

Sustainability Report



Foreword

Dear Stakeholders,

with this first sustainability report of our company, the company Bernhard Jacob GmbH with its affiliated companies, the company Jafesa GmbH and the company Bernhard Jacob Lux S.A. documents its responsibility and its economic and social performance towards relevant stakeholder groups. The term "sustainability" was already embodied by our company when sustainability reports "did not exist at all".

Based on the quality concept of our products, which has been consistently pursued over several generations, our company joined the "Güteschutzvereinigung Saar e.V." in the 1970s. It was successfully audited by committees of various steel mills in the early 1990s and it was rated as "very good". Our quality management system has grown over the years and has been extended to include the areas of environment, occupational safety and energy.

With regards to the size of our company, we are very proud of these 4 aspects, as the needs and expectations of our employees are also given high consideration within the framework of these systems.

By working with suppliers and customers from around the world, we have been able to create supply chains that enable us to produce products sustainably and efficiently. We strive to comply with environmental and social standards within the supply chain. Since 1995, important investments and measures have been planned and implemented in order to achieve this aim.

We are pleased if this report gives you an insight into our efforts and endeavors.

Völklingen-Ludweiler in April 2021



B.D. Jacob

Geschäftsführer



Rainer Fries

Geschäftsführer

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Company history

I. Company profile - general data



1. Company history, group of companies

In the more than 70-year history of the company, it has developed into a recognized specialist supplier of refractory building materials. In this context, the proximity to the local companies, the coal and steel industry, played a major and important role. Our products have always been developed and improved together with our customers.

The company Bernhard Jacob GmbH in Völklingen-Ludweiler has been family-owned since its foundation by Mr. Bernhard Jacob (1923-2001) in 1950. Its customers are primarily clients from the iron and steel industry. The company offers a wide range of products and services for this sector.

In the first 20 years, products from sand mining and the manufacture of silicosis-safe abrasives formed the core of our overall production.

First contacts with the iron and steel industry developed in the 1950s through the supply of molding sands. In 1972, the production of various special sands for the steel mill sector started.

In order to meet the constantly increasing customer-specific requirements for the refractory products, the company has been investing in the construction of modern, fully electronically controlled production plants. It has also invested in the equipment of the development department since 1980.

The cooperation with nearby steel mills and the application technology laboratories of the supplier industry are the ideal prerequisites for developing customer-specific products and bringing them into use.

These prerequisites and the company's 40 years of experience in the iron and steel industry have enabled it to expand its product range. It now includes monolithic shaped components, unshaped refractory products such as ladle cover mixes and gunning mixes of various types, as well as refractory concretes and ramming mixes.

A significant part of the raw material supply in consistent high quality was ensured by the construction of an efficient grinding and classification plant and the creation of large storage capacities.

- a) Bernhard Jacob GmbH manufactures a wide range of high-quality products for the iron and steel industry, most of which it has developed by itself and successfully placed on the market. Individual customer requirements and complex applications are the drive that motivates us to new top performances every day. The steel mill products are products for torpedo ladle, pig iron ladle, converter, electric furnace, casting ladle, transport ladle, treatment ladle, RH plant, tundish and others.
Bernhard Jacob GmbH is the owner or lessee of the movable inventory, such as cars, trucks, forklifts, etc.
- b) Jacob Geschäftsführungsgesellschaft mbH is the general partner GmbH of the holding company Jacob GmbH & Co. KG and represents this holding company externally. The Jacob holding company is the owner of all real estate, equipment, silos and buildings that are firmly connected to the ground.
- c) Jafesa GmbH is responsible for the construction of the molds required for refractory production and for plant design and maintenance. A large part of our modern production facilities was developed and built in our own company. New employees of our company are introduced to the production company via the training courses of Jafesa GmbH and are trained and qualified within the framework of temporary employment.
- d) Within the Jacob Group, Bernhard Jacob Lux S.A. operates in the field of blast furnace plants. The company offers refractory products, services, customer-related developments and engineering. The employees of Bernhard Jacob Lux S.A. have many years of experience in development, sales and installation of refractory products in the blast furnace and foundry sector.

