

2024

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

~€746
million revenue in 2024

16
production sites in
Europe, the Americas, and Asia

CeramTec global locations

● Sales offices and agencies ● Subsidiaries

America

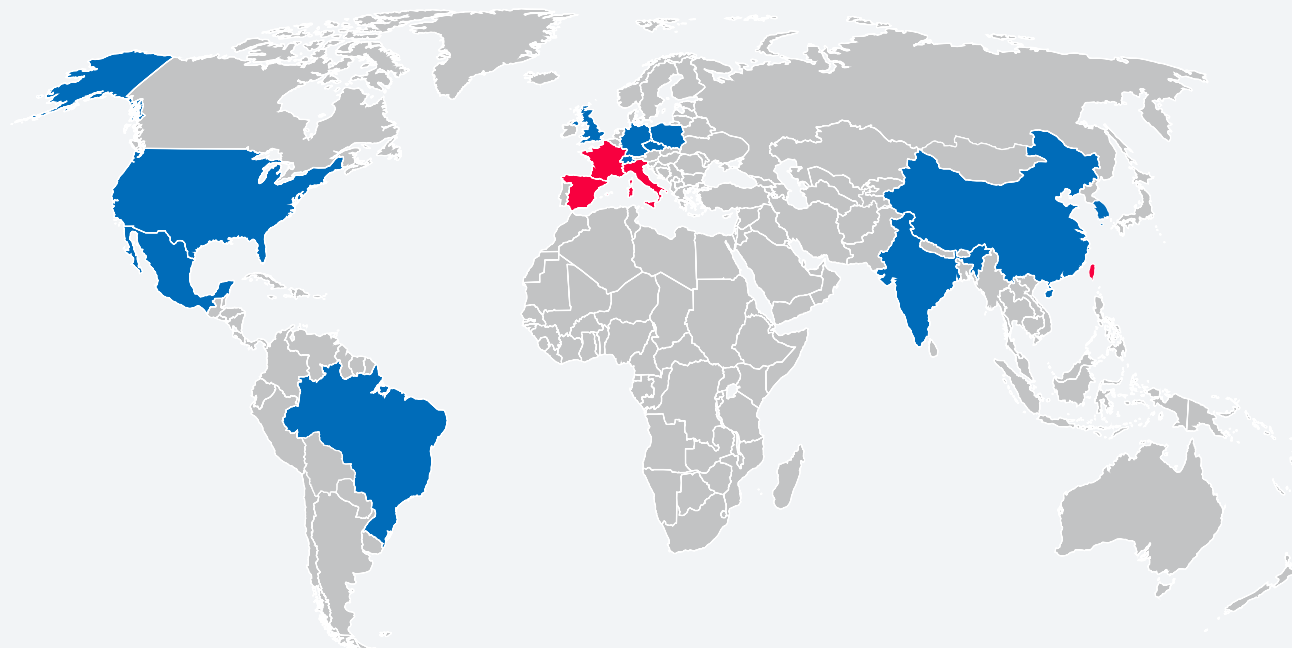
USA, Brazil, Mexico

Europe

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

Asia

China, India, South Korea, Malaysia, Taiwan



01

Our ESG strategy

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Introduction

We are conscious of the need to meet and maintain compliance with developing sustainability 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 2024, we continued to build on the foundations laid last year by advancing our bespoke ESG strategy—ensuring it evolves in step with the growing needs of our business, our people, and our commitment to sustainability.

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:

