



UNITED NATIONS COMMUNICATION ON PROGRESS 2022

Pioneering Industrial Sustainability

www.castolin.com

www.eutectic.com



Mission & Vision

WHO WE ARE.
WHY WE DO WHAT WE DO.

Pioneering Industrial Sustainability



**in wear-intensive
industries**

Our brand is trusted by millions of industrial users in heavy duty and wear intensive industries. Over the course of more than 100 years, we have brought innovative products and solutions to our customers challenging ourselves to reduce maintenance costs and increase industrial productivity through welding, brazing and coating technologies.

We have transitioned from being a family owned business into a global company while maintaining our industry expertise, people focus and our deep rooted belief in sustainability.

ABOUT US

WE INCREASE YOUR INDUSTRIAL PRODUCTIVITY
Cost-effective repair and maintenance solutions

Born in 1906, Castolin Eutectic is today a worldwide leading company in maintenance, surface protection and special joining using welding, brazing and coating technologies. We provide proven, value-added solutions to global industries using advanced material technology. Through an international team of more than 400 qualified application specialists, we partner with our customers to reduce maintenance costs and increase productivity. Others sell products and technologies, Castolin Eutectic's application specialists are consultants for many key industries such as cement, iron and steel or oil & gas, improving production efficiency and cost savings for their customers.

OUR PRESENCE

Think global, act local

Castolin Eutectic benefits from a global presence: 10 Supply Centers, 20 Service Centers and 31 Market Centers. The supply centers are manufacturing plants for electrodes, wires, powders, fluxes, wear plates and coating equipment, the service centers provide finished wear parts, welding and coating services as well as machining, while the Market Centers cover sales and customer service on all continents.

TOGETHER FOR OUR PLANET



CEO STATEMENT

I am pleased to confirm that Castolin Eutectic Group reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this – our first annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'P. Fetzer', is positioned below the 'Sincerely yours,' text.

Patrick Fetzer
President & Chief Executive Officer



UN Global Compact 10 Principles and Our Actions in 2022

HUMAN RIGHTS



Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Our action



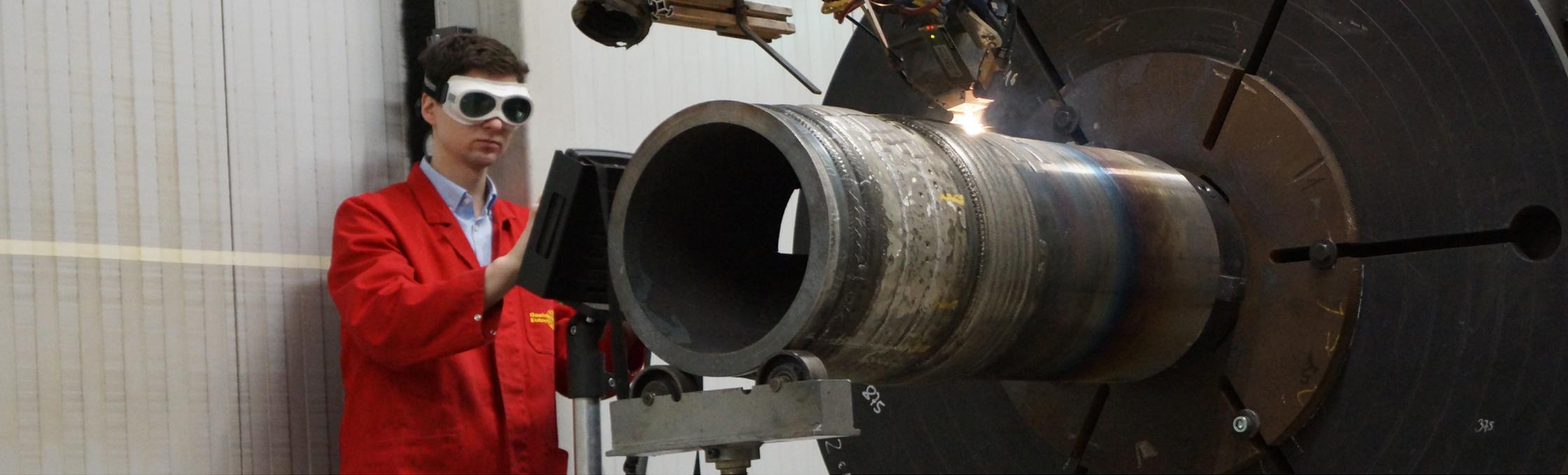
- Ensure workers are provided safe, suitable and sanitary work facilities
- Protect workers from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats, by having implemented Corporate Code of Ethics & Business Conduct
- Take measures to eliminate ingredients, designs, defects or side-effects that could harm or threaten human life and health during manufacturing, usage or disposal of products by implementing a HSE Policy including frequent (monthly reporting of HSE KPI's)



We conduct our business in a manner that respects the human rights and dignity of all, and we support international efforts to promote and protect human rights, including an absolute opposition to slavery and human trafficking.

Each of us can help support efforts to eliminate abuses such as child labor, slavery, human trafficking, and forced labor.

– “Respecting Human Rights” from Castolin Eutectic Code of Ethics and Business Conduct –



LABOUR



Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.



Our action

- Ensure that the company does not participate in any form of forced or bonded labour
- Comply with minimum wage standards
- Ensure that employment-related decisions are based on relevant and objective criteria



Castolin Eutectic helps bring together team members with a wide variety of backgrounds, skills, and cultures. Combining such a wealth of talent and resources creates the diverse and dynamic teams that consistently drive our results. Our colleagues, job applicants, and business partners are entitled to respect. We are committed to ensuring that they feel welcomed and valued and that they are given opportunities to grow, contribute, and develop with us. To uphold that commitment, we support laws prohibiting discrimination and provide equal opportunity for employment, income, and advancement in all our departments, programs, and worksites.

This means we base employment decisions solely on qualifications, demonstrated skills and achievements – and never on race, color, religion, sex (including pregnancy, sexual orientation, or gender identity), national origin, age, disability, veteran status, genetic information, or any other characteristic protected by law.

– “Diversity, Equity, and Inclusion” from Castolin Eutectic Code of Ethics and Business Conduct –



ENVIRONMENT



Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.



Our action

- Avoid environmental damage via regular maintenance of production processes and environmental protection system (air pollution control, waste, water treatment systems, etc.)
- Minimize the use and ensure safe handling and storage of chemical and other dangerous substances



We recognize our environmental and societal responsibilities. We are committed to sustainability and to minimizing damage to the environment as well as any potential harm to the health and safety of team members, customers, and the public.

– **“Sustainability and Environmental Stewardship”** from
Castolin Eutectic Code of Ethics and Business Conduct –

ANTI-CORRUPTION



Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



Our action

- Mention “anti-corruption” and/or “ethical behavior” in contracts with business partners
- Ensure that internal procedures support the company’s anti-corruption commitment



A modest gift may be a thoughtful “thank you,” or a meal may offer an opportunity to discuss business. If not handled carefully, however, the exchange of gifts and entertainment could be improper or create a conflict of interest.

This is especially true if an offer is extended frequently, or if the value is large enough that someone may think it is being offered in an attempt to influence a business decision.

Only offer and accept gifts and entertainment that comply with our policies.

– “Business Gifts and Entertainment” from Castolin Eutectic Code of Ethics and Business Conduct –





Castolin Eutectic awarded with ESG and GRC distinctions



We are very excited to let you know Castolin Eutectic won the Navex ESG Award (Environmental Social Governance) and GRC Award (Governance, Risk and Compliance) in October 2022. NAVEX is the recognized leader in risk and compliance management services. Its mission is to help customers promote ethical, inclusive workplace cultures, protect their brands and preserve the environment through sustainable business practices.



The Governance, Risk and Compliance Program of the Year award is handed to organizations that successfully remove data and operational silos to align ethics, compliance, IRM and other GRC initiatives. Castolin Eutectic was also recognized by Navex for its ESG program: «As a pioneer in industrial sustainability, its business focuses on promoting a circular economy by extending the useful life of industrial equipment. The company also sets and achieves annual ESG goals to reduce CO2 emissions and electricity use, minimize hazardous waste, and ensure management diversity, employee health and safety standards, and supply chain monitoring.»