Extensive know-how and experience also exist in the sector of special products and their application under the most difficult operating conditions. In addition, the necessary facilities for the various lining techniques are available.

The company is well-organized and consistently oriented towards the requirements of its customers. It is also well equipped to meet new challenges like customer-specific problem solving.

Since the company specializes in products for the blast furnace and the foundry and not all of these products can be produced or manufactured by the Jacob Group itself, Bernhard Jacob Lux S.A. also acts as a distributor for blast furnace-related products. These include special ramming mixes, gunning mixes, casting mixes, mux mixes and taphole mixes.

Since the beginning of 2020, Bernhard Jacob Lux S.A. has been expanding its activities and gained the foundry sector as a further and new application area. Here, too, refractory products, services, customer-related developments and engineering are offered. Vibration casting mixes, self-casting casting mixes, semi-plastic ramming mixes, gunning mixes and dry vibration mixes are offered in the foundry sector.

2. Sales

The total turnover of the group of companies is approximately € 14 million in 2020. However, with regard to the aspect of sustainability, turnover does not necessarily serve as a meaningful parameter. It is strongly dependent on raw materials. With rising raw material prices and more cost-intensive further processing, product prices and the companies' sales inevitably increase. If raw material prices decrease, the finished products manufactured by our company also become proportionately cheaper and sales decline. This means that the development of the company's sales is not a meaningful factor for a sustainability assessment.

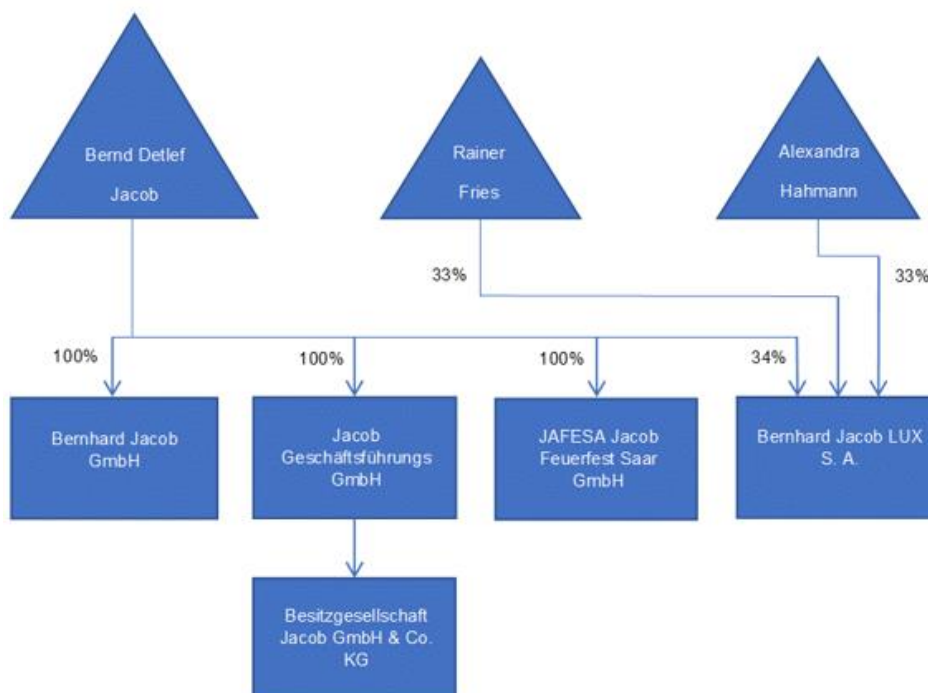
3. Locations

Due to the rich red sandstone deposits, the origin of the company - as already mentioned above - goes back to the operation of a sand pit starting in 1950. The production site of our company, which has grown from 1950 until today, has remained uninterrupted in Völklingen-Ludweiler in Saarland. The same applies to the Jafesa GmbH.