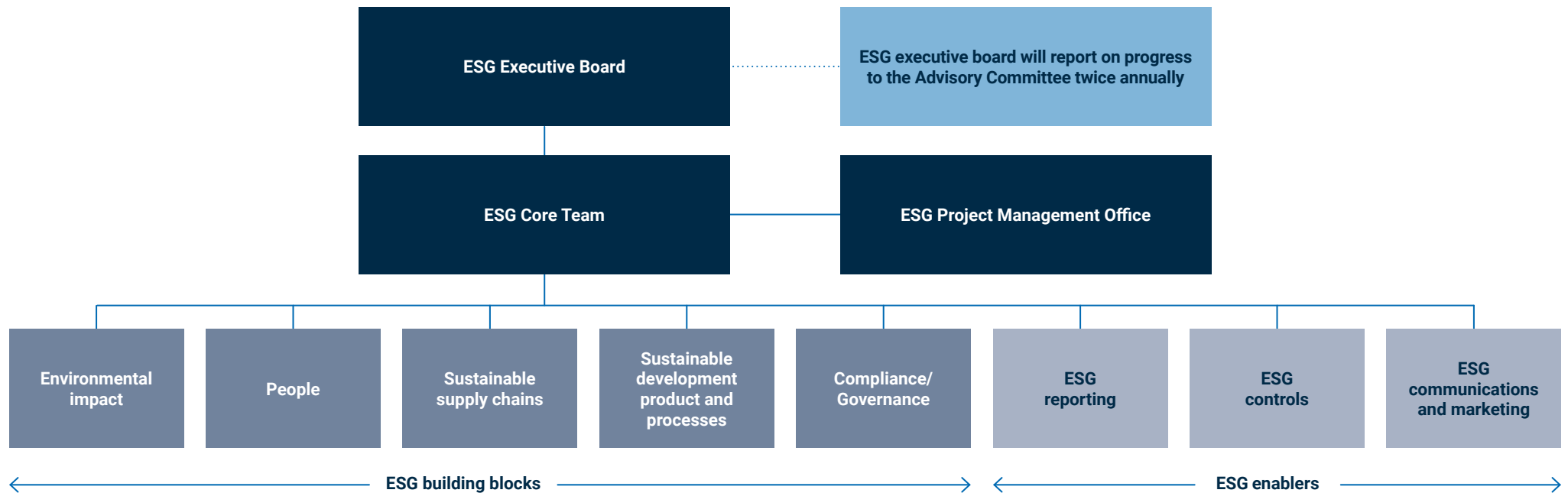
- Delivering best-in-class quality across our product offerings.
- Developing technical ceramics that aid the sustainability transformation of our industry customers, especially in areas such as electrification and smart grid technology.
- Offering durable, biocompatible implant components that enhance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

The structure of this report 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 31 December 2024.

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, are 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.

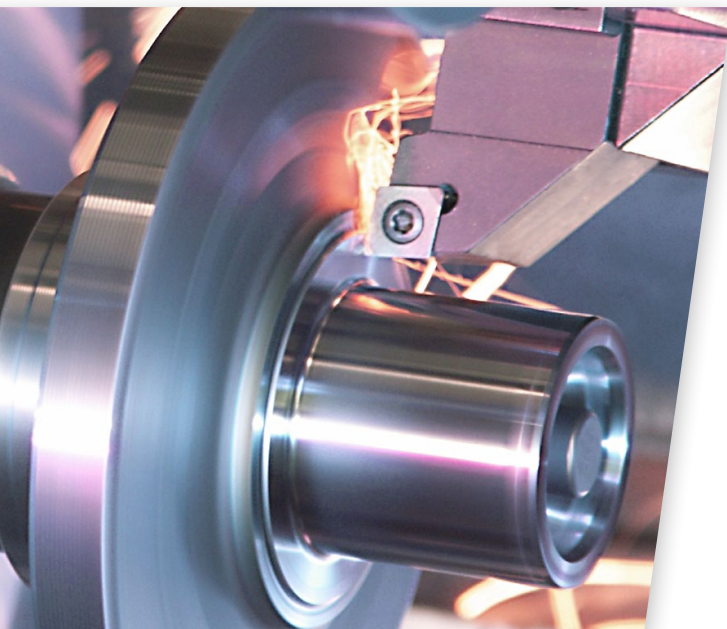
The CeramTec ESG team forms an important link in the organisation around many company functions that already exist. It combines these efforts into a company-wide sustainability strategy. The efforts are supported by transparent ESG reporting and communication on all ESG-related topics through internal 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 the areas where 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 on 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
	Resources inflows, including resource use
E5 Circular economy	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	Working conditions
	Equal treatment and opportunities for all
	Other work-related rights
S4 Consumers and end users	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 2024 report but will be reported on in future years if deemed material by the double materiality assessment.

02

Reducing our environmental impact

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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 operational activities and investments have been made to reduce energy consumption in daily operations and to lower emissions resulting from our direct business processes. Some examples are listed below.
 - Ongoing installation of photovoltaic (PV) panels
 - Power Purchase Agreement for 10 GWh of electricity produced by German PV park
 - Purchase of certificates of origin for renewable electricity
 - CO₂ neutral electricity procurement strategy
 - Development of a decarbonisation roadmap
 - Green electricity by 2030

Climate change

As a company with a business model based on energy-intensive processes, CeramTec considers energy efficiency and the reduction of its climate impact in terms of emissions as a core element of our ESG strategy.

We are therefore continuously investigating ways to innovate and to reduce our energy consumption and CO₂ emissions. In this section, we will outline our current initiatives and strategy.

