



# **UNITED NATIONS GLOBAL COMPACT 2023 COMMUNICATION ON PROGRESS (COP)**

*Pioneering Industrial Sustainability*

[www.castolin.com](http://www.castolin.com) [www.eutectic.com](http://www.eutectic.com)





## CASTOLIN EUTECTIC STATEMENT OF CONTINUED SUPPORT

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To our stakeholders,

I am pleased to confirm that Castolin Eutectic Group (Castolin Eutectic Holding GmbH) 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 annual Communication on Progress, we disclose our continuous efforts to integrate the Ten Principles into our business strategy, culture, and daily operations, and contribute to United Nations goals, particularly the Sustainable Development Goals.

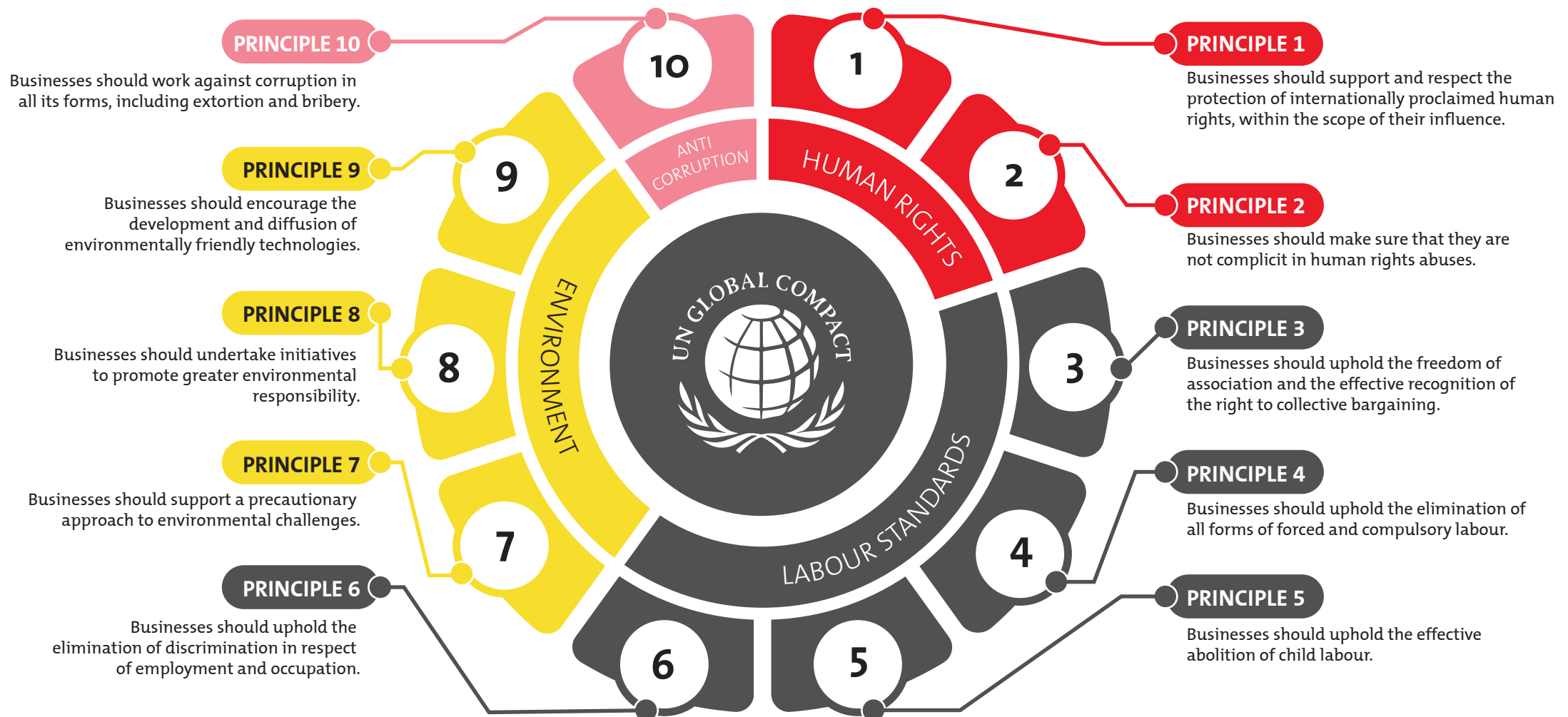
Sincerely,

**Patrick Fetzner**

*President & CEO  
Castolin Eutectic*



# The Ten Principles | UN Global Compact



# Summary of Castolin Eutectic's 2023 Progress

<b>HUMAN RIGHTS</b>	<p><b>Principle 1:</b> Implemented policies that promote equal opportunity employment, diversity, and inclusion within the workforce to ensure fair recruitment and hiring practices without discrimination based on race, gender, religion, or other factors. Delivered key training courses on Environmental Health and Safety, Global Data Privacy, Diversity, Equity, and Inclusion, to our global employees and received over 95% completion rate.</p> <p><b>Principle 2:</b> Continued to require our suppliers to align their sourcing policies and Health &amp; Safety, Human Right and Environmental Sustainability Policy with Castolin's Supplier Code of Conduct.</p>
<b>LABOUR</b>	<p><b>Principle 3, 4 and 5:</b> Implementing the supplier code of conduct, which requires the suppliers to respect the freedom of association and collective bargaining, employ workers older than the minimum legal age, and do not engage in forced labour.</p> <p><b>Principle 6:</b> Implementing our DEI as well as our supplier code of conduct policy, which exclude discrimination in the workplace. Conducted a market study for competitive salary &amp; provided compliance training.</p>
<b>ENVIRONMENT</b>	<p><b>Principle 7 &amp; 8:</b> Transitioned to using green energy sources more extensively. Reached 99% - 100% of green energy consumption for our our facilities in Austria, Norway, Germany, Canada Quebec, Ireland as of 2023.</p> <p><b>Principle 9:</b> Launched a range of innovative products to prioritize the health and safety of welders, including the new chromium and nickel-free solid cored wire, with less than half the CO2 footprint of traditional alloys, developed SafeCoat coating powders to reduce the risk of lung &amp; nasal cancer. Installed solar panels at our Belgian facility.</p>
