

# Pyrotek<sup>®</sup>

## Sustainability Report

**FY 2025**



# SUMMARY

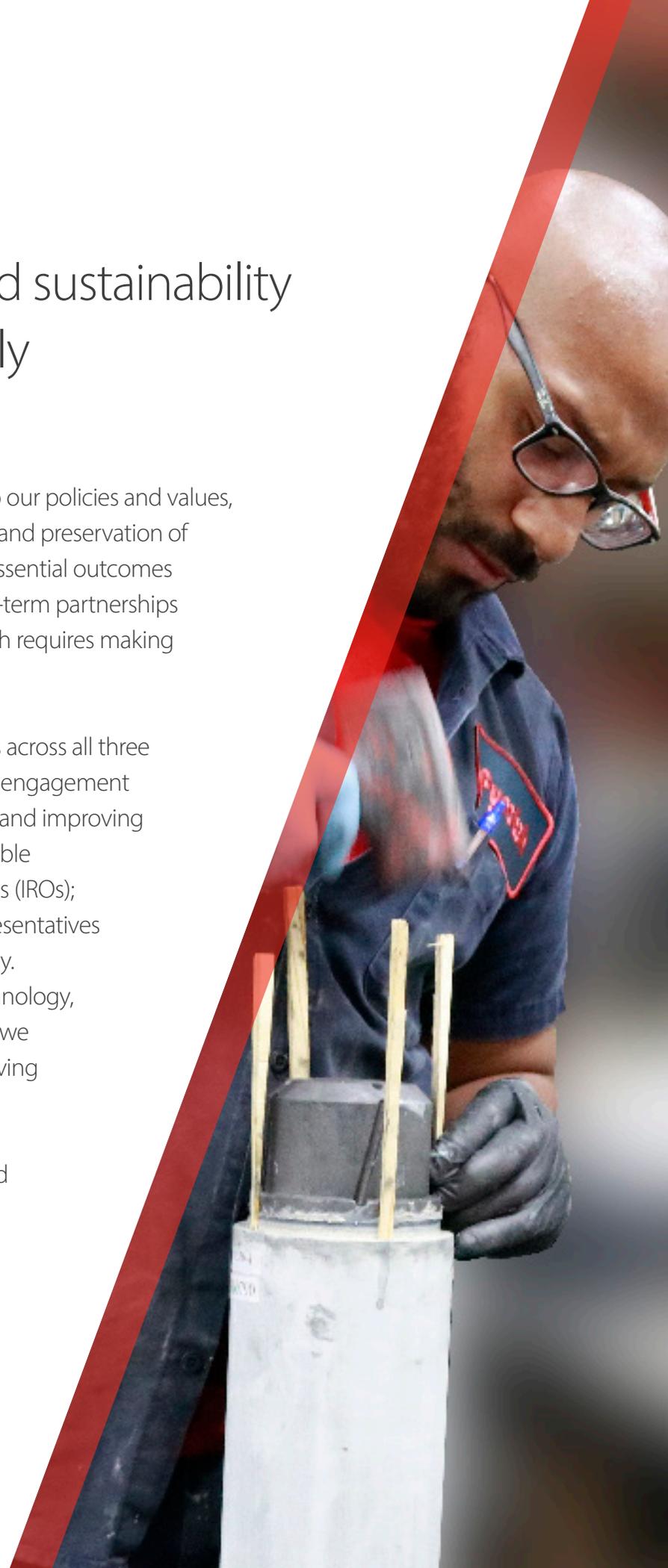
Proudly oriented toward sustainability and committed to yearly improvement.

Sustainability matters to Pyrotek and is built into our policies and values, as we recognize that environmental protection and preservation of the health, safety, and freedoms of people are essential outcomes alongside financial aptitude. We value our long-term partnerships with customers, suppliers, and employees, which requires making decisions with the future in mind.

In fiscal year 2025, we made significant progress across all three of our strategic pillars by increasing stakeholder engagement and risk assessments to drive **focus**; expanding and improving our data collection for more consistent and reliable **visibility** of our impacts, risks, and opportunities (IROs); and establishing a Global Council with site representatives **structured** to execute our sustainability strategy. Through investments in renewable energy, technology, recycling, training and management programs, we have made tangible and lasting progress improving the sustainability of our operations.

This report shares our goals, commitments, and progress managing environmental, social, and governance (ESG) topics throughout fiscal year 2025, which spans July 2024 to June 2025. It was prepared by Pyrotek's Global Sustainability Team and covers Pyrotek Incorporated and all subsidiaries.

**Published February 2026**



# Contents

Introduction	4
Sustainability Approach	5
Program & Project Highlights	6
Materiality Assessment	7
<b>GOVERNANCE</b>	<b>8</b>
Business Administration	9
Business Ethics	10
Risk Management	11
<b>SOCIAL IMPACT</b>	<b>12</b>
Our Workforce	13
Value Chain Workforce	14
<b>ENVIRONMENTAL IMPACT</b>	<b>15</b>
Climate Change	16
Circularity	17
Air	18
Water	19
<b>DUE DILIGENCE</b>	<b>20</b>
Legal Compliance	20
Training & Certifications	21



# INTRODUCTION



Pyrotek is a global innovator and manufacturer of equipment and parts for use in high-temperature processes.