Policies

CeramTec is committed to making the world a more sustainable place by keeping our environmental footprint as small as possible. We recognise that ecological sustainability is a key component of our corporate social responsibility, and we strive to minimise our own impact on the environment through environmentally friendly, professional and safe operations. This includes conserving scarce resources such as raw materials, energy, and water, as well as preventing and reducing CO₂ emissions and waste.

From the way we manage our business and manufacture our products to the way we source our resources, our approach is fair, ethical and environmentally responsible.

By continually tracking our efforts, we are improving our energy management programs, while making our methods and processes safer and more efficient.

We consider various aspects of energy management in the development of materials and products. Regular information on energy management and campaigns asking our employees for input contribute significantly to employee awareness in this matter.

Employees are actively involved in the various aspects of energy management as part of their day-to-day work, helping us to achieve our goals and continually improve our methods and processes.

Actions and resources

One of our recent milestones on our decarbonisation pathway is the signing of a Power Purchase Agreement (PPA) in 2023. Through this, we source a portion of our electricity consumption from verifiably renewable sources in Germany. The solar parks began operation in June 2024. Many of CeramTec's sites already have photovoltaic systems in operation, 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 benefiting from projects initiated in recent years, such as our investment in waste heat recovery. We also continue to focus on energy efficiency, investing 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 our German sites now fully equipped.

To demonstrate our commitment to climate change, we have launched a decarbonization project in 2024 with the aim of designing robust roadmaps and achieving long-term effects in climate protection. To this end, we have initially evaluated the largest and most energy-intensive plants in Germany and have developed roadmaps at the site level, other plants to follow in 2025. These roadmaps are based on various pathways that reflect the costs and availability of different energy sources and technologies now, in the medium and in the long term. The decarbonisation roadmaps were developed together with external consultants and internal experts. The strategies and roadmaps developed in this project focus on reducing carbon emissions by improving our internal processes and technologies, enhancing energy and material efficiency, transitioning to cleaner fuels, and increasing the use of renewable electricity.

The responsibility for and ownership of environmental issues is integrated throughout the company. To achieve the best results, experts from Ceram Tec's operations, working daily with the machines and equipment, as well as internal energy and sustainability experts, external consultants, and the top management and Management Board are involved in evaluating, discussing, developing and implementing the best-fit strategies for each plant.

All this is not only intended to help reduce emissions but also to increase energy efficiency. We also ensure that we have the best available technology and create synergies throughout the supply chain. With a focus on new technologies, we also aim to reduce our impact on resources, for example, by reducing material consumption through precise processes and minimising material waste.

Energy consumption

According to the Sustainable Finance Disclosure Regulation (SFDR, Regulation (EU) 2019/2088) and the European Sustainability Reporting Standards (ESRS E1—Climate Change), CeramTec is classified as an undertaking with 100% of its business activities in a “high impact climate sector.” This classification is based on the company’s NACE Code 23, which falls under Section C (Manufacturing)—one of the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 and therefore defined as having a significant climate impact. As a result of this status, ESRS E1 requires CeramTec to provide detailed disclosures on its energy usage, including the energy consumption intensity (MWh per net revenue) associated with its activities in this high-impact sector. This reflects the heightened importance of energy consumption reporting for companies in high-impact climate sectors, ensuring alignment with EU climate disclosure obligations.

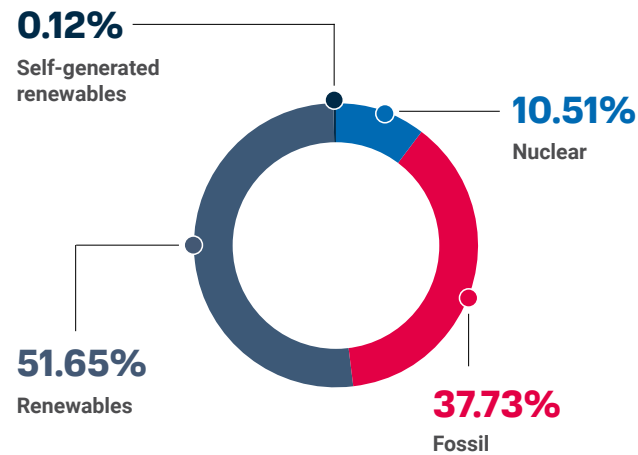
The calculation of our energy data and energy consumption data is based on the consumption from monthly invoices or delivery notes. We aim to transition to renewable energy sources, particularly electricity, by 2030, while actively working towards replacing fossil fuels wherever feasible with the ultimate goal of long-term elimination, assuming according technological progress.

The share of nuclear energy has decreased in 2024 due to the phase-out of nuclear power in Germany and the resulting change in the electricity mix.