Bernhard Jacob Lux S.A. is located in Schiffflange (Luxembourg) and distributes its FF products from there.

4. Ownership

The current ownership structure is shown in the chart below:



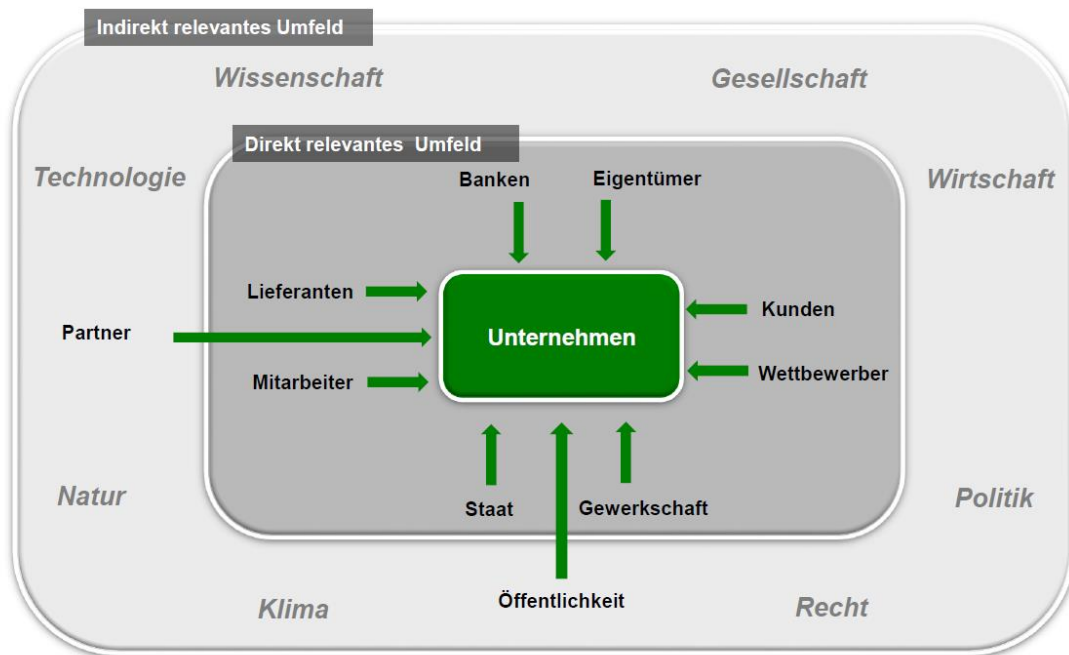
II. Stakeholders - interested parties

The success and performance of our business is determined by our acceptance of responsibility towards the environment, our employees and other interested parties.

In our company, we have thought about how we can identify and evaluate interested parties and have endeavored to derive meaningful measures for the treatment of stakeholders. The interested parties are illustrated in the following model:



Modell der Interessierten Parteien



As you can see in this model, we have identified the following stakeholders:

Employees, customers, suppliers, owners, banks, partners, public (region, neighbors), government (legislators), competitors, trade unions.

For the identification and determination of the requirements regarding the interested parties, we have applied and evaluated the following measures in the company:

1. surveys and questionnaires
2. direct communication with customers, suppliers, neighbors and authorities.
3. suggestions from employees
4. Information through public meetings/events
5. market research and
6. monitoring legal developments and trends

III. Customers

In order to meet the requirements of our customers, as a reliable supplier and long-term partner, the Bernhard Jacob group of companies focuses on punctual deliveries, constant/increasing quality and sustainable communication.

By future-proof, plannable deliveries as well as constant communication of current information we guarantee the necessary planning security of our customers and increase their satisfaction. This is constantly checked and ensured through customer contacts.

General information about our FF products is communicated through technical data sheets and information regarding potential hazards is communicated through safety data sheets. Appropriate and clear labeling of the delivered products is a matter of course for us.

