

GRAFTECH INTERNATIONAL HOLDINGS INC.

# MODERN SLAVERY REPORT

2023



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This Modern Slavery Report (the “Report”) addresses the period from January 1, 2023 to December 31, 2023 and has been prepared in compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada) (the “Act”). This Report is made by GrafTech International Holdings Inc., a Delaware corporation and wholly-owned indirect subsidiary of GrafTech International Ltd., a publicly-traded company listed on the New York Stock Exchange (“GrafTech,” the “Company,” “our,” or “we”).

## 1. Introduction

Forced labor and child labor, each as defined in the Act, are crimes and serious violations of human rights. As a leading manufacturer of high-quality graphite electrode products, GrafTech recognizes the vital role we play in ensuring that our products, services, operations, and supply chains adhere to the highest ethical standards, including the prevention and identification of forced labor and child labor. This Report details the actions we took in 2023 to prevent and reduce the risk that forced labor or child labor is used at any step of our operations for goods imported into Canada by GrafTech.

## 2. Our Business

### 2.1 Structure and Activities

GrafTech, founded in 1886, is a leading manufacturer of high-quality graphite electrode products essential to the production of electric arc furnace (“EAF”) steel and other ferrous and non-ferrous metals. We believe that we have a competitive portfolio of low-cost ultra-high power graphite electrode manufacturing facilities, with some of the highest capacity facilities in the world. We have graphite electrode manufacturing facilities in Calais, France, Pamplona, Spain, Monterrey, Mexico, and St. Marys, Pennsylvania<sup>(1)</sup>. We are the only large-scale graphite electrode producer that is substantially vertically integrated into petroleum needle coke, our key raw material for graphite electrode manufacturing. This unique position provides us with competitive advantages in product quality and cost.

Our vision is to provide highly engineered graphite electrode products, services and solutions to EAF operators. Based on the high-quality of our graphite electrodes, reliability of our petroleum needle coke supply and our excellent customer service, we believe that we are viewed as a preferred supplier to the global EAF steel producer market.

For more information about our business and products, please visit [www.graftech.com](http://www.graftech.com)<sup>(2)</sup>.

### 2.2 Supply Chain

The reliability of our supply base is imperative to our success. We manage the risks and opportunities of raw materials sourcing by creating and maintaining a responsible and reliable supply chain. To mitigate risks from potential curtailments of our operations, we explore and qualify new and alternative raw materials to diversify conventional raw materials.

The Company’s supply chain includes businesses that provide goods and services to GrafTech for the manufacturing of synthetic graphite and related products. GrafTech procures such goods and services from suppliers and contractors globally, with most of our suppliers located in the United States, Europe, and Mexico. In 2023, the majority of our supply chain spend was with companies that provide our raw materials.

### **3. Our Policies and Due Diligence**

Using our organizational and governance policies, we communicate our values and expectations, setting a high bar for ourselves and our suppliers, making it clear that we do not tolerate any forms of forced labor and/or child labor. We are committed to consistently evolving and improving our approach. We make reasonable efforts, including through carrying out due diligence, to monitor the performance of our suppliers and to prevent our activities from having a negative impact on human rights. Our relevant policies, commitments, and due diligence are discussed in further detail below.

#### **3.1 Code of Business Conduct and Ethics**

At GrafTech, ethical conduct is a fundamental principle, synonymous with business success and essential for carrying out all business objectives. Our Code of Conduct and Ethics (the “Code”) serves as the foundation for these values and guides our team in making thoughtful and well-informed decisions. The Code applies to employees, directors, and officers of GrafTech. GrafTech employees should always act lawfully and ethically.

The Code outlines our commitment to fostering a healthy, safe, and secure work environment for all our employees by providing equal employment opportunities and a harassment-free workplace, and by respecting human rights and diversity. Our Code also provides employees with guidance on conducting business ethically, including complying with laws for anti-trust and competition, anti-bribery, export control, and environmental regulations.

#### **3.2 Code of Conduct for Suppliers and Contractors**

We view our suppliers and contractors as an extension of GrafTech and hold them to the same high standards of ethical conduct, which is further outlined in our Code of Conduct for Suppliers and Contractors (“Supplier Code of Conduct”). Our Supplier Code of Conduct details the expectations we have of our suppliers, their supply chains, and third parties with whom we do business. We expect our suppliers to comply with all applicable rules, laws and regulations in the jurisdictions in which they operate.

