



Sustainability Report

FY 2024



SUMMARY

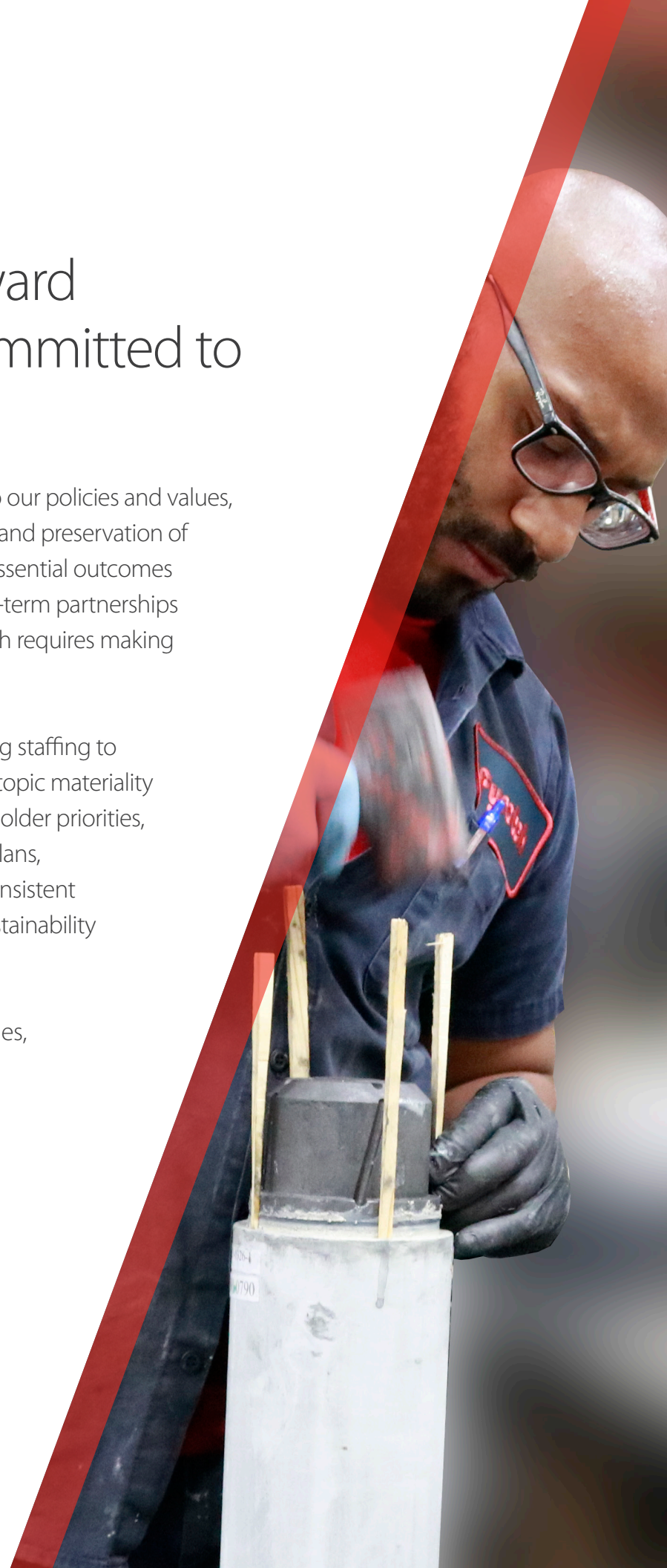
Proudly oriented toward sustainability and committed to yearly improvement.

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 2024, our efforts included increasing staffing to support our sustainability initiatives, evaluating topic materiality to aid in goal setting and alignment with stakeholder priorities, developing management systems and action plans, standardizing metrics across sites to improve consistent reporting, and preparing this, our first global sustainability report.

This report communicates our goals, approaches, commitments, and progress managing environmental, social, and governance (ESG) topics throughout fiscal year 2024, which spans July 2023 to June 2024. It was prepared by Pyrotek's Global Sustainability Team and covers Pyrotek Incorporated and all subsidiaries.

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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 70 years, and our teams today are at work in more than 80 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 with an understanding of the impact of our choices.

