

2024

SUSTAINABILITY REPORT



Sustainability Report 2024

RATH Group

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Welcome to RATH



RATH is an Austrian company with a long tradition. Established by August Rath Jr, in 1891, the family business has grown into an international company with a proud tradition in refractory technology and heat-resistant materials for over 130 years. RATH AG, headquartered at Walfischgasse 14, A-1010 Vienna, is the holding company of the RATH Group and has been listed on the Vienna Stock Exchange since 1989.

RATH AG and its subsidiaries manufacture and distribute refractory materials for industrial customers and commercial enterprises. For more information on RATH's business model, see the [Business model and value chain](#) section.

The table below provides an overview of our financial development. A detailed presentation of all key financial figures can be found in the 2024 Annual Report.

KEY FIGURES	2024 thousand EUR	2023 thousand EUR	2022 thousand EUR	2021 thousand EUR	2020 thousand EUR
Turnover	111,345	121,787	117,594	97,842	86,378
EBITDA	6,407	16,393	11,636	11,539	8,484
EBITDA ratio	6 %	14 %	10 %	12 %	10 %
EBIT	-163	9,951	5,060	5,123	1,587
EBIT ratio	0 %	8 %	4 %	5 %	2 %
Operating cashflow	6,406	13,393	5,166	2,448	21,209
Cashflow ratio	6 %	11 %	4 %	3 %	25 %
Equity ratio in %	43 %	43 %	42 %	45 %	45 %



General information

About this report

This report is the combined consolidated report of the RATH Group in accordance with §267a of the Austrian Commercial Code (UGB). It describes the business model, business performance, the situation of the Group and the impact of its activities. In addition, this report presents environmental, social and labor issues, as well as the activities relating to the respect for human rights and the fight against corruption and bribery, in line with RATH's materiality analysis.

Further, it includes the information required under Article 8 of Regulation (EU) 2020/852 of the European Parliament and the Council dated June 18, 2020 (hereinafter EU Taxonomy Regulation) on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088, along with the delegated acts adopted in this regard.

The report includes references to information contained within the report and to external documents. The references indicate where further information on a topic can be found in this report. Reference to external documents especially includes information sources such as the compensation report, the consolidated financial statements and RATH AG's Group management report.

Since RATH Group is globally active and pursues a group-wide management approach in the field of sustainability, all the descriptions of the management approaches as well as the main topics and data concern both RATH Group and RATH AG. Where key figures apply only to a specific division or location of RATH Group, this is explained alongside the affected key figures.

Unless otherwise indicated, all information and data refer to the Group and the year 2024. The reporting period corresponds to the calendar year (January 1 to December 31). More information and explanations regarding the scope of consolidation for RATH Group can be found in the notes to the consolidated financial statements.

Sustainability at RATH Group

COMPOSITION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

As of December 31, 2024, the Executive Board of RATH AG consisted of two members. Andreas Pfneiszl was first appointed to the Executive Board on June 10, 2013 and is currently responsible for strategy, sales, marketing, legal affairs, human resources, IT, finance, investor relations, compliance, and treasury. He also acts as spokesperson for the board. Dipl. Ing. Ingo Gruber has been a member of the Executive Board since October 1, 2019, with responsibility for production, R&D, procurement, supply chain management and quality control. Both members of the Executive Board are responsible for sustainability within their respective areas of responsibility. As in the previous year, there is no chairperson. The proportion of women on the Executive Board is 0%. The Supervisory Board of RATH AG consists of five members elected by the Annual General Meeting. The proportion of women on the Supervisory Board is 20%. The composition of and changes to the Supervisory Board are shown in the notes to the consolidated financial statements. In the 2024 financial year, there were changes in the composition of the Executive Board. More information can be found in the notes to the consolidated financial statements. RATH Group employees in Germany and Austria are represented by works councils.



The Executive Board of RATH AG:
Andreas Pfneiszl (Speaker of the Executive Board),
Dipl. Ing. Ingo Gruber (COO)



RATH AG's Supervisory Board, from left to right:
CPA Mag. Philipp Rath, Dipl. Ing. Dr. Matthias Rath,
Mag. Stefan Ehrlich-Adam, Mag. Dr. Ulla Reisch, Mag. Dieter Hermann

KNOWLEDGE AND TASKS IN RELATION TO SUSTAINABILITY

The Supervisory Board applies appropriate criteria when reviewing candidates for a position on the Executive Board to ensure that Executive Board members have the right skills and experience in the areas for which they are responsible. The Supervisory Board deems professional qualifications for the department to be taken over, strong leadership qualities, previous performance, and knowledge of the company to be fundamental suitability criteria. Women and men have the same chances in the selection process.

The members of the Supervisory Board are selected on the basis of their professional qualifications, personal competence, and long-standing experience in management positions. In addition, the company strives to consider inclusion and diversity, international representation, gender balance, and the age distribution of its members to the greatest extent possible.

More information on the appointment and composition of the Executive Board and Supervisory Board can be found in the Corporate Governance Report and on the website under [Supervisory Board & Committees](#).

The members of the Executive Board also possess suitable expertise in the area of sustainability. All members of the board have many years of experience in the areas for which they are responsible, which includes sustainability aspects such as the use of resources, social responsibility towards employees, information and customer security, and compliance. In the 2023 financial year, RATH Group conducted its first materiality analysis based on the principle of double materiality, in preparation for the reporting requirements of the Corporate Sustainability Reporting Directive (CSRD), which, from today's perspective, will apply to RATH AG starting with the 2026 financial year. The active involvement of Executive Board members in conducting and monitoring the materiality analysis and consulting with external experts provides them with the required knowledge to expand RATH Group's sustainability management and reporting in line with CSRD requirements, and to embed it in the company's strategic direction.

More information on the materiality analysis conducted can be found in the chapter [Materiality analysis](#).

Sustainability in the business model and value chain

BUSINESS MODEL AND VALUE CHAIN

As a manufacturer and distributor of refractory materials for industrial customers and commercial enterprises, our main markets are in Europe and the USA. The registered office of the parent company is in Vienna. Production sites are located in Austria, Germany, Hungary, the United States, and, through our holding, in India. Furthermore, there are sales companies in Austria, Germany, the Czech Republic, Poland, Ukraine, and Mexico. The shares of RATH AG are listed on the Vienna stock exchange in the "Standard Market Auction" segment. As of December 31, 2024, RATH Group employed 593 people. A breakdown of employees can be found in the [Our own workforce](#) chapter.

As a specialist in refractory technology, RATH offers a comprehensive range of refractory materials for application temperatures of up to 1800 °C. RATH Group manufactures a wide range of innovative refractory products in its own production plants. RATH produces dense bricks, lightweight refractory bricks, concrete molded parts, as well as high-temperature wool, vacuum-formed parts, and hot gas filter elements. Within RATH Group, we organize our customers by industry / sales units. This structure helps our customers to always get the best refractory solution. Our engineering department designs the optimal refractory lining, our field service discusses the proposed solutions with the customer and the parts are then produced and delivered, and, if the customer requests it, installed by RATH installation supervisors. Our sales units cover metals & fuels, chemicals, energy (MET&FCE), ceramics & special furnaces (CER&SFU) and glass.

Sustainability is built into our production processes. Our goal is to conserve water resources, gradually reduce our CO₂ emissions and promote resource-efficient working practices. As a manufacturing company, we also always pay attention to the health and safety of our employees.

In addition to supplying refractory materials, RATH Group supports its customers with comprehensive solutions in refractory technology and offers a wide range of services to meet their needs - including planning, installation, and on-site supervision. We pursue the goal of ensuring customer satisfaction by setting very high quality standards for our products and services.

Our products and services create added value for society and the environment. Our products are manufactured to the highest environmental standards and enable the optimally efficient production of metals and glass, as well as highly efficient combustion of biomass. In addition, the innovative hot gas filter elements developed by RATH reduce emissions, including sulfur oxide, nitrogen and particulate matter.

A more detailed description of the main activities, customer groups and products of our sales units can be found in the management report.

A breakdown of our activities and products can be found in our segment reporting in accordance with IFRS 8 in the notes to the consolidated financial statements.

"EVOLUTION 2030+" STRATEGY

"We have curiosity, the claim to premium quality and the responsibility to go further." This is how our Evolution 2030+ strategy, which was approved by the Supervisory Board in December 2022, formulates our ambitions to develop over the coming years and to position ourselves in the market for our stakeholders. "RATH stands for sustainability – our actions and our products contribute to making our world a better place." This is how our strategy aims to make RATH sustainable in the long term. Our economic success is closely linked to ecological and social objectives.

We know that our employees and their commitment are the key to success: We believe in team spirit! This is how we want to use our inclusive and diverse workforce, innovative strength and our employees' skills to maintain our high quality standards, while also reducing our carbon footprint. To guarantee this, we are continuously working to update our product portfolio.

Given the demands of our manufacturing operations, ensuring energy supply security remains a major challenge for RATH Group. To ensure the security of supply in the future, we want to significantly reduce our energy consumption and cover a much greater share of our energy needs from renewable energy sources.

Systematic digitization is a core element of our corporate strategy. The world is changing and we intend to change with it. We are increasingly embracing digitization across all business areas and production, while ensuring the data security of our partners and employees and investing in cyber security.

In the sections on [environmental](#), [social](#) and [governance information](#), this report shows the measures we have already taken and where we see potential for improvement.

MANAGEMENT SYSTEMS AND CERTIFICATIONS

Assumption of social, ecological and economic responsibility requires the targeted planning and control of all relevant corporate processes. RATH Group's centrally organized management system, which is certified according to ISO 9001, forms the basis for this and makes an important contribution to sustainable corporate development. RATH Group with all its production sites is certified according to ISO 9001:2015.

The Group-wide management approach to the essential environmental and safety issues meets the requirements of the relevant ISO standards. This ensures a systematic and uniform approach in these areas, as well as compliance with the applicable legal provisions. As of December 31, 2024, all production sites in Germany within RATH Group are certified according to ISO 50001, ISO 14001 and ISO 45001.

