

# Sustainability Report

# 2022

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# Message from Our Leadership

## CEO's Commitment to Sustainability

Welcome to our inaugural Sustainability Report for the year 2022. This marks a significant milestone for our company as we take our first comprehensive step towards documenting and sharing our sustainability journey. As we approach our 20th anniversary next year, it is both a time to reflect on our achievements and to look forward with renewed commitment to sustainable practices.

Sustainability has always been at the core of our values, and this report is a testament to our dedication to transparency, accountability, and continuous improvement. We believe that sustainable business practices are essential for the long-term success of our company and the well-being of our planet.

This report covers our operations across multiple locations: our three manufacturing facilities in Indonesia, Brazil, Saudi Arabia, our corporate office in Singapore, and our regional office in UAE. Each of these sites plays a crucial role in our global operations, and their combined efforts contribute to our overall sustainability goals.



“We are proud of the progress we have made, but we recognize that there is always more to be done. Our commitment to sustainability is unwavering, and we will continue to strive for excellence in every aspect of our business.

Thank you for taking the time to read our report and for your continued support as we embark on this journey together.”

**Lee Wilson**  
Group CEO

# 2022 Sustainability Highlights



Cladtek won the  
**ESG Initiative of  
the Year 2022  
Award**  
from the Asian Oil and Gas  
Award

**10 Million**

Work hours without a single Lost-Time  
Injury at Cladtek Indonesia



Completed our  
**ESG Training**

to over 2000 of people from different continents, countries,  
cultures & ethnicities



Reduced emission by  
**12,952**  
Metric tons of CO<sub>2</sub>e VS 2021  
Baseline

**13.15% reduction**

in our overall carbon footprint VS 2021  
Baseline

Reduced by

**1.510.026 kWh or 8,7%**

of overall electricity consumption VS 2021  
Baseline



Launched our

**Grievance and Whistleblowing  
Channels!**

a program to empower all employees to raise  
concerns

Completed our

**ESG Supplier Due Diligence Framework**

to ensure sustainable business practices throughout our supply  
chain



# Understanding Our Journey

## Reporting Period

This report covers the period from January 1, 2022, to December 31, 2022. It provides a comprehensive overview of our sustainability initiatives, achievements, and challenges during this time.

## Standards and Guidelines Followed

In preparing this report, we have adhered to the Global Reporting Initiative (GRI) Standards, ensuring that our disclosures are transparent, consistent, and aligned with international best practices. This helps us benchmark our performance and set targets for continuous improvement.

## Scope and Boundaries of Our Report

The scope of this report includes our two manufacturing facilities located in

- Manufacturing facility in Batam, Indonesia,
- Manufacturing facility in Rio de Janeiro, Brazil,
- Manufacturing facility in Dammam, Saudi Arabia,
- Corporate office in Singapore,
- Regional office in UAE.

We have included data and information relevant to these locations to provide a holistic view of our sustainability performance.

Through this report, we aim to provide our stakeholders with a clear understanding of our sustainability strategy, actions, and impact. We welcome feedback and suggestions to help us improve and better meet the expectations of our stakeholders.

Cladtek Sustainability Report 2022

# About Our Company



# Who We Are

In industrial innovation, Cladtek emerged as a mark of engineering excellence when it was established in 2003 by our visionary founder, Paul Montague. The company's beginning took root in Batam, Indonesia, where its initial steps were engineering Corrosion Resistant Alloy (CRA) pipe products began.

From its humble origins, Cladtek has succeeded into a global entity, now proudly operating three state-of-the-art manufacturing facilities located in Indonesia, Brazil, and Saudi Arabia. This strategic expansion facilitated the company's reach into key markets, enabling the delivery of products and services across continents.

## Our Identity and Mission

Cladtek's core focus was around pioneering engineering solutions catering to the specialized needs of the oil and gas industry.

With a dedication to innovation and precision, the company specializes in providing a suite of the most advanced products and services. These offerings range from Mechanically Lined Pipe (MLP) to Weld Over Lay (WOL), along with diverse engineering services covering induction bending, pipe spool fabrication, coating, and the design and manufacture of clad valves and pressure vessels.