When we evaluate our sustainability performance, we assess the longevity of our business practices and 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 begin. To help focus our efforts and resources, we conducted a materiality assessment, formulated from review of our business activities and relationships, collected stakeholder input, and initiated global metric collection 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. We have increased visibility drastically this fiscal year with global metrics, publication of this report, our internal SharePoint site, and through presentations at high-level meetings. For FY25, we are focused on filling in measurement gaps, gathering data from more sites, and building a more robust system and methodology to make the data collection process consistent, reliable, and manageable.



STRUCTURE

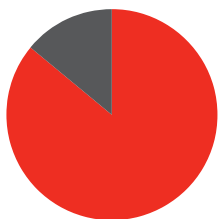
A sustainability management team and framework built to support action and accountability

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. We intend to leverage best practices and standardize software, tools, and methodologies as feasible across our operations.

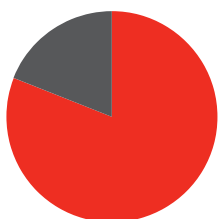
PROGRAM HIGHLIGHTS



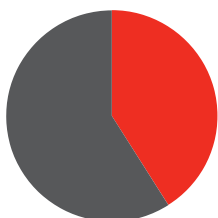
Developing an efficient, effective Global Sustainability Program is the most important step toward making meaningful progress on our sustainability objectives.



86% of workforce represented in FY24 metrics



81% of manufacturing footprint represented in FY24 metrics



41% of workforce managed according to ISO 45001



Carbon emissions inventory completed for **Scope 1 and 2** emissions

The primary objectives of our team this year were to increase the visibility of our performance, focus our resources and actions appropriately, ensure accountability, and better engage with stakeholders. This was supported by the Board of Directors, who determined *“that it is in the Company’s best interest to formalize Pyrotek’s Sustainability Initiative. . . [by] conducting a [global] material assessment and collecting metrics to support our reporting efforts.”*

PROGRAM DEVELOPMENT MILESTONES INCLUDE:

- Identification of 9 material ESG topics.
- In-depth analysis and structured management plan with subject-matter expert review on each topic.
- Consolidated global workforce metrics on >86% of our headcount for FY23 & FY24.
- Environmental metrics collection from 25 of our 30 major manufacturing locations—81% of manufacturing footprint (m²) for FY23 & FY24.
- Progress defining approach, high-level goals, and key tactical pillars.



0 Instances of corruption or bribery



- **0** worker fatalities
- **22%** increase in preventative safety findings in U.S. sites year over year



Since FY21 at Blansko, CZ,

- **38%** reduction in Scope 1 emissions per production tonne
- **58%** reduction in water consumption per production tonne



700MWh of clean energy generated from solar panels in Chuzhou, CN since installation in January 2024



Over **300 Tonnes** of waste resold as input materials and diverted from landfill at Blansko, CZ and Aurora, OH, USA sites

Pyrotek undertook several projects in FY24 aimed at improving our sustainability performance.

Through investments in renewable energy, reporting, and management systems, we have made tangible and lasting progress across all our operations. Each of our locations is focused on efficiency and continuous improvement based on a unique set of impacts, risks, and opportunities. As our program progresses, our intention is to unite our approach and project prioritization to increase the effect of our actions and ensure a high level of stewardship across our operations.

SOME NOTABLE ACHIEVEMENTS INCLUDE:

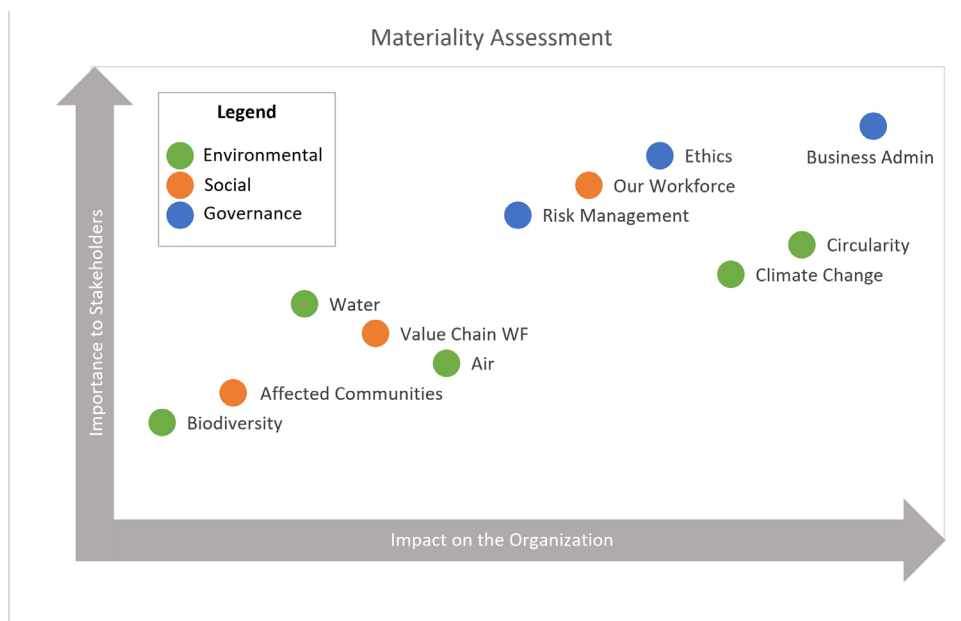
- Implementation of our Ethics Helpline to provide an additional channel for anonymous whistleblowing and reporting on work-related concerns.
- Increased number of sites certified to ISO 45001 (Occupational Health and Safety) and ISO 14001 (Environmental Management) throughout the organization.
- Continued developing leading indicators for accident and injury prevention at manufacturing sites.
- Generated clean solar energy in Chuzhou, CN from installation of solar panels in January 2024.
- Approval of solar panel installation at 4 additional sites in FY25.
- Green Packaging Project at Blansko, CZ to increase the use of recycled and recyclable packaging materials.
- Energy efficiency improvements at Milton Keynes, UK to reduce unnecessary energy usage in warehouse space.

MATERIALITY ASSESSMENT



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

To define the relevant sustainability topics for Pyrotek, we benchmarked industry-specific resources including CSRD, SASB, GRI, EcoVadis, and various other sector-specific guidelines. We then conducted an initial materiality assessment by interviewing key stakeholders and gathering information about our impact on each of the topics. Following this assessment, we determined that two of the topics – Biodiversity and Affected Communities, are immaterial for FY24. The other nine topics, introduced in this report, are material for FY24 and were further analyzed for risk, opportunities, and management strategies. Though we believe that our existing set of ESG subtopics represents a fairly comprehensive overview of our impacts, we will continue to review our material impacts and risks to ensure all relevant issues are covered 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 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 quick 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.

FY24 GOVERNANCE HIGHLIGHTS:

- Formalized and gathered executive support for the structure and long-term objectives of the Global Sustainability Program.
- Conducted an initial materiality assessment to identify material topics and appropriately frame the Global Sustainability Program.
- Increased internal stakeholder engagement, goal alignment and coordination.
- Completed the first round of ESG metrics collection.
- Introduced the Ethics Helpline to increase opportunities for employee voice, expression of concerns, and anonymous whistleblowing.





FOCUS

- Continue building Global Sustainability Program, team, and management structure



VISIBILITY

- Global metric tracking for FY23 & 24; plan to expand for FY25
- Developing top-level KPIs to communicate the importance and breadth of our values
- YoY improvement in annual EcoVadis assessment



STRUCTURE

- Topic based management standards to be developed cooperatively with global representation
- 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 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 constraints 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. Still, we need more focus, structure, and visibility around sustainability topics to accelerate progress most effectively. Thus, these became the guiding program pillars for our Sustainability Approach (page 5).

We have a strong set of policies that cover sustainability issues. Our overall 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, Anti-Bribery and Corruption, Whistleblowing, Export Compliance, and Accounting Practices. Policies are reviewed annually and are available to our workforce in a variety of languages.

With the addition of global metrics and the Global Sustainability Team, we reduce the burden of policy interpretation on local management, 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 explicitly defining our priorities and ensuring they are reviewed and discussed regularly.