Continuous improvement has high priority, both in RATH Group as a whole and at each production site. The targeted and consistent involvement of employees in the continuous improvement process is a cornerstone of our long-term improvement measures. Numerous innovations, new technologies and processes have already been driven forward by their suggestions for improvement.

Our sustainability strategy

RESPONSIBILITY AND GOVERNANCE

The Supervisory Board and the management of RATH Group place strong emphasis on sustainable, long-term-oriented corporate governance. Strategic decision-making and operational management are influenced by ecological, economic and social factors.

Our “Evolution 2030+” strategy defines sustainability as an important pillar of RATH’s success strategy. We do not see social and ecological decisions as compromises, but rather, as an integral part of our economic development.

The Executive Board has strategic responsibility for sustainability at RATH Group. It oversees the governance and management of the Group’s key sustainability aspects. Both members of the Executive Board are responsible for sustainability within their respective areas of responsibility. At the Supervisory Board meetings, all members of the Supervisory Board are informed about RATH Group’s sustainability performance. CPA Mag. Philipp Rath is a member of the Supervisory Board and responsible for monitoring and advising the Executive Board on sustainability issues.

At the operational level, sustainability is managed by technical experts. In order to keep improving our sustainability performance, environmental and social targets are set by the plant management in consultation with the Executive board. Regular reporting keeps the plant management informed of progress. The relevant sustainability aspects are also the subject of the managing boards’ annual management reviews. At these meetings, the managing boards review and evaluate the status of target achievement, make recommendations and identify potential for improvement.

MATERIALITY ANALYSIS

The initial materiality analysis, conducted in 2023 on the principle of double materiality in preparation for reporting requirements, represented an important milestone for RATH Group in further aligning its sustainability strategy. By involving the board members in the design, implementation and control of the process, the foundations were laid for ensuring due diligence with regard to materiality provisions in subsequent years. The Supervisory Board was involved in the materiality analysis as part of a comprehensive stakeholder survey and was informed of the results. More information on the materiality analysis and the sustainability aspects that were deemed to be key can be found in the sections that follow.

Conducting a double materiality analysis also involves integrating sustainability aspects into the existing risk management system, which is to be fully implemented from the coming financial year onwards. The existing due diligence requirements of the risk management process will therefore be extended to the area of sustainability. At RATH Group, risks are identified by risk owners in the various departments. The risks are aggregated by the Head of Risk Management and evaluated together with the Executive Board. The risks thus evaluated are presented to the Supervisory Board in a risk report. More information on RATH Group’s risk management and existing due diligence obligations can be found in the management report.

Sustainability reporting is itself subject to due diligence. To ensure the accuracy of the information, the content is prepared by the respective subject matter experts. Text aggregation takes place in financial reporting. After a linguistic revision, the report is checked again by technical experts and is then examined by the managing boards. The Supervisory Board gives final approval.

OUR KEY SUSTAINABILITY TOPICS

The following sustainability topics were identified as relevant to RATH Group's materiality analysis:

- > CO₂ emissions in production
- > CO₂ emissions in the value chain
- > Adaptation to climate change
- > Water intake and consumption
- > Contribution to the circular economy / use of resources
- > Supporting employees
- > Inclusion/diversity in the company
- > Changing workflows due to legal requirements
- > Occupational accidents in production
- > Awareness of IT security
- > Human rights violations along the supply chain
- > Customer loyalty and satisfaction
- > IT and data security
- > Supply chain stability
- > Promotion of a regional European supply chain
- > Support for sustainability performance among suppliers
- > Access to financial resources



OUR STAKEHOLDERS

RATH Group engages in dialog with its stakeholders to ensure that our business model is sustainable and that we fulfill our role as a team player. As part of this year's materiality analysis, RATH Group conducted a comprehensive stakeholder survey to determine the views and concerns of its key stakeholders with regard to sustainability. Representatives from 14 internal and external stakeholder groups were asked about environmental, social and governance issues. We would like to thank all those who took part. The survey provided us with valuable insights that not only fed into our materiality analysis but will also help shape our strategic direction on sustainability in the future.

In addition, there are other regular formats for exchanging ideas with our most important stakeholder groups:

INTERNAL STAKEHOLDERS

In Germany and Austria, our employees are represented by works councils. Other communication formats enable all our employees at the various locations to be informed about decisions and news. Our internal communications are conducted in German, English and Hungarian to ensure this.

More information about our employees can be found in our chapter [Our own workforce](#).

Regular Supervisory Board meetings serve as a forum for exchange between the Executive Board and the members of the Supervisory Board. Our shareholders and owners are also in contact with the RATH Group management. The Rath Family is represented on the Supervisory Board by WP Mag. Philipp Rath and Dr. Matthias Rath.

EXTERNAL STAKEHOLDERS

Our customers are the focus of our activities as a provider of refractory solutions. In the context of our quality control, their demands and expectations are recorded and incorporated into our strategic orientation. Good and transparent communication is important to us and is appreciated by our customers.

More information on this topic can be found in the [Consumers and end users](#) chapter.

RATH Group promotes a mutually beneficial relationship with its suppliers. In addition to individual, needs-based exchanges, there are also fixed quarterly appointments with our Procurement department.

For more information on our supplier management, see the [Relationship to suppliers](#) chapter.

Outlook on CSRD reporting

We want to use the increasing sustainability reporting demands imposed by the CSRD to further develop and expand our organizational structures, due diligence, responsibilities and systems in terms of sustainability. Our goal is not only to comply with the legal requirements, but to strategically anchor sustainability in our decisions and processes.

In this as well as in subsequent reports, we want to offer our stakeholders and readers a high degree of transparency.

Environmental information



EU Taxonomy Regulation

The EU Taxonomy Regulation (Regulation (EU) 2020/852) is one of the European Union's instruments designed to achieve the decarbonization and environmental targets for 2030 and to become the first climate-neutral continent by 2050. It is a classification system that identifies economic activities as potentially or actually environmentally sustainable.

For the fourth consecutive year, RATH AG reports on the share of its turnover, economic activities, operating and capital expenditures that fall under the Regulation.

According to the EU Taxonomy Regulation, economic activities are sustainable if they contribute to one or more of the following environmental objectives:

- > Climate protection
- > Adaptation to climate change
- > Sustainable use and protection of water and marine resources
- > Transition to a circular economy
- > Pollution prevention and control
- > Protection and restoration of biodiversity



The EU Taxonomy Regulation distinguishes between taxonomy-eligible ("eligibility") and taxonomy-aligned ("alignment") economic activities. When economic activities are described in the appendices to the delegated acts of the EU Taxonomy Regulation, they can be declared as taxonomy-eligible. Activities that are considered taxonomy-aligned must fulfill additional technical evaluation criteria and minimum social standards.

With respect to the 2024 financial year, RATH Group is required to disclose economic activities related to Environmental Objectives 1 and 2 that are taxonomy-eligible / taxonomy-aligned (in accordance with Delegated Regulation (EU) 2021/2139, its amending Regulation (EU) 2022/1214, and the supplementary Regulation (EU) 2023/2485). The publication of environmental objectives 3-6 (Delegated Regulation (EU) 2023/2486) also requires information on their taxonomy-eligible aspects in the 2024 financial year.

The financial information provided regarding the EU Taxonomy Regulation (KPIs according to Delegated Regulation (EU) 2021/2178) is based on the same accounting standards that underlie RATH Group's published consolidated annual report. RATH Group prepares its annual financial report in accordance with

§245a of the Austrian Commercial Code (UGB) and in compliance with the International Financial Reporting Standards (IFRS).

Due to some ambiguous wording and missing definitions, the list of required disclosures is subject to a degree of uncertainty and requires our interpretation and elaboration. We have therefore taken into account the FAQ documents published by the EU Commission up to December 2023.

TAXONOMY ELIGIBILITY

Following the publication of the new environmental objectives, we have placed a focus on determining taxonomy eligibility. In joint workshops involving the Executive Board, plant managers and other relevant business units, activities identified in the previous year were re-examined and potential new activities were explored.

RATH Group's core business by NACE category "23.20 - Manufacture of refractory ceramic materials and products." Although this is listed in the environmental objectives (objectives 1 and 2: "3.5 Production of energy-efficient building equipment"), our products do not count as building equipment, which is why the activity was deemed unsuitable. Our core business is therefore not encompassed by any of the EU Taxonomy Regulation's economic activities. The sole exception is the small amount of revenue generated by renting out a building at our Meißen site, which falls under the activity "7.7 Acquisition of and ownership of buildings" and relates to the environmental objective of climate protection.

Investments and operating expenses eligible for taxonomy reporting were incurred in 2024 and relate to wastewater treatment systems, vehicle fleet, energy-efficient equipment, charging stations for electric vehicles and site clean-up.

The following table provides an overview of the activities identified as taxonomy-eligible:

Number	Activity	Environmental objective	Short description
5.1	Construction, expansion and operation of water catchment, treatment and supply systems	Climate protection	Operating expenses for water treatment systems at our Mönchengladbach site
5.3	Construction, expansion and operation of wastewater collection and treatment systems	Climate protection	Investment in a waste water treatment pump at our Krummnußbaum site and operating expenses for service water systems at several German sites
6.5	Transportation by motorcycle, car and light truck	Climate protection	Company car leasing, maintenance and repair costs
7.3	Installation, maintenance and repair of energy-efficient equipment	Climate protection	Investments, including in air conditioning, ventilation, and energy efficiency improvements at sites in Austria and Germany
7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings	Climate protection	Investment in charging stations at our Meißen site
7.6	Installation, maintenance and repair of renewable energy technologies	Climate protection	Maintenance costs for the photovoltaic system in Krummnußbaum
7.7	Acquisition and ownership of buildings	Climate protection	We rent out a building at our Meißen site
3.4	Maintenance of roads and highways	Transition to a circular economy	Maintenance and repair of the roads on the business premises in Krummnußbaum
2.4	Clean-up of contaminated sites and areas	Pollution prevention and control	Cleanup efforts after the storm at our Budapest location

TAXONOMY ALIGNMENT

To determine taxonomy alignment, we reviewed the technical screening criteria for each economic activity – including substantial contribution, the Do No Significant Harm (DNSH) principle – as well as the minimum social safeguards. The technical screening criterion of climate risk analysis, which is an alignment requirement for all economic activities, has not yet been carried out for our sites. Therefore, our alignment rate for all KPIs is zero.