Through solid commitment to excellence and persistent pursuit of innovation, Cladtek has come up to become the leading supplier globally in weld overlay CRA and Mechanically Lined Pipe CRA. This achievement stands as proof to the company's dedication, expertise, and capacity to deliver high-quality, cutting-edge solutions that redefine industry standards.



**Paul Montague**  
Founder / EVP of Business &  
Product Development



Cladtek Indonesia



Cladtek Brazil

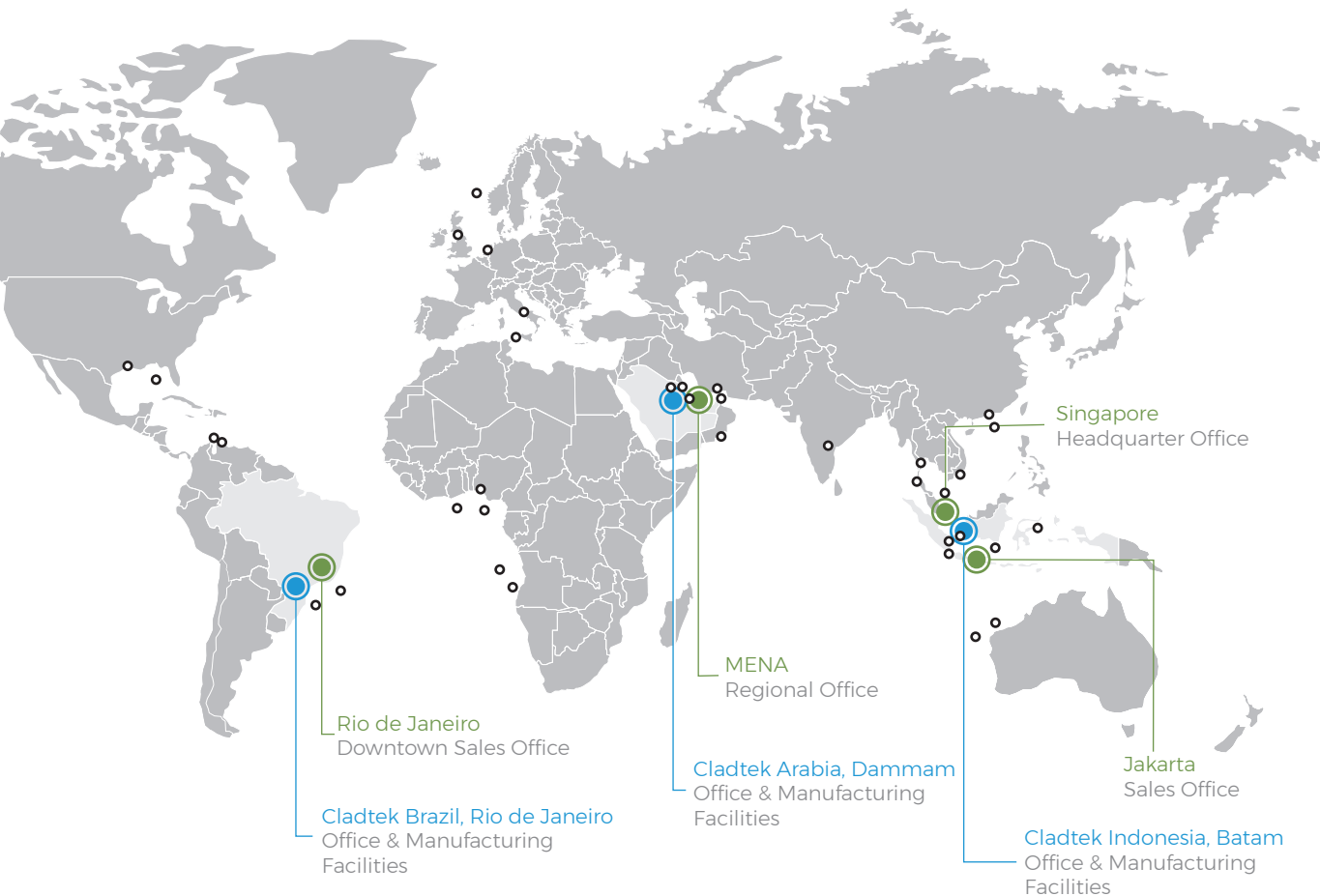


Cladtek Arabia

# Our Story

The cladtek story is one that has been engineered out of innovation and ingenuity. Since inception in 2005 the focus has always been on developing process and technology to provide outstanding solutions that are scalable and cost-effective.

● Manufacturing Facilities      ● Office      ○ Installed Cladtek's CRA Products



## The sheer numbers present a formidable story.

- Over 600,000 metres of Mechanically Lined Pipe
- Supplied more than 200,000 metres of weld overlay pipe
- Approx 100,000 weld overlay flanges
- 25,000 units of Induction bends, pressure valves and spool fabrication

## Our Market Presence

In the two decades since we began, we've delivered products and solutions to most parts of the globe including Oceania, throughout Asia, North America, across the African continent and many parts of South America and Europe, and we are continuously expanding to win the market in another part of the world.



## Our Mission

Deliver innovative, sustainable, additive manufacturing solutions that extend the life time and the value of clients assets.

## Our Vision

Be the world's leading supplier of additive manufacturing solutions.

