduces resource consumption and emissions. The increased use of recycled inputs enables more resource-efficient production. The development of circular business models, for example through the processing and reuse of waste materials, offers the opportunity to actively support customers' environmental requirements and to tap into new business areas in the field of recycling or secondary raw materials. Collaboration with long-standing suppliers to develop innovative raw materials with a higher recycled content or a lower carbon footprint offers the opportunity to differentiate the company technologically whilst simultaneously reducing the environmental footprint of its products.

Social risks relate in particular to the availability of skilled workers and the concentration of knowledge. The growing shortage of skilled workers in the refractory industry, exacerbated by demographic change and a lack of new recruits to the sector, poses a significant risk. In the long term, key positions may no longer be filled, which increases REFKO's dependence on individual employees and makes it more difficult to safeguard know-how. As a great deal of knowledge at REFKO is concentrated in the hands of a few individuals, personnel changes can severely disrupt operational processes and lead to a loss of knowledge. In the upstream supply chain, the extraction of raw materials such as bauxite or magnesite carries the risk that suppliers are operating in regions where human rights issues are a concern. Without reliable information on working conditions, forced or child labour cannot be ruled out, which poses an ethical risk and may cause reputational damage. REFKO is already addressing this risk through the use of the TrustNet platform, via which suppliers are systematically assessed against ESG criteria.

Social opportunities lie in the further development of working conditions, corporate culture and supplier management. The transition to ergonomically designed workstations offers an opportunity to reduce health risks and strengthen employee retention. Greater involvement of employees in improvement processes enables better utilisation of internal knowledge and fosters innovation potential within the company. Establishing long-term partnerships with universities and training institutions opens up the possibility of securing access to young talent and strengthening the employer brand. The targeted selection of suppliers who demonstrably adhere to human rights standards offers the opportunity to actively contribute to responsible corporate governance and strengthen the company's own credibility.

Economic risks arise from dependencies in the supply chain, market concentration and regulatory developments. Dependence on a small number of raw material suppliers represents a significant risk. Political, climatic or logistical disruptions in mining or production regions can lead to bottlenecks and price fluctuations, thereby directly affecting production reliability and cost structure. Due to the high concentration of revenue on a few major customers, there is a risk of economic dependence, whereby a decline in orders or changes in the purchasing strategies of individual customers could lead to significant revenue losses. REFKO operates in global markets; fluctuations in the international economic cycle can influence demand in the short term. An increase in complaints due to substandard raw materials could impair customer satisfaction and result in follow-up costs. Without a properly maintained legal register, there is a possibility that legal requirements may not always be identified and implemented in a timely manner. The absence of a loading bay at the site restricts direct delivery and dispatch by container and may lead to additional logistical costs.

Economic opportunities lie in our innovation and partnership strategy, as well as in transparent sustainability communication. The growing demands for CO₂ reduction from customers in the steel and cement industries present an opportunity to tap into new market segments through innovative, energy-efficient or circular refractory solutions, and to position REFKO as a forward-looking partner. Collaboration with customers in the development of bespoke solutions strengthens competitiveness and customer relationships. Regular strategic dialogue with customers fosters mutual understanding and enables REFKO to identify market changes at an early stage. By providing transparent ESG data, REFKO can enhance its competitiveness in tenders, as major customers in the raw materials industry are increasingly prioritising ESG criteria within the supply chain. Establishing secondary or tertiary suppliers for critical raw materials would significantly increase security of supply and reduce dependence on individual sources. Through targeted investments in automation and digitalisation, processes can be made more efficient and the company's long-term sustainability strengthened. The introduction of an anti-corruption policy and code of conduct offers the opportunity to proactively build trust among customers, partners and employees and to promote a shared understanding of values. A level of digitalisation that still has room for improvement offers the opportunity to make processes more efficient through targeted investments, reduce sources of error and strengthen the company's competitiveness in the long term.

3 Environmental sustainability

3.1 Energy and greenhouse gas emissions (B3)

REFKO regards energy consumption and greenhouse gas emissions as a significant environmental aspect in connection with the operation of its own site. Within its own business division, energy consumption arises primarily from the operation of office and laboratory workstations, as well as from business travel using company-owned vehicles. There is no process-related energy consumption from in-house production, as the manufacture of products is carried out by contract manufacturers.