KEY FIGURES

The mandatory key figures of the EU Taxonomy Regulation are intended to increase transparency with regard to sustainability-related economic activities regarding turnover, operating expenses and investment spending.

The following calculation methods are used for the respective KPI:

TURNOVER IN LINE WITH THE EU TAXONOMY REGULATION

The turnover key figure is calculated as the ratio of net turnover from taxonomy-eligible and taxonomy-aligned economic activities to total net turnover for the current financial year (IFRS 15).

RATH Group's total turnover for the 2024 financial year is EUR 111.35 million (see consolidated income statement in the notes to the consolidated financial statements) and represents the denominator of the turnover key figure.

The numerator includes all of RATH's group-wide revenues that have been identified as relevant regarding the following taxonomy-eligible activity:

- 7.7 Acquisition and ownership of buildings (Environmental objective 1)

The taxonomy-eligible turnover is 0.01%, the taxonomy-aligned revenue is 0%.



CAPITAL EXPENDITURES (CapEx) IN LINE WITH THE EU TAXONOMY REGULATION:

The denominator for the capital expenditure ratio includes additions to property, plant and equipment, and intangible assets before depreciation, amortization, and revaluations, including those resulting from revaluations and impairment losses without changes in fair value. Additions to rights of use, property, plant and equipment, and intangible assets resulting from business combinations must also be taken into account.

In particular, the following additions are included when calculating the denominator:

- Additions to property, plant and equipment (IAS 16)
- Additions to intangible assets (IAS 38)
- Additions to investment property (IAS 40)
- Additions to agriculture (IAS 41)
- Additions to leases (IFRS 16)

The numerator of the CapEx key figure corresponds to the portion of the capital expenditure included in the denominator that relates to assets or processes associated with taxonomy-eligible or aligned economic activities, that is part of a plan to expand sustainable economic activities, or that is related to the acquisition of services and products from taxonomy-enabled economic activities.

RATH Group has included capital expenditures for property, plant and equipment, intangible assets, and leases in the denominator, totaling EUR 32.4 million (see the statement of changes in non-current assets in the notes to the consolidated financial statements). CapEx plans in line with the EU Taxonomy Regulation have not been adopted.

The following economic activities were deemed relevant to RATH's capital expenditure numerator:

- 5.3 Construction, expansion and operation of wastewater collection and treatment systems (Environmental objective 1)
- 6.5 Transportation by motorcycle, car and light truck (Environmental objective 1)
- 7.3 Installation, maintenance and repair of energy-efficient equipment (Environmental objective 1)
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (Environmental objective 1)

The taxonomy eligibility for CapEx is 0.75 %, taxonomy alignment is 0 %.



OPERATING EXPENSES (OpEx) IN LINE WITH THE EU TAXONOMY REGULATION:

The denominator of the operating expenditure indicator includes direct, non-capitalized costs related to research and development, building renovation measures, short-term leasing, maintenance and repair, and all other direct expenditure related to the day-to-day servicing of tangible fixed assets necessary to ensure their functionality.

The numerator corresponds to the portion of operating expenses included in the denominator that is associated with taxonomy-eligible or

taxonomy-aligned economic activities, is part of a plan to expand sustainable economic activities, or relates to the purchase of services and products from taxonomy-aligned economic activities.

To determine the relevant operating expenses at RATH, direct non-capitalized costs were taken into account that relate to research and development, building renovation measures, maintenance and repair, and other direct expenses. The denominator is EUR 5.97 million.

The following taxonomy-capable activities were identified as relevant to the operating expenses numerator at RATH:

- 5.1 Construction, expansion and operation of water catchment, treatment and supply systems (Environmental objective 1)
- 5.3 Construction, expansion and operation of wastewater collection and treatment systems (Environmental objective 1)
- 6.5 Transportation by motorcycle, car and light truck (environmental objective 1)
- 7.6 Installation, maintenance and repair of renewable energy technologies (Environmental objective 1)
- 3.4 Maintenance of roads and highways (Environmental objective 4)
- 2.4 Clean-up of contaminated sites and areas (Environmental objective 5)

The key figures for the 2024 financial year are as shown in the reporting forms:

ACTIVITIES IN THE AREAS OF NUCLEAR ENERGY AND FOSSIL GAS

No.	Activity in the area of nuclear energy	Yes/no
1.	The company is active in, finances activities and holds risk positions related to the research, development, demonstration or deployment of innovative power-generating facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The company is engaged in the construction and safe operation of new nuclear facilities for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, or in the safety improvement of such facilities using the best available technologies, or in the financing of such activities, or in risk positions related to such activities.	No
3.	The company is involved in the safe operation of existing nuclear facilities for the generation of electricity or process heat – including for district heating or industrial processes such as hydrogen production – or in the safe improvement of such facilities, or it finances such activities or holds risk positions related to such activities.	No
Activities in the area of fossil gas		Yes/no
4.	The company is involved in the construction or operation of plants for the generation of electricity from fossil gaseous fuels, finances such activities or holds risk positions related to these activities.	No
5.	The company constructs, modernizes and operates facilities for combined heat and power/cooling coupling with fossil gaseous fuels, finances such activities or holds risk positions related to these activities.	No
6.	The company is involved in the construction, modernization and operation of plants for heat generation that produce heat/cold from fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	No

Reporting form 2-5: not relevant

**REPORTING FORM: PROPORTION OF TURNOVER FROM GOODS OR SERVICES ASSOCIATED
WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE FOR 2024**

Financial year 2024				Criteria for a significant contribution						
Economic activities	Code (a)	Turnover	Turnover share, 2024	Climate protection	Adaptation to climate change	Water	Environmental pollution	Circular economy	Biodiversity	
		In thousand EUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (taxonomy-aligned)										
Turnover from environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0 %	0 %	0 %	0 %	0 %	0 %	0 %	
of which enabling activities		0	0 %	0 %	0 %	0 %	0 %	0 %	0 %	
of which transitional activities		0	0 %	0 %	-	-	-	-	-	
A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)										
				EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	
Acquisition and ownership of buildings	CCM 7.7 / CCA 7.7	25	0.02 %	EL	EL	N/EL	N/EL	N/EL	N/EL	
Turnover from activities that are taxonomy-eligible but not environmentally sustainable (non-taxonomy-aligned activities) (A.2)		25	0.02 %	0.02 %	0 %	0 %	0 %	0 %	0 %	
A. Turnover from taxonomy-eligible activities (A.1 + A.2)		25	0.02 %	0.02 %	0 %	0 %	0 %	0 %	0 %	
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES										
Turnover from non-taxonomy-eligible activities	111,345	99.98 %								
TOTAL	111,370	100 %								

(c) Turnover/total turnover		
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	0 %	0.02 %
CCA	0 %	0 %
WTR	0 %	0 %
CE	0 %	0 %
PPC	0 %	0 %
BIO	0 %	0 %

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**REPORTING FORM: CapEx SHARE OF GOODS OR SERVICES ASSOCIATED
WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE FOR THE YEAR 2024**

Financial year 2024				Criteria for a significant contribution						
Economic activities	Code (a)	CapEx	CapEx share, 2024	Climate protection	Adaptation to climate change	Water	Environmental pollution	Circular economy	Biodiversity	
		In thousand EUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (taxonomy-aligned)										
CapEx for environmentally sustainable activities (taxonomy-aligned) (A.1)	0	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %	
of which enabling activities	0	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %	
of which transitional activities	0	0	0 %	0 %	-	-	-	-	-	
A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)										
				EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	
Construction, expansion and operation of wastewater collection and treatment systems	CCM 5.3 / CCA 5.3	168	0.52 %	EL	EL	N/EL	N/EL	N/EL	N/EL	
Transportation by motorcycle, car and light truck	6.5 CCM / 6.5 CCA	63	0.19 %	EL	EL	N/EL	N/EL	N/EL	N/EL	
Installation, maintenance and repair of energy-efficient equipment	7.3 CCM / 7.3 CCA	7	0.02 %	EL	EL	N/EL	N/EL	N/EL	N/EL	
Installation, maintenance and repair of charging stations for electric vehicles in buildings	7.4 CCM / 7.4 CCA	7	0.02 %	EL	EL	N/EL	N/EL	N/EL	N/EL	
CapEx for activities that are taxonomy-eligible but not environmentally sustainable (non-taxonomy-aligned activities) (A.2)		244	0.75 %	0.75 %	0 %	0 %	0 %	0 %	0 %	
A. CapEx for taxonomy-eligible activities (A.1 + A.2)		244	0.75 %	0.75 %	0 %	0 %	0 %	0 %	0 %	
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES										
CapEx for non-taxonomy-eligible activities	32,128		99.25 %							
TOTAL	32,372		100 %							

	DNSH criteria (Do No Significant Harm)							Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) CapEx in 2023	Category: Enabling Activity	Category: Transitional activity
	Climate protection	Adaptation to climate change	Water	Environmental pollution	Circular economy	Biodiversity	Minimum protection			
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
	N	N	N	N	N	N	N	0 %	-	-
	N	N	N	N	N	N	N	0 %	E	-
	N	N	N	N	N	N	N	0 %	-	T
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	0 %	-	-
	-	-	-	-	-	-	-	0 %	-	-
	-	-	-	-	-	-	-	0 %	-	-
	-	-	-	-	-	-	-	0 %	-	-
	-	-	-	-	-	-	-	0 %	-	-
	-	-	-	-	-	-	-		-	-

(c) CapEx portion/total CapEx		
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	0 %	0.75 %
CCA	0 %	0 %
WTR	0 %	0 %
CE	0 %	0 %
PPC	0 %	0 %
BIO	0 %	0 %

(a) The code represents an abbreviation of the objective to which the economic activity can make a significant contribution, as well as the number of the section of the activity in the corresponding appendix that covers the objective, i.e.