Along with providing technology, Pyrotek offers engineering and consulting services. We are committed to researching and developing technologies both large and small that help companies operate more sustainably. We have been in business for over 70 years, and our teams today are at work in more than 75 locations in 35 countries. Pyrotek is committed to being honest and genuine in our relationships, as well as curious, innovative, and sound in our approach.

## INTEGRITY AS OUR FOUNDATION

Pyrotek's Global Sustainability Program is focused on living our values. We view integrity as the quality that binds, empowers, and defines us, so ensuring that our decision-making and resource allocation reflect our values is of the utmost importance. While the path is not always straightforward, and diverse objectives are sometimes in conflict, we believe that success comes from a pattern of conscious intention in our actions based on understanding the impact of our choices.

When we evaluate our sustainability performance, we assess the longevity of our business practices as well as their impact on the economy, environment, and people. Developing practices to increase positive impacts and synergies in health and equity across these areas while mitigating negative outcomes is our goal. We also look at how the climate, business, and regulatory environments are changing to identify risks and ensure we are prepared to adapt.

## HIGH-LEVEL GOALS

Our intent is to be action-oriented, while strategically and purposefully utilizing our time and resources. We have developed three high-level goals that reflect our intention to progress on achievable items while we continue to build a robust program structure and establish a leading sustainability position in our industry:



Ensure our decision-making is aligned with our values



Quickly and efficiently improve our sustainability performance



Lead and help enable a more sustainable industry

# SUSTAINABILITY APPROACH



Our sustainability approach is designed to inform, motivate, enable, and utilize the strengths of our diverse team while aiming to improve accountability and global alignment through three core pillars.

## FOCUS



### Clear presentation of topic materiality and prioritization

ESG topics are vast and wide reaching throughout an organization's operations, and it can be difficult to prioritize where to spend time and resources. In alignment with GRI, we use double materiality assessments to inform our decision making. We also incorporate reliable external risk data and internal site data to identify opportunities to act in support of our goals.

## VISIBILITY



### Increase transparency and awareness of our actions and impacts in real-time

Visibility of our actions, impacts, risks, and opportunities is critical to achieving all three of our stated goals. Our primary mechanism for visualizing performance is through annual metrics collection. Additionally, we are developing methodologies to address data gaps or estimate impacts when direct measurement is not feasible. At minimum, we report annually to our Executive Team, semi-annually to our Steering Committee, as well as periodically through our internal SharePoint site, presentations, and this report. In FY26 we intend to launch a visual dashboard structured around each material topic.

## STRUCTURE



### A sustainability management team and framework built to support action and accountability

We have strategically built Pyrotek's Global Sustainability Program to include local team members; integrate executive decision makers up to our General Managers, President and CEO; assess regional risk and impact differences so actions align with regional needs; and provide consolidated visibility of program goals, objectives, and progress. In FY25, we established the Global Sustainability Council to incorporate diverse, experienced perspectives in the development of our sustainability strategy. This committee ensures that the structure we design is rooted in our global context and is universally applicable. We intend to leverage best practices and standardize software, tools, and methodologies across our operations.

# PROGRAM & PROJECT HIGHLIGHTS



## Developing an effective Global Sustainability Program is the most important step toward making meaningful progress on our sustainability objectives.

In fiscal year 2025, we continued to build the internal structure and thoroughness of our sustainability approach by engaging with a wider audience, expanding coverage of our program, and addressing issues of inconsistency or lack of clarity in our data. At the same time, we prioritized making tangible progress by executing strategic projects to improve our sustainability performance and drive meaningful change within our operations.

### **PROGRAM DEVELOPMENT MILESTONES INCLUDE:**

- Establishment of Global Sustainability Council.
- Updated materiality assessment for 9 material ESG topics.
- In-depth analysis and structured management plan with subject-matter expert review on each topic.
- Expanded ESG metrics collection to include all employees and physical locations and improved methodology to increase clarity of results and efficiency of data collection and analysis.
- Progress defining global and local management systems, annual reporting approach, and strategic project prioritization.
- Increased documentation and consistency of customer request management.