A product liability insurance policy, which has been in place for years and is intended to compensate for (hopefully never occurring) damages caused by defects and consequential damages, serves to secure these commitments.

In order to be able to conclude potential opportunities and risks from the sustainability strategies of our customers, we examine and analyze their sustainability reports. Important positions are filtered out and taken into account.

The focus is on enabling economic, environmentally friendly and resource-saving action by means of numerous measures and investments. These measures and investments lead to improved environmental protection, a more efficient use of energy, sustainable recycling of by-products and to an avoidance of waste and reduction of emissions.

Furthermore, we focus on a responsible personnel work that is oriented towards occupational health and safety and high social standards. The procurement of raw materials and products geared to security of supply and ecologically advantageous modes of transport is also very important to us.

The main application area for our refractory products is the use and application in the production of iron and steel. "No other material is as sustainable as steel. Products made of steel can be recycled without any loss of quality, completely and as often as desired, and returned to the economic cycle without any residues (Sustainability Report of the SHS Group (2019))."

The sustainable production of renewable energy from the sun, water and wind is not possible without steel. Wind turbines, hydroelectric power plants or other modern power plants also save more CO₂ than their production causes (see SHS Group Sustainability Report (2019)).

"Steel secures the future of our customers and thus also the future of our company".

The implementation of a CO₂ strategy is only possible through the use of raw materials that are produced in a resource-protected and environmentally friendly manner.

IV. Associations, legislators, authorities, tax office

Another group of highly valued and important stakeholders are associations with which our company cooperates, as well as legislators, authorities and the tax office. In our company, it is a matter of course to comply with legal requirements, to observe regulations and official requirements and to implement them. As part of our integrated management system, a lawyer regularly reviews, records, assesses and evaluates the relevant laws. A legal cadastre provides an overview of almost all relevant pertinent laws and requirements!

Relevant information and changes are communicated to the responsible supervisors and employees during discussions and meetings. Furthermore, important factors are included and communicated in operating instructions and risk assessments. These are prepared for all departments with regard to all workplaces, systems, machines and activities.

The management regularly reviews business management evaluations, liquidity plans and it also controls the submission of tax returns, the maintenance of statistical values for the statistical state office as well as the data for the environmental authorities of the Saarland.

V. Berufsgenossenschaft und Mitarbeiter*innen

Another important component is the cooperation with the employers' liability insurance association. Occupational safety has top priority in our company and pursues the goal of accident-free operation.

The safety management of our company was introduced, maintained and expanded years ago. A first "quasi-certification" took place in 2016 - valid until 2019 - via the employers' liability insurance association. Our company was awarded the quality seal "Sicher mit System" of the industry-specific implementation of NLF / ILO - O5H 2001. This assessment also proved that the requirements of OHSAS 18001:2007 are implemented by our companies. The assessment for the award of this certificate took place in November 2016 and is based on the DGUV principle "311002 Occupational Health and Safety Management Systems".

In 2019, the renewal of this certificate was pending. However, the group of companies decided at this point to have our occupational safety management certified by the external BSI certification company.

This certification was mastered within one year based on the already developed basics of the quality seal "Sicher mit System". Since October 2019 we are certified according to DIN EN ISO 45001:2018.


The supportive cooperation with the employers' liability insurance association continues, of course. Our company is meaningfully supported by them through training and regular occupational medical examinations. Occupational safety in our company is thus ensured in three ways. On the one hand, through the constant occupational safety inspections and training within the company's occupational safety committees. On the other hand, by means of further occupational medical care provided by the occupational physicians of the employer's liability insurance association and their instruction by technical consultants. Finally, by means of annual inspections by the BSI certification company.

Within this framework, extensive improvements in occupational safety and health are also advanced. Sick leave is recorded within the company, and its causes are examined and identified. Where possible, strategies to prevent absenteeism are developed and implemented.

Maintaining and ensuring the health of our employees is a central aspect of our corporate culture. By means of an integrated management system, sick days, accident figures and other relevant key figures are regularly examined by internal and external audits.