- > climate protection: CCM (Climate Change Mitigation)
- > Adaptation to climate change CCA (Climate Change Adaptation)
- > Water and marine resources: WTR (Water)
- > Circular economy CE (Circular Economy)
- > Pollution prevention and control
PPC (Pollution Prevention and Control)
- > Biodiversity and ecosystems:
BIO (Biodiversity and ecosystems)

(b) Y Yes, taxonomy-eligible and taxonomy-aligned with the relevant environmental objective activity

N No, a taxonomy-eligible activity that is not aligned with the relevant environmental objective.

N/EL 'not eligible', not a taxonomy-eligible activity for the respective environmental goal.

(d) EL Taxonomy-eligible activity for the respective objective.

N/EL Activity not taxonomy-eligible for the respective objective.

**REPORTING FORM: OpEx SHARE OF GOODS OR SERVICES ASSOCIATED
WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE FOR THE YEAR 2024**

Financial year 2024				Criteria for a significant contribution						
Economic activities	Code (a)	OpEx	Op-Ex share, 2024	Climate protection	Adaptation to climate change	Water	Environmental pollution	Circular economy	Biodiversity	
		In thousand EUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (taxonomy-aligned)										
OpEx for environmentally sustainable activities (taxonomy-aligned) (A.1)	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	
of which enabling activities	0	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	
of which transitional activities	0	0 %	0 %	-	-	-	-	-	-	
A.2 Taxonomy-eligible, but not environmentally sustainable activities (non-taxonomy-aligned activities)										
				EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	EL; N/EL (d)	
Construction, expansion and operation of water catchment, treatment and supply systems	CCM 5.1 / CCA 5.1	9	0.15 %	EL	EL	N/EL	N/EL	N/EL	N/EL	
Construction, expansion and operation of wastewater collection and treatment systems	CCM 5.3 / CCA 5.3	224	3.75 %	EL	EL	N/EL	N/EL	N/EL	N/EL	
Transportation by motorcycle, car and light truck	CCM 6.5 / CCA 6.5	319	5.35 %	EL	EL	N/EL	N/EL	N/EL	N/EL	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 / CCA 7.6	0	0.00 %	EL	EL	N/EL	N/EL	N/EL	N/EL	
Maintenance of roads and highways	CE 3.4	0	0.00 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL	
Clean-up of contaminated sites and areas	PPC 2.4	54	0.90 %	N/EL	N/EL	N/EL	EL	N/EL	N/EL	
OpEx for activities that are taxonomy-eligible but not environmentally sustainable (non-taxonomy-aligned activities) (A.2)		606	10.15 %	9.25 %	0 %	0 %	0.90 %	0 %	0 %	
A. OpEx for taxonomy-eligible activities (A.1 + A.2)		606	10.15 %	9.25 %	0 %	0 %	0.90 %	0 %	0 %	
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES										
OpEx for non-taxonomy-eligible activities		5,367	89.85 %							
TOTAL		5,973	100 %							

[illegible]

(c) OpEx portion/total OpEx		
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	0 %	9.25 %
CCA	0 %	0 %
WTR	0 %	0 %
CE	0 %	0 %
PPC	0 %	0.90 %
BIO	0 %	0 %

- (a)** The code represents an abbreviation of the objective to which the economic activity can make a significant contribution, as well as the number of the section of the activity in the corresponding appendix that covers the objective, i.e.
- > climate protection: CCM (Climate Change Mitigation)
 - > Adaptation to climate change CCA (Climate Change Adaptation)
 - > Water and marine resources: WTR (Water)
 - > Circular economy CE (Circular Economy)
 - > Pollution prevention and control
PPC (Pollution Prevention and Control)
 - > Biodiversity and ecosystems:
BIO (Biodiversity and ecosystems)
- (b)** Y Yes, taxonomy-eligible and taxonomy-aligned with the relevant environmental objective activity
- N No, a taxonomy-eligible activity that is not aligned with the relevant environmental objective.
- N/EL 'not eligible', not a taxonomy-eligible activity for the respective environmental goal.
- (d)** EL Taxonomy-eligible activity for the respective objective.
- N/EL Not taxonomy-eligible for the respective objective.

Climate change

RATH Group's business activities have a negative impact on the climate. However, RATH Group is committed to protecting the climate. This is why we have defined clear targets and measures in this regard and regularly monitor our progress.

As part of the materiality analysis, three key topics were identified regarding climate change: "CO₂ emissions in production", "CO₂ emissions in the value chain," and "climate change adaptation". A detailed description of the process and results of the materiality analysis can be found in the [General information](#) section.

Overall responsibility for dealing with the issue of climate change at RATH Group lies with the Executive Board. At site level, the respective plant managers are responsible for appointing officers in charge of energy monitoring and data collection at their sites. Group Quality Management is responsible for coordinating activities in this area. The plant managers are primarily responsible for coordination at their respective locations.

Internal energy audits are used to continuously improve the energy efficiency of the production sites. These audits are done by local energy officers at the respective sites in cooperation with external environmental experts. Regular coordination meetings are also held with all local energy officers to promote the exchange of knowledge within the Group.

In addition, external audits are carried out in Germany as part of the ISO 14001 environmental management system and ISO 50001 energy management. Hungary is also subject to an annual energy and CO₂ audit.

In order to take the appropriate measures to achieve our emission targets, our energy management system was expanded to include internal emissions management. Representatives have been appointed at the various locations for this purpose, and their responsibilities include energy monitoring and evaluation of consumption (electricity, gas, heat, etc.), as well as assessment and implementation of potential savings. One focus is on recording emissions to identify reduction potentials and to take appropriate measures to avoid these emissions where possible.

CO₂ EMISSIONS IN PRODUCTION

RATH Group's energy consumption is one of the most significant factors influencing both the use of resources in the company and our impact on the climate.

Our strategy for dealing with the sustainability topic "CO₂ emissions in production" is integrated into our overall "Evolution 2030+" strategy. Our focus here is particularly on reducing CO₂ emissions by lowering our energy consumption and expanding our use of self-generated renewable energy. A more detailed description of the "Evolution 2030+" strategy can be found in the [General information](#) section.



OUR SPECIFIC MEASURES TO REDUCE ENERGY CONSUMPTION AND LOWER CO₂ EMISSIONS IN PRODUCTION:

1. Revision of the product portfolio to optimize the CO₂ balance

On the customer side, there is a drive in many industries to switch from conventional power units that run on fossil fuels to other, non-fossil fuel sources, such as hydrogen. We have conducted extensive research and testing to evaluate corrosion resistance in hydrogen atmospheres in order to develop a corresponding product portfolio for various applications. The RATH product portfolio for use in hydrogen atmospheres is already available.

2. Improvement of production processes to reduce ecological effects

Individual measures are continuously being implemented at various locations to increase efficiency, including the use of more efficient dryers and furnaces, optimization of production technology and increased volume output through productivity gains. Waste heat from the furnaces is also being used at several locations (Bennewitz, Budapest, Krummnußbaum, Mönchengladbach and in the USA) to heat the drying chambers, for example. The electrically heated vacuum sintering system installed at the Krummnußbaum plant for the production of nitride-bonded silicon carbide was successfully commissioned in 2022 with support from the RATH R&D department. In addition to significantly improved energy efficiency compared to conventional gas-fired aggregates, it is also worth noting the much lower nitrogen consumption. As part of our process optimizations, cycle times were reduced by almost 50% without any loss of quality. This resulted in a 90% reduction in CO₂ emissions.

At the Meißen plant, potential for thermal optimization was identified in the drying process of the hot gas filters. The implementation measures related to thermal insulation were carried out over the course of 2024.

At the Mönchengladbach plant, the heat treatment process for fiber materials was optimized in summer 2023, resulting not only in improved quality but also in significant energy savings – with an average reduction of 23% measured on one of the two natural gas-fired heat treatment furnaces. In 2023, the compressor station at the Bennewitz plant was replaced, and a new, more efficient refrigeration dryer was installed. Additional measures are currently being prepared for 2024/2025.

3. Measures to increase the share of renewable energy

We want to use renewable energies in particular as a means of decarbonization. Installation of a photovoltaic system at our production site in Krummnußbaum was completed in 2020 as a first lighthouse project. The 700 kWp photovoltaic system generates up to 650 MWh annually, enabling us to cover up to 10% of the total annual electricity demand at the Krummnußbaum site with solar energy. In addition, this reduces our CO₂ emissions by around 350 tons per year. About 99% of the annual electricity production from this self-consumption system is consumed directly at the Krummnußbaum plant.

4. Dealing with the requirement for CO₂ emission certificates

Production companies in Austria and Hungary have been subject to the European emissions trading system since January 1, 2005. As part of this system, the companies Aug. Rath jun. GmbH and RATH Hungária Kft. receive emission certificates, which must be surrendered to the relevant authority within four months after the end of the calendar year, based on the companies' actual annual emissions. If actual annual emissions exceed those allocated on the certificates, a corresponding number of additional certificates must be purchased. Both companies currently have sufficient surplus allowances. In the 2024 financial year, all quotas were used to exchange CERs for EUA certificates, and a large proportion of these were held as additional stock.

OUR TARGETS FOR REDUCING CO₂ EMISSIONS IN PRODUCTION:

1. Reduction of specific energy consumption by 25% by 2035 (reference year 2021).
2. Measurable CO₂ emission reduction targets for production have been defined for all European sites.
3. Increase in the share of renewable energy sources in the energy mix to 50% by 2035.