### **PROJECT ACHIEVEMENTS INCLUDE:**

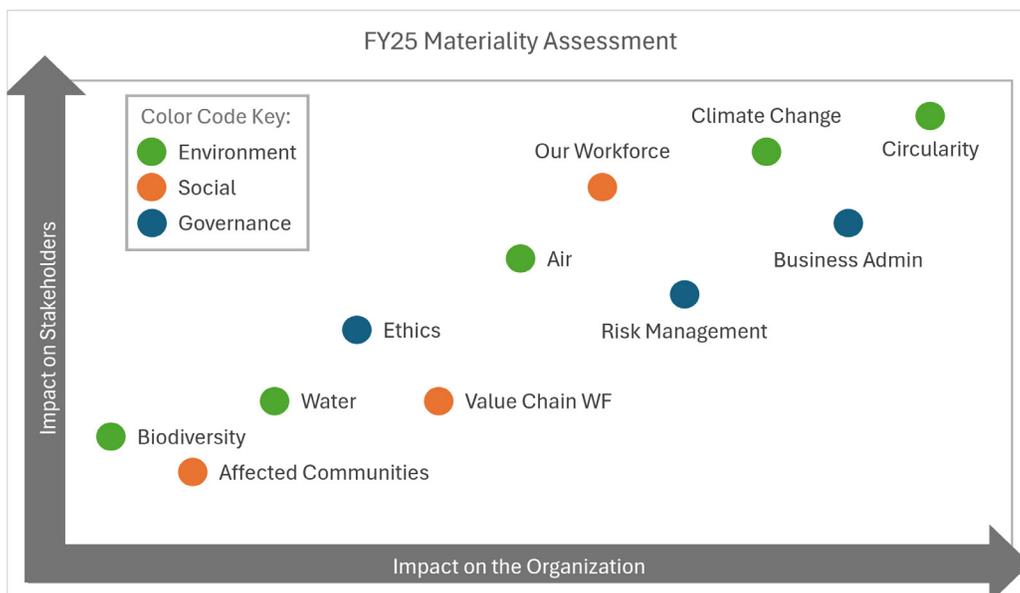
- Sustainability assessment performed for major suppliers.
- Established methodology for performing product-level lifecycle carbon assessments.
- Installed new renewable energy systems at four manufacturing sites.
- Reduced energy demand by installing more efficient systems, including shifting to LED lighting at several major locations.
- Strengthened pollution control by installing a regenerative thermal oxidizer at one of our most gas-intensive sites.
- Increased water and material recycling through several strategic projects aimed at improving water and waste management.
- Progress toward streamlining training processes including topics like business ethics and health and safety.
- Calculated an initial estimate of scope 3 emissions.

# MATERIALITY ASSESSMENT



We are committed to understanding our impacts, risks, and opportunities.

To define the relevant sustainability topics for Pyrotek, we built off previous research that benchmarked industry-specific guidelines including CSRD, SASB, GRI, EcoVadis, and various other sector-specific resources. We then conducted the double materiality assessment by interviewing stakeholders from diverse regional and professional backgrounds to discuss their perspectives on how Pyrotek and the identified topics impact each other. Following this assessment, we determined that two of the topics – Biodiversity and Affected Communities, remained immaterial for FY25. The other nine topics, discussed in this report, are material for FY25 and were further analyzed for impact, risk, opportunities, and management strategies. Though we believe that our existing set of material topics represents a fairly comprehensive overview of our operations, we will continue to review our impacts and risks to ensure all relevant issues are accounted for in our management system.



*In this report, the material topics are organized into Governance, Social, and Environmental categories, though it should be noted that issues and projects covered in each material topic overlap and interact with one another. Key areas of interest contained in each topic are summarized in the “Materiality” section of each topic’s page, and Pyrotek’s approach to managing the topic is detailed in “Doing Our Part.” Furthermore, highlights and notes about the topic are listed in the “Focus,” “Visibility,” and “Structure” pillars.*

# GOVERNANCE

As an organization, our governance – the way we run our business – characterizes all the work we do. Truly living our organizational values necessitates a commitment to doing business ethically and requires intention in our decisions, actions, processes, and resource allocation. We seek to embody integrity and honesty in all we do.

## FY25 GOVERNANCE HIGHLIGHTS:

- Increased internal engagement, goal alignment, and coordination on sustainability management.
- 67% of our major manufacturing regions represented through active participation in our 11-person Sustainability Council.
- Consolidated input from 36 internal stakeholder interviews and supplier and customer engagement into an updated ranking of topic materiality.
- Improved coverage of global workforce metrics to include 100% of our headcount (86% in FY24) and 100% of physical locations (81% of manufacturing sites, 0% of non-manufacturing sites in FY24).
- Expanded workforce dedicated to ethics and risk management by hiring an internal audit manager and a global data protection manager.
- Streamlined sustainability-related reporting process to improve accuracy, consistency, and timeliness.



# BUSINESS ADMINISTRATION



## FOCUS

- Understand and monitor our IROs and prioritize global actions
- Improved global alignment on material topic management



## VISIBILITY

- Global metric tracking across full scale of operations
- Developing top-level KPIs to communicate the importance, breadth, and progress of objectives
- YoY improvement in annual EcoVadis assessment



## STRUCTURE

- Topic based management standards to be developed cooperatively with Global Sustainability Council
- Monitoring, reporting, and advocacy conducted by Global Sustainability Team
- Site level personnel responsible for project implementation and tracking
- Annual program review with Pyrotek's President, CEO, and GM program sponsor

Operating with integrity and working towards long-term solutions over short-term gains is emphasized by upper management and is repeated in our annual integrity letter and value statements. Our high-level goals reflect our commitment “to ethical corporate citizenship and to promoting sustainability in [our] operations” (Sustainability Policy).

## MATERIALITY

We have identified two primary administrative challenges in designing and developing an effective sustainability management system. The first is ensuring accountability across our global operations, where culture, regulation, operating structure, manufacturing processes, and data availability vary significantly. The second constraint is that our environmental, social, and financial goals are not always synergistic, and the ambitious and positive changes we want to make might take time to reach acceptance in the market.