Energy consumption	2025
Electricity (kWh)	33,706.48
Diesel (kWh)	52,580.00
Petrol (kWh)	41,304.90
Natural gas (kWh)	2,048.60
Propane (kWh)	1,082.62
Total (kWh)	130,722.60

The kWh values for the energy sources shown in the table were calculated in accordance with the BAFA guidance note on determining total final energy consumption. Propane was included as liquefied petroleum gas

REFKO's greenhouse gas accounting is carried out as a Corporate Carbon Footprint (CCF) for its own business division. It covers emissions from Scope 1 and Scope 2. Scope 1 covers direct emissions from the use of fossil fuels. Scope 2 covers indirect emissions from purchased electricity. The location-based method uses the average emission factor of the local electricity grid and thus reflects the physical reality of the electricity supply. The market-based method takes into account the electricity actually procured under contract and the associated emission factors of the energy supplier.

Corporate Carbon Footprint

2025

standortbasiert

Scope 1

25 t CO₂e

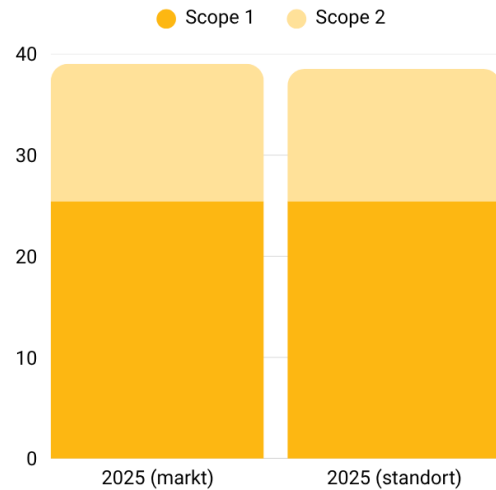
= direkte Emissionen, die durch ein Unternehmen ausgestoßen werden. Vom firmeneigenen Fuhrpark über die Gebäudeheizungen bis hin zu Anlagen oder Maschinen, die direkt an der Wertschöpfung beteiligt sind.

Scope 2

13 t CO₂e

= indirekte Emissionen, die sich bei der Beschaffung von Energie oder anderen Rohstoffen ergeben. Zwar fallen diese nicht direkt im Unternehmen an, werden aber durch den Betrieb des Unternehmens veranlasst.

marktbasiert / standortbasiert



This accounting provides transparency regarding the key emission sources and supports the classification of measures already implemented. Emissions from the upstream and downstream value chain (Scope 3) are not currently accounted for. From 2026, REFKO will expand this approach to include the accounting of Product Carbon Footprints (PCF) for its core products. The PCF describes a product's greenhouse gas emissions across defined life cycle stages and makes climate-related product information transparent. Customers are increasingly requesting this information as part of procurement decisions and internal reporting requirements. The results of the PCF accounting will be presented in the next reporting year.

3.2 Climate targets and transition plans (C3)

REFKO aims to gradually expand climate-related data and derive concrete reduction strategies from it. Due to the company's size and existing organisational structure, the company is currently focusing on effective, practical measures with a direct impact on the climate. A company-wide, formally structured transition plan is not currently planned.

PCF accounting forms the basis for the development of climate targets. In terms of content, the focus is on the emission drivers resulting from the raw materials used, formulations and manufacturing processes. As production is outsourced, the necessary data is collected along the relevant process steps in the value chain. A software solution supports the consistent recording and

traceable documentation of the calculations. Customers are increasingly incorporating climate-related product information into procurement decisions and using it in their own climate management. PCF accounting provides a robust basis for this, enabling product data to be made available in a structured manner and evaluated in a comparable way. The results are used to derive reduction strategies with the aim of continuously reducing greenhouse gas emissions.

Greenhouse gas emissions are also to be further reduced in the office building and laboratory. The focus is on energy-efficient lighting and the mindful use of heating and ventilation. Staff are made aware of the importance of resource-efficient working practices through internal guidance and initiatives. As a tenant, the scope for influence is limited. REFKO is therefore in regular dialogue with the landlord to examine and gradually implement further energy efficiency measures.

In parallel, REFKO is supporting the transition to electric mobility. Where possible, company cars with combustion engines are to be replaced by electric vehicles in future. To this end, the company is examining how a charging infrastructure can be established on site. In addition, alternatives such as video conferencing and better journey planning are being utilised to reduce travel and the associated emissions overall.