KEY FIGURES

No.	Energy consumption and energy mix	2024
1	Fuel consumption from coal and coal products (MWh)	0
2	Fuel consumption from crude oil and petroleum products (MWh)	299
3	Fuel consumption from natural gas (MWh)	128,727
4	Fuel consumption from other fossil sources (MWh)	277
5	Consumption from purchased or captured electricity, heat, steam and cooling, and from fossil sources (MWh)	7,384
6	Total fossil energy consumption (MWh) (sum of lines 1 to 5)	136,687
	Share of fossil sources in total energy consumption in %	87 %
7	Consumption from nuclear power sources (MWh)	1,485
	Share of nuclear sources in total energy consumption in %	1 %
8	Fuel consumption from renewable sources, including biomass (also biogas, hydrogen from renewable sources, etc.) (MWh)	7,760
9	Consumption from purchased or captured electricity, heat, steam and cooling, and from renewable sources etc. (MWh)	10,666
10	Consumption of self-generated renewable energy sources other than fuels (MWh)	574
11	Total consumption of renewable energy (MWh) (sum of lines 8 to 10)	18,999
	Share of renewable sources in total energy consumption in %	12 %
	Total energy consumption (MWh)	157,171
Energy intensity		2024
	Energy consumption per thousand EUR of turnover (MWh/thousand EUR)	1.4
	Energy consumption per t of finished product (MWh/t)	4.9

CO₂ emissions in 2024	2024
Gross GHG emissions in Scope 1 in tCO ₂	27,440
Gross GHG emissions in Scope 2 (market-related) in tCO ₂	3,583
Total	31,023
CO₂ intensity	2024
CO ₂ intensity in Scope 1 and 2 in tCO ₂ per thousand EUR turnover	0.28
CO ₂ intensity in Scope 1 and 2 in tCO ₂ per thousand EUR finished product	0.98

Scope 3 emissions for 2024 have not yet been determined.

CO₂ EMISSIONS IN THE VALUE CHAIN

We are aware that CO₂ emissions also occur along the upstream and downstream value chain. Responsibility for this topic lies with supply chain management and sales. One specific measure taken by RATH is the focus on a European supply chain wherever possible. This is a strategic decision. More information can be found on the [Promotion of a regional European supply chain](#).

In addition, we are already partially involved in the upstream supply chain during the product development process to help reduce the carbon footprint of our products.

ADAPTATION TO CLIMATE CHANGE

The refractory industry is making an important contribution to the topic of adapting to climate change by developing alternative, energy-efficient products that help reduce greenhouse gas emissions in other sectors compared to conventional methods. One example of this is district heating plants that have been lined with fireproof materials to improve heat transfer and reduce energy consumption. Compared to domestic gas combustion systems, which release a lot of carbon dioxide, district heating systems are a more environmentally friendly option for generating heat and hot water.

RATH pursues the goal of positioning itself in the market as a sustainable provider of refractory solutions. We contribute to adapting to climate change through the high quality of our products, e.g. fireclay bricks, whose heat insulation properties are always improving (RATH continuously optimizes the quality of its products).

The refractory industry is an energy-intensive industry. By using energy sources efficiently and replacing existing ones with more sustainable alternatives, we are able to make a significant contribution to improving energy efficiency in production. Improving and further developing existing products – in line with market requirements – also makes a positive contribution to climate change adaptation.

The focus here is on product innovation and the development of more efficient production methods to optimize the economic and environmental aspects of the manufacturing process, as well as on brand and product development strategy.

Accordingly, topics and projects in the areas of research and development, as well as technology and innovation, are of the highest priority and form key pillars of RATH's business success. They are therefore crucial for maintaining competitiveness and supporting long-term growth.



Water and marine resources

RATH Group uses water for cooling in the production process. Due to the importance of water for RATH, the topic of “water intake and consumption” was identified as significant for the materiality analysis. More information on the process and the results of the materiality analysis can be found in the [General Information](#) section.

WATER INTAKE AND CONSUMPTION

RATH Group's water protection strategy focuses on avoiding the use of fresh water wherever possible. This is achieved at all our sites by reusing water several times in production before disposing of it due to the degree of contamination. At the Bennewitz site, water is used from our own pond. At the German sites, water-related issues are an integral part of the environmental management system (ISO 14001).

Targets for water consumption are defined for each site. Since the quantities used at each plant depend heavily on production quantity, targets have been defined that relate to the quantity of goods produced per product line. As a measure to reduce water consumption at the Mönchengladbach plant, a heat pump will be installed in 2024 for the Altra concentrators, which, once operational, will reduce annual water consumption by approximately 1,500 m³. At the US plants, water consumption is comparatively low due to the production process there.

Total water consumption from own operations in m ³		2024
Group-wide:		77,567 m ³
Water intensity		2024
Water consumption per thousand EUR of turnover (m ³ /thousand EUR)		0.70
Water consumption per t of finished product (m ³ /t)		2.44



Circular economy

As part of its environmental activities, RATH Group is intensively addressing the topic of the circular economy. Careful handling of resources and waste has top priority in order to protect the environment as far as possible. Due to the importance of the circular economy to RATH, the topics “Use of resources in production” and “Recycling in the supply chain” were identified as significant for the materiality analysis. More information on the process and the results of the materiality analysis can be found in the [General Information](#) section.

USE OF RESOURCES IN PRODUCTION

In manufacturing its products, RATH Group places the highest priority on the efficient and resource-conserving use of raw materials. The use of secondary raw materials makes a significant contribution to resource conservation. Additionally, the products made from these materials leave a smaller carbon footprint. RATH Group is a member of Interseroh in Austria and Germany to promote the circular economy and recycling.

We are committed to the efficient and responsible use of resources. The focus is on maintaining the service life of facilities and equipment, on the economical use of raw materials, and on the reuse and recycling of devices and products to maintain a sustainable circular economy.

Our strategy for reducing our resource consumption includes, on the one hand, moving away from the use of primary raw materials, with a relative increase in the use of secondary (recycled) resources, and, on the other hand, procurement and use of renewable resources. Due to their material properties, dense bricks and concrete are particularly well suited for the use of in-house recycled material and secondary raw materials. For this reason, RATH's recycling efforts are concentrated in this area.

OUR SPECIFIC MEASURES TO IMPROVE OUR RESOURCE CONSUMPTION IN PRODUCTION

At all European locations, recoverable materials and resources are recycled in the production process and secondary raw materials have been used successfully at the Budapest plant for many years.

Almost 100% of scrap materials resulting from the manufacturing process are fed back into the manufacturing process. When it comes to vacuum-formed parts, grinding, drilling and punching during post-processing accounts for most of the waste generated. This waste is collected separately by type, filtered, and broken down, with most of it being reused.

TARGETS

Quantitative targets for the use of recycled materials have been defined for the sites in Hungary and Germany, covering the following aspects:

- > Increase in the cycle-oriented material utilization rate
- > Minimization of primary raw materials
- > Sustainable procurement and use of renewable resources (cascade principle)

KEY FIGURES

Recycling quote group-wide		2024
Weight of recyclable materials used in 2024 in t		25,110
Weight of recycled materials in 2024 in t		5,073
Recycling quota in %		20 %

PRODUCTION WASTE

With regard to resource outflows from production, RATH Group ensures that waste is recorded and properly disposed of. A waste management concept is in place for the Krummnußbaum site; the sites in Germany deal with waste as part of their environmental management, certified according to ISO 14001. Each respective plant manager is primarily responsible for the topic of waste, and a waste officer regularly monitors the situation.

TARGETS

There are absolute, quantitative targets for waste at the site level, taking into account the waste hierarchy, with the following contents:

- Waste management (100% utilization of waste between production processes, where possible)
- Reduction of disposal costs for individual sites

KEY FIGURES

Waste generation	2024
Total amount of waste generated in t	3,648
of which hazardous waste in t	257
of which non-hazardous waste in t	3,391

RECYCLING IN THE SUPPLY CHAIN

The use of recyclable materials is very important to RATH in order to reduce the amount of waste products. Instead of using new primary raw materials, the goal is to use only what has already been produced once. Once this is implemented, less waste will be produced and released into the environment. Our recycled raw materials include technical porcelain, cordierite, fireclay, sillimanite, alumina, and corundum.

Our goal is to replace primary with secondary raw materials to the greatest extent possible. We intend to continue promoting the use of recycled resources throughout the company. RATH applies this resource-use strategy throughout the entire upstream and downstream value chain.

OUR SPECIFIC MEASURES RELATING TO RECYCLING ALONG THE SUPPLY CHAIN:

- Substitution audits in respect of replacing primary raw materials with recycled raw materials for defined material groups
- Increased procurement of primary raw materials with a high proportion of recycled raw materials for production
- Recording of the use of recycled raw materials compared to the use of primary raw materials
- Recording of recycling quotas of individual materials



SOCIAL INFORMATION



Our own workforce

As part of the materiality analysis, five significant topics were identified in respect of “our own workforce”:

“Promoting employees”, “Inclusion/diversity”, “Changing workflows due to legal requirements”, “Health and occupational safety”, and “IT and data security”. In particular, the insights gained from our employees’ responses in the stakeholder analysis were incorporated into our consideration of these topics. For more information on the process and results of the materiality analysis, see the [General information](#) section.

HR MANAGEMENT AT RATH

It is important to us to offer our employees flexible and secure working conditions and to create an environment in which they can apply and develop their talents in the best possible way. We not only invest heavily in development programs and training, but management also places strong emphasis on employee health and proactively implements measures to increase well-being.

The corporate principles of governance and compliance provide a foundation for the transparent and ethical behavior of all RATH Group employees. In addition, the Code of Conduct and the HR strategy are important principles within RATH Group. Our responsibility to employees and other important stakeholders, as well as to society and the environment, is an integral part of the management’s decision-making processes. The criteria used to decide on investments and expenditures are not only economically motivated, but also take into account social, environmental, ethical and security aspects.

HR STRATEGY

“Outstanding Inside / Employees make RATH successful” is the vision and firmly anchored belief underlying our HR strategy and all measures derived from it. To support the corporate strategy, four strategic pillars were identified: competitive employees, leadership and specialization, collaboration, and governance.

At RATH, “competent employees” are employees who help shape the future with their creativity, ideas and commitment, who develop innovative concepts for our customers and who promote intensive dialog between managers and teams to develop our company and create competitive advantages.