We review our Supplier Code of Conduct on a periodic basis to ensure that this policy is in line with current best practices. GrafTech reserves the right to audit suppliers and contractors for compliance with the Supplier Code of Conduct.

#### **3.3 Whistleblower Policy**

All of our employees, directors, officers, and agents play an important role in maintaining our culture of ethics and integrity. We encourage them to raise suspected instances of improper conduct and they have the ability to report such instances through several means. These include reporting to supervisors or managers, the human resources department, the legal department, or through the Ethics Line, which can be accessed by phone or through an online platform.

The Ethics Line is operated by an independent third party, is available 24/7, and provides the option to report complaints anonymously to the extent permitted by local law. It is our policy that no employee or representative shall be retaliated against for submitting or reporting a complaint and/or cooperating in any investigation relating to an actual or potential violation of the Code or GrafTech policy or procedure, provided such individual is acting in good faith. We take all reports and concerns seriously and investigate reported ethics violations to determine appropriate follow-up corrective actions, as needed.

#### **3.4 United Nations Global Compact**

In May 2023, GrafTech joined the United Nations Global Compact (“UNGC”), a voluntary leadership platform for the development, implementation, and disclosure of responsible business practices. The UNGC challenges companies to conduct business responsibly by aligning their strategies and operations with universal principles on human rights, labor, environment, and anti-corruption, and to take actions that advance societal goals. As such, we are committed to promoting, in our business

activities, the 10 fundamental principles of the UNGC, including the elimination of all forms of forced labor and abolition of child labor.

### **3.5 Due Diligence**

We expect third parties with which we work to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations. GrafTech is committed to preventing and reducing the risk that forced labor and/or child labor is used at any step in the manufacturing of goods imported into Canada. Before making commitments with our suppliers, we take steps to appropriately evaluate the relationship and mitigate associated risks by carrying out risk-based due diligence and checks.

We acknowledge that employees working in our facilities and our supply chain are at potential risk of forced labor and/or child labor. To mitigate this risk, we follow an approach that includes the following steps:

- Encouraging our strategic suppliers to complete an environmental, social, and governance (“ESG”) self-assessment, which provides an overview of their sustainable business practices, benchmarked against their sector and region
- Embedding our values and expectations into our policies and business processes
- Identifying and assessing potential adverse impacts in operations, supply chains, and business relationships through consistent monitoring of strategic suppliers
- Training our employees and raising their awareness about the risks of modern slavery and human trafficking
- Communicating the actions we have taken to prevent and reduce the related risks

As part of this commitment towards preventing and reducing the risk of forced labor and/or child labor in our supply chain, suppliers, contractors, and employees are expected to be familiar with and adhere to applicable GrafTech policies and practices, and are encouraged to immediately report any concerns.

## **4. Assessing Our Risk**

GrafTech engages in various activities to identify, assess, and manage supplier risk which focuses on our strategic suppliers representing a significant portion of our supply chain by total supplier spend. In assessing the risk of forced labor and child labor in our business and supply chains, we utilize a third-party due diligence process to identify risks associated with various topics including, but not limited to: trade compliance, financial stability, and labor and human rights issues, which includes forced labor and child labor. We also engage with a third party to assess our strategic suppliers’ ESG programs on behalf of GrafTech.

Although we have not identified any forced labor or child labor in our activities and supply chains, we remain dedicated to monitoring and addressing such risks.

## **5. Our Commitments**

GrafTech is committed to responsibly sourcing and procuring goods and services from business partners that share our commitment to sustainable business practices, particularly as it relates to ESG issues. We developed a supplier portal through which suppliers can access our Supplier Code of Conduct, Terms and Conditions, Responsible Purchasing Policy, and other Company standards. Together with the third-party assessments of our strategic suppliers’ ESG programs, these tools set clear expectations for our working relationships with suppliers, while also enabling us to better evaluate risks related to labor, human rights, environmental concerns, and other ESG issues.