Castolin Eutectic ESG KPI Management 2022

OUR GOALS & ACHIEVEMENTS



ENVIRONMENT

- GHG (CO₂) emission
- Non-renewable energy
 - Oil
 - Gas
 - Fuel
- Electricity consumption
- Fresh water consumption
- Hazardous waste products



SOCIAL

- Management diversity
- Average seniority
- Absenteeism rate
- Workplace accidents
- Annual compliance training
- Net Employee Composition
- Number of give-back initiatives



GOVERNANCE

- Code of business conduct
- Helpline reporting channel
- Supplier code of conduct
- ESG Policy
- Environmental Policy
- Health & Safety Policy
- Data & Cybersecurity Policy
- Internal audit Policy
- Delegation of authority (DOA) Policy





E

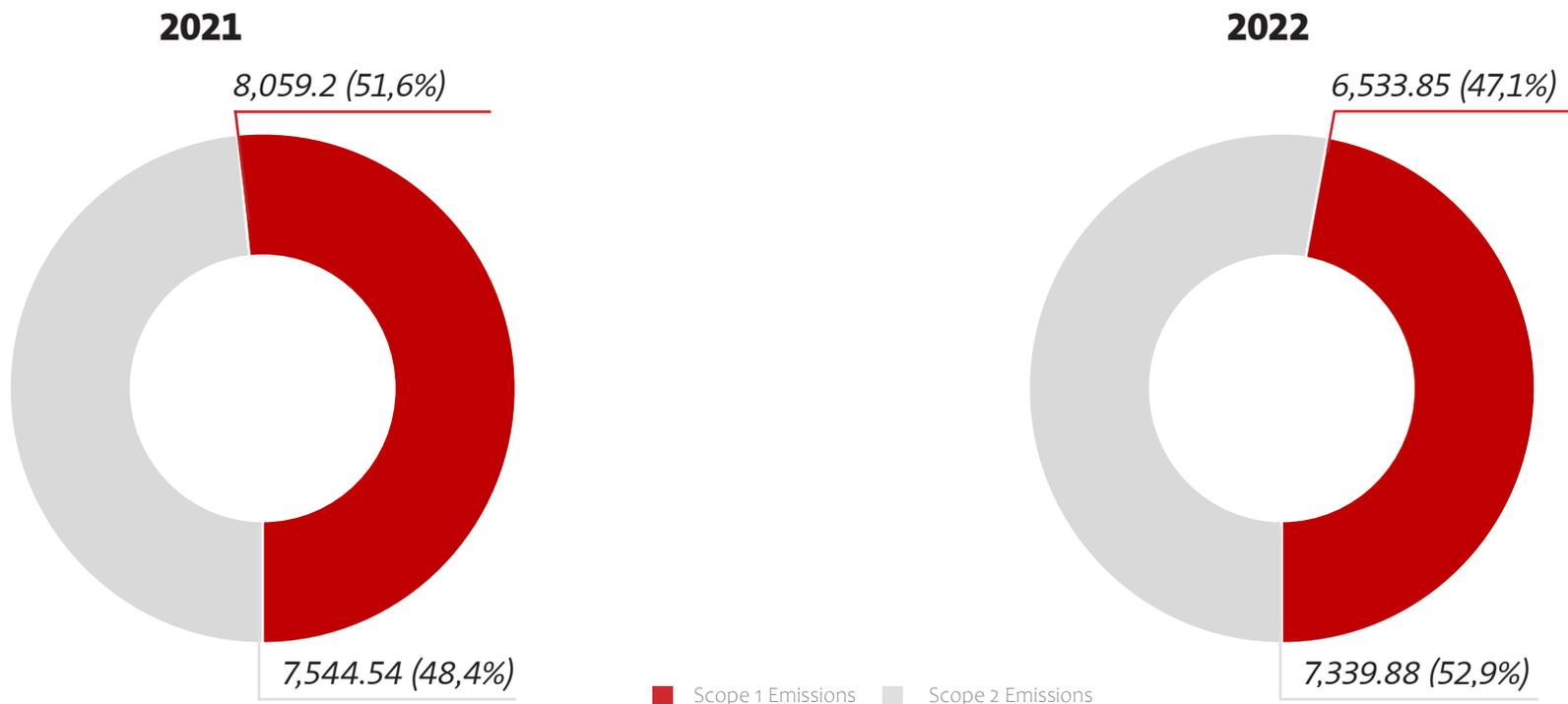
environment

ESG: Part 1

Summary of total emissions and energy

SUMMARY OF TOTAL EMISSIONS AND ENERGY COSTS (VALUES IN METRIC TONES CO₂E)

*CO₂e = carbon dioxide equivalent



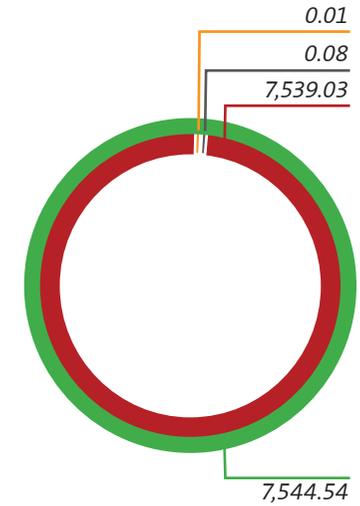
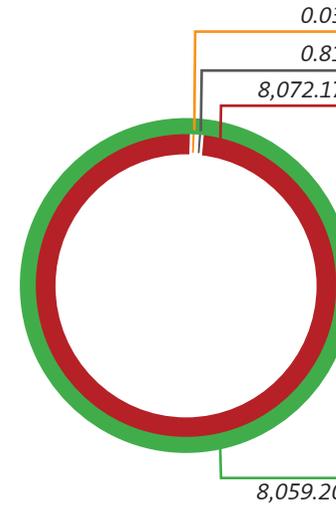
	2021	2022
SCOPE 1 EMISSIONS	8,059.2	6,533.85
SCOPE 2 EMISSIONS	7,544.54	7,339.88
OVERALL	15,603.74	13,873.73
% CHANGE FROM PRIOR YEAR		-11.09 %
ANNUAL ENERGY COST (EUR)	3,062,687.73	3,379,733.35

Emissions by GHG

All values in metric tones

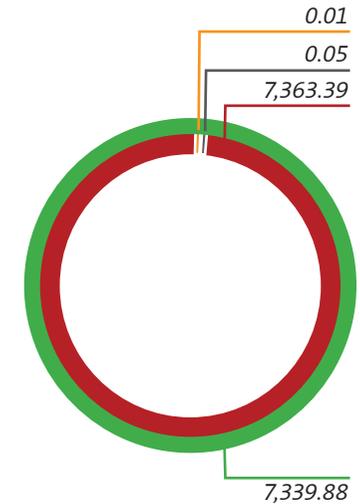
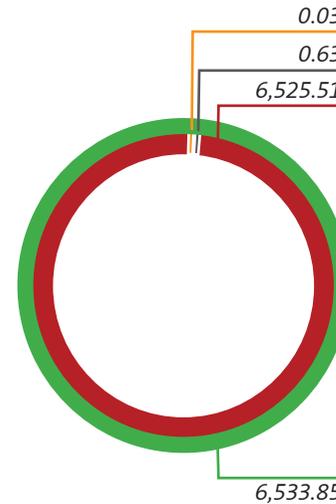
2021

		CO ₂	CH ₄	N ₂ O	Total (CO ₂ e ²)
SCOPE 1	STATIONARY COMBUSTION	8,072.17	0.81	0.03	8,059.20
SCOPE 2	PURCHASED ELECTRICITY	7,539.03	0.08	0.01	7,544.54
OVERALL		15,611.20	0.89	0.05	15,603.74



2022

		CO ₂	CH ₄	N ₂ O	Total (CO ₂ e ²)
SCOPE 1	STATIONARY COMBUSTION	6,525.51	0.63	0.03	6,533.85
SCOPE 2	PURCHASED ELECTRICITY	7,363.39	0.05	0.01	7,339.88
OVERALL		13,888.90	0.69	0.04	13,873.73