## Our Values

We are committed to delivering the best value to our customers, and we up hold the five core values:



**1. Unity:**  
There's power in unity.



**2. Excellence:**  
We thrive on delivering excellence.



**3. Sustainability:**  
We value life and champion sustainability.



**4. Innovation:**  
Progress demands innovation.



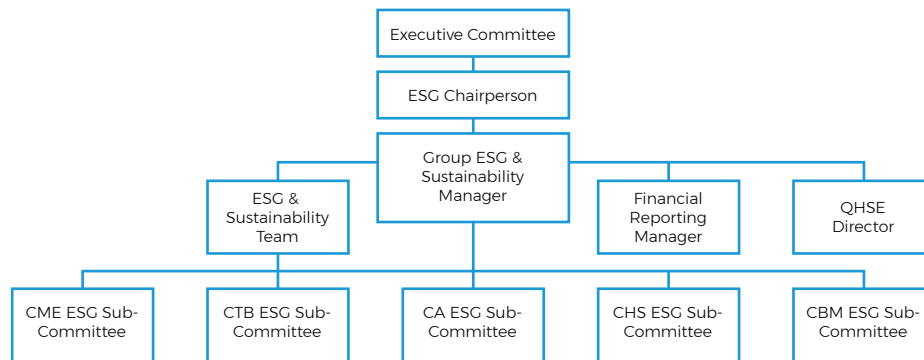
**5. Value:**  
Delivering value is paramount to our purpose.

# ESG Governance and Accountability

Environmental, Social, and Governance (ESG) considerations are integral to our decision-making processes. We have established robust governance structures to oversee our sustainability initiatives and ensure that we are meeting our ESG commitments.

The Executive Committee (ExCo) at Cladtek has demonstrated its commitment to holistic Environmental, Social, and Corporate Governance (ESG) considerations by establishing a specialized committee—the ESG Committee.

Our dedicated ESG committee, which includes members of senior management, serves as a foundation in advising and assisting the ExCo in managing a field of ESG-related matters. This includes but is not limited to the development of governance policies, strategic initiatives, setting targets, monitoring performance metrics, ensuring compliance, and facilitating transparent reporting mechanisms. The committee's expertise serves as a guiding force in navigating the complex landscape of ESG considerations, assisting the ExCo in making informed decisions that align with the company's goals



At Cladtek, we believe that strong governance is the foundation of sustainable business success. By fostering a culture of integrity, transparency, and accountability, we build trust with our stakeholders and create long-term value for our company and society.





