



UNITED NATIONS COMMUNICATION ON PROGRESS 2021

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,

Patrick Fetzer
President & Chief Executive Officer



UN Global Compact 10 Principles and Our Actions in 2021

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



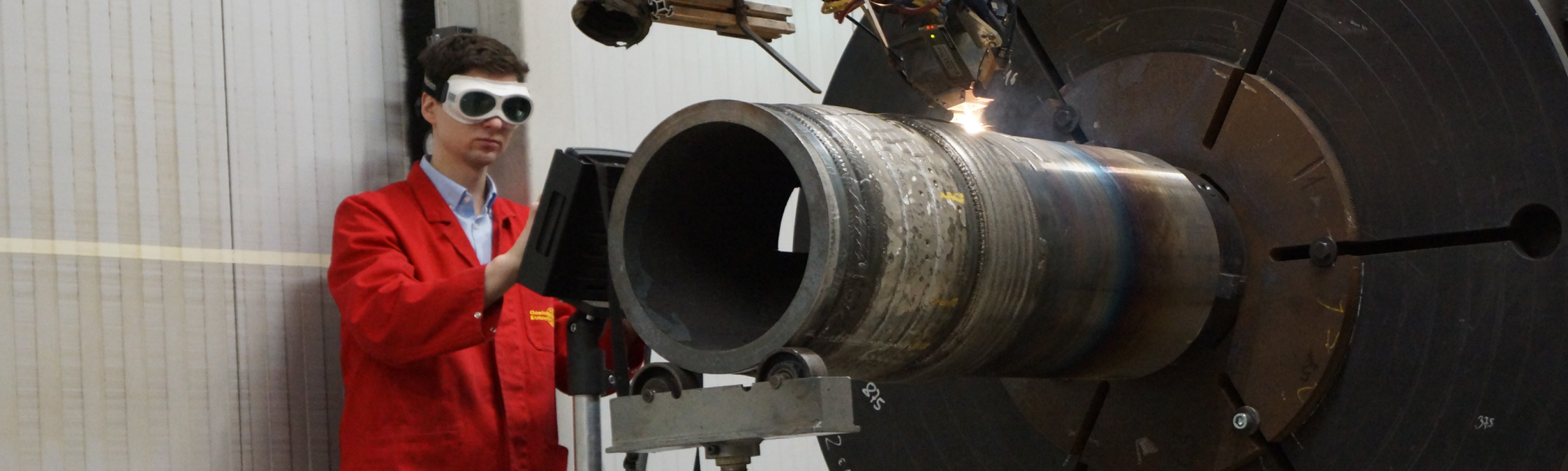
- Ensure workers are provided safe, suitable and sanitary work facilities
- Protect workers from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats, by having implemented Corporate Code of Ethics & Business Conduct
- Take measures to eliminate ingredients, 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 ESG KPI Management 2021

OUR GOAL & ACHIEVEMENTS

15/23 KPIs are in progress

Enviroment

- GHG (CO2) emission
- Non-renewable energy (Oil)
- Non-renewable energy (Gas)
- Non-renewable energy (Fuel)
- Electricity consumption
- Freshwater consumption
- Hazardous waste production

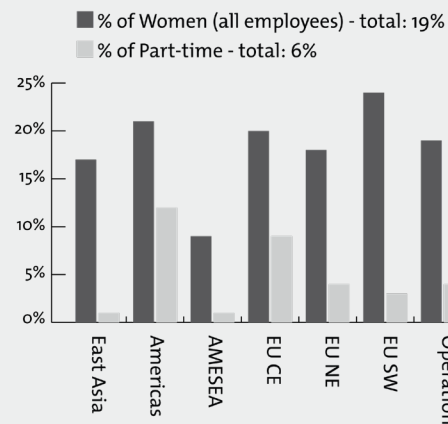
Social

- Management Diversity
- Average Seniority
- Absenteism rate
- Workplace accidents
- Annual Compliance Training
- Net Employee Composition
- Number of Give-back initiatives

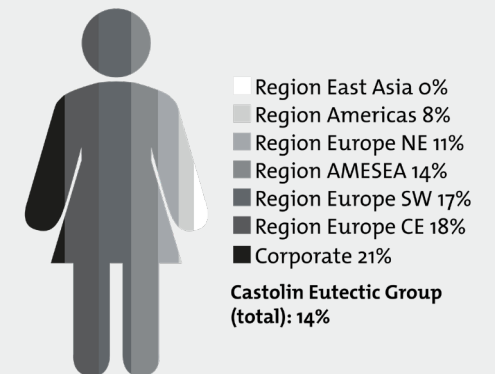
Governance

- Code of Business Conduct
- Helpline reporting channel
- Supplier Code of Business Conduct
- ESG Policy
- Enviromental Policy
- Health & Safety Policy
- Data & Cybersecurity Policy
- Internal Audit Policy
- Litigation Monitoring Policy

DIVERSITY



WOMEN IN MANAGEMENT



Donations showing our engagement towards people and the environment



Radda Barnen

**THANK YOU FOR HELPING
TO SAVE THE CHILDREN**

Donations like yours make it possible for us to be present in 120 countries and fight for all children's right to survive, develop and grow up in safety. Together we create a future for many more.

Helena Thybell
General Secretary Radda Barnen

1. Castolin Eutectic group's new donation to Eden Reforestation NGO

<https://edenprojects.org/>

- A 1000 dollars donation, with the possibility to renew yearly.
- Contribution is meant to plant 10.000 trees in the coming months and compensate for some of our CO2 footprint.
- Will provide 100 workdays for locals in low-revenue countries like Nepal, Kenya, Haiti.

2. Castolin Eutectic Scandinavia's annual donation to "Save the Children" NGO for Christmas

<https://www.savethechildren.net/>

- Children rights charity that provides life-saving supplies for children caught up in disasters like floods, famine, wars and secures a good quality education.
- The organisation is now present in Syria, Yemen and many other countries where children live in the midst of war
- Together we make sure that these children get food, blankets, education and a safe childhood.

3. In Germany, Castolin Eutectic supports "Aktion Mensch NGO"

<https://www.aktion-mensch.de/>

- For their birthday, we offer employees a lottery ticket from Aktion Mensch charity
- Aktion Mensch runs social projects for the natural coexistence of people with and without disabilities in society.
- Castolin Eutectic would like to play a role in improving the living conditions of disabled people
- Motto "Das WIR gewinnt"



Average age & Average years of service

East Asia

46,3 Average age
13,9 Average years of service

Americas

46,1 Average age
11,2 Average years of service

AMESEA

37,6 Average age
3,9 Average years of service

EU CE

46,9 Average age
11,2 Average years of service

EU NE

41,7 Average age
7,5 Average years of service

EU SW

46,6 Average age
14,6 Average years of service

Operation

46,8 Average age
12,5 Average years of service

TOTAL

44,2 Average age
14,9 Average years of service