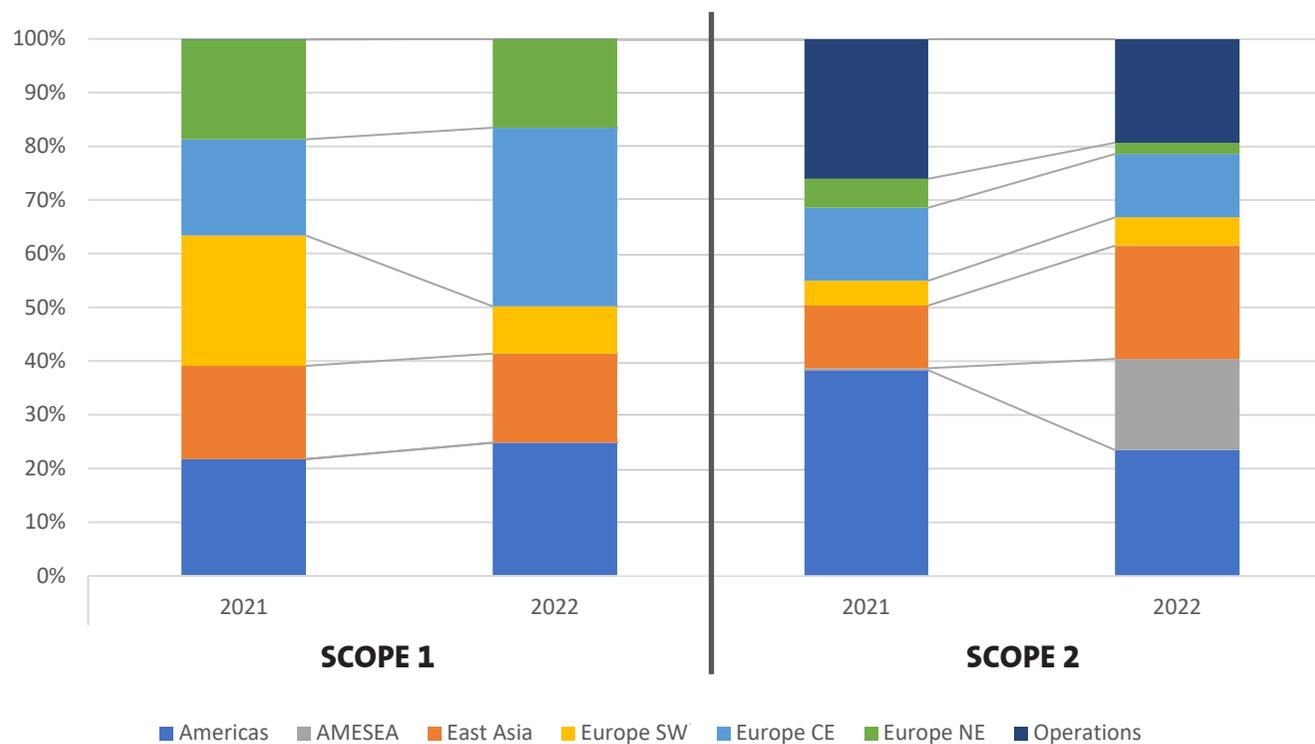


■ CO₂ (Carbon dioxide)
 ■ CH₄ (Methan)
 ■ N₂O (Nitrous oxide)
 ■ CO₂E₂ (Carbon dioxide equivalent)

Summary of Total Emissions

REGIONAL BREAKDOWN

REPORTED FACILITY	SCOPE 1		SCOPE 2	
	2021	2022	2021	2022
AMERICAS	864.18	766.41	1,476.5	1,200.16
EAST ASIA	693.43	513.30	449.51	1,074.51
AMESEA	-	-	14.72	864.84
EUROPE SW	965.79	272.69	178.71	271.24
EUROPE CE	711.83	1,029.76	523.66	603.44
EUROPE NE	738.61	510.80	207.33	104.7
OPERATIONS	5.95	0.61	1,001.63	986.6



OUR LATEST ENVIRONMENTALLY FRIENDLY PRODUCTS

GREENFLUX 1602PF ATMOSIN

CMR-FREE BRAZING FLUXES

Brazing flux without any CMR* chemicals

*CMR=Carcinogenic, mutagenic and reprotoxic chemicals



NO:
Carcinogen
Mutagen
Reprotoxic



For Flame & Induction
Castoheater



Used with silver al-
loys, ternary and qua-
ternary metal alloys
such as **CASTOLIN**:
1665, 1666, 1800 etc.



WORKS ON:
Copper
Copper alloys
Bronze
Brass



**IT DOES NOT
BURN**



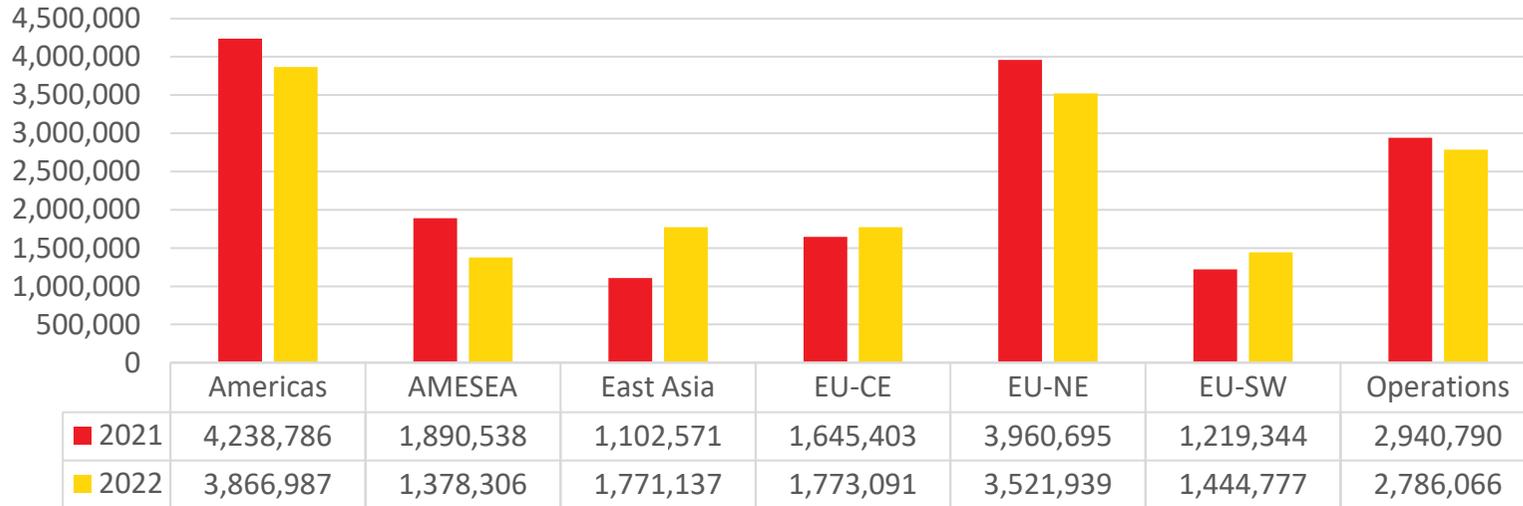
Complex salt mix of
potassium fluoboro-
rates
NO boric acid/borax



**2022 Castolin Eutectic Holding GmbH
Resource Usage & Cost Report**

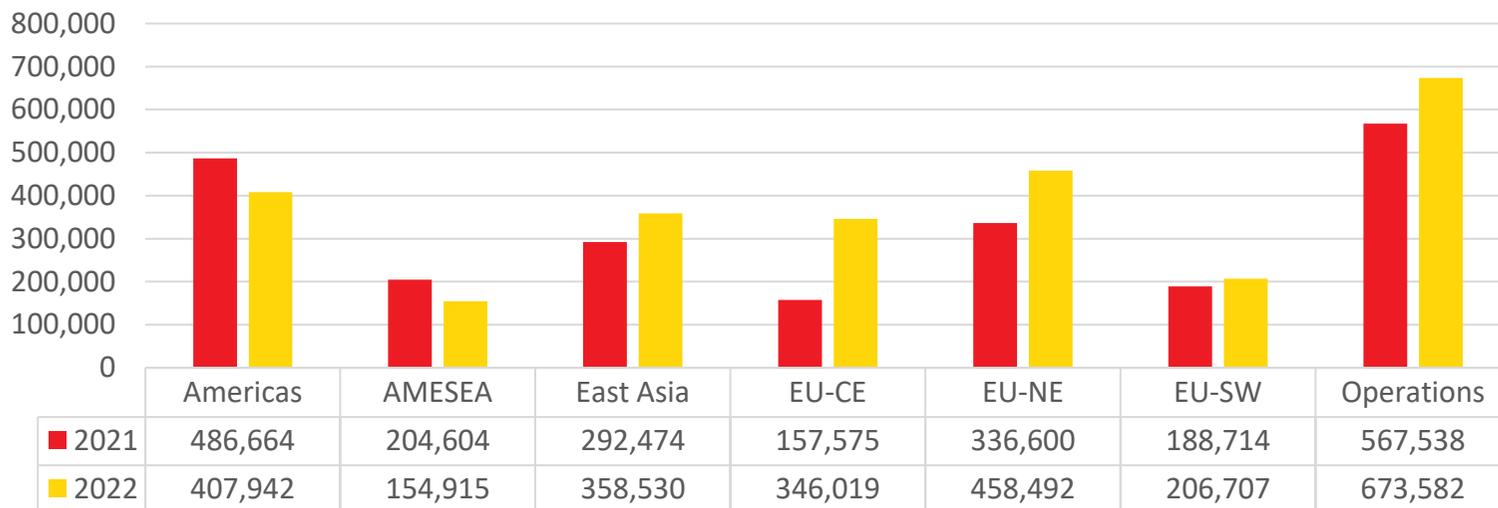
Key Consumption: Electricity

Usage (kWh)