## DOING OUR PART

For this topic, we evaluated our (1) mission, values, and policies; (2) organizational structure; and (3) business model, concluding that our organization is genuinely purpose-driven, invested in innovation, and strong in its ability to adapt.

We have a robust set of policies that cover sustainability issues. Our overarching Sustainability Policy is supported by more specialized policies on the environment, human rights, financial integrity, and our Code of Business Ethics. Beneath those lie additional topic-level policies and procedures addressing issues such as privacy, data security, safety, child & forced labor, antibribery and corruption, whistleblowing, export compliance, and accounting practices. Policies are reviewed annually and are easily available to our workforce in local languages.

With this year's improvements to global metrics collection and addition of the Global Sustainability Council, we are strengthening internal accountability for policy implementation and improving our ability to identify, measure, and report on areas of need, progress, and adherence to our principles. This also supports resource allocation and action toward sustainability goals by informing how we prioritize our objectives and ensuring they remain feasible, actionable, and are reviewed regularly by leadership.

# BUSINESS ETHICS



## FOCUS

- Building robust policies, training programs, teams, and monitoring strategies to manage both legal compliance and unmandated business ethics
- Increased transparency and coverage through reporting



## VISIBILITY

- Progress establishing Learning Management System to improve training access, effectiveness, and tracking
- Ethics Helpline accessibility and awareness project
- Annual tracking of corruption and bribery incidents (FCPA)



## STRUCTURE

- Site-level management of legal requirements
- Financial roll-up through Regional Finance Managers to global finance team, reviewed by Internal Audit Manager and external auditors
- Monitoring, reporting, and policy adherence governed by applicable global teams

“Pyrotek has a long history of succeeding through honest business competition... We aim to keep our competitive spirit while ensuring a level playing field” (Code of Business Ethics). Accurate financial reporting, respect for human rights, and zero tolerance for corruption or bribery are all critical practices for maintaining ethical operations.

## MATERIALITY

In addition to being the right thing to do, a strong commitment to business ethics helps build a better company culture, increases employee satisfaction, improves relationships with customers, and can contribute to the maintenance of long-term strategic advantages. Positive ethical performance is an essential part of a robust and sustainable organization.

## DOING OUR PART

Our Legal, HR, and Compliance Teams work with site, regional, and business line leaders to ensure that policies, training, reporting mechanisms, and response plans are adequate for all relevant ethical issues. The new addition of an Internal Audit Manager further strengthens these efforts. We maintain an anonymous Ethics Helpline that is available to all stakeholders, increases visibility of our performance, and encourages proactively reporting and responding to concerns.

We standardize many critical business practices to bring all sites to high-level performance beyond compliance. While regulatory requirements vary by location, the choice to uphold stricter standards demonstrates our commitment to ethical behavior. Some examples include:

- We globally embrace the European Union’s personal data protection (GDPR) and chemical management (REACH) laws and allocate teams for strategy and oversight.
- We conduct annual reviews of conflict mineral and country lists to support the voluntarily publication of our Conflict Minerals Compliance Statement.
- Ethics training is completed by professional employees annually and during on-boarding. This requires signing an acknowledgement of ethics policies and extensive interactive IS/IT training that primarily focuses on privacy and data security.
- We perform an annual review of human rights compliance, which we publish in our Modern Slavery Statement. We also strengthened our Child & Forced Labor and Human Rights Policies this year to reemphasize our alignment with international labor standards.

# RISK MANAGEMENT



## FOCUS

- Risk included in materiality assessment and prioritization of actions
- Increase understanding of specific site-based vs. global risks



## VISIBILITY

- All sites required to have emergency response plan
- 99% of manufacturing sites ISO 9001 certified (by m<sup>2</sup>)
- Emphasis on prevention and leading metrics
- Identification and use of relevant risk maps and external data to inform risk analysis



## STRUCTURE

- Strategic teams developed to oversee risk and collaborate with local personnel on management plans
- Business Continuity Disaster Recovery program being piloted at U.S. locations

In our ever-changing world, the job of assessing risk is continuous. Through the efforts of our focused teams and the incorporation of risk into our sustainability program and management system, we ensure that risks are reviewed at least on an annual basis. As we continue to coordinate and improve our risk management practices, we increase our ability to identify and mitigate risks of all kinds.

## MATERIALITY

Risk management for Pyrotek's operations is multi-faceted. As a large, global business serving a wide variety of customers and industries, we face a diverse set of risks that are inherent to the type of work we do. There are many sectors in which risk can be identified, controlled, and mitigated, including but not limited to health, safety, and environment, privacy and data security, legal compliance, and supply chain management. Though specific risks and impacts vary significantly depending on the location, proactive risk management is essential in each of these sectors.

## DOING OUR PART

At Pyrotek, we have strategically formed global and regional teams to oversee risks related to legal compliance, privacy and data security, financial integrity, chemical management, supply chain, market and competition, quality, and innovation. Mitigation approaches include training and education programs, site and operation audits, and monitoring compliance. By investing in proactive mitigation protocols, we save time, effort, and money that would otherwise be put toward responding to and improving critical scenarios.