# Our Sustainability Strategy

## Vision for a Sustainable Future

At Cladtek, our sustainability journey is guided by a clear vision: to lead the steel pipe manufacturing industry with innovative practices that prioritize environmental stewardship, social responsibility, and economic viability. Our goal is to integrate sustainability into every aspect of our operations, creating value for our stakeholders while minimizing our environmental footprint.

## Our sustainability vision is built on the following principles:

- **Environmental Excellence:**  
We aim to reduce our environmental impact through efficient resource use, waste reduction, and emission control
- **Social Responsibility:**  
We are committed to fostering a positive impact on our employees, communities, and stakeholders by promoting fair labor practices, diversity, and community engagement.
- **Economic Resilience:**  
We strive to maintain strong economic performance while ensuring that our growth is sustainable and aligns with our ESG objectives.



# Defining What Matters Most

Our first materiality assessment is a critical step in shaping our sustainability strategy and ensuring that our efforts are aligned with the most pressing issues for our stakeholders. This process helps us identify and prioritize the sustainability topics that matter most to our business and our stakeholders.



In 2022, we undertook a review of our company, sector, and societal factors to determine which sustainability issues should take priority for us.

As this is our first materiality assessment, we focused on engaging with three primary stakeholder groups that are crucial to our business: our clients, shareholders, and employees.

However, this materiality assessment is not a one-time exercise; it is an ongoing process that will evolve as our business and external environment change.

We will conduct a formal materiality assessment **every three years** to ensure that our sustainability strategy remains relevant and effective. In 2025, we will carry out a full-cycle of materiality assessment process with all of our relevant stakeholders.



## Regulatory Bodies and Government Agencies

- Compliance Audits and Reporting
- Policy Advocacy and Dialogue
- Public-Private Partnerships
- Regulatory Training and Awareness



## Investors

- Annual General Meetings (AGM)
- Sustainability Reports and Disclosures



## Employees

- Employee Satisfaction Surveys
- Grievance Mechanisms
- Town Hall Meetings and Open Forums
- Training and Development Programs



## Suppliers

- Supplier Audits and Assessments
- Supplier Conferences and Workshops
- Collaborative Innovation Projects
- Supplier Development Programs



## Customers

- Customer Satisfaction Surveys
- Regular meetings with Project Team



## Local Communities

- Community Outreach Programs
- Stakeholder Consultations
- Collaboration with local NGOs,
- Community Investment and Sponsorships
- Environmental and Social Impact Assessments

# Key Sustainability Issues Identified

## Materiality Assessment Process

- 1. Stakeholder Engagement**  
 We will conduct surveys and interviews with key stakeholders, including customers, investors, employees, suppliers, and community leaders.
- 2. Impact Analysis**  
 We will evaluate the potential environmental and social impacts of our operations and identify areas where we can make meaningful improvements.
- 3. Prioritization**  
 We will rank sustainability issues based on their significance to stakeholders and their potential impact on our business. This ranking process will help us prioritize the issues that require the most attention and resources.

- Environmental Impact:**
- a. Greenhouse Gas Emissions
  - b. Energy Efficiency
  - c. Water Usage
  - d. Waste Management

- Supply Chain Sustainability:**
- j. Sustainable Procurement
  - k. Supply Chain Transparency
  - l. Due Diligence