	2021	2022
ALL	16,998,147	16,542,303

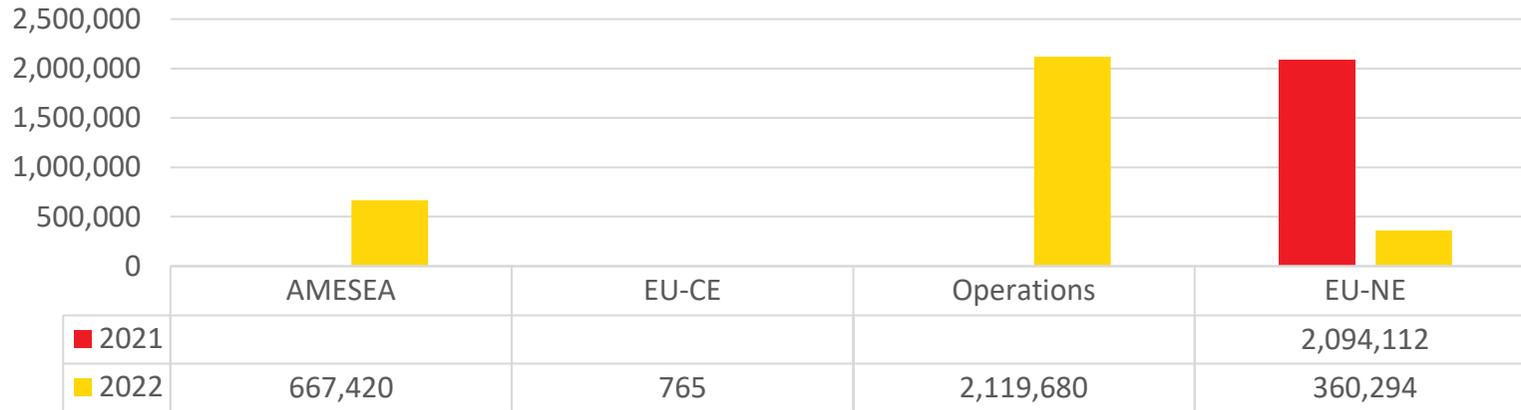
Cost (EUR)



	2021	2022
ALL	2,234,171	2,606,184

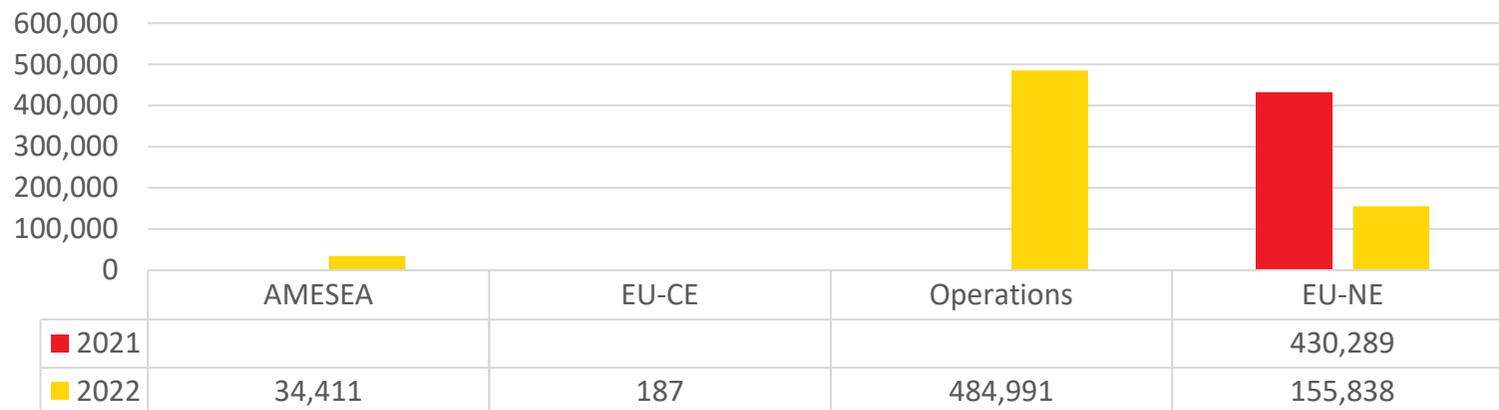
Key Consumption: Renewable Electricity

Usage (kWh)



	2021	2022
ALL	2,094,112	3,148,159

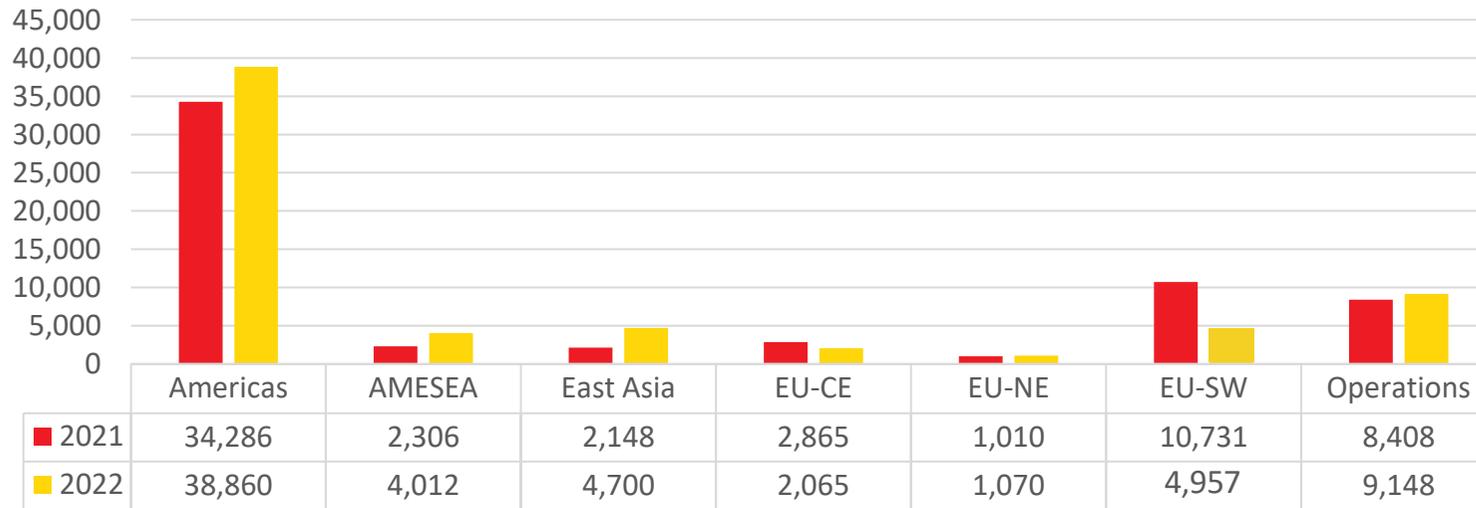
Cost (EUR)