The Global Sustainability Team complements existing teams by providing global reporting coverage, risk analysis, management standards, and strategy related to ESG, which fills in previous risk management gaps and supports ongoing efforts. This rolls up globally from regional or site-based HS&E and Human Resource Teams who are doing similar risk management for their coverage areas. The Global Sustainability Team's use of topic-level risk assessments better identifies sustainability risks, which is critical for providing visibility and strategy around ESG management and adaptation.

# SOCIAL IMPACT

We have a responsibility to take care of our people and those who are affected by our operations. We pride ourselves on being good to our employees and we seek to positively impact all who come in contact with our business.

We are committed to respecting the human rights of everyone in our value chain. With safety and accountability as established core values, our social impact is an essential indicator of the success of our organization. We aspire to be a choice employer and a preferred business partner.

## FY25 SOCIAL IMPACT HIGHLIGHTS:

- Positive safety performance with zero worker fatalities.
- Expanded safety management systems by investing in training, reporting, and communication tools.
- Continued standardizing systems for leading indicators to improve accident and injury prevention.
- Increased frequency and thoroughness of internal health and safety audits.
- Updated Child & Forced Labor and Human Rights Policies.
- Performed audit of major suppliers including analysis of value chain workforce protection and safety programs.



# OUR WORKFORCE



“Everything from our hiring policies and processes to the way we treat each other and our customers every day is characterized by purposeful inclusion, so everyone feels welcome, is able to contribute, and be successful” (Code of Business Ethics). We are “committed to providing and maintaining safe, healthful working conditions and environments for all personnel” (Corporate Safety Policy).



## FOCUS

- Build a culture of safety awareness & proactivity
- Retain talent by providing opportunity, enrichment, engagement, purpose, and competitive compensation packages
- Identify unique needs of our industry and workforce



## VISIBILITY

- 0 reported human rights incidents per EcoVadis' 360° Watch in past 5 years
- Developed Learning Management System (to be launched in FY26) to give better visibility over safety and professional training



## STRUCTURE

- Increased awareness and training on Ethics Helpline to improve the effectiveness of our feedback mechanisms

## MATERIALITY

We are proud of our positive contributions to the communities we serve by providing safe, stable, and engaging employment. We cannot operate without a healthy and capable workforce, nor be technical leaders without fostering an environment where creative, innovative, and diverse ideas can thrive. Pyrotek supplies employees with enriching employment and competitive benefits packages and excels at empowering our people to innovate. We are conscious of our health and safety performance and regularly seek opportunities to further minimize accidents. Sustaining these successes requires continued communication, dedication, and adaptation to worker's needs and workplace risks.

## DOING OUR PART

Pyrotek has changed over the years, but our “commitment to fundamental values, including respect for and observance of human rights, has remained the same.” (Human Rights Policy). We track, investigate, and report all incidents, accidents, and lost time days and review them semi-annually with the Executive Team. Employees participate in safety training, adhere to strict safety rules and procedures, and report unsafe conditions to supervisors. Safety is a continually improved, integral part of our culture. Several operational sites expanded their safety programs based on their unique needs in FY25. This includes an improved safety risk reporting system in São Paulo, BR, the establishment of a wellness committee in Milton Keynes, UK, new technology to reduce workplace hazards in Blansko, CZ, and expanded safety training in Dubai, UAE.

Our workforce is covered by various management programs including ISO 45001 and Equal Opportunity Employment policies, depending on the location. Pyrotek seeks to be a welcoming employer and does not tolerate harassment or discrimination. As an at-will employer, we do not employ any child, forced, or slave labor in our operations. Finally, we compensate employees competitively relative to our industry and local labor markets, perform living wage assessments to ensure fair pay, and provide employees with robust benefits packages. We care about our staff and embrace opportunities to improve working conditions and employment practices.

# VALUE CHAIN WORKFORCE



## FOCUS

- Comprehensive risk mapping of supply chain
- Audit and globally formalize process for dissemination of relevant product safety literature
- Supplier assessment for critical sustainability issues



## VISIBILITY

- ISO 9001 certifications at 99% of manufacturing sites
- Annually review and publish Modern Slavery Statement
- Safety Data Sheets distributed with products



## STRUCTURE

- Global Sustainability & Global Supply Chain Teams collaborate on supply chain risk evaluation and due diligence
- Incorporate global risk analysis and priorities into local ISO protocols
- Collaborate with Quality Management Team for better clarity of any safety-related quality issues

We “strive to establish long term relationships with our suppliers based on the mutual pillars of trust, performance and continuous improvement,” including “fulfillment of social responsibilities...prevention of child and forced labor...health and safety...ethical corporate conduct [and] maintaining high standards of safety and quality in our products and services” (Procurement Policy).

## MATERIALITY

We work with hundreds of suppliers and our products are handled by thousands of people downstream. Just as we have utmost concern for the wellbeing of our employees, workers in our value chain deserve equal protection and respect, including fair employment practices, ethical governance, and protection of human rights. Our objectives are to create products that are safe to use and to understand, surface, and resolve issues related to our supply chain's labor workforce.