<b>ANTI-CORRUPTION</b>	<p><b>Principle 10:</b> Established policies and trainings to prevent bribery and corruption, transparency in financial transactions, and regular auditing. Launched the first Anti- Bribery and corruption training in 2022 and we designed the advanced training version of Global Anti- Bribery and corruption training for all employees with valid email address through the Navex LMS portal to launch it in 2024.</p>





## Castolin Eutectic Sustainability Vision

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At Castolin Eutectic, we envision a sustainable future where ***innovation and responsibility drive our operations***, enabling us to lead the industrial maintenance and repair service market towards a greener and more resilient world.

Our commitment to sustainability ensures that our products and services not only meet the highest standards of quality and performance but also contribute to the well-being of our planet and communities.

By extending the lifetime of critical assets and enhancing equipment longevity and operational uptime, Castolin Eutectic enables its customers to achieve greater productivity and cost efficiency, while making a significant contribution to a sustainable circular economy.

We aim to make a significant contribution to carbon-neutral operations, foster a circular economy through advanced recycling and waste reduction initiatives, and cultivate strong partnerships with stakeholders—including our employees, customers, shareholders, and society—to enhance environmental stewardship and social impact globally.



## Castolin Eutectic Sustainability Mission

**Our mission at Castolin Eutectic** is to lead the industrial maintenance and repair service market by integrating sustainable practices across all facets of our business.

We are dedicated to reducing our environmental footprint and promoting a circular economy by extending the lifespan of critical assets and optimizing operational uptime. Through continuous innovation and responsible management, we strive to minimize waste, utilize renewable energy sources, and implement advanced recycling and waste reduction strategies.