	2021	2022
ALL	430,289	675,427

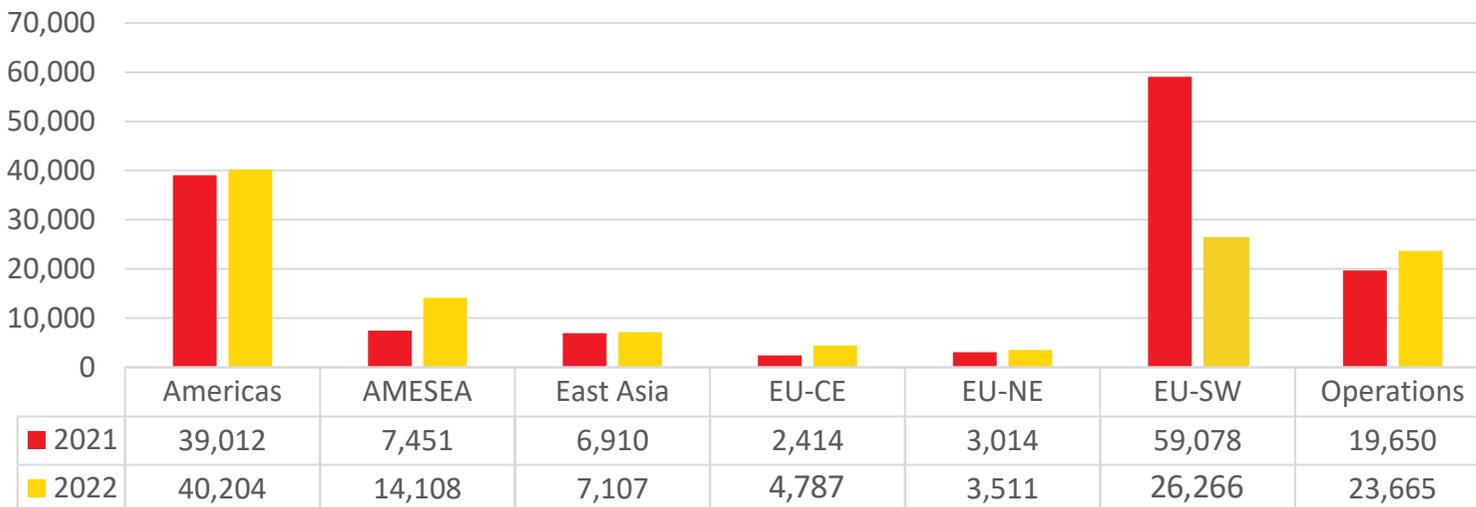
Key Consumption: Water

Usage (m3)



	2021	2022
ALL	61,754	64,811

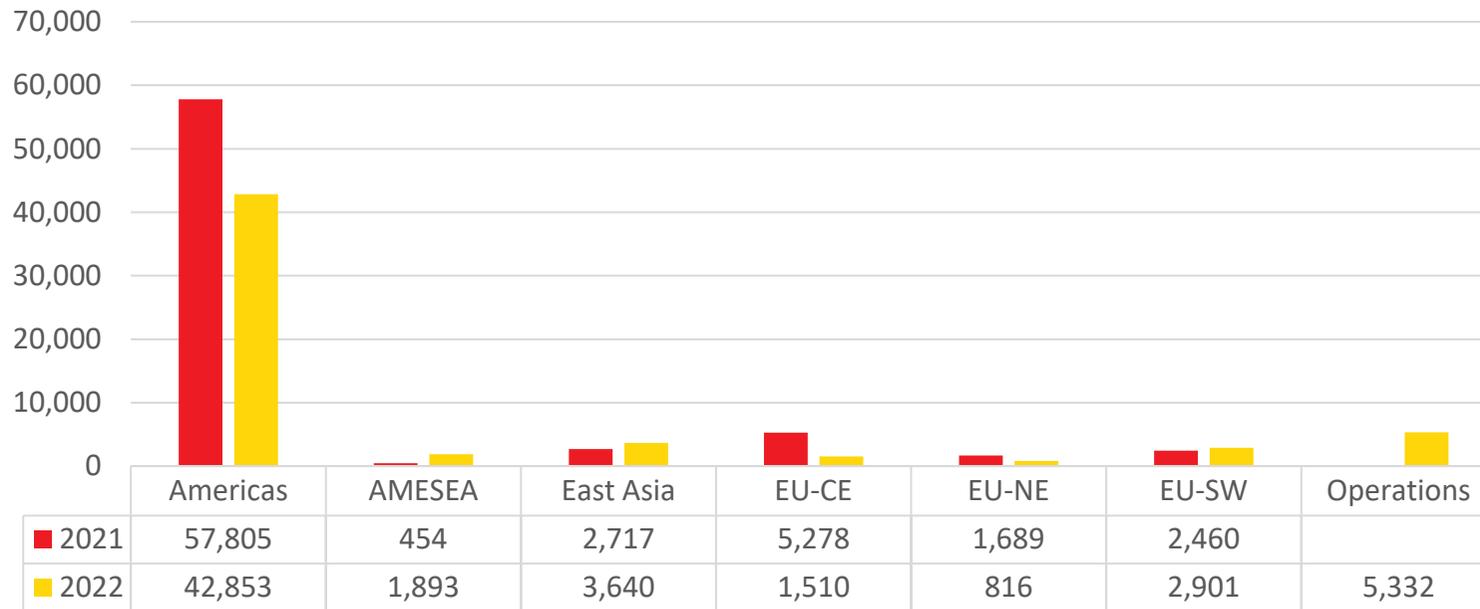
Cost (EUR)



	2021	2022
ALL	137,529	119,648

Hazardous Waste

Cost (EUR)



	2021	2022
ALL	70,403	58,944

Individual actions

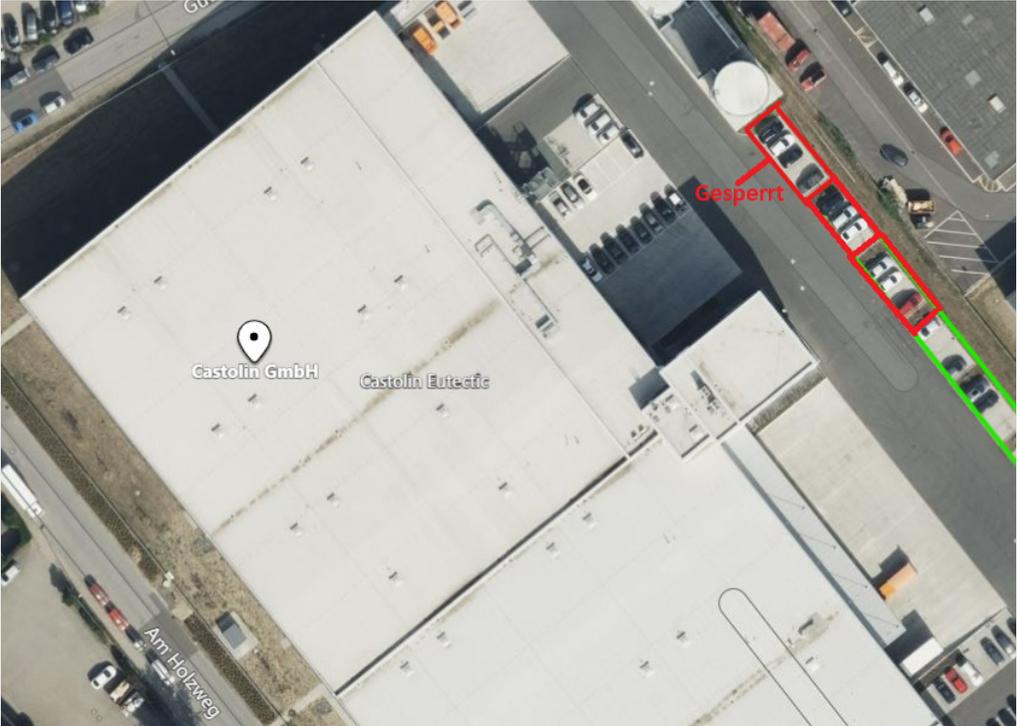


SOLAR PANELS FOR OUR SERVICE WORKSHOP IN DUBAI



Castolin Eutectic finalized a 500KW Solar Project on the Roof-top in Dubai in April 2022 with the help of Clenergize Consultants. The specifications are designed for a high efficiency and safe PV plant. The PV plant will save 567 Tons of CO2 yearly, which is equal to the energy used by 100 Houses each year. Other Castolin Eutectic service shops are working on similar solar projects.

HEADQUARTER IN KRIFTEL - ELECTRIC CAR POWER STATIONS



Five electric charging stations have been installed at our headquarter in Kriftel-Frankfurt in May. They are meant for recharging the batteries of our company vehicles, but also for private employee cars and visitors. The charging stations supply 100% green renewable energy. Castolin France equally installed electric charging stations and more subsidiaries follow suit.

Certifications

CASTOLIN EUTECTIC FRANCE SARL

a reçu une
médaille d'or
pour sa notation EcoVadis

- FÉVRIER 2023 -



Firma Castolin Eutectic GmbH
Gutenbergstr. 10
65830 Kriftel

bezieht seit dem 20.03.2023 "ÖkoPlus" von der Mainova AG
und handelt damit nachhaltig für Klima und Umwelt.

- ✓ 100 % Ökostrom aus erneuerbaren Energien
- ✓ Erzeugung in TÜV Süd zertifizierten Anlagen
- ✓ Senkung der CO₂-Emission

Bei einem beispielhaften Jahresverbrauch von 7.500 kWh Strom werden
ca. 2,6 Tonnen des klimaschädlichen Kohlendioxids (CO₂) eingespart.