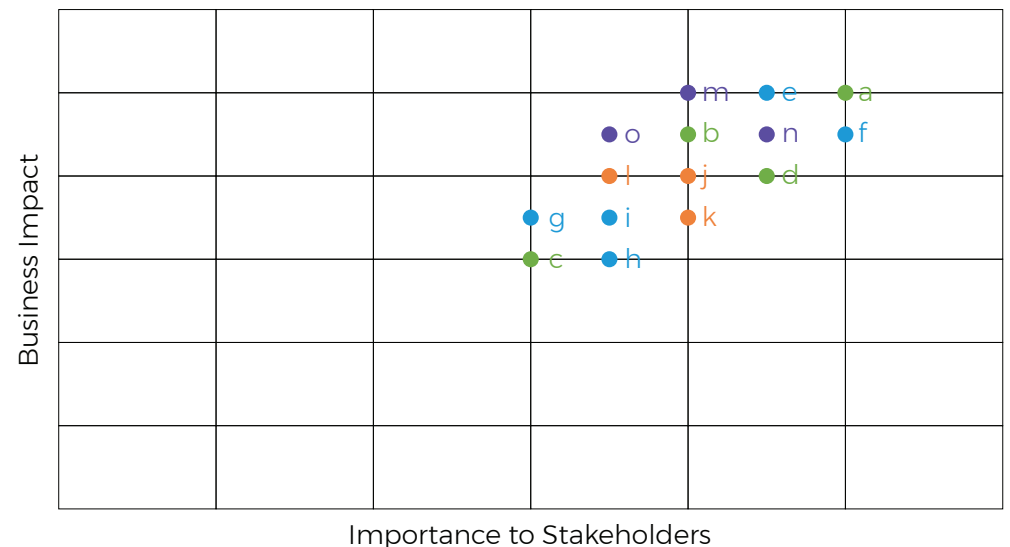
- Social Impact:**
- e. Fair Labor Practices
  - f. Health and Safety
  - g. Employee Development
  - h. Corporate Social Responsibility
  - i. Stakeholder Partnerships

- Governance Aspect:**
- m. Ethical Standards
  - n. Compliance and Risk Management
  - o. Transparency and Accountability



Based on our materiality assessment, we have identified several key sustainability issues that are critical to our operations:

**Materiality Chart**



Cladtek Sustainability Report 2022

# Environmental Performance



# Guardians of the Environment

At Cladtek, we recognize that our operations impact the environment and that we have a responsibility to minimize this impact. Our commitment to sustainability informs every aspect of our business, from resource management to supply chain practices.

Our environmental goals align with international standards and best practices, aimed at reducing our carbon footprint and achieving a sustainable balance between our business operations and environmental stewardship.

## Our Carbon Footprint

At Cladtek, we recognize that measuring and managing our carbon footprint is central to our sustainability efforts. We have set ambitious goals aimed at significantly reducing its environmental footprint.

- Achieve a 30% reduction in GHG emissions by 2030 compare to our 2021 baseline (Scope 1, 2, 3)
- Reduce GHG emissions by 8% by 2030 compared to our 2021 baseline (Scope 1, 2)

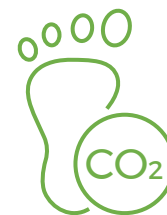
## Cladtek's 2022 Environmental Performance

In 2022, our total carbon footprint was **85,564 metric tons** of CO2 equivalent. Our emissions breakdown is as follows:

- **Scope 1** Emissions: 1,120 metric tons (direct emissions from our facilities and vehicles) - **1,3%**
- **Scope 2** Emissions: 13,868 metric tons (indirect emissions from electricity consumption) - **16,2%**
- **Scope 3** Emissions: 70,576 metric tons (indirect emissions from the supply chain and product use) - **70,576%**

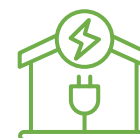


## Tackling Climate Change



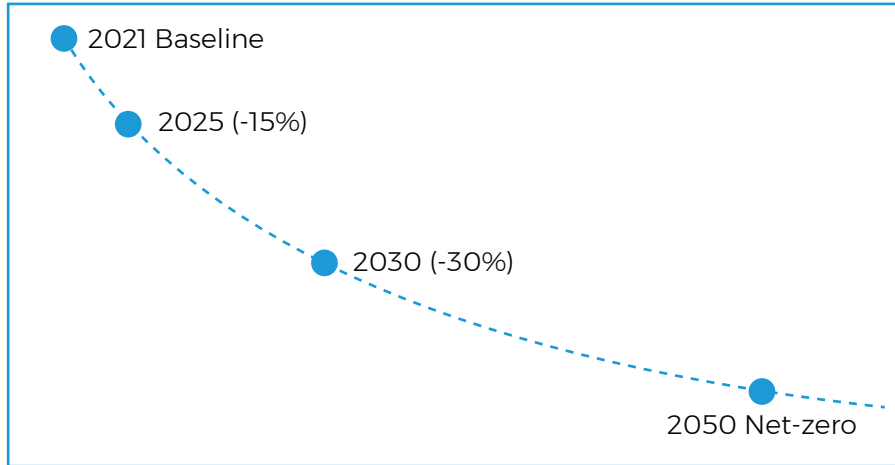
Reduced emission by  
**12,952**  
Metric tons of Co2e VS 2021 Baseline