Thanks to appropriate measures, the accident figures of our companies have been continuously decreasing over the years. We train our employees in cooperation with external occupational safety specialists (FASI) and the employers' liability insurance association, as well as in internal training courses with regard to safety issues and risk assessments of workplaces.

Our external FASI have the necessary knowledge, can be contacted by our employees at any time and support the company in implementing a wide range of measures.

Currently,  Saarland, in close cooperation, provides an appropriately qualified FASI.

Thus, each of our employees is in a position to promote occupational health and safety in the respective work environment and to comply with relevant guidelines. Every manager is obligated to support and instruct the employees in the fulfillment of this responsibility.

The aspects outlined above are constantly applied in our companies. For example, before commissioning a (new) plant, a risk assessment is prepared and the operation of the plant is discussed in detail. The risk assessment is designed by the FASI in cooperation with the plant manufacturer, the plant management, the responsible foremen and employees, and an internal safety officer. The main hazards are identified, evaluated and proposals for measures are drawn up to prevent accidents at work and to make working life safer and easier. If, contrary to expectations, an accident does occur at work, the causes of the accident are meticulously investigated and evaluated and countermeasures are then developed to prevent a recurrence.

VI. Employees

The most important sustainability aspect in our company is an employee-oriented corporate culture. High-quality products can only be produced with qualified and motivated employees.

In our company, we create the conditions for equal opportunities regardless of gender, origin, age, sexual orientation, political views and religion.

We respect the dignity and personal rights of our employees and reject offensive behavior of any kind (coercion or threats).



We also do not neglect training. Our companies have been providing training in many different areas for years. Training is possible in accounting, in the commercial area, in the locksmith's shop and in the laboratory.

In 2019, one of our trainees even completed his training in the laboratory as the best in the country.

In 2020/21, one of our employees won the VDI prize in industrial engineering when she submitted her bachelor's thesis.

Since 2019, we have held regular employee appraisal interviews (about once a year for each employee). These strengthen the corporate culture, the cooperation and improve the collaboration. Such an employee discussion is held with all employees of the company, regardless of their role in the company. This is the only way to address problems in a timely manner, to create a more personal basis and to live the corporate culture.

Information events for employees are held regularly throughout the year by the management and current issues are communicated. Every summer, there is either a summer party or a company outing. The employees and their families take part in these events. The year ends with a cozy Christmas party and a raffle.