J. Schulze Steinen

Jörg Schulze Steinen, Leiter Privat- und Gewerbekunden



Individual actions



PLASTIC PACKAGING REDUCTION



BUSINESS BIKES FOR GERMAN EMPLOYEES



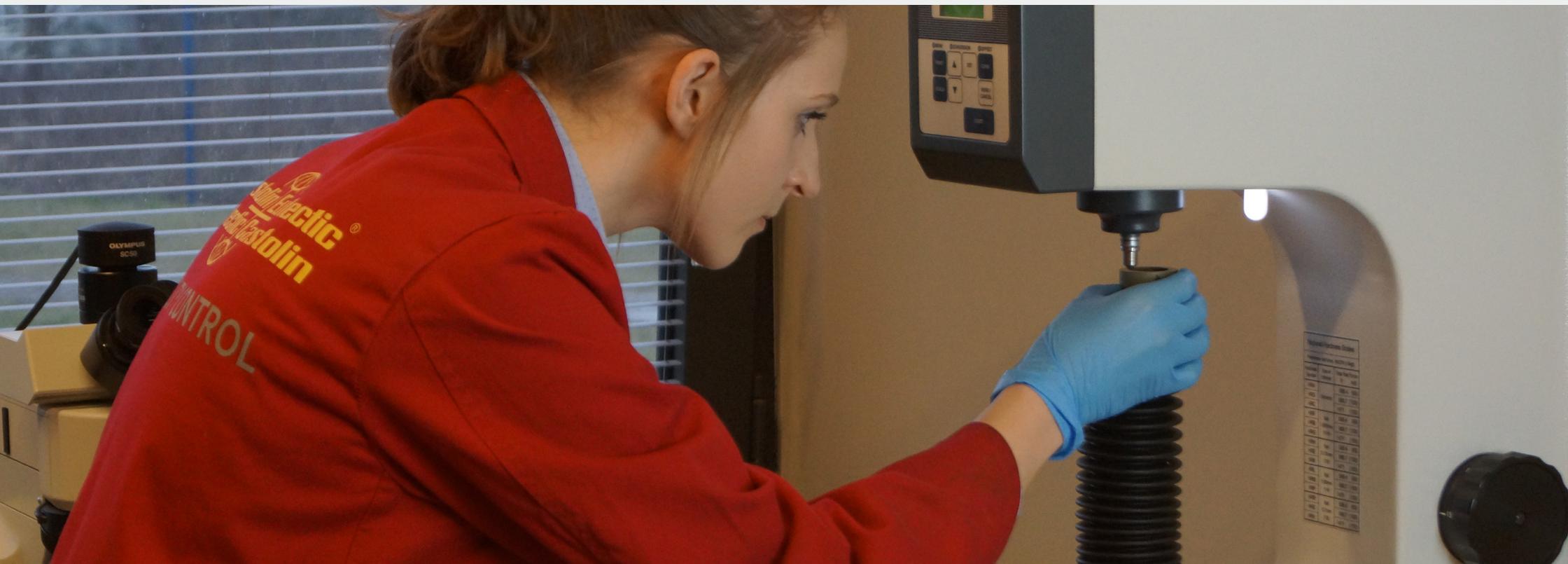
We are proud to announce that we are currently working on the reduction of plastic wrapping in our warehouses. We are also looking at moving away from plastic product packaging in our manufacturing plants to cardboard, fiber and other alternative eco-friendly solutions.

Pioneering Industrial Sustainability: Our German headquarter is wholeheartedly dedicated to the sustainable cause by offering the choice of business bikes' leasing for its employees. Good initiative both for the employee health & the fight against pollution.

R&D PROJECTS 2022: DEVELOPMENT OF SAFER PRODUCTS

HEALTH & SAFETY ARE PARAMOUNT

- Nickel reduction in self-fluxing alloys
- Nickel irritates breathing and can potentially cause cancer
- Development of a new range of iron-based powders (replacing nickel): EuTroLoy cladding powders
- Developing welding consumables exempt of chrome
- Cr(VI) compounds increase the risk of lung, nasal, and sinus cancer
- Extension of Cr-free Safe Hard family:
 - Safe Hard 600 solid wire
 - Safe Hard 650 and 700
 - Safe Hard buffer alloy
- CMR-free brazing fluxes:
- Extension of the range to cover more materials.





social

ESG: Part 2

Social Diversity



FLUCTUATION RATE

REGION	2021	2022
AMERICAS	21.22%	28.95%
EAST ASIA	7.05%	7.79%
AMESEA	8.36%	13.26%
EUROPE SW	8.80%	11.07%
EUROPE CE	13.49%	15.81%
EUROPE NE	9.78%	9.22%
OPERATIONS	13.73%	21.43%
GLOBAL	11.77%	15.36%



Amelia Lacraru
Director of Finance

Gender Diversity

WOMEN IN MANAGEMENT

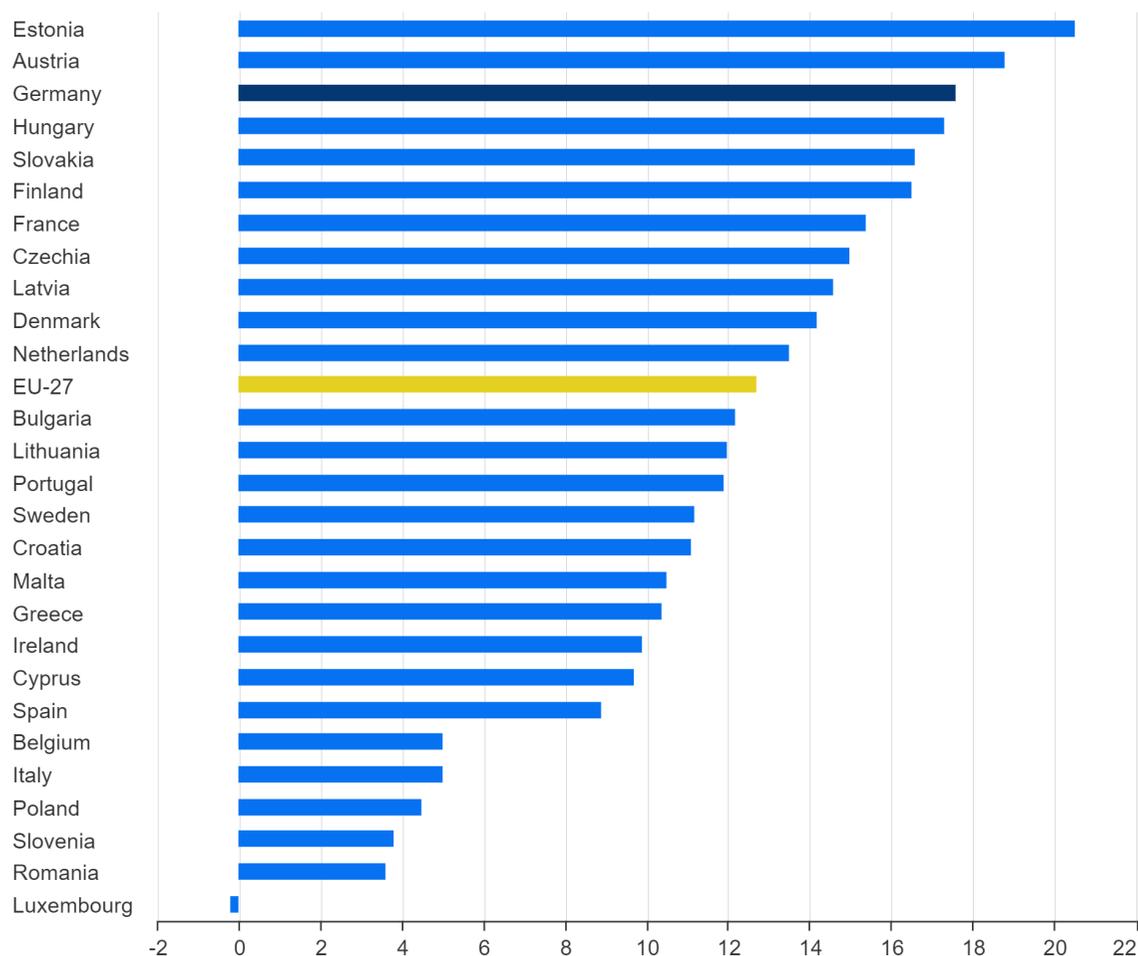
REGION	2021	2022
CORPORATE	21%	31%
AMERICAS	8%	8%
EAST ASIA	0%	0%
AMESEA	14%	14%
EUROPE SW	18%	18%
EUROPE NE	11%	11%
EUROPE CE	17%	17%
GLOBAL	13%	14%

Gender Pay Gap

In 2021, the gender pay gap, which measures the percentage difference in average gross hourly earnings between men and women, amounted to 18% in Germany. As in previous years, this was considerably higher than the EU27 average (13%).