FOCUS

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



VISIBILITY

- Tracking policy acknowledgement and training
- Approval to purchase Learning Management System to improve training access, effectiveness, and tracking
- Ethics Helpline reporting
- 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 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.

MATERIALITY

There are many risks and potential negative impacts correlated to poor business ethics. These might include harm to individuals, environments or communities as well as financial or legal repercussions and reputational damage. A strong commitment to business ethics helps build 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 together with our regional leaders, site managers, and lines of business to ensure that we have adequate policies, training, reporting mechanisms, and response plans for all relevant ethical issues and for navigating conflicts of interest. While we have long had a framework for reporting ethical concerns, this year we introduced an anonymous, 24/7 Helpline to increase accountability and visibility of our performance and encourage proactive response to concerns.

Additionally, we have successfully standardized many critical business practices to bring all sites up to a high-level standard beyond compliance. While regulatory requirements vary by location, the choice to uphold stricter standards demonstrates a company-wide commitment to ethical behavior. Some examples are provided below:

- We have globally embraced the European Union's privacy laws relating to personal identifying information (GDPR) and chemical management (REACH) and allocated teams for strategy and oversight.
- We voluntarily publish our Conflict Minerals Compliance Statement and conduct applicable annual reviews of conflict mineral and country lists to ensure our statements are correct.
- Ethics training is completed by professional employees annually and at on-boarding. This requires signing an acknowledgement of ethics policies and extensive interactive IS/IT training that primarily focuses on privacy and data security.

RISK MANAGEMENT



FOCUS

- Factor risk into 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 m²)
- Emphasis on prevention and leading metrics
- Identification and use of relevant risk maps 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 program and management system, we ensure that risk is 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 risk 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 and controlled or 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, 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 mitigation protocols, we save time, effort, and money that would otherwise be put toward responding to and improving critical scenarios.

The addition of the Global Sustainability Team complements these existing teams by providing global reporting coverage, risk analysis, management standards, and strategy related to ESG. 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 role in sustainability risk identification is critical for providing visibility and strategy around ESG management and adaptation. One of our objectives moving forward is to better coordinate the various risk management teams.

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 those we work with.

We are committed to respecting the human rights of all who encounter our business. 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.

FY24 SOCIAL IMPACT HIGHLIGHTS:

- Collected social metrics for 86% of workforce for FY24.
- Positive safety performance with zero worker fatalities.
- Earned new ISO 45001 certification at 4 additional manufacturing sites, showing continued commitment to occupational health and safety.
- Continued developing reporting systems for leading indicators to improve accident and injury prevention.



OUR WORKFORCE



FOCUS

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



VISIBILITY

- 90% of workforce are permanent employees, 42% covered by ISO 45001
- 0 reported human rights incidents per 360° Watch in past 5yrs
- Secured investment for Learning Management System (FY26) to give better visibility over safety and career training



STRUCTURE

- Launch of Ethics Helpline during FY24 to improve the effectiveness of our feedback mechanisms

We “endeavor to engage in the highest legal and ethical standards regarding the treatment of all people,” and to “build an environment of tolerance, acceptance, and civility. . . one of purposeful inclusion, where everyone feels welcome, is able to contribute, and be successful” (USA Employee Handbook).

MATERIALITY

We are proud of our positive contributions to the communities we serve by providing stable, 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 and be freely shared. Pyrotek has a history of positive health and safety performance, competitive benefits packages, and we excel at empowering our people to innovate and find solutions. Sustaining these successes requires continued communication, dedication and adaptation to worker’s needs and workplace risks.

DOING OUR PART

Pyrotek’s business has grown and changed over the years, however our “commitment to fundamental values, including respect for and observance of human rights, has remained the same.” (Human Rights Policy). Per the Corporate Safety Policy, we are tracking all incidents, accidents, and lost time days, which are investigated and reported at the site level and reviewed semi-annually by the executive team. Employees are expected to participate in safety training, adhere to safety rules and procedures, wear required PPE, exercise caution and common sense in all work activities and immediately report any unsafe conditions, injuries, accidents, or suspicious activity to their supervisor. Safety is a continually improved, integral and ingrained part of our culture.

