



This document is intended to share information regarding ZIRCAR Ceramics, Inc.'s (ZCI) practices regarding topics including: Waste Management, Risk Management, Human Rights, Social, Biodiversity, Ethics and Anti-Corruption, Energy Management, Environmental Management, Diversity and Inclusion, Community Relations, Water Resources, GHG Emissions, Health and Safety, ESG General, Responsible Sourcing, Decent Work and Rights, ESG Governance.

Waste Management. ZIRCAR Ceramics Inc separates all corrugated cardboard (CC) from its waste stream. All CC is collected by the Village of Florida, NY Department of Public Works weekly. This CC is then input into a regional CC Recycling Operation. For the balance of the Solid Waste (SW) generated by ZCI, ZCI contracts with a company by the name of Waste Management International (WMI). WMI hauls the SW to one of its sorting centers where recyclable materials are sorted and brought to recyclers. The balance is landfilled.

Risk Management. ZCI is a small company with approximately 55 direct employees operating out of three facilities in two adjacent municipalities totaling approximately 80,000 square feet. ZCI's facilities are all wired into a fire alarm system contracted with a company by the name of PN Alarm. If for any reason a fire or smoke alarm is activated PN begins to call ZCI personnel on ZCI's Emergency contact list. In the event PN is unable to make such contact, the local fire company is alerted and dispatched. Additionally, as part of our ISO 9001:2015 Quality Certification, Quarterly Management Review meetings are held in which review and discussion of various "Risk Factors" are conducted by Executive Management.

Human Rights. As stated in ZCI's Employee Handbook.

HUMAN RIGHTS

The Company respects the human rights of our employees and others in our business operations. The Company will abide by all New York State labor laws including those that apply to the employment of minors. The Company will not use forced, prison or indentured labor, or workers subject to any form of physical, sexual or psychological compulsion, exploitation or coercion, or to engage in or abet trafficking in persons.

Complaint Procedure

If an employee experiences or witnesses a violation of human rights in the workplace, they should report it immediately to their supervisor. If the supervisor is the person committing the violation, the employee should approach Management.

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All allegations of human rights violations will be quickly investigated. To the extent possible, the employee's confidentiality and that of any witnesses and the alleged harasser will be protected against unnecessary disclosure. When the investigation is completed, the employee will be informed of the outcome of that investigation.

Social. As stated in ZCI's Employee Handbook.

HARASSMENT

Harassment will not be tolerated. No employee, customer, vendor, visitor, etc., either male or female, should be subjected sexually, verbally or physically to harassing conduct. Harassment is verbal or physical conduct that denigrates or shows hostility or aversion toward a person because of their sex, race, skin color, religion, gender, national origin, age or disability, or that of the persons relatives, friends or associates, and that:

- Has the purpose or effect of creating an intimidating, hostile or offensive environment,
- Has the purpose or effect of unreasonably interfering with the persons performance, or
- Otherwise adversely affects the individual's well-being or employment opportunities.

ZCI will permit no employment-based retaliation against anyone who brings a complaint of harassment or who speaks as a witness in the investigation of a complaint of harassment. If an investigation of any allegation of harassment shows that harassing behavior has taken place, the harasser will be subject to disciplinary action, up to and including dismissal.

Complaint Procedure

If an employee experiences or witnesses harassment in the workplace, they should report it immediately to their supervisor. If the supervisor is doing the harassing, they should approach Management.

All allegations of harassment will be quickly investigated. To the extent possible, the employee's confidentiality and that of any witnesses and the alleged harasser will be protected against unnecessary disclosure. When the investigation is completed, the employee will be informed of the outcome of that investigation.

Biodiversity.

Within the definition of Biodiversity being *Biodiversity is all the different kinds of life you'll find in one area—the variety of animals, plants, fungi, and even microorganisms like bacteria that make up our natural world*, ZCI's operations have no observable nor measurable negative impact upon its local environments. No sludge or toxic emissions of any kind are released into the sewer, the air nor any of the environments in which ZCI operates. In 2020, core samples were taken, by drilling, in several locations adjacent to ZCI's two manufacturing plants, its one maintenance barn and its main administrative office. No contamination of any kind was found.

Ethics and Anti-Corruption.

As ZCI is a small company, privately owned by brothers David P Hamling and Philip D Hamling, ZCI has always been operated in the utmost of ethical and legal fashions possible. ZCI's 23-year record with zero instances of unethical or illegal activity of any kind is proof.

Energy Management.

ZCI's business make use of both electric and gas energy. Upon the end of each work day, the "lockup" procedure calls for ensuring all unnecessary equipment and lights have been turned off and thermostats controlling ambient building temperatures are set appropriately. During the work day, when workers take their morning, lunch and afternoon breaks, all equipment, including dust collectors, machinery and lights not in use are turned off. Electric ovens, furnaces and driers are operated on timers and automatically turn off at cycle ends. ZCI operates one gas-fired exhaust incinerator which is used to burn organic binder from oven exhaust, emitting only steam. This incinerator is turned on only at appropriate points in burn out cycles and is turned off when combustion is no longer needed. Administrative Office nightly closure ensures ambient building temperature is set appropriately and all unused equipment is turned off.

Environmental Management.

In the sections Waste Management and Biodiversity above it was shown that ZCI's operations have zero negative Environmental Impact.

Diversity and Inclusion.