When interpreting the values, it should be taken into account that they refer to the unadjusted gender pay gap. This indicator does not offer any information on the difference in earnings between female and male persons with equivalent qualifications employed in the same occupation and carrying out comparable tasks.

UNADJUSTED GENDER PAY GAP* IN EU MEMBER STATES, 2021 (IN %)



*Gender pay gap in unadjusted form

The indicator measures the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees. The indicator has been defined as unadjusted, because it gives an overall picture of gender inequalities in terms of pay and measures a concept which is broader than the concept of equal pay for equal work. All employees working in firms with ten or more employees, without restrictions for age and hours worked, are included.

CASTOLIN EUTECTIC GENDER PAY GAP

	2021	2022
REGION	GAP	
GLOBAL	25.9%	28.0%

Some values are preliminary. Greece 2018. Ireland 2020. Czech Republic: Definition differs. Source: Eurostat Statistisches Bundesamt (Destatis), 2023

Social Diversity

REGION	% OF WOMEN (ALL EMPLOYEES)		% OF PART-TIME		AVG. AGE		AVG. OF SERVICE (YRS)	
	2021	2022	2021	2022	2021	2022	2021	2022
EAST ASIA	17%	15%	1%	1%	46.3	46.9	13.9	15
AMERICAS	21%	19%	12%	1%	46.1	45	11.2	10.1
AMESEA	9%	11%	1%	0%	37.6	39	3.9	5.2
EU CE	20%	15%	9%	8%	46.9	46.4	11.2	10.5
EU NE	18%	14%	4%	3%	41.7	43.1	7.5	10.4
EU SW	24%	24%	3%	3%	46.6	49.4	14.6	17.8
OPERATION	19%	16%	4%	5%	46.8	48.5	12.5	14.7
TOTAL	19%	16%	6%	3%	44.2	45.5	14.9	12

Give-back initiatives

DONATIONS TO «SAVE THE CHILDREN» NGO

This Christmas 2022, our company is proud to contribute to Save the Children Sweden and their efforts to help children living in areas of conflict.

**Join us in supporting
Save the Children NGO
and learn more at
raddabarnen.se**

Happy 2023!



**THIS CHRISTMAS, YOU'RE
CHANGING CHILDREN'S LIVES.
THANK YOU.**

This year, your company has donated a Christmas gift to Save The Children Sweden. Your gift provides food, warm clothes and shelter to children living in areas of conflict. It also creates hope for a better future.

A handwritten signature in white ink, appearing to read 'Jon Björk'.

Jon Björk
Acting CEO, Save the Children Sweden

Thank you and Happy Holidays!



INTERNAL FUNDRAISER

Supporting Ukrainian colleagues 2022

We created a fundraiser to support our Castolin Eutectic colleagues from Ukraine, who were obliged to take refuge in Poland. From our Ukrainian team, 12 people, including children, fled their homes leaving all their belongings behind.

This fund will be used to rebuild their lives after the end of the war.

Charity Run in Poland

The employees of Castolin Eutectic Poland took part in the largest charity run in Poland on 4 September 2022, called Poland Business Run. The 11th edition of the event gathered 32,000 runners who were racing over 4 km.

Our sports team CastoRunners were proud to make a contribution and support people with physical disabilities.

Charity Event in Ireland

The Castolin Eutectic employees in Ireland took part in a 5 km charity walk on Thursday, September 8th 2022.

The walk was organized by the Citywest Campus and in all €10k was raised from ticket sales. All proceeds were transferred to LauraLynn Children's Hospice Ireland, which cares for children with life-limiting conditions and their families.



Partners of the Fire Department

In July 2022, Castolin Eutectic has been presented with the award «Partners of the Fire Department» by the city of Flörsheim am Main in Germany for supporting employees in their volunteering work.



«I have been working for Castolin Germany for 20 years and from the very beginning, I have been able to combine my voluntary work as a firefighter well with my job. In the event of an alarm, I am released for service to the common good promptly and in a completely uncomplicated manner. A conclusion which unfortunately not all my peers can draw!», says Heiko Dörhöfer.

PARTNER DER FEUERWEHR





governance

ESG: Part 3

Ethics and Compliance Portal



Speak up!
OUR COMPANY - YOUR VOICE

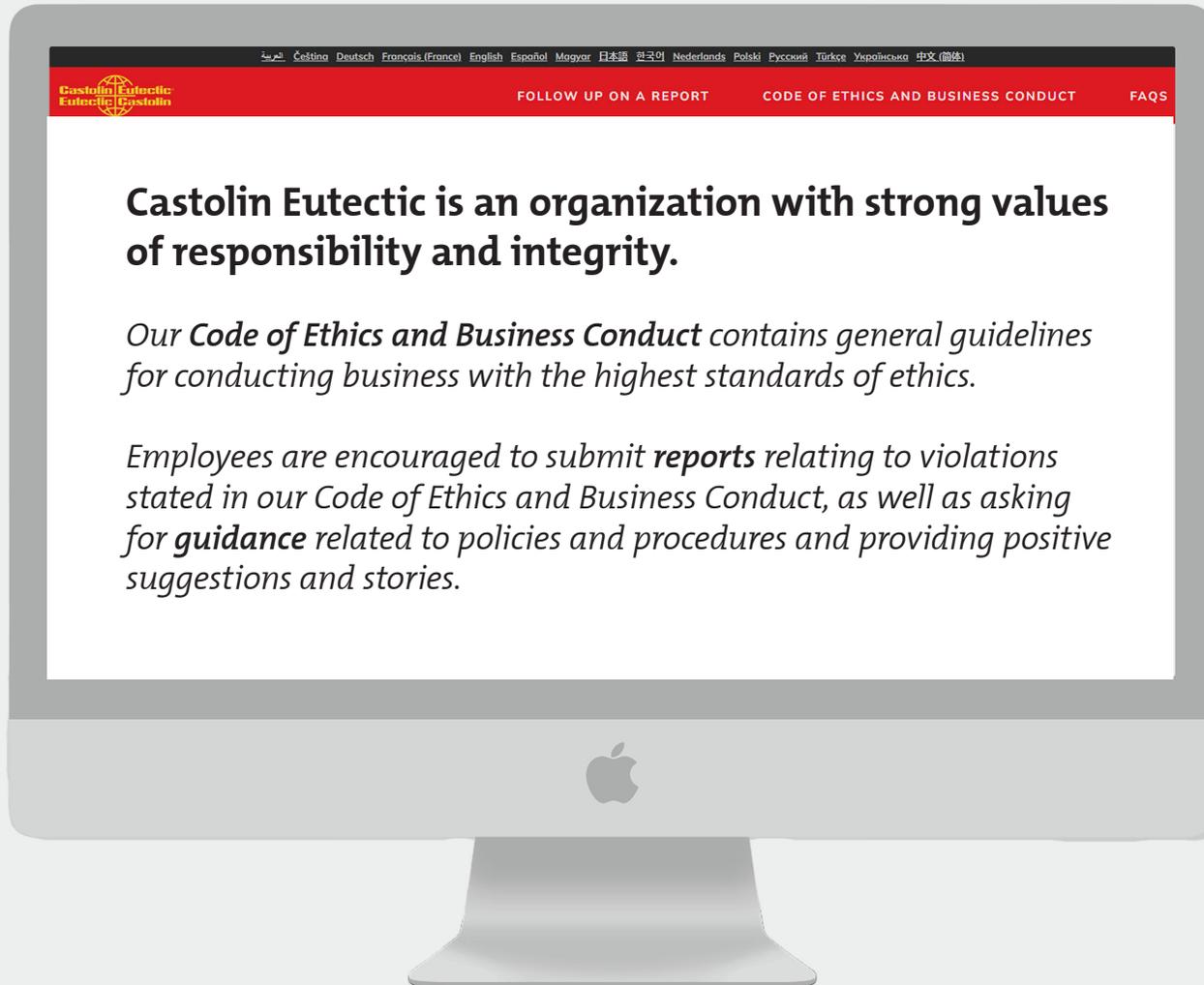
If you ever observe or learn that Castolin Eutectic employees or Managers are not complying with the applicable law or our Code of Ethics & Business Conduct, please do not hesitate to **report it to us**.