“Leadership and Specialization” means that at RATH, management and specialist careers are equally important and respected. Our management is required to adopt a leadership style based on partnership, fairness and respect. Managers define goals together with their teams and both challenge and support their employees. The work of our management is based on the “positive leadership” concept, with managers receiving training and instruction on how to implement this.

Especially in times of a shortage of skilled workers, it is important to attract specialists to RATH, to promote and thereby retain them in our company. Above all, we need refractory specialists who are motivated to develop our company and to create competitive advantages. Our qualified employees are the key to overcoming business challenges and making important contributions.

The third strategic pillar, “collaboration,” stands for creating a diverse, constructive, and motivated work environment. The focus here is on respectful cooperation in a spirit of partnership and inclusion. Internal communication plays a major role in managing collaboration. An important prerequisite for this is that the importance of collaboration is recognized and practiced by all managers.

At RATH, governance stands for integrity, sincerity, reliability and the respectful treatment of employees and business partners. Our Code of Conduct sets out the corresponding basic rules in a legal and ethical sense. These rules are observed and practiced in our daily work.

All strategic HR activities are defined primarily by their long-term and holistic nature and by their compatibility with the corporate culture. Proximity to business is another crucial aspect of the work of HR. This means that HR sees itself as a business partner who understands the goals, needs and challenges of the company and its business environment, and offers customized solutions.

HR activities cover the entire employee life cycle – from the company’s attractive presence in the job market – to targeted and efficient recruiting, the rapid integration of new employees into the work process, the continuous and goal-oriented development of employees – and finally, the respectful handling of employee departures.

Digitization is also progressing in HR. For example, the digital personnel file was implemented for the US and Hungarian locations in 2022. Prior to this, it had already been adopted at the German-speaking sites. The time tracking system introduced at the German sites in 2022 was expanded and improved in 2024.

In addition, the digital personnel file was completed in Hungary, and in Germany, all important employee documents were uploaded to the digital personnel file.



Changes in the world of work, including increasing flexibilization of work location and working hours, the changing demands of employees – especially the new generation entering the workforce – and cultural fit have a significant impact on HR work.

HR makes a significant contribution to corporate goals by aligning the HR strategy with the current corporate strategy. Some HR KPIs are already being created to manage and monitor specific objectives. These include monitoring vacation and time balances, sick leave and fluctuation. In addition, the costs for personnel development regarding external measures are being controlled. Ultimately, the annual employee appraisal is used to assess performance and to support individual personnel development. These HR measures are aimed at achieving the corporate goals of achieving profitable growth and being a boutique supplier of customized refractory solutions, leading manufacturer and supplier of non-basic refractory products.

RESPONSIBILITIES

Group HR is represented in all RATH Group countries by HR managers and implements group-wide measures in compliance with the respective legal requirements. Within the Executive Board, responsibility is assumed by Andreas Pfneisl.

Our HR strategy has been designed to include all internal and external interest groups, i.e. employees, managers and, of course, the company management. Managers play a crucial role, as many HR measures and objectives relate to leadership and communication. This is why we aim to involve the latter in decision-making processes and discuss measures, goals, priorities and orientations in workshops and meetings.

Every year, the HR strategy is approved by the Executive Board in terms of its alignment with the corporate strategy and objectives. Approval is subject to a review of progress, performance appraisals based on key figures and cost-benefit analyses, and an analysis of any problems. The planning, organization and administration of internal communication channels are further components of the HR strategy. These channels are relevant to both employees and various stakeholders.

INTERNAL COMMUNICATION

The following section briefly explains the ways in which internal communication is currently conducted. On the one hand, regular review meetings are held with stakeholders, such as authorities, works councils in Germany, Austria and other internal departments.

Due to the large number of workplaces, various channels are used to communicate with employees. For example, employees in the plants are kept up to date by means of notices on information boards ("bulletin boards"). Content that is of particular relevance is personally communicated by HR managers at plant and company meetings. All employees with their own PC access receive information via RIKI (the RATH intranet platform). RIKI Screen is used at some locations: Important information for employees is communicated via TV screens in break rooms and in the entrance area, for example.

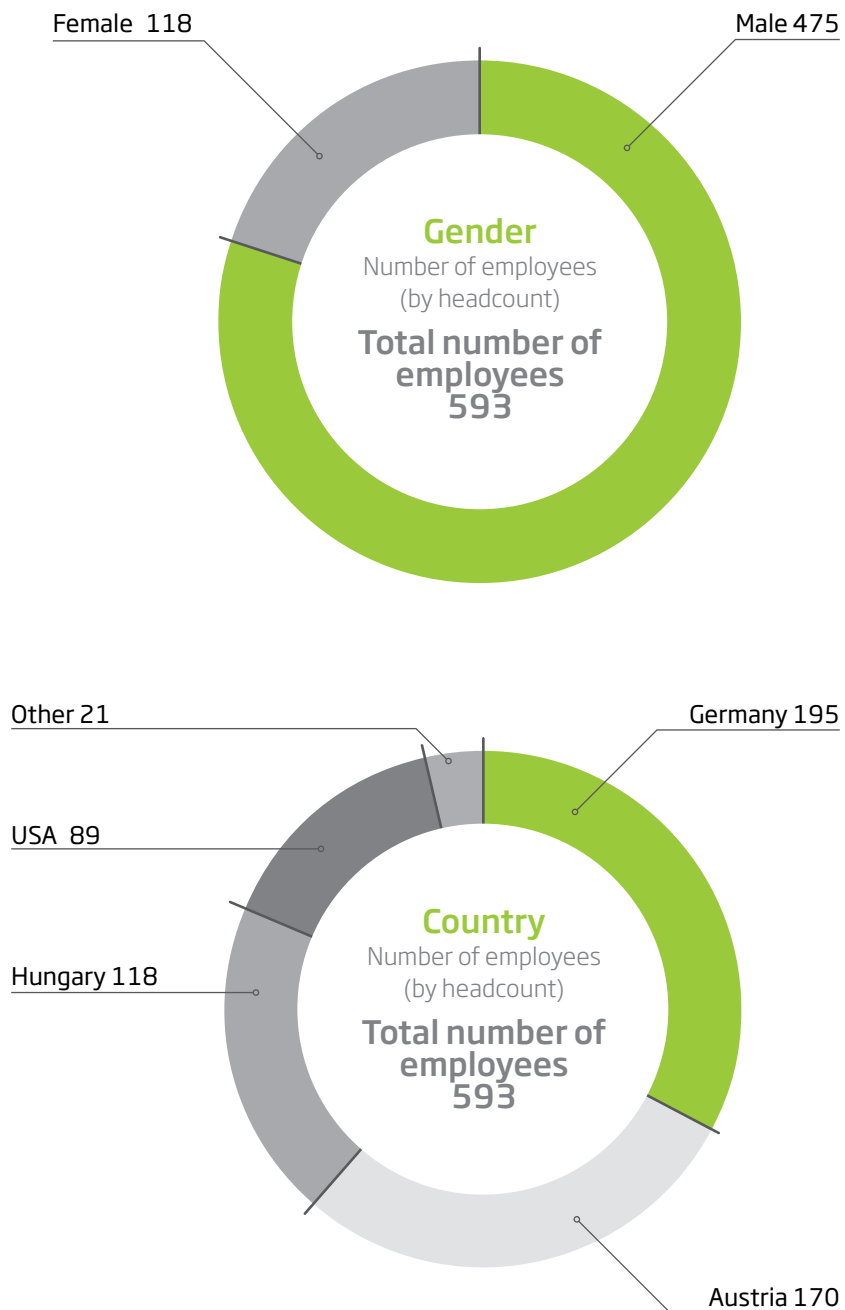
The Whistleblower Protection Act, which came into force in July 2023, has obliged RATH Group to introduce a whistleblowing system in the company. This was implemented at the turn of 2023/2024 with System Discreet. It enables employees to anonymously report violations relating to the Whistleblower Protection Act at any time.

Additionally, employees have the opportunity at any time to express their views through the works councils, where available at the various locations, or in personal discussions with their managers. The company operates an open-door policy and employees can talk to colleagues, HR contact persons or the plant management about any issues that may arise.



GENERAL HR KEY FIGURES

As of December 31, 2024, RATH Group employed 593 people. Based on FTE (full-time equivalent), this corresponds to 575.9 people (previous year: 578.9). RATH Group does not have a stock option program. Management, senior employees and other key staff are included in bonus schemes that vary from country to country. In Germany and Austria, our employees are represented by works councils. In Germany, each site has a works council as well as a central works council.



EMPLOYEE DEVELOPMENT

We value our employees and feel a strong sense of commitment towards them. And we expect the same from them. Our goal is a fair balance of interests and a shared path to business success. We see this as the basis for a company with a future, where values like responsibility, curiosity and quality form the foundation of daily activities. This commitment is defined as a core statement of RATH Group's corporate mission statement and provides the framework for the way we treat our employees at RATH. In 2023, a corporate culture project was launched to define the Group's values.



FINANCIAL AND SOCIAL SECURITY OF EMPLOYEES

To achieve our goals in the best possible way for everyone, we believe in giving our employees a stake in their and therefore also our success in line with their performance. Various factors are taken into account. There is both performance-based and success-based pay, both on an individual basis and in the respective business unit. Good performance is appropriately rewarded and employee loyalty is fostered by market-oriented and competitive wages and salaries. All social benefits are of course always included. Transparency, fairness, appropriateness and performance-related aspects are considered the most important principles when designing variable compensation.

EMPLOYEE DEVELOPMENT

Highly trained, motivated employees are RATH Group's key success factor. Thanks to their high level of professional and social competence, they ensure excellent product quality and are an important driving force for the future. This is the only way we can realize our claim to technology leadership in the industry. The success of the entire group of companies is based on enthusiasm for innovative refractory solutions, which are implemented in products and technologies, and on the high level of commitment and loyalty of our employees. To meet this requirement, all departments have competence matrices that support employee development. These matrices are evaluated annually and discussed with employees during the employee appraisals.