Our approach involves close collaboration with our employees, customers, shareholders, and society to drive collective progress toward our sustainability goals. By prioritizing quality, performance, and sustainability, we aim to deliver exceptional value to our stakeholders while **enhancing environmental stewardship and social impact globally.**



# Allianz Global Investors 2023 ESG Rating

## For our 2020-2022 performance

*The OneTrack report by Allianz Global Investors highlights significant improvements in the ESG scores for Castolin Eutectic.*

From 2020 to 2022, the Social score increased from 25 to 50, while the Environmental score rose dramatically from 0 to 41. The Governance score saw a substantial jump from 22 to 67 during the same period. Overall, the global score surged from 15 to 53, showcasing Castolin Eutectic's commitment to enhancing its sustainability and governance practices.

**Allianz GI**  
Castolin



Framework | Allianz GI - Dette Privée - 2023  
Activity Sector | Trading Companies & Distributors

### SCORES

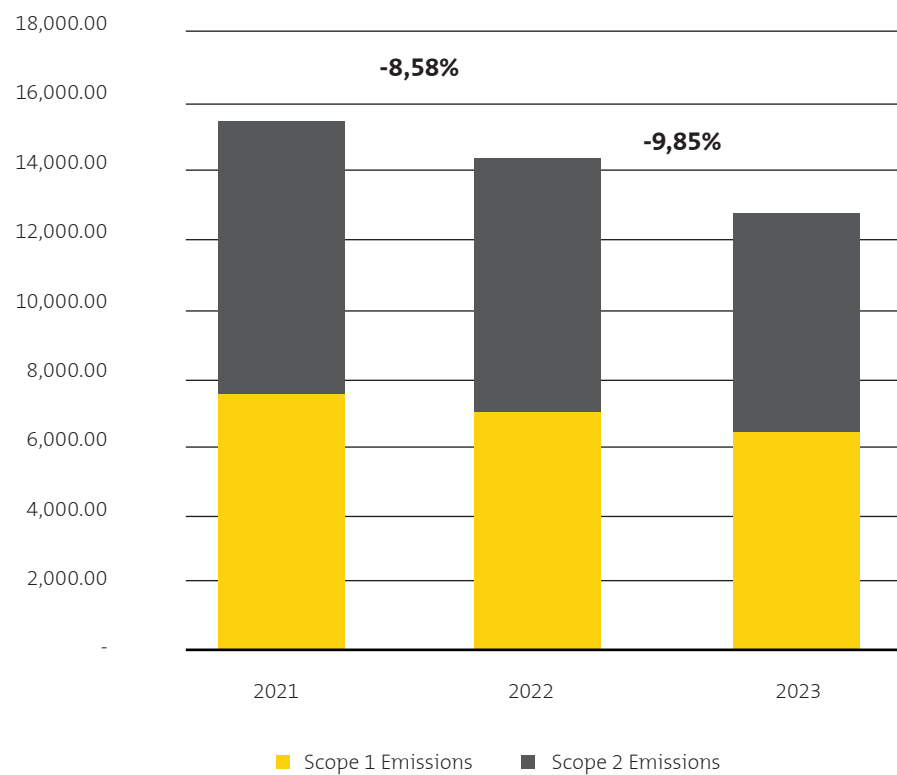
	2020	2021	2022	TREND	BENCHMARK	PLACEMENT / BENCHMARK
SOCIAL	25	29	50	↑	13	●
ENVIRONMENT	0	0	41		12	●
GOVERNANCE	22	67	67	→	37	●
<b>GLOBAL SCORE</b>	<b>15</b>	<b>34</b>	<b>53</b>	<b>↑</b>	<b>23</b>	●

## Summary of Total Emissions since 2021

OUR EMISSIONS HAVE DECREASED BY 17.5% SINCE 2021

	2021	2022	2023
Scope 1 Emissions	7,826.45	6,986.64	6,417.08
Scope 2 Emissions	7,878.26	7,370.93	6,526.81
Overall	15,704.70	14,357.57	12,943.88