At time of reporting, fossil fuel sources account for 77.27% 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 the use of our own and purchased renewable electricity. Over 51.65% of our electricity is already renewable. We plan to increase this by increasing the amount renewable energy we own and operate, such as photovoltaic panels at our sites and by purchasing renewable energy certificates.

Electricity sources (in MWh)





Energy consumption and mix	2024	2023
Fuel consumption from coal and coal products	–	0
Fuel consumption from crude oil and petroleum products	4,102.05	4,551.43
Fuel consumption from natural gas	155,610.74	182,325.50
Fuel consumption from other fossil sources	139.25	171.17
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	38,053.20	47,849.70
Total fossil energy consumption	197,905.24	234,897.80
Share of fossil sources in total energy consumption	77.27%	81.3%
Consumption from nuclear sources	9,816.43	14,499.33
Share of consumption from nuclear sources in total energy consumption	3.83%	5.0%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	1.00	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	48,284.80	39,169.88
The consumption of self-generated non-fuel renewable energy	107.66	315.45
Total renewable energy consumption	48,393.46	39,485.33
Share of renewable sources in total energy consumption	18.90%	13.7%
Total energy consumption	256,115.13	288,882.46
Energy intensity from activities in high climate impact sectors (total energy consumption per net revenue) in MWh/EUR^[1]	0.0003433422	–

[1] Based on net revenue of 745,947,330.74 EUR.

Greenhouse gas emissions

In order to establish a baseline for our greenhouse gas emissions (GHG), we have reviewed and amended the methodology used to calculate our total emissions. We are currently considering resetting our base year. We are also in the process of setting 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. However, we are committed to meeting the calculation requirements to report on this in future years.

Our Scope 1 includes stationary combustion, mobile combustion (car fleet, forklift trucks etc.). Refrigerants, solvents, binders, and plasticiser are excluded due to a lack of data for the year 2024. It is planned to include those within the next two years. Mobile combustion data are partly estimated. Sources for the emission factors been used are mainly GHG Protocol, BAFA, US EPA, and IEA.

Our Scope 2 location-based emissions include all energy consumed (electricity, district heating) multiplied by country-level emission factors provided by the International Energy Agency (IEA). Scope 2 market-based emissions include all energy consumed (electricity, district heating) multiplied by emission factors provided by the relevant energy supplier.



Target

Reduce Scope 1 and 2 CO₂ emissions by

40%

by 2030

	2024	2023
Scope 1 GHG emissions		
Gross Scope 1 GHG emissions (tCO ₂ eq) ^[1]	32,400.82	38,092.00
Scope 2 GHG emissions		
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	37,425.03	38,295.00
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	26,099.54	35,629.00
Significant Scope 3 GHG emissions		
Total gross indirect Scope 3 GHG emissions (tCO ₂ eq)	Not available	Not available

[1] 2023 value was slightly corrected in the 2024 reporting.

Total GHG emissions	2024	2023
Total GHG emissions (location-based) ^[1]	69,825.86	76,387.00
Total GHG emissions (market-based) ^[1]	58,500.36	73,721.00

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

GHG intensity per net revenue (tCO₂eq/Monetary unit)	2024	2023
Total GHG emissions (location-based) per net revenue ^[1]	0.0000936070	0.0000935100
Total GHG emissions (market-based) per net revenue ^[1]	0.0000784243	0.0000902500

[1] Based on net revenue of 745,947,330.74 EUR.



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.

Water and marine resources

Water consumption (in m ³)	2024	2023
Total water consumption ^[1]	59,254.77	–
Water withdrawal ^[2]	261,816.56	–
Water discharge ^[3]	202,561.79	–
Water recycled and reused ^[4]	101,296.00	–
Water intensity (m ³ /EUR) ^[5]	0.0000794356	–

[1] Water consumption = water withdrawal – water discharge

[2] Includes city water and well water.

[3] Does not include rainwater discharge.

[4] Mainly circulating water.

[5] Based on net revenue of 745,947,330.74 EUR.



Circular economy

At CeramTec, our operations are largely focused on production, so circular economy and all 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.