Professional development is part of the HR strategy and is implemented through a wide range of measures. This strategic component is relevant to retaining employees and developing them on an ongoing basis. In addition, it acts as an incentive to attract new employees.

When creating a training plan, we use different ways to record the required training. In the first step, mandatory training is organized and carried out within the legal requirements. This includes, among other things, first-aid training and annual safety instructions. Furthermore, the annual employee appraisals are used to determine what is needed to retain and develop employees. This is geared towards both specialist and management careers. All training sessions are recorded and tracked in a group-wide training schedule file. The organization and planning of internal and external training is done by the HR managers in the respective country in collaboration with the relevant executive.

The RATH Leadership Excellence Program was launched in 2021 as part of management development. As part of this program, managers were trained in six modules, with an option for individual coaching. Progress was monitored through 360° feedback both before and after the program. The program concluded in 2023. The training plan is monitored by means of internal and external audits. In 2024, another leadership program was launched for managers below the head of department level. The program also ran for several months in Germany and Hungary.

KEY FIGURES

Parameters for training and skills development	2024
Percentage of employees who have participated in regular performance and career assessments (annual employee appraisal)	42 %
of which men	79 %
of which women	21 %

INCLUSION AND DIVERSITY

Equal treatment, integration and diversity are central elements of our corporate philosophy and are closely linked to our HR strategy. The principles of our HR policy offer all employees the same rights and opportunities, regardless of age, gender, culture, religion, origin and other diversity characteristics. On the basis of these principles, no form of discrimination is tolerated.

To counteract any risk of unequal treatment, we have created a corporate culture and working environment that emphasize mutual trust, where everyone is treated with respect and people from different cultural areas and different personal backgrounds are equally valued. RATH is an international group, and employees appreciate the diversity and differences that are expressed in the various origins, cultures, languages and ideas of the employees. The company takes an active, long-term approach to promoting integration throughout the Group. The promotion of equal rights is enshrined in the Code of Conduct, as are the concepts of inclusion, diversity and non-discrimination.

At RATH Group, inclusion and diversity are practiced in terms of cultural fit. This is also evident from the large number of different nationalities within the company.

However, when it comes to gender diversity, there is an imbalance in the number of female and male employees. This is primarily due to the fact that the majority of employees work in the industrial sector, which involves physically demanding tasks that are mostly performed by male employees.

Whenever possible, RATH Group promotes measures and initiatives to inspire women to pursue technical careers. In recruiting, the approach is based on the diversity concept to appeal to all individuals in the market and to spark their enthusiasm for RATH. Due to RATH Group's international locations, we necessarily promote interculturality and ensure exchange between locations by communicating in German and English. In addition, important documents such as the Code of Conduct are composed in three languages – German, English and Hungarian.

To ensure a degree of diversity in our administrative and supervisory bodies, the selection of members takes into account not only professional and personal competencies but also aspects of diversity, international representation, gender balance, and age structure to the greatest extent possible.

More information on the composition and appointment of the members of the Management Board and Supervisory Board can be found in the [General Information](#) section and on the website under [Supervisory Board & Committees](#).

More information on inclusion/diversity and measures to promote women can be found in the Corporate Governance Report.

TARGETS

One of the company's goals is to increase the proportion of women in the various departments. The proportion of women in management positions in particular is to be increased. An important signal of this is the appointment of Mag. Alexandra Rester to the Executive Board.

KEY FIGURES

In 2024, 28 nations were represented at RATH Group.



Diversity parameters	2024
Proportion of women in the total workforce	20 %
Gender distribution at top management level	Number of women: 3 Percentage of women: 16 %
Distribution of employees by age group: Under 30, 30–50 years, over 50 years	under 30: 12 % 30–50: 48 % over 50: 40 %
Percentage of employees with disabilities in the workforce	3 %

No cases of discrimination have been identified since the commencement of ongoing monitoring and control.

CHANGING WORKFLOWS DUE TO LEGAL REQUIREMENTS

Internal workflows may need to be adapted due to legal changes or new legal requirements that the company is obliged to implement. This concerns all legal areas that apply to our company, including labor law, the GDPR, REACH, chemicals legislation, trade law, etc. RATH is fully committed to complying with the applicable legal regulations and regards this as an essential prerequisite for responsible corporate governance.

In this context, the members of the Executive Board have overall management responsibility. Technical responsibility lies with the manager of the respective department. This gives managers an important role, because they have a duty of care to take adequate measures to uphold compliance with legal regulations.

Adherence to and implementation of legal regulations are ensured by integrating them into relevant processes and procedures. Our employees also take responsibility for observing external and internal regulations in their daily work.

Amendments and new laws affecting the workforce are communicated in line with the organizational structure. At RATH's Austrian and German sites, works councils are involved where changes impact on company agreements (e.g. when implementing new systems).

OCCUPATIONAL SAFETY AND HEALTH

The well-being and physical and mental health of our employees are the basis of the company's success. Health and occupational safety is therefore taken into account in all business decisions and activities.

This is both a strategic and an operational issue. It requires leadership, commitment and participation at all levels and in all functions within our organization.

The focus is on avoiding potential risks to the health and safety of our employees and third parties. We pursue this by implementing safety standards. This includes structural, technical and organizational measures. These activities are coordinated with external safety officers and occupational physicians and implemented consistently.

STRATEGY AND RESPONSIBILITIES

Health and safety are part of our corporate strategy. The focus is on preventing occupational accidents. The basis for this is compliance with the health and safety legal requirements of the countries in which RATH Group operates.

In this context, the members of the Executive Board have overall management responsibility. The topic is managed at Group level by Quality Control. The various plant managers, who report directly to the Executive Board, are responsible for health and occupational safety. They define targets and measures for the respective location and monitor the achievement of these targets on the basis of the corporate strategy. The results are regularly communicated to the Executive Board.

The organization of health and occupational safety also includes an externally contracted safety specialist and an external company physician at each location. These are in turn supported by local experts, such as safety officers, safety representatives, first aiders, etc.

Observance and implementation of health and safety regulations are ensured by integrating them into relevant processes and procedures. At our German locations, the topic is supported by a management system called "AMS – Arbeitsschutz mit System" (systematic occupational safety), which is monitored by the employers' liability insurance association.

We drive continuous improvement through regular communication with internal and external experts, the involvement of employee, and technical and organizational measures.

MEASURES

We offer preventive medical check-ups by medical personnel at our production sites, which are conducted in accordance with the legal requirements of the countries in which we operate. As part of our seasonal initiatives, employees in affected regions are offered free vaccinations against influenza and tick-borne encephalitis (FSME).

In the context of health and occupational safety, annual monitoring is carried out to determine the levels of noise, dust, respirable quartz dust and aluminum silicate fibers.

Our employees also receive regular training in occupational health and safety.

Additionally, we provide employees with the necessary personal protective equipment. Whenever possible, the preferences of the respective employees will be taken into account. Instructions are provided on the safe use of personal protective equipment.

Appropriate emergency measures to minimize the effects of an occupational accident involving personal injury are implemented. The associated accident analysis, including an evaluation of the preventive and protective measures, serves to initiate corrective and improvement measures for the well-being of employees and this is documented in an accident report. Any external reporting requirements in connection with occupational accidents are strictly adhered to.

TARGETS AND KEY FIGURES

The percentage of people in the company's workforce who are covered by the management system for health and occupational safety (based on legal requirements and/or recognized standards/guidelines) is 100% across the Group. In 2024, there were no deaths due to work-related injuries and/or illnesses across the Group.

AWARENESS OF IT SECURITY

RATH has long been committed to maximizing the potential offered by new technologies. Digitization of existing processes and the development of a Business Intelligence System are leading to greater flexibility and transparency for our employees. The ongoing digitization must be handled securely. It is therefore of great importance to us to strengthen our employees' security awareness through ongoing training.

STRATEGY AND RESPONSIBILITIES

The need for raising employee awareness of IT security and data protection is determined at Group level by those responsible for IT and data security. In addition, training needs are identified and evaluated by HR as part of the annual employee appraisals.

Awareness of IT security is one of the three pillars of our program for ensuring data security. You can find more information about the human factor as a pillar of the data strategy in the IT and data security section in the chapter [Consumers and end users](#).

Digitization is part of RATH's HR strategy, which aims to empower everyone. Our IT guidelines specify that employees can request training on specific content. Our Code of Conduct for employees sets out both the right to privacy and compliance with the GDPR.

MEASURES

The measures to be taken are defined within the IT guidelines and are currently being implemented at our discretion and as needed.

At present, measures include:

- > Communicating the IT and data protection guidelines when hiring
- > IT training as part of our recruiting and training plan; ongoing mandatory IT training for all employees; raising employee awareness; regular training on cybercrime for all employees
- > Employee training increases IT literacy and strengthens security awareness when dealing with IT
- > Annual evaluation of training provision by employees
- > Communicating the Code of Conduct for employees (in which the right to privacy and compliance with the GDPR are set out) via the established HR communication channels



TARGETS AND KEY FIGURES

Since training on IT and data security is a mandatory part of training at RATH Group, we strive for a participation rate of 100%. This rate is calculated by taking the number of employees who have completed one or more training sessions and dividing it by the number of employees invited to one or more training sessions. The data is extracted from our security platform and evaluated using a BI reporting tool.

After a rate of almost 75% for online training in 2023, we achieved a rate of 78% in 2024. In 2025, all employees are to be encouraged once again to take part in the relaunched training sessions.

Further awareness-raising is provided in the form of face-to-face IT workshops and online meetings. The participant lists were compiled informally, so it is not possible to determine a comprehensive participation rate. The goal for 2024 was to accurately record invited and participating users.

Further goals for raising awareness in the field of IT and data protection are set at the individual level with the respective employees and reviewed in their annual employee appraisals.