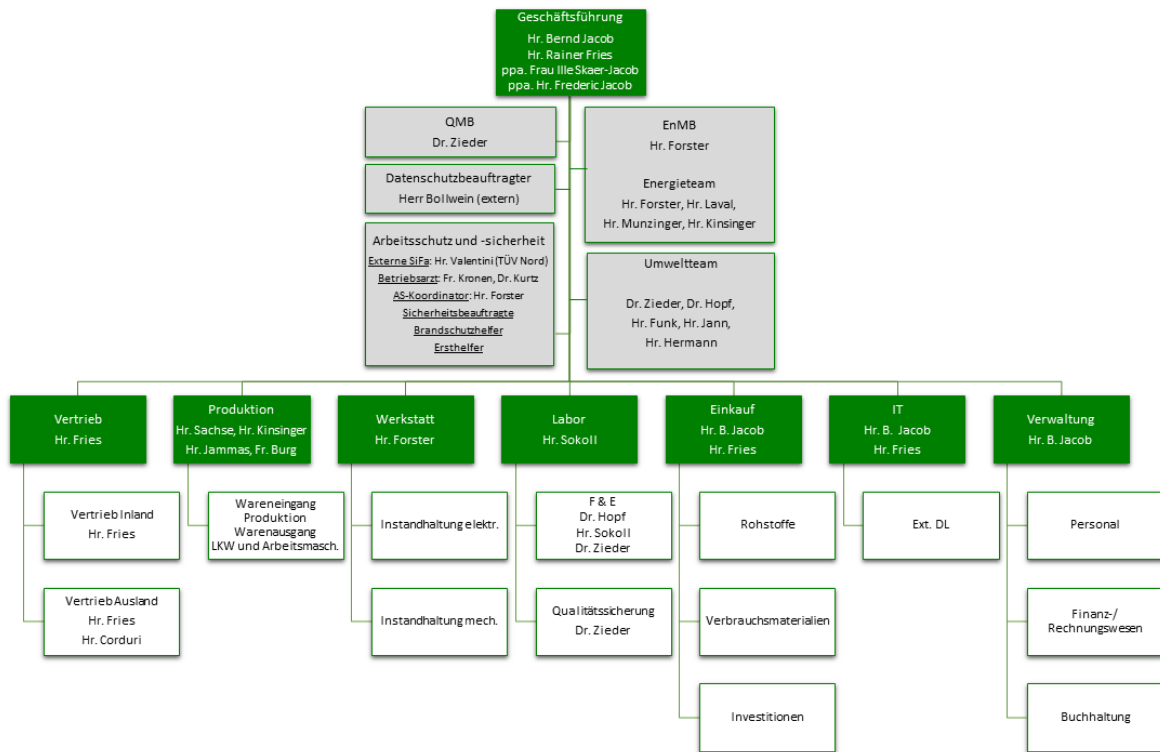


Compliance with employment contracts, attention to employee satisfaction, adherence to labor law requirements and a healthy working environment are the basis of our corporate culture. On this basis, employees are constantly trained and further educated. Only with appropriately satisfied and qualified personnel is it possible for us to operate sustainably, satisfy the needs of our stakeholders and protect our environment.

We also recruit our internal officers from among our employees. Our company has internal safety officers, fire protection assistants and first aiders.

Should any questions arise regarding labor law on the part of the employees, additional information can be obtained from the legal register that has been created and is maintained by our lawyer. In addition, these employees are responsible for ensuring compliance with our processes, resource management and personnel structure. As a rule, the officers are also actively involved in internal communication processes.

The following organizational chart shows a breakdown of our company's areas of responsibility.



VII. Banks

In order to ensure innovation and technology and the associated optimization of work processes in the company, new investments are required on a regular basis. Controlling and planning of new facilities require early strategic preparation when implementing new ideas or improvements.

To implement these ideas and new concepts, reliable partners are needed to support the company financially through loans or leasing offers. With the help of the management tools of business evaluation, liquidity plans and strategic financial planning, we create the conditions for cooperation with our banks. A good rating and sufficient liquidity are important strategic goals for our company.

The constant positive development of our companies and the planning of the financing of these - which also includes the review of the repayment possibility of loans - are important sustainability prerequisites in our company.

VIII. Suppliers

Another very decisive factor for the sustainability of our company is our responsibility with regard to our supply chain. To achieve this goal, we select our suppliers and business partners according to the criteria of reliability, sustainability and compliance with human rights. Compliance with legal requirements, prompt communication of changes and a resulting partnership-based approach are also important to us.

Securing supply chains cannot be achieved through economic and technical accents alone; sustainability criteria are also necessary. The transparency of a supply chain generally enables us to identify risks or a disregard for human rights requirements at an early stage. We obtain this transparency by avoiding dependencies and by avoiding excessive complexity in the supply chain. Should unplanned disruptions or delays occur, we can respond to them adequately with the help of our proactive and reactive resilience management. Supply chain disruptions are identified and analyzed and the necessary solutions are then developed and implemented.

One of the ways in which we sustainably maintain our competitiveness is by ensuring a reliable and long-term supply of raw materials to our production facilities. Our suppliers and business partners must comply with and guarantee the specific agreements regarding the nature, quantity and quality of the materials.

In addition to the quality factors and the reliability of our suppliers, a corresponding coordination of the internal and external logistics and the transport of goods is absolutely necessary, be it for the raw material input (incoming goods) or for the products manufactured by us (outgoing goods). Many of our raw materials reach us by inland waterway and by truck. Since the company does not have a direct connection to a waterway, a large part of the raw materials we require arrives by ship at the port of Dillingen and is then transported from there to our company by vehicles.