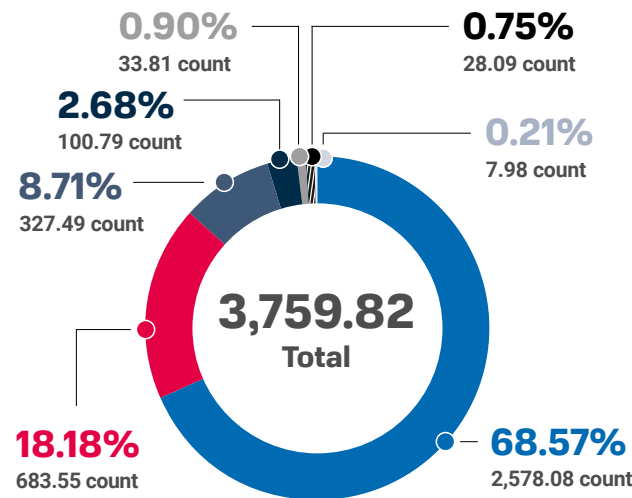
Our waste is categorised as 'hazardous waste', 'non-hazardous waste' and 'radioactive waste' in accordance with the European Waste Catalogue (2014/955/EU). CeramTec does not generate or dispose of any radioactive waste. Hazardous and non-hazardous waste is generated at our sites and is disposed of in 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.

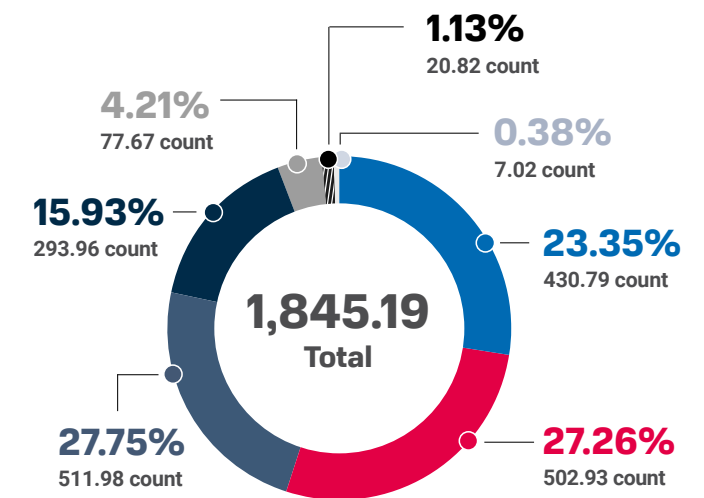
Resource outflow—waste	2024	2023
Total waste generated (t)	5,605.01	6,262.78
Total amount of non-recycled waste ^[1]	1,692.73	–
Percentage of non-recycled waste ^[1]	30.20%	–
Total amount of hazardous waste	1,845.19	1,575.00
Total amount of non-hazardous waste	3,759.82	–
Total amount of radioactive waste	0.00	0.00

[1] Does not include waste where the recovery/disposal type is unknown.

Waste disposal and treatment – non hazardous waste (t)



Waste disposal and treatment – hazardous waste (t)



- Recycling
- Recovery/waste treatment type is unknown
- Other disposal operations
- Preparation for reuse
- Landfill
- Incineration
- Other recovery operations

03

Improving social outcomes in our industry

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Social overview

As we utilise our products and processes to improve industry outcomes, we also look inwards and aim to foster a thriving and diverse workforce with a positive attitude. Our policies, procedures, and everyday actions encourage a safe and healthy working environment.

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 respective training
- Plans to implement team to promote inclusion, women in leadership, and internal role models
- Planned implementation of ,e.g., 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 well-being app

Encourage and empower employee engagement

- Percentage of employee survey participation
- Adjustment of the KPIs after the first execution of an employee survey
- Fostering idea management through dedicated idea management programs
- Social dialogues, such as dinners or jogging with board members
- Employee engagement survey
- Continue to tailor our actions based on employee survey results



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.

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.

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. Additionally, idea management programs encourage employee suggestions for improvement.

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 well-being of our people is a priority for us, and we continue to introduce policies and initiatives to support this objective.

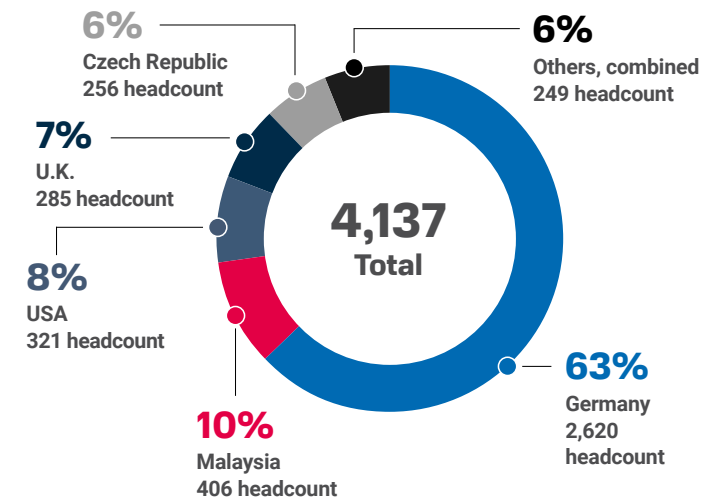
The data basis for own workforce and own employee data is extracted from Ceram Tec's HR system and manual data collection and reported as of 31 December 2024.