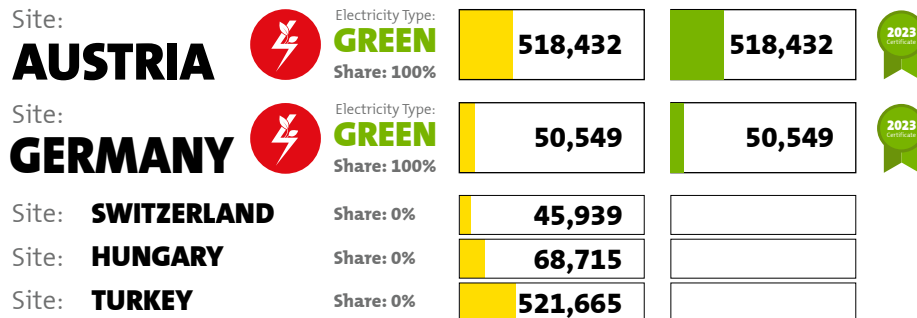
Values in metric tones CO<sub>2</sub>E\*  
 \*CO<sub>2</sub>E - carbon dioxide equivalent



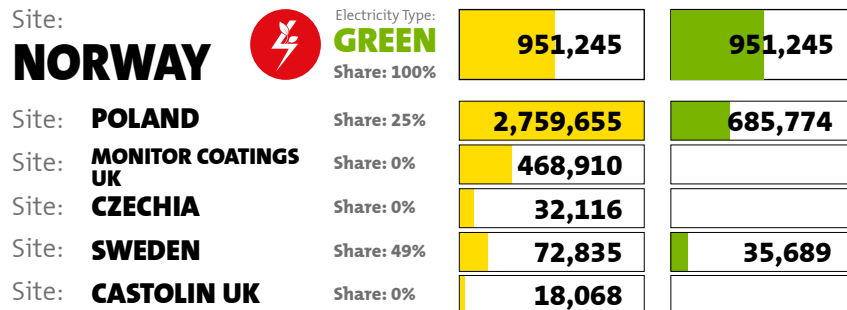


# 2023 Global Energy Consumption

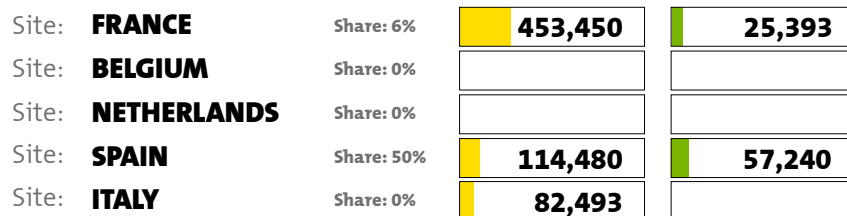
## EU-CE



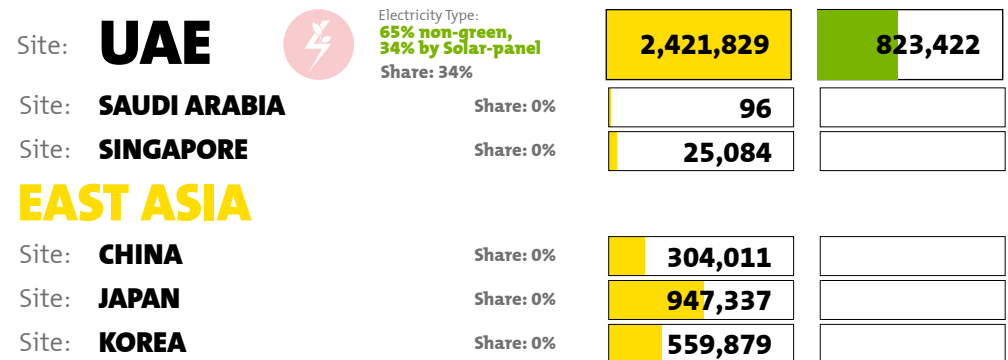
## EU-NE



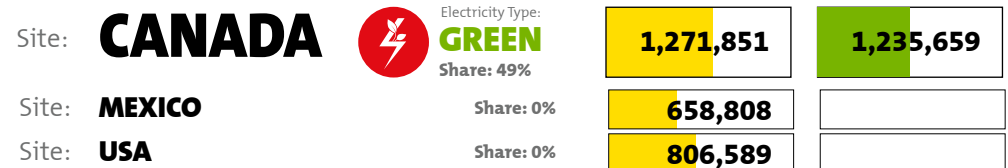
## EU-SW



## AMESEA



## AMERICAS



## OPERATIONS



TOTAL CONSUMPTION

2023



Green Energy Percentage

43.14%

Total

15,572,766