The seamless coordination of these logistical steps is also a sustainability requirement for our company. Empty runs are to be avoided as far as possible.

It is therefore clear that our suppliers' products are among our most important resources. Through long-standing supplier relationships, we have been able to form a great relationship of trust on both sides, which is based on mutual benefit and generates mutual obligations.

IX. Energy, environment and emissions

1. Energy

It is impossible to imagine our company without the aspects of energy and the environment. It goes without saying that we are required to take environmental aspects into account in the planning and construction of our facilities, to create environmentally compatible positions and to prevent energy wastage and excessive emissions.

This also includes facilitating the work areas of our employees, i.e. minimizing the burden on our employees, at the same time reducing emissions or avoiding them, and achieving energy savings by modernizing our facilities. Almost every year, our company spends a large amount of money to build more energy-efficient facilities or to convert existing facilities into more energy-efficient ones.

The nature and extent of energy use and consumption are adapted to our needs and are continuously improved and reviewed. When manufacturing our products, planning new buildings or modifying existing plants, our goal is to minimize energy use by applying modern technologies. We record energy sources, consumers and consumption figures in order to determine suitable measures. This enables us to achieve our goals and improve continuously. Waste heat is also used in our company to dry prefabricated parts in drying rooms.

Since 2019, we have a modern energy management system and have been certified according to DIN ISO 50001:2018. Due to this certification, we need to demonstrate continuous improvements in energy-related key figures and processes.

2. Environment

We have a responsibility towards our environment. Environmentally friendly and environmentally compatible production is a strategic sustainability measure for us. We comply with the applicable regulations and standards on environmental protection. As part of the certification of our environmental management system, we set ourselves high standards and guarantee the implementation and compliance with them. Since 2017, our environmental management has been certified according to DIN ISO 14001:2015.

We behave in an environmentally conscious manner and use natural resources sparingly. This includes avoiding waste of raw materials, an environmentally friendly transport of raw materials, as well as a reduction of packaging material, energy use and dust emissions. Not to forget the sensible reuse of production residues.

Water protection also plays a special role in our company. A large part of the closed areas is covered with water-permeable interlocking pavers, so that surface water can largely seep away.

3. Emissions

Our emissions in the air are regularly measured and controlled by the professional association responsible for us. In case of a possible exceeding of the emission numbers, measures are initiated immediately to reduce them to an acceptable level. Direct emissions can arise in our company from:

- a) Fuel supply and consumption (natural gas, fuel oil, liquid gas)
- b) Coolant consumption
- c) Company cars and private cars for business trips
- d) External electricity consumption
- e) Internal traffic and transport (here, too, we have phased out diesel forklifts and have replaced them with more environmentally friendly electric forklifts).

Extensive dust reduction measures have also been implemented by our company. Extraction systems collect the accumulating dust and, wherever possible, recycle it directly or dispose it in an environmentally friendly manner. This addresses one of the most important factors of our company, waste avoidance.

Avoiding waste is another principle of sustainability. Therefore, one goal of our operational waste management is in any case the reduction or even the avoidance of waste. Over the years, we have developed a waste management concept that also complies with statutory regulations (legal register). As already mentioned above, we endeavor to recycle by-products and production residues either internally or externally. Broken stones, slabs, etc. are collected, separated according to materials, recycled and reused. For this purpose, we make use of certified partners in this area.

As a company operating throughout Europe, we have a special responsibility towards our environment. In order to preserve and protect it in the long term, we implement all possible measures in a timely manner. Only by working together with nature and the environment is it possible to operate a sustainable business. We are aware of this responsibility!

X. Quality - Innovation - Research and development

The idea of quality is an essential condition for the lasting success of our company. The quality of our products and services is a prerequisite for the sustained maintenance of existing customer contacts and the acquisition of new customers. This naturally also includes continuous improvement. The principle of sustainability is an integral part of our company's research and development activities in the area of product innovation.