Employee turnover is calculated based on the average number of employees during the reporting period (1 January–31 December 2024). In order to be consistent with the ESRS definition of own workforce, the figures on the following pages also include apprentices, interns, student trainees, etc., and are therefore higher than the number of employees reported in the Company's financial report.



	Permanent employees (headcount)		Temporary employees (headcount)		Non guaranteed hours employees (headcount)		Full-time employees (headcount)		Part-time employees (headcount)		Total number of employees by region in headcount	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Number of employees by region^[1]												
Germany	2,281	2,122	338	167	1	0	2,407	2,132	214	157	2,620	2,289
Europe w/o Germany	610	608	21	52	13	2	576	615	52	45	644	662
North and South America	341	343	23	6	0	4	363	349	1	0	364	353
Asia	501	532	8	7	0	8	497	539	0	0	509	547

Employee by country



[1] Compliant with ESRS understanding of own workforce, these figures also include apprentices, interns, student trainees, etc., therefore these figures are higher than the number of employees reported in the financial report.

Employee turnover

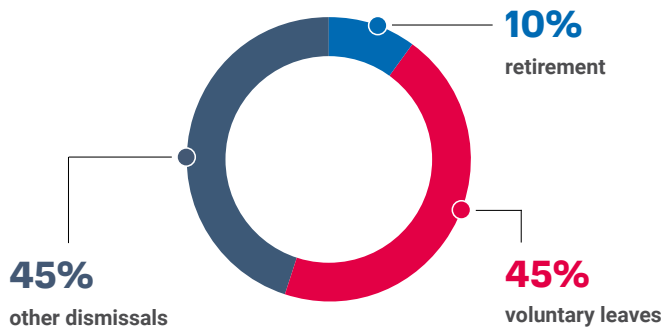
Employee turnover	2024	2023
The total number of employees who have left the Company during the reporting period ^[1]	512	–
The total number of employees who left the Company voluntarily during the reporting period ^[2]	229	230
Rate of employee turnover in the reporting period ^[3]	12.91%	–
Rate of employee turnover in the reporting period—voluntary ^[3]	5.77%	5.97%

[1] Includes voluntary leavers, retirement, dismissal by company, phase-out of temporary contracts, end of apprenticeship, and death.

[2] Includes termination by employee and termination contracts.

[3] Based on an average number of employees during the reporting period of 3,963.

Employee turnover types



Other dismissals also includes termination of temporary employment, termination of training and cancellation of training.



Diversity

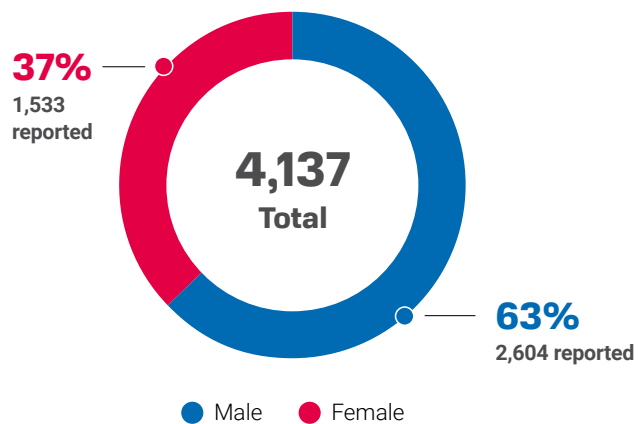
Our management training emphasises diversity, with regular workshops for managers and HR to foster inclusive personnel selection and promote women in leadership through awareness and effective training. This approach includes support from Konzernschwerbehindertenvertretung (KSBV), a body representing disabled employees. We also promote vocational training for students, including targeted initiatives like 'Girls' Day' and internships to encourage young women in technical fields.

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.



Employees by gender



Employee characteristics by gender	Permanent employees (headcount)		Temporary employees (headcount)		Non guaranteed hours employees (headcount)		Full-time employees (headcount)		Part-time employees (headcount)		Total number of employees by region in headcount	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Total^[1]	3,733	3,605	390	232	14	14	3,843	3,635	267	202	4,137	3,851
Male	2,353	2,278	246	143	5	14	2,525	2,390	67	31	2,604	2,435
Female	1,380	1,327	144	89	9	0	1,318	1,245	200	171	1,533	1,416
Other/not disclosed	0	0	0	0	0	0	0	0	0	0	0	0

[1] Compliant with ESRS understanding of own workforce, this figures also includes apprentices, interns, student trainees, etc., therefore these figures are higher than the number of employees reported in the financial report.