3.3 Climate risks (C4)

Climate-related risks are already having a noticeable impact on business operations. They include physical risks arising from the direct consequences of climate change, as well as transitional risks associated with the shift towards a low-carbon economy. REFKO assesses these risks across the entire value chain.

Physical impacts are primarily evident in the upstream value chain and in outsourced production. REFKO's own business operations are comparatively less affected. Prolonged heatwaves increase the strain on the office building, whilst severe weather events can impair access to the workplace. REFKO addresses this by offering the option to work from home, adjusting shift times and providing sufficient drinking water. In the laboratory, samples are tempered or cooled prior to testing where necessary to ensure comparable and reliable results despite increasing temperature fluctuations.

Physical climate risks are becoming more pronounced in the upstream value chain. Extreme weather events disrupt raw material extraction, landslides caused by heavy rainfall threaten mining operations, and fluctuating water levels hamper inland and maritime shipping. Extreme temperatures can also restrict contract manufacturing. To strengthen resilience, REFKO closely coordinates capacities, delivery windows and stockpiling with the contract manufacturer, diversifies raw material procurement and gives preference to regional suppliers, provided that quality, availability and costs permit.

In addition to physical risks, transitional developments shape the risk profile. Increasing pricing of greenhouse gas emissions is driving up transport and energy costs. Growing verification requirements along the value chain, as well as increasing reporting obligations, are raising administrative burdens. Investments in climate and sustainability certification also carry the risk that the resulting costs cannot be fully recouped in the market.

However, the transition to a low-carbon economy also presents opportunities. Customers are increasingly taking sustainability criteria into account in their procurement decisions and are themselves under growing pressure to comply due to regulation and reporting obligations. A transparent database of products and services strengthens the competitive position and deepens customer loyalty. From 2026, REFKO will provide Product Carbon Footprints (PCF) for this purpose. Technical expertise in formulation development also makes it possible to substitute critical raw materials and develop blends with a broader raw material base, which reduces the effort required to adapt to regulatory changes. Furthermore, the expansion of circular solutions offers the opportunity to tap into additional secondary raw materials through collaborations on the return of material flows and to strengthen security of supply.

3.4 Environmental pollution (B4)

No process-related pollutant emissions into the air, water or soil occur within the company's own business operations. REFKO is not obliged, either by law or under other national regulations, to report pollutant emissions to the relevant authorities. Quantitative disclosure of pollutant emissions is therefore not applicable to REFKO.

3.5 Biodiversity (B5)

The protection of biodiversity along the upstream and downstream value chain is a relevant issue. Many raw materials used in the refractory industry are extracted and processed worldwide. Consequently, potential impacts on nature and ecosystems are fundamentally part of the industry's operating environment. In the downstream value chain, the treatment and recycling of excavated material and material residues may also have a potential impact on biodiversity, particularly where material flows are not recycled properly.

Within our own business unit, the direct impacts on biodiversity are minimal. The office and laboratory space used covers 343 m². In addition, there is a sealed outdoor area of 95 m². Neither of these is located in or near biodiversity-sensitive areas. There are also no near-natural areas on the site or outside the premises. These figures have not changed compared to previous years.

3.6 Water (B6)

Water is mainly used for sanitary facilities and the kitchenette, as well as for cleaning the premises. There is no process-related, water-intensive consumption. Furthermore, only small amounts of water are used in the laboratory. Employees are encouraged to use water responsibly in their day-to-day work.

Water balance (office)	2023	2024	2025
Water withdrawal	92	69	77
Wastewater volume	92	69	77
Water consumption	0	0	0

The production of castable and sprayable refractory concretes involves only minimal water consumption, as the products are manufactured and delivered in a dry state almost without exception. Water is only added by the user. Nevertheless, REFKO keeps a close eye on water usage during subsequent processing and takes this into account right from the product development stage. The water content in the finished mixes is typically between four and six per cent and should be kept as low as possible. This is particularly important in water-scarce regions where the products are used.

3.7 Resource use, circular economy and waste management (B7)

The refractory industry faces several structural challenges. Raw material prices are rising, and high-quality primary raw materials are not consistently available in sufficient quality and quantity. Production is energy-intensive. Energy consumption causes greenhouse gas emissions. At the same time, demands for sustainability and the reduction of CO₂ emissions are increasing. Against this backdrop, the circular economy is becoming increasingly important. Innovation is increasingly evident in the more efficient use of existing materials. There is also a growing focus on the targeted management of raw material flows within the circular economy.