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

VALUE CHAIN WORKFORCE



FOCUS

- Comprehensive risk mapping of supply chain
- Audit and globally formalize process for dissemination of relevant product safety literature



VISIBILITY

- ISO 9001 certifications kept current and published to our webpage
- Annually review and publish Modern Slavery Statement
- Safety Data Sheets distributed with products



STRUCTURE

- Global Sustainability & Global Supply Chain teams to collaborate on risk analysis protocol
- Due diligence outreach driven by risk analysis
- 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 to maintain our operations, and our products are handled by thousands of people downstream. Just as we have utmost concern for the safety and wellbeing of our employees, the workers throughout our value chain deserve equal protection and respect, including fair employment practices, ethical governance, and respect for human rights. While we have limited influence in this arena aside from creating products that are safe to use, our objectives are to understand, surface, and resolve issues related to supply chain labor workforce.

DOING OUR PART

Our high-level policies, including the Human Rights Policy, explicitly include value chain workers. We communicate these expectations upstream through our Supplier Code of Conduct, which is integrated into 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 spending is done with a limited number of well-established, large, reputable suppliers. In FY24, we conducted an internal review of these suppliers with regards to our published Statement on Modern Slavery, revealing that the majority have public statements and commitments to ethical business practices. Separately, our various entities are also working to evaluate local supply chain risks, particularly as this is a component of ISO 14001 certification.

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 24hr SDS 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.

Still, many of our products have short lifecycles and our production processes inherently consume non-renewable inputs. We monitor environmental performance and risk through HSE audits, metrics tracking, and the implementation of topic-specific management standards. Protecting the planet, our common home, is in clear alignment with our organizational values and is in the best interests of our employees, our communities, and our future.

FY24 SOCIAL IMPACT HIGHLIGHTS:

- Achieved ISO 14001 certification at four additional manufacturing sites, demonstrating progress in environmental management.
- Installed solar panels on our building in Chuzhou, CN and approved funding for solar at four additional sites.
- Completed an initial scope 1 and 2 GHG inventory based on energy consumption.
- Increased implementation of waste reduction and recycling programs.



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 (Scope 2)
- Improved energy efficiency (Scope 1)
- Climate change adaptation

**VISIBILITY**

- Full Scope 1 & 2 GHG inventory done for FY24
- Tracking electricity and natural gas consumption by location
- Scope 3 emissions estimated based on industry benchmarks

**STRUCTURE**

- All sites focused on and incentivized to improve plant & process efficiency
- Various teams assigned for improving Scope 3 estimates based on data availability

MATERIALITY

It is in Pyrotek's best interests and the interests of our customers to identify and prepare for potential business impacts from climate change and to do our part to minimize Greenhouse Gas emissions. After our initial estimated scope 1 (direct) and 2 (indirect) GHG emissions inventory indicated meaningful potential for improvement, we have developed strategies to reduce our GHG intensity.

With global operations and a global supply chain, we are both protected from and exposed to a diverse set of climate risks (from extreme weather, increased regulation, or otherwise).

DOING OUR PART

Our business is built on helping our customers save energy, improve efficiency, reduce waste, and improve metal recyclability, all of which positively affect industry-wide carbon footprint.

To improve our performance, we are focused on two tactical approaches to emissions reduction. First, we are decarbonizing our electricity sources. This year, our Chuzhou, CN manufacturing site installed a 1-megawatt solar array to decrease reliance on non-renewable grid-generated electricity. From their installation in January 2024 to the end of the fiscal year in June 2024, the solar panels generated nearly 700 MWh of clean solar energy to use at the plant. Similar solar projects were approved for installation in FY25 at four additional manufacturing sites.

Our second carbon reduction objective is to decrease energy consumption. Our Milton Keynes, UK site invested in infrastructure updates and site reorganization to decrease unnecessary warehouse heating, cooling, and lighting costs. Blansko, CZ also uses waste heat for heating, which eliminates their need to spend additional energy heating their production facilities, even in the winter. Through risk and data analysis, we continue to identify, assess, and pursue opportunities like this at all of our manufacturing sites.