## DOING OUR PART

Our high-level policies, including the Human Rights Policy, explicitly include value chain workers. We communicate this through our Supplier Code of Conduct, which is integrated in our Standard Purchase Order Terms and Conditions. In addition to various other sustainability requirements, this agreement establishes clear expectations for ethical employment practices.

The bulk of our raw material purchasing is done with a limited number of well-established, reputable suppliers. In FY25, we conducted an assessment of these major suppliers, covering 53% of our total spend. This included key sustainability issues like modern slavery, child and forced labor, business ethics, health and safety, carbon emissions, and several additional topics. We found that the vast majority of our suppliers are adequately managing these issues. For the few suppliers who scored low on this initial assessment, we are evaluating accuracy, impact, and risk to better understand the situation and determine if action is needed. Separately, our entities are working to evaluate local supply chain risks, particularly as this is a component of ISO 14001.

Quality management is our first line of defense in product safety, which includes employee training, proper use and maintenance of our equipment and furnaces, and ensuring bakeout cycles and other procedures are followed. In addition to ISO 9001 certification, we have a global system for tracking cases, we use UL or other appropriate certifications for electronic components as applicable, and we contract with an external service provider for 24-hour safety data sheet support and chemical exposure concerns. These quality assurance strategies ensure products are made properly, which helps protect customers from usage risk.

# ENVIRONMENTAL IMPACT

Many of our products are designed to improve customers' production efficiency, reduce scrap, increase recyclability, and decrease energy demand. With these effects in mind, we have great potential to impact the aluminium industry, and others, in an environmentally favorable manner.

We evaluate opportunities to reduce consumption of non-renewable inputs and to effectively manage pollution risks in our operations. We monitor environmental performance and risk through HSE audits, metrics tracking, lifecycle assessments, and topic-specific management standards. Protecting the planet is in clear alignment with our organizational values and is in the best interests of our employees, communities, and future.

## FY25 ENVIRONMENTAL IMPACT HIGHLIGHTS:

- Installed renewable energy generation systems at 4 sites in FY25. Combined with existing systems, these are estimated to avoid roughly 3,000 tonnes of CO<sub>2</sub> per year.
- Completed an initial scope 3 GHG inventory.
- Developed methodology for measuring carbon impact of input materials and performing product level lifecycle assessments.
- Increased implementation of waste reduction and recycling programs.
- Invested in further pollution control technologies to minimize adverse impacts of our operations.



# CLIMATE CHANGE



Our Environmental Policy calls for “effective stewardship of the environment to reduce [our] carbon footprint,” including technology investment, reducing energy consumption, and increasing use of renewable energy.



## FOCUS

- Decarbonization of our electricity sources through installation of solar and geothermal renewable energy systems (Scope 2)
- 1,870 MWh of renewable energy produced on site
- Improved energy efficiency (Scope 1)
- Climate change adaptation



## VISIBILITY

- Scope 1, 2 & 3 GHG inventory done for FY25
- Tracking electricity use, natural gas consumption and energy mix by location



## STRUCTURE

- All sites focused on and incentivized to improve plant & process efficiency
- High level support for renewable energy adoption

## MATERIALITY

It is in Pyrotek’s best interest and the interests of our communities and customers to do our part to minimize greenhouse gas emissions and to identify and prepare for potential business impacts from climate change. We improved our GHG emissions inventory this year, with a more accurate measurement of our scope 1 and 2 emissions as well as an initial estimate of our scope 3 emissions. We have developed several strategies to reduce our GHG emissions and intensity based on the impacts quantified in our GHG inventory.

Furthermore, with global operations and a global supply chain, we are both protected from and exposed to a diverse set of climate risks. Depending on the particular location, we may face extreme weather, increased regulation, fuel price volatility, or other impacts of climate change. We review these risks and are taking steps to improve our ability to proactively manage them.

## DOING OUR PART

Our business is built on helping our customers save energy, increase efficiency, reduce waste, and improve metal recyclability, all of which positively affect industry-wide carbon footprint. We aspire to be an integral part of our industries’ transitions toward sustainability.

To improve our climate change performance, we are focused on two tactical approaches to reducing emissions. First, we are decarbonizing our electricity sources. This year, our manufacturing sites in Dongguan, CN, Sydney, AU, and Pune, IN installed rooftop solar systems to provide renewable energy and decrease reliance on grid-generated electricity. Dongguan also added electric vehicle charging sites to encourage employees to decrease their use of gas cars. Additionally, we installed a geothermal heating system in Ed, SE which eliminates their need for non-renewable fuel oil. Combined with existing solar panels in Chuzhou, CN, these systems are projected to avoid nearly 3,000 tonnes of CO<sub>2</sub> equivalent annually. Several other Pyrotek sites plan to initiate similar projects in the near future.

Our second carbon reduction objective is to decrease energy consumption. Focusing on eliminating waste and improving efficiency, we have made many improvements to lower our energy usage. This includes continuing to shift to LED lighting systems, using better insulating building materials, and reorganizing site floors to reduce energy demand. Through risk and data analysis, we continue to identify, assess, and pursue opportunities like this throughout our operations.