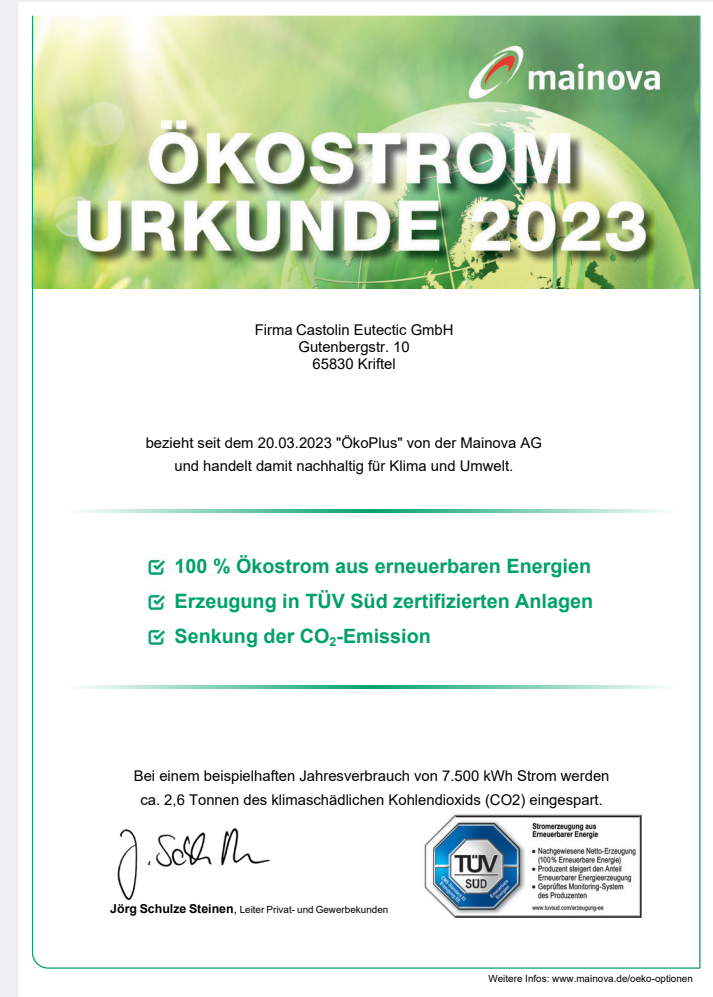
Green Energy Consumption

6,718,097

## Certifications

We are honored to have received the Gold Medal in the 2023 EcoVadis Sustainability Rating for our site in France.

Additionally, we have transitioned to green energy at several of our locations. The certificate below pertains to our headquarters in Germany.



## In 2023, Castolin Eutectic has started to offer tree planting as birthday gifts to employees

WE HAVE PLANTED 40 TREES VIA ECOSIA.