**13.15% reduction**  
in our overall carbon footprint VS 2021 Baseline



Reduced emission by  
**1.510.026 kWh or 8,7%**  
of overall electricity consumption VS  
2021 Baseline

# Pathway to Net-Zero



## Carbon Reduction Strategy

Cladtek has created the carbon reduction strategy in order to achieve the target has set. The mid-term target to achieve 30% carbon reduction in 2030 has been divided in to 4 phases based on 2021 baseline.

To achieve the target, there are some carbon reduction strategies which focus on top 7 carbon emitter to achieve the Net Zero Target as follows:

- **Cat-1** Purchased goods and services (55%)
- **Scope 2** Electricity (16.2%)
- **Cat-4** Upstream Transport (8.2%)
- **Cat-2** Capital Goods (5.7%)
- **Cat-9** Downstream Transport (4%)
- **Cat-7** Employee Commuting (3.5%)
- **Cat-6** Business Travel (2%)



## Looking Ahead

1. **Energy Efficiency Programs:**  
We will invest in state-of-the-art energy management systems that optimize energy usage across our facilities.
2. **Renewable Energy Transition:**  
We are committed to sourcing 100% renewable energy by 2030.
3. **Carbon Offset Projects:**  
Recognizing that some emissions are unavoidable, we will invest in verified carbon offset projects, including reforestation and renewable energy projects in developing regions.
4. **Supplier Engagement:**  
We will engage with suppliers to encourage and support their sustainability initiatives.

# Resource Stewardship



## Water: Every Drop Counts

Water is a precious resource, and its conservation is vital for the sustainability of our operations and the communities where we operate. Our approach to water management is centered on reducing consumption and enhancing recycling efforts.

We have set an ambitious target to **reduce water intensity by 30% across all its operations** by the year 2030.

Although this rise represents a challenge in meeting the reduction target, it serves as a benchmark from which Cladtek can further strategize and implement effective measures for water conservation.

In 2022, there was

**16,2%**

increase in water consumption vs 2021 Baseline

### Our water stewardship initiatives include:

- **Efficient Water Use:** Implementing water-saving technologies and practices in our manufacturing processes.
- **Water Recycling:** Enhancing our water recycling systems to reduce freshwater consumption.
- **Monitoring and Reporting:** Regularly monitoring water usage and reporting on our progress.

## Waste Management

Waste management is a critical aspect of our environmental stewardship, and we are committed to minimizing waste generation and maximizing recycling and reuse. Our waste management strategy follows the principles of the circular economy, focusing on reducing waste at the source, reusing materials, and recycling what cannot be reused.



We have set a clear target of maintaining **landfill waste below 25% of its operational waste**, a goal aligned with its commitment to sustainability and waste reduction.

In 2022, we have reduced our waste by

**271.322 kg or 34%**

of overall landfill waste VS 2021 Baseline

### Our waste management practices include:

- Waste Reduction
- Recycling and Reuse
- Responsible Disposal

# Biodiversity

## Commitment to Biodiversity Protection



Cladtek is dedicated to minimizing our impact on biodiversity through a series of targeted initiatives:

- **Environmental Impact Assessments**  
We conduct comprehensive Environmental Impact Assessments to identify potential risks to local biodiversity.
- **Sustainable Land Use and Resource Management**  
We prioritize sustainable land use and resource management practices across our operations
- **Collaborative Efforts**  
We understand that protecting biodiversity is a collective effort that requires collaboration with a wide range of stakeholders. Cladtek actively engages with local communities, governments, non-governmental organizations, and industry peers to share knowledge, develop best practices, and contribute to global biodiversity goals.
- **Education and Awareness**  
We conduct regular training and awareness programs to educate our workforce on the importance of biodiversity and how they can contribute to its protection in their daily roles.