REFKO is committed to resource efficiency and strengthening the circular economy. A key approach is the use of recycled materials. These are reprocessed raw materials derived from used materials or production residues. Recycled materials replace some of the primary raw materials. This reduces the demand for new raw materials. Energy-intensive raw material extraction and processing are reduced, which in turn also cuts associated greenhouse gas emissions.

REFKO develops castable and sprayable refractory concretes using recycled materials. These solutions incorporate, amongst other things, recycled zircon-corundum raw materials and crushed

ceramic insulators. Recycled corundum bricks from the steel industry are also utilised. This results in products with high technical performance. At the same time, raw material consumption is reduced. One challenge remains the available quantity of recycled materials.

Instead of demolishing entire sections, the RECOVERY System enables targeted repairs to existing structures. Worn areas are renewed using castable or sprayable refractory concretes, whilst intact zones are preserved. This significantly reduces the need for new material and lowers the costs of demolition and disposal. This reduces material consumption and energy use.

Another key factor is reducing the quantity of material required. A lower bulk density reduces the weight of the material used. For the same layer thickness, less mass is processed. This reduces transport and resource consumption.

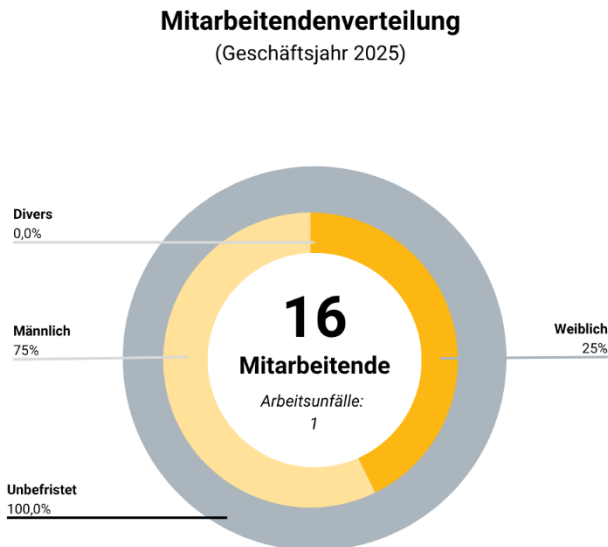
Through all these initiatives, REFKO demonstrates how technical innovations enable efficient resource use and a circular economy. This reduces the use of primary raw materials, increases security of supply and improves the environmental impact along the value chain.

Within its own business division, the waste generated consists mainly of standard office waste. In the laboratory, additional waste is produced from samples and test materials, which is disposed of as construction waste.

4 Social sustainability

4.1 Workforce (B8 & C5 & C7 & C9)

REFKO's performance is based on the people within the company. Their qualifications and commitment ensure quality and process reliability across all functions. Clear, fair working conditions ensure a collaborative and respectful working environment.



During the reporting period, REFKO employed a total of 16 staff members, all of whom are on permanent contracts. The workforce comprises 12 male and 4 female employees. No apprentices were employed during the reporting period. Furthermore, there were no staff departures.

Working hours are flexible, as far as the nature of the work permits. The company ensures compliance with the applicable statutory working time

regulations. There is no collective representation of employees.

REFKO supports the work-life balance as an integral part of a reliable HR policy. The company promotes a balanced approach between professional demands and personal commitments. Family matters are taken into account in the organisation of work within the scope of the company's capabilities. Managers and employees jointly contribute to a working culture that fosters consideration and respects personal concerns.

The principles of equal treatment and equal opportunities apply in dealings with the workforce. There is no place for discrimination within the company. Recruitment, employment, development and collaboration are conducted on a non-discriminatory basis, regardless of personal characteristics. These include, amongst others, gender, origin, religion, age, sexual orientation and disability. The decisive factors are qualifications, suitability and the requirements of the respective role. REFKO promotes respectful cooperation and creates the conditions for employees to contribute and further develop their skills.

The company's highest governing body is the Management Board. The management team comprises three male and one female executive. This results in a female-to-male ratio of 1:3 in

management positions. When filling management roles, qualifications, experience and responsibility are the key factors.

4.2 Health and Safety (B9)

Health and safety are firmly embedded in day-to-day working life and are supported by clear responsibilities and regular training. In office workplaces, the focus is on ensuring workplaces are designed to be safe and healthy. This includes ergonomic working conditions and a safe layout. There are clear procedures in place for fire safety, evacuation and first aid. Regular training sessions help to raise awareness of safety in day-to-day work.