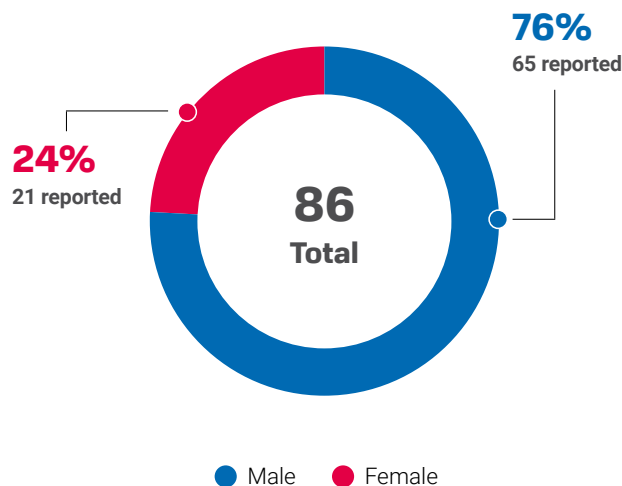
Top management diversity

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 37% female, 63% male, proportionally represented by a 24% female, 76% male top management.

Our "CT Lead" program actively promotes women in leadership.

Number of employees (headcount) at top management level and gender distribution



Persons with disabilities

Persons with disabilities	2024	2023
Number of persons with disabilities amongst employees	151	–
Percentage of persons with disabilities amongst employees ^[1]	3.65%	3.90%

[1] Numbers on disability are not allowed to be raised in UK (legal restriction).

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 CeramTec 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.



Health, safety, and well-being

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.

Own workforce covered by standards	2024	2023
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 (headcount) ^[1]	4,137	3,851
Percentage 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	100%	100%

[1] Due to a different definition of our own workforce, which also includes apprentices, interns, student trainees, etc., this figure is higher than the number of employees reported in the financial report.

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. In 2023, only lost time accidents were reported. This year's figure also includes cases of restricted working days and medical treatment for CeramTec employees.

Health and safety statistics	2024	2023
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0	0
Number of recordable work-related accidents ^[1]	42	21
Lost time accidents (LTA) ^[2]	16	-
Number of days lost to work-related injuries from work-related accidents, excluding work-related ill health and fatalities	238	185

[1] In 2023 only Lost time accidents were reported. This year the number also includes restricted working day cases and medical treatment cases for CeramTec employees and leasing workers.

[2] Was reported as number of recordable work-related accidents in 2023 report.

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 the program for another year.



Work-life balance

Where the working environment allows, flexible working hours and hybrid or remote work 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.

Gender pay gap

Across the CeramTec Group, we are committed to pay equally for comparable functions irrespective of gender. Our unadjusted gender pay gap in 2024 was 24.91%. 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.

Gender pay gap	2024	2023
Gender pay gap—unadjusted	24.91%	23.96%

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.



Incidents, complaints, and severe human rights impacts

We encourage our employees and other stakeholders to report concerns by providing means to contact us confidentially. To that end we have a dedicated hotline, EthicsPoint, which enables also anonymous reports. Per policy, we do not retaliate against any reporter who raises a concern or makes a report in good faith. In addition, violations of this non-retaliation policy are not tolerated and may have employment or legal consequences. In the reporting year, there were no fines or penalties issued by any authorities, or compensation for damages paid by the Company based on incidents and complaints. No severe human rights incidents were reported.

	2024	2023
Number of complaints filed through EthicPoints hotline for people in own workforce to raise concerns	19	9

The number of cases reported through the whistleblower hotline for various types of suspected misconduct has changed significantly compared to last year as a result of increased compliance initiatives, targeted training and increased awareness of our whistleblower system. The increased number of cases indicates that our system is effective, and that employees and other stakeholders have growing confidence in the reporting mechanism.

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 the absolute rejection of child labour, slavery, human trafficking and forced labour. These efforts are led by our Human Rights Officer and supported by our entire organisation.

Encouraging sustainable supply chains

We 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 of 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
- 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

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Governance overview

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

Supervisory bodies

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

Business conduct, policies, and corporate culture

Our Code of 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.