With your contribution, Ecosia will plant



# 40

trees for  
climate  
action

Ecosia plants trees together with local communities



in over  
than

# 35

countries

WE GROW OVER



# 500

different species of trees where they are

**NEEDED THE MOST BY THE PLANET.**

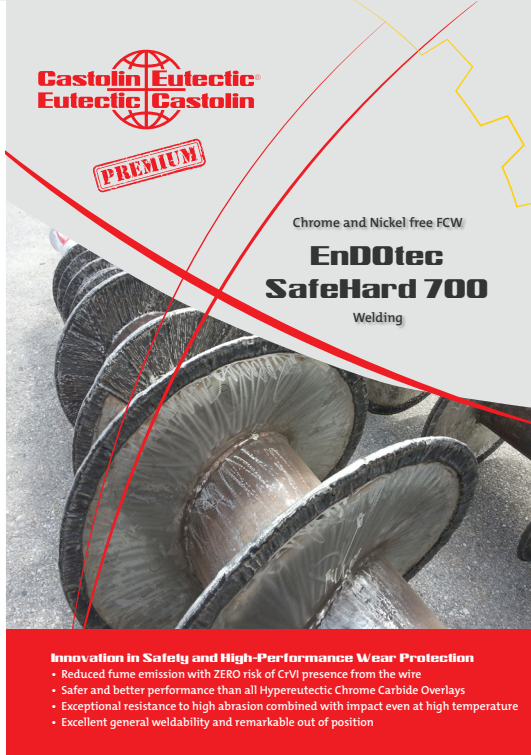
Help combat  
CO2 emissions

Increase soil  
fertility

Restore natural  
water cycles

**YOUR  
TREES  
WILL:**





**Castolin Eutectic**  
Eutectic Castolin

**PREMIUM**

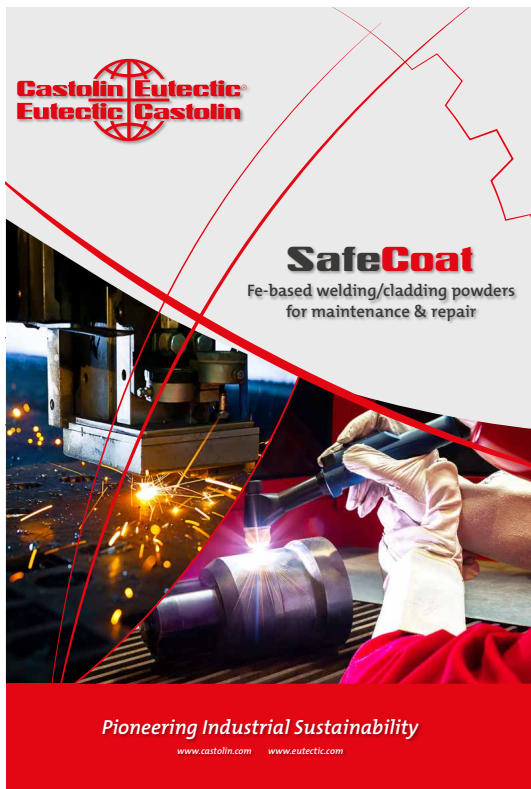
Chrome and Nickel free FCW

**EnDOtec  
SafeHard 700**

Welding

**Innovation in Safety and High-Performance Wear Protection**

- Reduced fume emission with ZERO risk of CrVI presence from the wire
- Safer and better performance than all Hypereutectic Chrome Carbide Overlays
- Exceptional resistance to high abrasion combined with impact even at high temperature
- Excellent general weldability and remarkable out of position



**Castolin Eutectic**  
Eutectic Castolin

**SafeCoat**

Fe-based welding/cladding powders  
for maintenance & repair

**Pioneering Industrial Sustainability**

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## New Health-Conscious & Environmentally-Friendly Products

*In 2023, Castolin Eutectic launched a range of innovative products prioritizing the health and safety of operators.*

We have reformulated the composition of our EnDOtec 611X welding wire to eliminate chromium, a metal extensively used in welding products. This reformulation eradicates the risk of exposure to hexavalent chromium fumes, which are potentially carcinogenic. Furthermore, we prepared to extend our EnDOtec SafeHard range, which is free from both chromium and nickel, as well as the launch of our SafeCoat coating powders, which replace nickel with iron. Nickel exposure is associated with numerous health issues, including allergies, cardiovascular diseases, lung and kidney conditions. It is also crucial to prevent nickel from contaminating the atmosphere and water cycle.