CIRCULARITY



FOCUS

- Life Cycle (LCA) methodology and application



VISIBILITY

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



STRUCTURE

- Mass tracking implemented at European sites through ERP system; developing plan to mimic at other locations
- Outreach to suppliers for emissions factors and evaluating software options for measuring and tracking
- All sites focused on and incentivized to improve plant & process efficiency

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 our customers' circularity by reducing scrap, waste, melt loss, production downtime, and providing energy conserving insulation.

MATERIALITY

Circularity is a difficult topic to quantify with our current recordkeeping systems. While opportunities exist, they must be balanced with the challenges related to material substitution, offsets from product recycling, and specific quality, reliability and performance requirements. Without a consistently applied methodology, it is difficult to determine the circular impact of a design. Therefore, our priority is solidifying our life-cycle assessment (LCA) methodology, quantifying carbon emissions factors for raw materials, and converting purchased good volumes to a common unit of mass. Additionally, we are focused on ensuring all sites measure and map waste.

While gathering this data is likely to be a time-consuming endeavor, we believe that developing this methodology is the most impactful way to improve circularity over the long-term, enabling integration into business decisions and positioning us well to meet both our high-level goals and our customers' needs. In the meantime, we are also focused on education and all our manufacturing plants are motivated to improve efficiencies, which includes waste and energy reduction.

DOING OUR PART

In FY24 we diverted over 300 Tonnes of waste from landfill at our Aurora, OH, USA and Blansko, CZ sites by finding resale and recycling markets for some major by-products. We also made investments in recycled packaging materials, which we will report on next year. We are quantifying the lifecycle impacts of our products and have many examples of greener products, 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 system 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 when needed
- 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 then work with sites on management plans

Pyrotek aims to “minimize pollution across our operations and supply chain” and treat the health of our ecosystems responsibly (Environmental Policy). We are guided by “respect [for] the rights of people in communities impacted by our business activities,” which includes treating the health and safety of our employees with the highest concern (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 or Particulate Matter concerns. Risk mitigation techniques include installation of ventilation systems, issuing appropriate PPE, and looking for opportunities to phase out potentially harmful materials or processes.

While we have not yet consolidated a full global inventory of our external air emissions, a first pass estimate of pollution levels based on natural gas consumption indicates that we are well below WHO recommended thresholds. Still, there are vast differences in legal 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.”

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. 65% of FY24 reporting sites by manufacturing footprint have technology installed to limit stack emissions (i.e. scrubbers or afterburners), which help control our air pollution. 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 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 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



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 review
- 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 consumer of water. The amount of water consumed varies significantly by location depending on the activities performed at each site. We have nine manufacturing locations in high or extremely high water risk regions as characterized by the World Resource Institute’s Physical Quantity Standard. However, consumption at each high stress site is well below our threshold to trigger action beyond monitoring.

Regarding contamination, we are first guided by local regulation and permitting requirements. We have also implemented several procedures across our global operations aimed at controlling wastewater, keeping harmful effluent contained, and properly disposing of wastewater. We are currently undergoing a more thorough risk assessment to identify any needed actions.

DOING OUR PART

Despite our low total volume of consumption, we have still made strides in water conservation. For example, our Blansko, CZ location reduced water consumption by 32% over the past 3yrs, while averaging a 42% water recycling rate, and continues to find innovative uses for recycled and reused water in their production processes. We also track annual water consumption relative to water quantity risks to maintain accountability to our policy.

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

To improve our assessment of risk and potential impacts on this topic, we developed both a sanitary water and stormwater risk screening protocol. 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 required. 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 2024, Pyrotek approved the purchase of a Learning Management System that will improve traceability and visibility of training throughout the organization. This system will be implemented throughout FY25 and is expected to launch in FY26.

Certifications

Pyrotek leverages third-party certifications to demonstrate our commitment to ESG topics.

- 99% of manufacturing sites by m² are ISO 9001 certified for quality management. The only uncertified site primarily engages in internal sales.
- 42% of Pyrotek's headcount is covered by ISO 45001 certification for occupational health and safety management.
- 34% of manufacturing sites by m² are ISO 14001 certified for environmental management.
- Quality and safety certifications for marine and electric equipment.
- Certificates of origin for recycled packaging materials and renewable energy used in Blansko, CZ.

Certifications can be viewed on pyrotek.com

For more information, please contact

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