In laboratory workplaces, the focus is on the safe handling of raw materials, samples and work equipment. Order, labelling and appropriate protective measures reduce risks in daily work. Dust generated during the mixing of materials is extracted via filter systems, thereby reducing emissions in the workplace to a minimum. Here too, training ensures that the requirements for safe working practices in day-to-day laboratory work are known and adhered to.

Specific rules regarding access and safety apply upon entering the premises. These include on-site briefings and guidelines on the personal protective equipment provided. REFKO provides workwear that can be laundered on-site.

One reportable workplace accident was recorded in the reporting year. The accident frequency rate (AFR) stands at 7.25. There were no fatal workplace accidents.

4.3 Remuneration, collective bargaining agreements, further training (B10)

Fair and transparent remuneration is a central component of responsible corporate governance for REFKO. Remuneration is based on role, qualifications and responsibility. Compliance with the applicable statutory minimum wage regulations is ensured. There is no collective agreement in place. The structure of remuneration is deliberately aligned with the collective bargaining structures of the Rhineland-Palatinate stone and earth industry.

In the 2025 reporting year, the average gross hourly wage for male employees was €30.47 and for female employees €27.11. The differences in average remuneration figures result from the distribution of tasks and roles within the company. Management positions and the executive board are predominantly held by men, which is reflected accordingly in the average hourly wages.

The unadjusted gender pay gap stood at 11% in the 2025 reporting year. The calculation includes all salaries and hourly wages paid within the company. No adjustments are made for job categories, qualifications, working hours or other influencing factors.

In principle, all employees have access to training and further education opportunities. Planning and implementation take place in consultation with management and are tailored to the respective areas of responsibility and operational requirements. Training includes all instruction and courses related to work at REFKO, including legally required measures. In the 2025 reporting year, a total of 180 training hours were completed. The average number of training hours per employee was 11.25 hours, with male employees averaging 12.06 hours and female employees 8.81 hours.

4.4 Human Rights (C6 & C7)

For REFKO, due diligence regarding human rights and fair working conditions form part of the expectations regarding its own conduct and its cooperation with business partners. A dedicated code of conduct for staff, which explicitly covers the issues of child labour, forced labour, human trafficking and discrimination, is not yet in place. The relevant principles are described elsewhere in the report. The drafting of such a code is already planned.

Respect for human rights forms the basis for fair, respectful and responsible cooperation throughout the entire value chain. Discrimination, forced labour or child labour are not tolerated in any form. This approach is actively exemplified by the management.

Suppliers are systematically assessed against ESG criteria via the Trustnet platform. Through the automated evaluation of quality-assured data and the continuous monitoring of relevant developments, potential human rights risks can be identified at an early stage.

There is no internal whistleblowing system available for our own workforce. However, employees have the option of reporting concerns via the external reporting office of the Federal Office of Justice.

- External reporting office of the Federal Office of Justice:
 - o Address: Adenauerallee 99–103, 53094 Bonn
 - o Telephone: +49 228 99 410-40
 - o Email: poststelle@bfj.bund.de
 - o Website: www.bundesjustizamt.de/hinweisgeberstelle

In such cases, REFKO works closely with the relevant authorities and supports a thorough investigation. To date, neither employees nor external partners have made use of this option.

Many raw materials used in the refractory industry originate from regions where human rights standards are only implemented to a limited extent. REFKO takes this situation into account when managing the supply chain. The aim is to reduce human rights risks associated with raw materials and suppliers as far as possible. However, REFKO does not have exclusive control over raw material

procurement. In most cases, the contract manufacturer procures raw materials itself. Procurement is therefore closely coordinated.

The management bears responsibility for compliance with applicable labour and human rights regulations and ensures their implementation in day-to-day business operations.

In the reporting year, no serious human rights violations were identified either within the company's own operations or in the upstream value chain. There were no indications of child labour, forced labour, human trafficking or other serious violations of fundamental labour rights.

5 Economic sustainability

5.1 Corruption and Bribery (B11)

Corruption and bribery are incompatible with REFKO's principles. Employees' conduct is characterised by respect and openness towards business partners. Integrity forms the basis for sustainable and successful business operations. The Code of Conduct sets out the rules governing behaviour to prevent corruption and bribery within the company, as well as how to deal with business partners. It defines the key elements of responsible business conduct.