As stated in ZCI's Employee Handbook and as treated above in sections Human Rights and Social above, owners of ZCI David P Hamling and Philip D Hamling have never and will never made the decision of offering employment or not offering employment to anyone based upon their sex, race, skin color, religion, gender, national origin, age or disability.

Community Relations.

ZCI's Main Street Florida, NY plant and Administrative Offices are located in the middle of the Village of Florida, NY. These facilities are well maintained so they are not seen as an eyesore to the community. ZCI employs several residents of the Village of Florida and surrounding municipalities. ZCI makes annual contributions to the Fire Departments – Florida and Chester, NY – where the company's operations are located. Owners of ZCI David P Hamling and Philip D Hamling have good relations and have regular personal contact with members of local governments within both Florida and Chester, NY. ZCI has participated in Disaster Relief efforts by setting up a donation station at its Florida, NY facility.

Water Resources.

ZCI's Chester, NY Manufacturing, Shipping and Warehousing activities are located in a stand alone 30,000 sq ft building in the Chester, NY Industrial Park. This building is serviced by its own water well and septic system. All of the manufacturing within this facility makes use of closed loop systems for equipment cooling. Well water is filtered and converted to deionized water for use as process water. No process waste water is generated at this facility. ZCI's Main Street Florida, NY operations are fed with municipal water and sewer. City water is filtered and converted into deionized water for process water. In a number

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of “less technical” products, process water can and is reused a number of times. All waste process water as well as all “wash down” water is collected in a settling pool within the Main St operations and passed through particulate filters before it flows into the municipal sewer system. No outside watering of any company grounds is conducted.

GHG Emissions.

ZCI’s operations, due to the fact that only a small amount of steam is emitted from any of its facilities, does not require any Local, State nor Federal EPA permitting of exhaust points. Therefore, monitoring and or measuring of GHG Emissions is not conducted. ZCI does not contribute to GHG Emissions.

Health and Safety.

ZCI has an established Safety Program as outlined below – a copy of which can be obtained by sending an email to sales@zircarceramics.com .

Abstract:

It is the responsibility of the Company to facilitate the, and every employee to, conduct the Company’s business in as safe a manner as possible. All employees will tend to their safety and that of their co-workers at all times.

- They will be cognizant of their own actions and of those around them.
- They will not personally position objects such that they block Emergency Escape Routes and Emergency Equipment or in areas designated with red or yellow paint.
- They will take proactive steps if experiencing co-workers conducting affairs in an unsafe manner which will compromise their own safety and that of others in the Company. Proactive steps will begin with notifying co-workers of the need to conduct their affairs differently and will progress to taking Corrective Action as defined in the Employee Handbook if required.

This instruction delineates the Company’s Safety Program, which is intended to comply with:

- Company Policy
- OSHA regulations (<http://www.osha.gov/dcsp/smallbusiness/index.html>).
- NYS Fire Code

It defines the Company’s position on, and specific conduct related to:

- Accident and Injury Reporting
- Safety Education
- Safety Equipment Assignment
- Emergency Equipment, Names, Location and Maintenance
- Safety Meetings

ESG General.

Defined as Environmental, social, and governance (ESG) investing is used to screen investments based on corporate policies and to encourage companies to act responsibly. As all of ZCI’s operations / investments are in the form of its manufacturing and administrative facilities in Florida and Chester NY ESG General is not entirely applicable to its business.

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Responsible Sourcing.

Defined as Responsible sourcing, also referred to as supply chain responsibility, is a voluntary commitment by companies to take into account social and environmental considerations when managing their relationships with suppliers. While ZCI does not have a formal Responsible Sourcing Policy, responsible sourcing does embody the values and the way in which ZCI's owners, brothers David P Hamling and Philip D Hamling, operate ZCI. As part of its ISO9001:2015 Quality Certification ZCI maintains an established Vendor Qualification process and Approved vendor list. Compliance to Conflict Minerals regulations (Section 1502 of the US Dodd Frank ACT) is required of companies from whom ZCI purchases metals containing materials.

Decent Work and Rights.

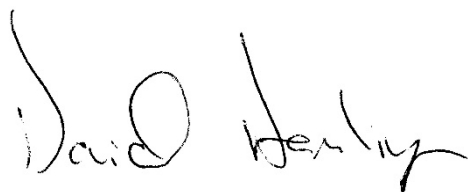
*Advancing **decent work** means that companies respect workers' **rights** and take action to improve working conditions for all workers engaged in their operations.*

ZCI's owners, brothers David P Hamling and Philip D Hamling, have written their Employee Handbook with provision for Decent Work and Rights. Sections on Human Rights and Harassment are complete with Complaint Procedures that protect worker's rights. Activities including but not limited to: 401K retirement plan with company contributions, free life insurance, medical insurance with ZCI contributing 75% of all participating employee's premiums, free uniforms, 15% Cost of Living wage increases in the last two years and three additional PTO days added in 2023 – are all done with the employee's interest in mind.

ESG Governance.

Defined as Environmental, social, and governance (ESG) investing is used to screen investments based on corporate policies and to encourage companies to act responsibly. As all of ZCI's operations / investments are in the form of its manufacturing and administrative facilities in Florida and Chester, NY, ESG General is not entirely applicable to its business. ZCI's owners, brothers David P Hamling and Philip D Hamling remain focused on maintaining and growing ZCI in the most ethical and rewarding manner, for all involved as possible.

Prepared by David P Hamling Vice President / Co-Owner ZIRCAR Ceramics, Inc.



July 6, 2023

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