The workforce in the value chain

Human rights in the supply chain are very important to RATH. Accordingly, the topic of “human rights issues along the supply chain” was identified as significant for the materiality analysis. More information on the process and the results of the materiality analysis can be found in the [General Information](#) section.

HUMAN RIGHTS ISSUES ALONG THE SUPPLY CHAIN

In respect of human rights along the entire supply chain (upstream and downstream), RATH's Code of Conduct refers to the requirement that its business partners must respect human rights. RATH is committed to upholding the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. RATH is committed to respecting the human rights of its employees, including their labor rights. In 2023, as part of the implementation of the Whistleblower Protection Act, RATH implemented a channel that gives workers in the value chain the opportunity to report concerns related to human rights violations. To prevent human rights violations, RATH regularly visits and talks to suppliers. In the future, sustainability criteria will be considered in the purchasing process, which also includes the human rights of employees. Responsibility for this lies with the purchasing department; see the section on [Support for sustainability in the supply chain](#).

Consumers and end users

RATH specializes in base materials and finished products for the refractory sector. Our customers appreciate the customized design and high quality of our products. RATH supports customers with targeted assistance and complete solutions. The company offers a wide range of services to meet customer requirements, including planning, assembly, construction site supervision, maintenance and repair. Customer satisfaction is our top priority, as it is the basis for our long-term success and competitiveness. Collaboration with our customers means that we have access to external data. In this context, we treat customer data with the same confidentiality as internal data.

For the materiality analysis, two significant topics were identified in respect of consumers and end users: “Customer loyalty and satisfaction” and “IT and data security”. For more information on the process and results of the materiality analysis, see the [General information](#) section.

CUSTOMER LOYALTY AND SATISFACTION

Customer loyalty and satisfaction is at the core of every successful company. RATH sees itself as a reliable partner in the business sector and aims to offer its customers stability through long-term partnerships. This statement was confirmed in a stakeholder survey.

Two factors are particularly important for developing and maintaining a positive partnership with all customers: Good communication and an open dialog with our customers when handling complaints. Good communication means that we regularly ask about our customers' needs and expectations, and gauge their satisfaction.

Through our field and office staff, we are in constant contact with our partners and customers – by phone, email, and, above all, in person. Correct and open complaint handling means that we respond quickly, fairly and in a solution-oriented manner to challenges or complaints. All of this promotes our partners' and customers' trust in the long term and benefits all parties.

Our complaints procedure is clearly and transparently documented. The resulting findings are openly explained to our partners and customers and addressed through specific measures. If, for example, one of our products causes disruption in a partner's or customer's production area, the delivered product portfolio is analyzed by experts at our plants and/or our R&D departments / engineering departments. We then aim to have our specialists on site without delay to assess the situation and obtain our customers' process logs. The impressions gained in this way and any product seizures are examined in our laboratories as well as externally, depending on what the product is used for. Meanwhile, we always try to offer our partners and customers an immediate solution so as not to affect their business operations. After our specialists have completed the required analyses and drawn appropriate conclusions, our partner / customer is presented with possible lasting solutions and action is taken accordingly. These analyses and the measures taken are documented internally as part of a complaints process in order to learn from them in and to guarantee improvement in the production process.

We provide our partners and customers with precise information about the energy efficiency that can be achieved with our products compared to other materials, based on exact calculations during the planning stage. There are cases where we remodel an existing furnace system and rebuild it using new-generation insulation materials. This enables customers to achieve significantly better energy efficiency and a reduction in emissions.

IT AND DATA SECURITY

To ensure that internal and external data do not fall into the wrong hands, RATH is scrupulous about data protection. The legally compliant and trustworthy handling of data is anchored in our company through corresponding guidelines. Data protection is organized centrally and takes into account the legal requirements applicable to the respective companies. Our aim is to maintain and improve data protection within the organization in the long run.

Internally appointed data protection officers, who work at the company locations, accompany the ongoing development of the data management system and support the departments in complying with data protection law. Regular exchange takes place between data protection officers and IT security officers so that we not only maintain but continue to optimize the existing level of data protection. Our employees receive intensive training on data protection. More information can be found in the [Awareness of IT security](#) section.

We use a computing structure that is continuously updated to ensure the highest possible data security for our employees and customers. The regular introduction of appropriate security standards protects us against misuse and external attacks. Our IT security policy is continuously adapted and further developed. To counter cyber threats, our employees are continuously informed, trained, and made aware of malware. RATH not only recognizes the increasingly serious threat posed by cybercrime, but also takes comprehensive measures to combat it. Measures to improve data protection and minimize the risk of IT and data protection incidents are taken at Group level.

We have a three-pronged program that includes all the factors that guarantee data security in line with professional standards:

- 1. Internal and external audits** identify, analyze and evaluate vulnerabilities in networks, infrastructure and IT processes. Corresponding optimization measures are taken together with our partners and documented in the RATH IT guidelines.
- 2. A Security Operations Center**, operated by certified external partners, continuously monitors network activities. This enables potential attacks on our IT systems to be detected and repelled as quickly as possible.
- 3. In terms of the human factor, which is known to be the greatest threat from cybercrime, users receive both internal and external training.** For example, we run Security Awareness Workshops to ensure that employees are aware of current threats as well as solutions. Different pedagogical methods are used, including classic, participatory workshops and e-learning platforms with interactive exercises.

Our security officers in IT and data protection work together to perform a joint risk assessment, evaluate any security incidents, introduce appropriate security measures, develop and implement policies and report to the Executive Board.

Our aim is to comply with legal requirements, especially in the field of data protection. No violations of data protection regulations were reported in the past year.

In 2023, a Cybersecurity Architecture Roadmap was created with external support. It covers all relevant areas of the security framework and rates them according to their implementation status.

In this way, the Cybersecurity Architecture Roadmap enables continuous monitoring of the status quo and helps prioritize individual projects.

The roadmap for 2025 includes implementation of the following points:

- > As in the previous year - IT asset management
- > As in the previous year - Endpoint Detection and Response
- > As in the previous year - Incident Response and Recovery

In 2025, cyber security continues to account for a growing share of the IT budget, at approximately 8%.





Governance information

Anti-corruption and transparency

Cooperation with partners along the value chain always carries risks of unfair competition. Influencing suppliers, customers, or decision-makers is a risk that is strictly controlled and combated. No conduct involving the use of unfair means to conduct business will be tolerated. We do not accept unethical or illegal behavior from our employees, suppliers or business partners. RATH Group's Code of Conduct sets out comprehensive behavioral guidelines with regard to the granting of benefits, corruption and bribery.

RATH Group adheres to the respective national anti-corruption regulations as well as international guidelines and recommendations, such as the UN Convention against Corruption or the OECD Guidelines for Multinational Enterprises. We are committed to ethical and moral principles, which we have set out in our Code of Conduct. Our employees receive regular training on compliance with the relevant anti-corruption laws. These measures enable them to recognize any potentially precarious situation, avoid prohibited behavior and, if necessary, seek prompt advice from the relevant contact persons. This means that any attempts at bribery or corruption are detected and prevented at an early stage. Our newly established whistleblowing system can be used to anonymously report any violations.

Managers and employees are required to contact their supervisor or the contact person responsible for general compliance questions at RATH headquarters if they have any doubts about the permissibility of a gift or acceptance of some advantage. At RATH Group, there were no such cases in financial year 2024 – and therefore no change from the previous year.

Relationship to suppliers

RATH Group is committed to sustainability-oriented procurement of the necessary materials and products with long-term supply reliability. Given the importance of the supply chain for RATH, the materiality analysis identified “Promotion of a regional supply chain,” “Supply chain stability,” and “Support for sustainability performance among suppliers” as key topics. More information on the process and the results of the materiality analysis can be found in the [General Information](#) section. The Procurement department is responsible for implementing and monitoring this. The Head of Procurement reports to the COO.

PROMOTION OF A REGIONAL EUROPEAN SUPPLY CHAIN

RATH deliberately focuses on regional suppliers. Examples include clay and fireclay from the Czech Republic, alumina from Germany and France, corundum and hollow sphere corundum from France and Austria, and andalusite from France, etc. One environmental advantage of a regional supply chain is the avoidance of emissions in the supply chain, see section [CO₂ emissions in the value chain](#).

SUPPLY CHAIN STABILITY

By focusing on regionality, we also contribute to the stability of our supply chain. Supplier visits and meetings, during which suppliers are evaluated, are carried out regularly. The issue of stability in the supply chain is considered a key component of our risk management.

SUPPORT FOR SUSTAINABILITY IN THE SUPPLY CHAIN

We recognize that our relationships to our suppliers mean that we can contribute to their sustainability performance. RATH relies on long-term partnerships with its suppliers and is therefore in a good position to demand sustainability requirements from them. To promote this in a targeted way, we are working on taking social and ecological criteria into account when selecting and evaluating suppliers.

Relationship to financial institutions

ESG plays an important role at RATH, not only in the company's dealings with business partners in the value chain, but also increasingly in our dealings with financial institutions. Responsibility for this lies with the Executive Board and the CFO.

On the basis of our relationships with financial institutions, and in particular the Group's financing through promissory note loans in addition to cash flow from operating activities, the topic "Access to financial resources" was identified as significant for the materiality analysis. More information on the process and the results of the materiality analysis can be found in the [General Information](#) section.

ACCESS TO FINANCIAL RESOURCES

RATH wants to ensure that access to financial resources remains available despite increasing demands in the context of sustainability. As a listed public company, RATH is already subject to the NFRD and its national implementation, NaDiVeG.

RATH rises to the challenges of dealing with this topic ever more intensively (in terms of resources and know-how), of meeting disclosure requirements with a high level of ambition and of continuously improving the process. We are already receiving ESG-related inquiries from business partners, primarily concerning environmental indicators. RATH provides this information based on all available information. In this way, RATH aims to ensure the greatest possible transparency for sustainability-conscious shareholders and financial institutions. As part of the materiality analysis conducted in 2023, banks and shareholders were also contacted to obtain their assessments of ESG-related topics concerning RATH.

THE EXECUTIVE BOARD

Vienna, April 29, 2025



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