We are committed to upholding the highest standards of ethical conduct, including the prevention and the reduction of the risk that forced labor or child labor is used in any aspects of our operations. The steps we have taken to address and mitigate these risks include:

- Including requirements in our Supplier Code of Conduct that prohibit the use of forced labor and/or child labor and mandates that hiring practices are in compliance with applicable child labor laws
- Developing and implementing policies and business processes related to preventing forced labor and/or child labor
- Ongoing monitoring of the performance of strategic suppliers in this area through our due diligence process
- Developing and implementing a reporting mechanism, including through our whistleblower program
- Developing and implementing training and awareness materials on forced labor and/or child labor, as part of our annual Code of Conduct training

## 5.1 Remediation Measures

The Company is committed to applying the highest possible standards of professional ethics and conduct. Our Code requires all employees of GrafTech who become aware of a possible violation of the Code to report actual or possible misconduct. The Whistleblower Policy provides a mechanism for such reporting. In 2023, GrafTech did not identify, nor was it alerted to, any instances of forced labor or child labor in its supply chain. For this reason, GrafTech has not taken any remediation measures to remedy any forced labor or child labor, or to remediate the loss of income to the most vulnerable families that resulted from such measures in 2023. However, GrafTech is committed to providing remediation for any confirmed instances of forced labor or child labor in its supply chain.

## 5.2 Training

Every year, GrafTech provides employees with formal ethics and compliance training sessions. As part of this annual ethics training, our employees are required to complete a mandatory certification process to ensure that our Code is understood and properly applied to our daily activities. Employees are also informed of how to raise concerns or report potential violations through our whistleblower program. We provide employees with ongoing and periodic training opportunities to ensure that all employees have current knowledge.

## 6. Our Progress and Effectiveness

GrafTech has in place measures to reduce the risk that forced labor and/or child labor is used in our own manufacturing operations and supply chains and we remain dedicated to monitoring and addressing such risks.

As part of our governance processes, we monitor compliance with our policies on an ongoing basis. We also review any concerns raised through our whistleblower program and other informal mechanisms of employee feedback. In 2023, no concerns or complaints regarding forced labor or child labor have been identified.

## 7. Approval and Signature

In accordance with paragraph 11(4)(b)(ii) of the Act, this Report was approved by the Board of Directors of GrafTech International Holdings Inc. on May 22, 2024 and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at [www.graftech.com](http://www.graftech.com)<sup>(2)</sup>.

In accordance with the requirements of the Act, and in particular Section 11 thereof, I attest that I have reviewed the information contained in this Report for GrafTech International Holdings Inc. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Timothy K. Flanagan  
President and Treasurer, GrafTech International Holdings Inc.  
May 22, 2024

I have the authority to bind GrafTech International Holdings Inc.

(1) While maintaining the capability to produce graphite electrodes and pins, production activities at St. Marys were indefinitely suspended in 2024, with the exception of graphite electrode and pin machining.

(2) We have included our website only as an inactive textual reference and do not intend it to be an active link to our website.

#### **Forward-Looking Information**

This Report may contain forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect our current views with respect to, among other things, financial projections, plans, and objectives of management for future operations, and future economic performance. Examples of forward-looking statements include, among others, statements we make regarding future estimated volume, pricing and revenue, anticipated levels of capital expenditures and cost of good sold, anticipated reduction in our costs resulting from our cost rationalization initiatives and one-time costs of implementation and guidance relating to adjusted EBITDA and free cash flow. You can identify these forward-looking statements by the use of forward-looking words such as “will,” “may,” “plan,” “estimate,” “project,” “believe,” “anticipate,” “expect,” “foresee,” “intend,” “should,” “would,” “could,” “target,” “goal,” “continue to,” “positioned to,” “are confident,” or the negative versions of those words or other comparable words. Any forward-looking statements contained in this Report are based upon our historical performance and on our current plans, estimates and expectations considering information currently available to us. The inclusion of this forward-looking information should not be regarded as a representation by us that the future plans, estimates, or expectations contemplated by us will be achieved. Our expectations and targets are not predictions of actual performance and historically our performance has deviated, often significantly, from our expectations and targets. These forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business, prospects, growth strategy, and liquidity.

Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these statements, including those factors described in the “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” sections in reports and statements filed by the Company with the United States Securities and Exchange Commission. The forward-looking statements made in this Report relate only to events as of the date on which the statements are made. Except as required by law, we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, or otherwise.

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