Protection of whistleblowers

CeramTec's global EthicsPoint hotline ensures confidentiality for reporters and prompt action. It is publicly available on our company website with all relevant information on how to access the hotline, by phone or by email. This information is also communicated to CeramTec team members through training and awareness materials. In addition, a SpeakUp campaign is planned for 2025 to raise awareness of the SpeakUp channels throughout the organisation on a global basis and to encourage team members to speak up without fear. Reports that are received through the Ethics hotline are available only to two specially trained individuals within the company, the Chief Compliance Officer and the Deputy Compliance Officer, who are responsible for evaluating the report based on the nature of the violation and the location of the incident in order properly to allocate it for investigation and follow-up. Each of these report recipients has been trained to treat these reports with the highest standards of confidentiality.

In accordance with the principles of the CeramTec Code of Conduct, we are committed to protecting against retaliation of any kind against anyone who reports misconduct in good faith or assists in an investigation of suspected wrongdoing. This protection is extended to all individuals, regardless of their relationship with the company, their individual status, the nature of their employment, or any other consideration.

Our policy on non-retaliation is set out in our Code of Conduct, Global Ethics Compliance Program Policy, Anti-Bribery Policy and Guidelines for Handling Cases of Suspected Ethics Violations. It will also be detailed in the Whistleblower Procedure to be implemented in 2025.





Investigation of business conduct incidents

Business conduct incidents, including incidents of corruption and bribery, are investigated in accordance with the Guidelines for Handling Cases of Suspected Ethics Violations. This Guideline applies globally and establishes a consistent approach to conducting investigations in an independent, objective and timely manner. The Guideline will be updated in 2025 to strengthen the effectiveness of the investigation process. From time to time and as appropriate, CeramTec conducts investigations with the assistance of external advisors, such as forensic experts or outside counsel.

Ethics compliance training

Business conduct

Our team members are trained in ethical business conduct through various training sessions. All team members, regardless of their role, are required to read and confirm their agreement with our Code of Conduct on an annual basis. At such time, they are also asked to indicate if they have any reportable concerns. In addition, all team members receive a full Code of Conduct training once every three years, whereby the content and delivery varies. While white-collar employees receive more extensive and frequent training via an e-learning platform, shop-floor employees receive face-to-face training on relevant Code of Conduct topics. By the end of 2024, more than 98% of white-collar employees had completed the Code of Conduct training. In addition, 1,272 blue-collar employees

received Code of Conduct training, reaching 70% of blue-collar employees by the end of 2024. Further face-to-face training is scheduled for 2025.

In addition, some risk-based groups, such as sales teams in some units, received additional compliance training focused on anti-corruption and ethical business practices in relation to their specific roles, such as interacting with government officials.

Data privacy and cyber security

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.

Anti-corruption and anti-bribery

At CeramTec we have policies on anti-corruption and anti-bribery that are in line with the United Nations Convention against Corruption. Our commitment to comply with all anti-corruption rules is clearly stated in our Code of Conduct, which outlines the key principles. The Global Anti-Bribery Policy, which was implemented in 2024, details the respective principles and rules for implementing this commitment. The Global Antibribery Policy applies not only to all CeramTec entities worldwide, but also to all third parties who provide services to, or represent, CeramTec.

Prevention and detection of corruption and bribery

CeramTec has a zero-tolerance stance towards corruption and bribery. We have comprehensive procedures in place to ensure compliance and ethical behaviour, including:

- **Reporting channels:** We operate a confidential ethics hotline (EthicsPoint) and an open-door policy for the safe and prompt reporting of concerns or allegations.
- **Compliance controls:** Regular compliance risk assessments, robust internal control systems, and internal audits are conducted to identify and mitigate corruption risks.
- **Training and awareness:** Extensive training is provided on our Code of Conduct and anti-corruption policies, complemented by proactive communication on available reporting channels.

Our Corporate Compliance Committee oversees all compliance activities, and all interactions with Health Care Professionals are thoroughly reviewed by and require the prior approval of our Medical Compliance Committee to prevent any improper payments that could constitute inducements.

Independent investigation

All allegations are independently investigated by our Corporate Legal Department. If allegations are raised against a member of management, such member will be excluded from any involvement in, or information on, the investigation other than as required under law or to protect their right to defend themselves in an investigation.

Reporting outcomes

Executive management receives detailed briefings on the results of investigations. In addition, the Corporate Compliance Committee reviews quarterly reports summarising compliance cases, and the Supervisory Board is informed on an ad hoc basis of significant compliance matters.

CeramTec maintains strict confidentiality on reports and enforces a zero-retaliation policy.

Confirmed incidents of corruption or bribery

Category	2024	2023
The total number of convictions for violation of anti-corruption and anti-bribery laws	0	0
The amount of fines for violation of anti-corruption and anti-bribery laws	0	0





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