This includes fraud, bribery, money laundering, abuse, pollution or falsification of data, and the misuse of data.

Do NOT keep it to yourself.
Talk to your Manager of trust, or your local HR Representative

You can also report your concern via our web-based ethics portal
<https://secure.ethicspoint.eu/domain/media/en/gui/108159/index.html>
Or via our independent telephone help center

For more information, please visit our website
Policy available on our intranet page



العربية Čeština Deutsch Français (France) English Español Magyar 日本語 한국어 Nederlands Polski Русский Türkçe Українська 中文 (简体)

Castolin Eutectic
Castolin

FOLLOW UP ON A REPORT CODE OF ETHICS AND BUSINESS CONDUCT FAQs

Castolin Eutectic is an organization with strong values of responsibility and integrity.

Our Code of Ethics and Business Conduct contains general guidelines for conducting business with the highest standards of ethics.

*Employees are encouraged to submit **reports** relating to violations stated in our Code of Ethics and Business Conduct, as well as asking for **guidance** related to policies and procedures and providing positive suggestions and stories.*



No te quedes callado!
NUESTRA EMPRESA - TU VOZ

Si alguna vez observas o te enteras que los empleados o directivos de Castolin Eutectic no cumplen con la legislación aplicable o con nuestro Código de Ética y Conducta Empresarial, por favor reportalo.

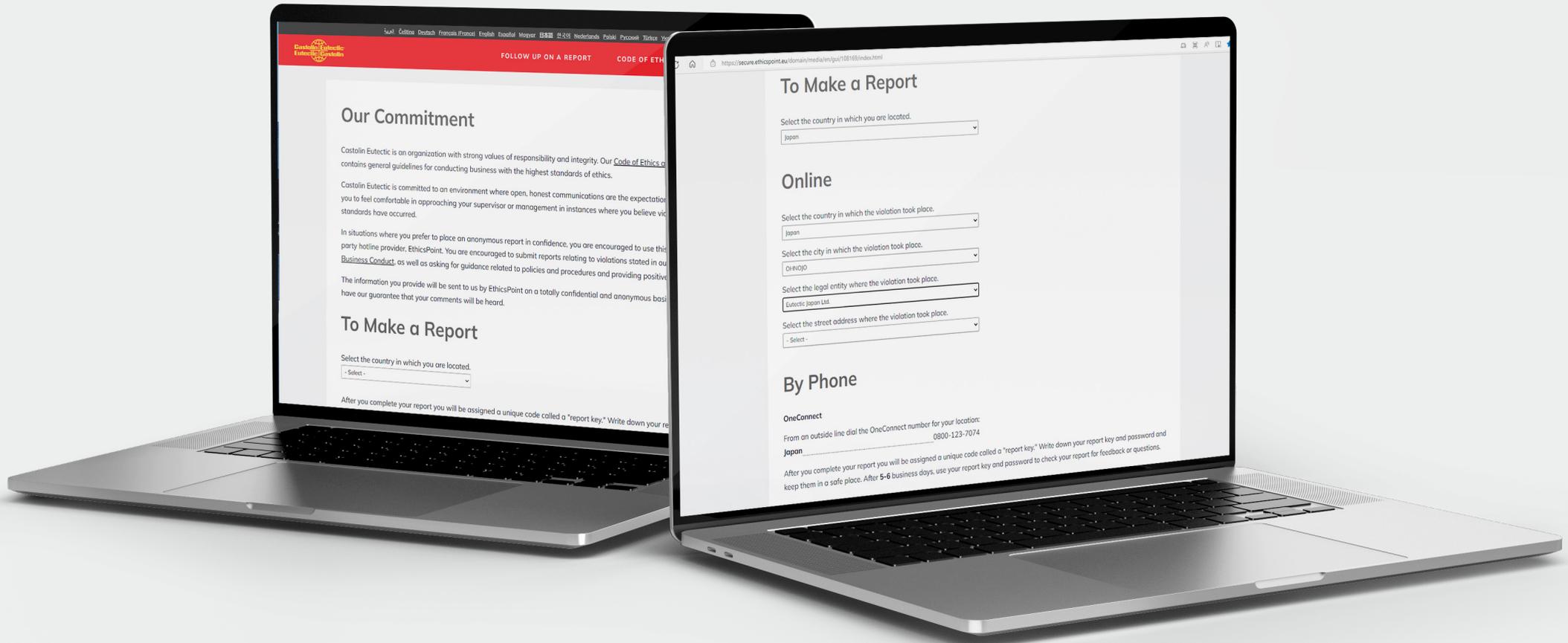
Esto incluye fraude, soborno, lavado de dinero, abuso, contaminación o falsificación de datos y el uso indebido de los mismos.

NO te lo guardes para ti.
Habla con tu gerente de confianza, o cualquier representante de RRH L.

También puedes reportarlo a través de nuestro portal de ética en Internet
<https://secure.ethicspoint.eu/domain/media/en/gui/108159/index.html>
o a través de nuestro centro de ayuda telefónica independiente.

Si deseas más información, visita nuestra página de la intranet
Política disponible en nuestra intranet

Ethics Portal View

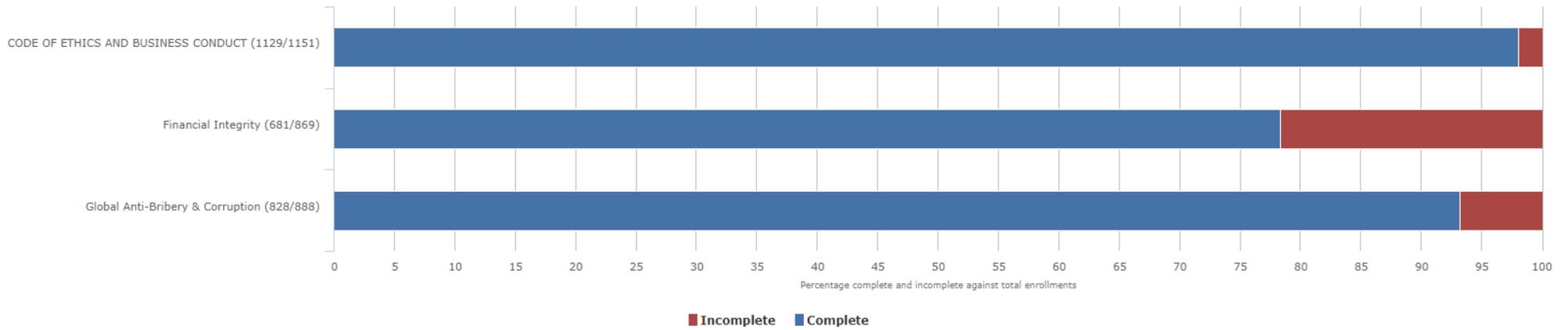


EthicsPoint - Castolin Eutectic

Example of how the platform looks like

EthicsPoint - Castolin Eutectic

Completion Report



Active Expired Future

Show inactive Sort by: Available Seats

CODE OF ETHICS AND BUSINESS CONDUCT 1
2021/11/17 - 2022/11/16
Single License Use
[View Activities](#)

1600 # Licenses

- Available: 462
- Used: 1134
- Not Started: 4

Global Anti-Bribery
2021/11/17 - 2022/11/16
Single License Use
[View Activities](#)

1600 # Licenses

- Available: 727
- Used: 836
- Not Started: 37

Financial Integrity 1
2021/11/17 - 2022/11/16
Single License Use
[View Activities](#)

1600 # Licenses

- Available: 745
- Used: 697
- Not Started: 158

Safety & Work

CAMPAIGN POSTERS

Castolin Eutectic is striving for the goal of zero accidents at work. A 'Safety@work' campaign has started in 2022 including dedicated training, awareness messages and a new alert system.



**Castolin Eutectic®
Eutectic Castolin**

Don't nail it.

SafetyCampaign Stop. Think. Act



**Castolin Eutectic®
Eutectic Castolin**

Don't throw a spanner in the works.

Protect your hands.

SafetyCampaign Stop. Think. Act



**Castolin Eutectic®
Eutectic Castolin**

Be on your toes
or you'll end up in a **pressing situation.**

SafetyCampaign Stop. Think. Act



PIONEERING INDUSTRIAL SUSTAINABILITY

*We reduce maintenance costs and increase industrial productivity
through welding, brazing and coating solutions*

www.castolin.com

www.eutectic.com