# CIRCULARITY



Pyrotek's objectives align with the principles of circularity. Our governing policies call for "waste minimization, resource conservation," and "environmental considerations in product and process design." Our products contribute to circularity by reducing scrap, waste, melt loss, production downtime, and providing energy conserving insulation.



## FOCUS

- Life Cycle (LCA) methodology and application
- Over 1,300 tonnes of waste recycled or reused



## VISIBILITY

- Quantifying mass of input materials and waste
- Determining emissions factors for our purchased materials
- Educational materials on internal website



## STRUCTURE

- Mass tracking implemented at European sites through ERP system; developing plan to mimic at other locations
- Improved capabilities to measure carbon impact throughout product lifecycles
- All sites focused on and incentivized to improve plant & process efficiency

## MATERIALITY

Circularity is a difficult, yet critical aspirational target for our industry. There is a push to use lower-impact materials, increase recyclability, and improve product longevity, but these must be balanced with challenges related to material substitution, practical barriers to recycling, and specific quality, reliability and performance requirements. To better quantify product impact, we invested in an LCA software to access raw material emissions factor data, which enables the development of a methodology for measuring product carbon impacts. This is a significant step toward calculating product lifecycles and therefore determining our most meaningful improvement opportunities. Additionally, we are focused on ensuring all sites have the technology necessary to measure and map waste so we can pinpoint any needs to improve waste management.

We believe that expanding our database of material emissions factors and developing our LCA methodology is the most impactful way to improve circularity over the long-term, as it enables us to integrate this data into business decisions and positions us well to meet our high-level goals and our customers' needs. At the same time, we are focused on education, and all our manufacturing plants are motivated to improve efficiencies, which includes waste and energy reduction.

## DOING OUR PART

In FY25 we diverted over 1,300 tonnes of waste from landfill by finding resale and recycling markets for some major by-products. We continued to trial recycled packaging materials to reduce waste from shipping and have many examples of products with environmental benefits, including:

- Pyrotek TAB Refractory Services insulates furnaces, leading to greater efficiency and less heat loss in customer furnace operations.
- Pyrotek MCS-V, an improved die casting system, decreases compressed air requirements for low-pressure die casting. Paired with our underheated furnace technology, the system decreases operational energy use by up to 50% and compressed air requirements by 95%.
- Pyrotek chip driers and LOTUSS stirring systems help maximize metal quality, remelt yield and recovery of scrap. These systems enable a larger quantity of aluminium to be recycled, reducing the footprint of the entire industry.

# AIR



## FOCUS

- Strictly control indoor air pollutants and ensure employees have and use PPE
- Improve inventory of pollutants impacting external air quality, focusing first on large sites and those flagged during risk analysis



## VISIBILITY

- Consolidate emissions data from air permits, emissions testing, and process mapping
- Compare to USA and EU lists of Hazardous Air Pollutants and Substances of Very High Concern



## STRUCTURE

- Thresholds set by local regulation and permitting
- Global Air Management Standard under development in cooperation with Corporate Safety Policy
- Global team to lead risk assessments and work with sites on management plans

Pyrotek evaluates “site-based air pollution levels and risk and [invests] in emissions-reducing technology to minimize impact on air quality and the climate” (Environmental Policy). We are guided by “respect [for] the rights of people in communities impacted by our business activities,” which includes controlling air pollutants (Human Rights Policy).

## MATERIALITY

Pyrotek processes a variety of chemicals and materials at elevated temperatures and through fine machining operations. For the health and safety of our operators, processes are evaluated for chemical off-gassing and particulate matter concerns. Risk mitigation includes using ventilation systems, issuing PPE, and working to phase out potentially harmful materials or processes.

While we have not yet consolidated a full inventory of our external air emissions, a first estimate of pollution levels indicates that we are well below WHO recommended thresholds. Even though each site operates within legal requirements, there are vast differences in regulated limits for air pollution around the world and we are seeing growing concern from governments related to air quality, with the European Environmental Agency calling air pollution the “largest environmental health risk in Europe.” We performed an air pollution risk assessment in FY25, determining that we have opportunities to improve but no immediate impacts or risks that need urgent attention.

## DOING OUR PART

To ensure a baseline level of air stewardship in line with our policies, and to prepare for potential regulatory changes, our Global Sustainability Team developed a framework for evaluating local air pollution risk and improving emissions inventory estimates. Many of our operational sites have technology installed to limit stack emissions (i.e. scrubbers or afterburners), which help control our air pollution. Furthermore, in FY25, we improved our air pollution control mechanisms at one of our highest emitting sites by installing a regenerative thermal oxidizer to better manage our pollutants. We also audit air pollution and have a team dedicated to REACH compliance and reporting, providing another layer of assurance that we are handling all chemicals and potential pollutants safely.

Our Corporate Safety Policy requires facemasks when working with refractory dust of any kind if engineering controls alone are not adequate at reducing employee exposure to below acceptable thresholds. HSE personnel are empowered to mandate additional safety precautions as required by their site’s unique operational processes. Furthermore, employees have methods to report adverse health effects, and all reports are reviewed carefully to identify needs for further action.