This requires regular investments in our own research and development, as well as in the company's process organization. New products must be manufactured economically and energy-efficient.

This is achieved in our company through the regular modification and improvement of our plant technology. We also strive for a continuous improvement process with the help of our management systems. However, this includes not only production optimization, but also the areas of occupational health and safety, energy and the environment.

Together with the company management, measures are identified, implemented and continuously monitored.

Our quality management has been existing, as stated in the introduction, since the 70s. From the quality protection association to audits of the VDEh and today to the certification according to DIN EN ISO 9001:2015.

This is sustainability for almost 50 years!

XI. Compliance

Our company adheres to compliance guidelines. Sponsorship and donation activities are developed by the management and are closely linked to the compliance guidelines.

The employees at management level have a special role model function and their actions must be measured to a particular extent against a standard of conduct that also includes the compliance rules. They are the contact persons for all questions relating to compliance rules and they ensure that employees also understand, know and comply with them.

The acceptance and passing on of gifts or benefits are only permitted within the legal framework. None of our employees may solicit gifts or personal benefits from customers, suppliers or other business partners. Accepting and offering hospitality is also subject to legal requirements, which must be complied with.

The high-quality standards of our company, which are part of our economic success, can only be achieved by assuming responsibility, adhering to ethical values, environmental guidelines and social concerns.

The protection of and respect for human dignity are a matter of course for us and represent a basis for our actions. The rejection of child labor and forced labor, the respectful treatment of our customers, suppliers, and especially our employees, are the basis of sustainability for us. This also includes the right to equal treatment.

XII. Targets

Our declared goal is to further develop our company in the coming years by acting sustainably, and to expand our activities.

With the help of our integrated management system, our goals are also regularly reviewed in terms of sustainability. We call the following aspects the “four pillars of our management system”:

- a) Quality management
- b) Environmental protection management
- c) Safety management (occupational health and safety)
- d) Energy management

XIII. Competitors

It goes without saying that we also respect our competitors and treat them in a fair way. With the help of our sales force, we observe the activities of the competition and also endeavor to create alliances that may be useful for our customers. Whereby a cooperation with a competitor or the establishment of a possible partnership can be possible and can often even be a strategic goal.

However, we are aware of the fact that competitors make independent decisions and have to act independently from each other on the market. Therefore, coordination with competitors, as well as the exchange of strategic or competition-relevant information, is only permitted if it takes place within the framework of legal regulations. Agreements on pricing are prohibited for all employees, executives and members of the management. Violations are neither tolerated nor condoned and will result in mandatory sanctions for the persons involved.

Our company stands for technological competence, innovation and customer orientation. Corruption or illegal antitrust violations have no place here. Donations and sponsoring to persons in political office and political parties are not tolerated.

Epilogue:

The companies of the Bernhard Jacob Group are open-minded and internationally operating.

In April 2021, the writer Ferdinand von Schirach (jurist, dramatist and author), who was born in 1964 in Munich, formulated the following six basic rights together with colleagues. We highly support the content of these basic rights and we hereby also declare them to be the basis of our sustainability efforts. Let us hope that these thoughts will soon find their way into our legal system:

Quote*:

Article 1 - Environment

Everyone has the right to live in a healthy and protected environment.

Article 2 - Digital self-determination

Everyone has the right to digital self-determination. The exploration or manipulation of people is prohibited.

Article 3 - Artificial Intelligence

Everyone has the right that algorithms that incriminate them are transparent, verifiable and fair. Essential decisions must be made by a human being.

Article 4 - Truth

Everyone has the right that statements made by public officials are truthful.

Article 5 - Globalization

Everyone has the right to be offered only those goods and services that are produced and provided with respect for universal human rights.

Article 6 - Action on Fundamental Rights

Everyone can bring fundamental rights actions before the European Courts for systematic violations of this Charter. (end of quote) *

*Quelle: Ferdinand von Schirach, Jeder Mensch 1. Ausgabe April 2021