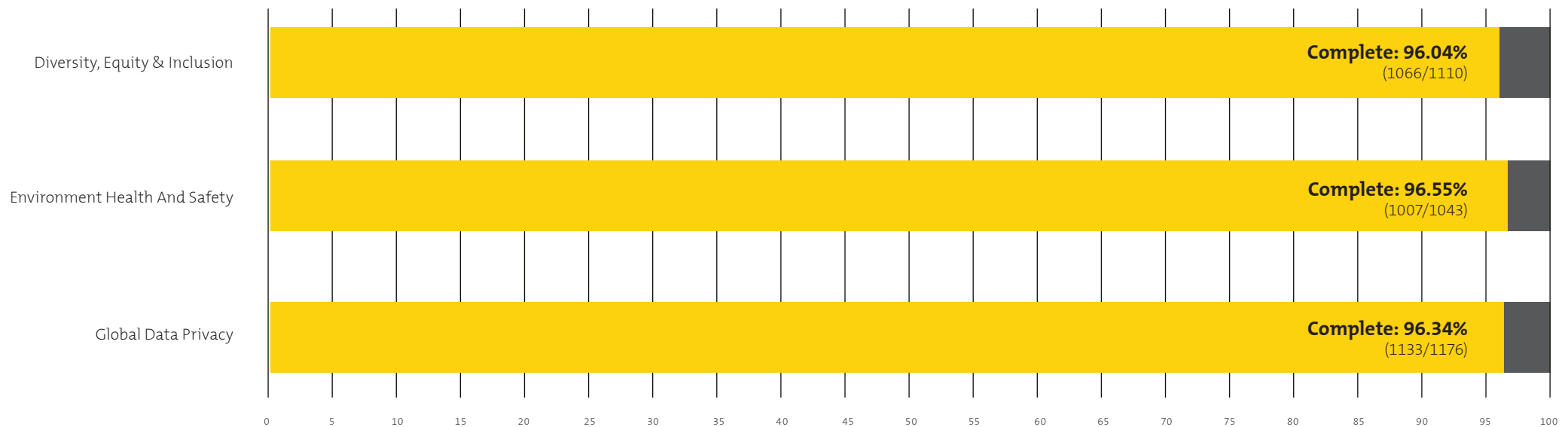
In terms of equipment, we have introduced the EuTronic Arc Spray EAS1-i, which is more energy-efficient due to the incorporation of inverter technology instead of traditional transformers.

# Global Policy and Annual Compliance Training in 2023

Castolin Eutectic launched new policies for Environment Health & Safety, Global Data Privacy, Diversity, Equity & Inclusion, as well as new important rules for Generative AI adoption.

In 2023, we successfully introduced and completed three pivotal courses, ensuring our workforce is well-versed in the critical areas of Diversity, Equity & Inclusion, Environmental Health & Safety, and Global Data Privacy with a completion rate of 95%.

These trainings underscore our dedication to fostering an inclusive, safe, and secure work environment, reflecting our core values and regulatory obligations.





## **Commitment Statement from the Chief People & Compliance Officer**

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As the Chief People & Compliance Officer of Castolin Eutectic, I am proud to share Castolin Eutectic's ongoing commitment to the United Nation Global Compact's ten principles. These principles will serve as our guidance to our envisioned future with innovation and responsibility at the core of our Castolin Eutectic operations.

Our aim is not only to excel as the leader in industrial maintenance and repair service, contributing to a sustainable circular economy, but also to make a significant contribution to the well-being of our planet and communities.

Sincerely,

**Berthold G. Jansen**  
*Chief People & Compliance Officer  
Castolin Eutectic*





*PIONEERING INDUSTRIAL SUSTAINABILITY*

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

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