# WATER



## FOCUS

- Consumption thresholds set based on water stress levels
- Contamination risk analysis to be conducted as part of due diligence
- Technologies adopted based on risk and need
- Over 17,000 cubic meters of water recycled or reused



## VISIBILITY

- Tracking annual consumption and water stress levels
- Collecting data on sanitary & storm water practices, permits, and contamination risk



## STRUCTURE

- Thresholds set by local regulation and permitting
- Global water management standard under development
- Global team to lead risk assessments and work with sites on management plans as needed

Pyrotek recognizes water as a critical resource and commits to “responsible water management based on long-term protection of available water resources” (Environmental Policy). We aim to benefit and respect the needs and priorities of all water users in our operational areas.

## MATERIALITY

Pyrotek is a relatively minor user of water. The amount of water consumed varies significantly by location depending on the activities performed at each site. We have eight manufacturing locations and eight non-manufacturing locations in high or extremely high water risk regions as characterized by the World Resource Institute’s Physical Quantity Standard. We are especially mindful of our water consumption in these high stress regions and are prioritizing improvement in areas that struggle with water scarcity.

Regarding contamination, we are first guided by local regulation and permitting requirements. We have implemented several procedures across our global operations aimed at controlling wastewater, keeping harmful effluent contained, and properly disposing of wastewater.

## DOING OUR PART

Despite our low water related risk, we have still made strides in water conservation. For example, in FY25, our site in Dongguan, CN implemented a new water recycling system that has eliminated all discharge of wastewater from a major production line since it went into service in September 2024. Similarly, our Blansko, CZ location uses recycling systems to reduce water consumption, averaging a 33% water recycling rate, and continues to find innovative uses for recycled and reused water in their production processes.

With regard to water contamination, we are often doing more than just isolating wastewater. In many cases, we have built mechanisms into production processes to filter out solids and oils and/or are actively treating water on-site so it is safe to re-enter the water cycle.

To improve our assessment of risk and potential impacts on this topic, we are developing criteria to screen and manage sanitary water and stormwater impact, risk, and opportunity. The Global Sustainability Team will work directly with sites to address any flagged issues.



## Legal Compliance

Pyrotek has regional and corporate teams dedicated to ensuring our compliance with all relevant laws. We monitor local, national, and international regulation to proactively prepare our operations to remain legal and ethical in all places in which we operate. We obtain all permits required for our business and publish accurate performance reports as needed. Additionally, Pyrotek trains employees on fair business practices and has a zero-tolerance policy for illegal practices. Finally, the Corporate Legal Team operates the Ethics Helpline, an anonymous whistleblowing hotline that is available to all Pyrotek employees. Concerned employees can report any kind of ethical concern through the Helpline, and the Legal Team investigates and follows up on reports as appropriate. Legal compliance is critical for Pyrotek's long-term success, and our Legal Team works diligently to ensure our continued positive performance.

The statements contained in this Sustainability Report that are not historical or current facts are forward-looking statements. These forward-looking statements are based on current expectations, estimates, forecasts, and projections about our business and the industries in which we operate, as well as management's beliefs and assumptions. Forward-looking statements include, but are not limited to, statements regarding our environmental, social, and governance goals and targets, and other sustainability commitments and strategies. Words such as "aim," "aspire," "believe," "commit," "continue," "develop," "endeavor," "estimate," "expect," "goal," "intend," "plan," "potential," "seek," "should," "strive," "will," "working," "would," and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements are not guarantees of future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict, including but not limited to: changes in regulations or policy; technological advancements; availability and cost of renewable energy; supply chain disruptions; geopolitical events; market conditions; evolving sustainability strategies, and other factors beyond our control. Actual results may differ materially from those expressed or implied by any forward-looking statements. Readers of this Sustainability Report are cautioned not to place undue reliance on forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable law.



## Training

Training is a critical tool used to ensure that our policies and procedures are upheld throughout our organization. At Pyrotek, though each entity is responsible for initiating and conducting employee training, key topics are reviewed in all regions. Employees are trained in labor rights, employee conduct, health and safety, whistleblowing, environmental practices, and business ethics issues including anti-bribery, anti-corruption, and conflict of interest. Employees also receive individualized training based on the unique requirements of their position. In fiscal year 2025, Pyrotek made significant progress preparing for the implementation of our new Learning Management System that will improve traceability and visibility of training throughout the organization. This system is expected to launch in FY26.

## Certifications

In certain cases, Pyrotek leverages third-party certifications to demonstrate our commitment to ESG topics. Our current site- and product-level list of certifications is maintained on [pyrotek.com](https://pyrotek.com), and includes:

- ISO 9001 for quality management
- ISO 45001 for occupational health and safety management
- ISO 14001 for environmental management
- Marine and electric equipment certifications for quality and safety
- Certificates of origin for recycled packaging materials and renewable energy

For more information, please contact

**[SUSTAINABILITY@PYROTEK.COM](mailto:SUSTAINABILITY@PYROTEK.COM)**