As a general rule, there must be no form of price fixing, cartel formation or abuse of one's own market position. To avoid conflicts of interest, employees must not participate in activities that could give rise to such a conflict. Employees must not at any time confer improper advantages on business partners, their employees or other third parties. Trade and business secrets must be treated as confidential even beyond the contractual relationship. Breaches of the applicable rules are consistently sanctioned.

There were no cases of corruption, bribery or similar violations in the reporting year. No convictions or fines were imposed on the company.

REFKO aims to continuously develop existing structures and thereby permanently strengthen the foundation for acting with integrity and transparency.

5.2 Data protection and digitalisation

The careful handling of personal data and confidential information is part of REFKO's corporate responsibility. REFKO protects the data of employees, customers, suppliers and business partners. Data processing is carried out in accordance with applicable legal requirements, in particular the General Data Protection Regulation (GDPR). Trade and business secrets must be treated as confidential. Third-party information is not disclosed without consent. REFKO ensures that data is processed in a transparent and lawful manner and only for specified purposes. An external IT service provider supports information security and monitors and records information security incidents. In this way, REFKO strengthens its ability to identify risks at an early stage and respond appropriately.

The company has already implemented technical and organisational measures to support the protection of sensitive information. These include regulated access permissions, regular system updates, secure IT infrastructures and defined procedures for the storage and deletion of data.

During the reporting year, there were no information security incidents that led to a breach of the confidentiality, integrity or availability of data. There was also no unauthorised access to IT systems, networks, applications or stored information.

REFKO intends to make even greater use of digitalisation as a lever for quality and efficiency in the future. The aim is to significantly simplify workflows whilst simultaneously increasing process reliability. Step by step, manual process steps are to be reduced and procedures more clearly standardised. This will enable sources of error to be minimised at an early stage and further strengthen reliability in day-to-day business.

6 Outlook

Thank you for your interest in this Sustainability Report. REFKO views reporting as an ongoing process and as a basis for measuring progress and further developing targeted measures. The results and areas of action presented in the report will be further refined in the coming years, underpinned by a broader database and regularly reviewed. Feedback from employees, customers, suppliers and other relevant stakeholders will be taken into account in order to continuously strengthen transparency, reliability and impact.

Herbert Hönl

Managing Director

7 Methodology

This sustainability report, prepared in accordance with the VSME standard, covers the period from 1 January 2025 to 31 December 2025. The information provided is reliable, comprehensible and verifiable. Where necessary, it has been supplemented with additional key figures and/or narrative information not provided for in the VSME standard itself. This ensures that all relevant topics which are customary in the industry or of specific significance to the company are disclosed. The data and information have been presented in a format that allows for comparability in subsequent years.

The content of this report is based on internal data, existing documentation and interviews with managers from various business units. In addition, external requirements and expectations of customers, business partners and financial institutions have been taken into account. Where information has not been published for reasons of confidentiality or because it is sensitive, this is indicated in the relevant sections.

A key element of the reporting process was the conduct of a materiality analysis. This served to systematically identify and prioritise relevant sustainability issues. The basis for this was the list of topics from the ESRS standard, supplemented by company-specific questions.

The report was prepared with the guidance and technical support of the external sustainability consultancy 432Hz GmbH, which provided methodological guidance for the process and supported the development of the report's content. This included both the conduct of the materiality analysis and the structuring and drafting of the report in accordance with the requirements of the VSME standard.

All information is based on the data available at the time of reporting. The report was prepared in close consultation with the management and the relevant specialist departments.

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REFKO Feuerfest GmbH

Concordiastraße

D-56235 Ransbach-Baumbach

Tel: +49 (0) 26 23 - 2075

Fax: +49 (0) 26 23 - 1738

Email: info@refko.de

Publication date:

XX.XX.XXXX

Contact:

Jan Schröder

Ceramics Technician

Tel: +49 (0) 2623 2075

Email: schroeder@refko.de

For the sake of readability, this report does not use gender-specific language. All references to persons apply equally to all genders. The use of the short form does not imply any judgement. Where possible, gender-neutral terminology is used in the report.

This sustainability report has been subject to a technical review by the sustainability consultancy 432Hz GmbH. The review covered exclusively the formal application and structural implementation of the relevant disclosure requirements of the VSME standard, as well as a completeness check of the required reporting elements.

No review of the content, plausibility check or verification of the information provided by the company was carried out. In particular, the key figures presented in the report were neither audited nor assessed for their accuracy or appropriateness.