## Preserving the natural world

At Cladtek, we recognize the critical importance of biodiversity in maintaining the health of our ecosystems and the overall well-being of the planet. As a global manufacturing company in the oil and gas industry, we are acutely aware of the potential impacts our operations can have on the environment. Therefore, we are committed to implementing proactive measures to protect and preserve biodiversity in the areas where we operate.

# Social Performance



# Empowering People

At Cladtek, our commitment to social responsibility is fundamental to our identity and operations. We believe that our success as a leading steel pipe manufacturer is intrinsically linked to the well-being of the communities where we operate, the satisfaction and development of our employees, and the trust of our stakeholders. Our social performance initiatives reflect our dedication to creating positive social impacts, fostering inclusive growth, and promoting sustainable development.

## People

We recognize that our employees are our most valuable asset, and we are dedicated to creating a workplace that fosters respect, inclusion, and growth.

Our commitment to our workforce is reflected in our comprehensive approach to social responsibility, which includes robust labor practices, a focus on diversity and inclusion, continuous training and development, and a steadfast dedication to health and safety.

In 2022, we conducted an **employee satisfaction survey**, which revealed a **71% satisfaction rate** among our workforce. This result has provided valuable insights into the well-being and engagement of our employees, and it has informed our strategy for further improving employee satisfaction. Total turnover was 14.3% with a voluntary turnover rate of 9%.

## Cladtek's 2022 Global Workforce



**1705**  
Employees



**16**  
Nationalities  
Represented



**394**  
New Hired

# Diversity, Equity, and Inclusion

## Our Commitment and Why It Matters:

We are committed to creating a workplace where diversity and inclusion are not just policies but integral to our corporate culture. We believe that a diverse workforce brings a wealth of perspectives and ideas, which is essential for innovation, problem-solving, and long-term business success.



## What We Will Do:

- Diversity and Inclusion Programs:**  
 We have launched several initiatives aimed at promoting diversity and inclusion within our company. This includes unconscious bias training for all employees, the establishment of diversity councils at key locations, and the implementation of recruitment practices designed to attract a more diverse talent pool.
- Promote Career Development for Diverse Talent:**  
 We will focus on developing career progression programs that are tailored to the needs of diverse employees. This will include leadership development opportunities, succession planning that considers diversity as a key factor, and initiatives to ensure that all employees have access to the resources they need to advance their careers.
- Foster an Inclusive Culture:**  
 To further embed diversity and inclusion into our company culture, we will encourage open dialogue and continuous learning on these topics.

Total Workforce by Gender (%)



Senior Managerial



## Supporting Equal Opportunity

We are dedicated to ensuring equal opportunities for all employees, regardless of gender, race, ethnicity, religion, or background. This commitment to fairness and equality is fundamental to our values and aligns with our broader social responsibility goals.

# Human Rights



## Our Commitment and Why It Matters:

Respecting and promoting human rights is a core value at Cladtek.

We are committed to ensuring that our business practices uphold the highest standards of ethical conduct and respect for human dignity. This commitment extends to all aspects of our operations, from our treatment of employees and business partners to our interactions with the communities in which we operate.

## Policies and Practices

We have established a Human Rights Policy as part of our ESG pack, which aligns with international standards, such as the United Nations' Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights.

## Human Rights Training and Awareness

In 2022, we trained all employees on human rights principles. This training equips our employees with the knowledge needed to uphold our values and to act in a manner that respects and promotes human rights within our company and in our interactions with external stakeholders.

## Grievance & Whistleblow Mechanism

To ensure accountability and address any breaches of human rights principles, We have established grievance and whistleblowing mechanisms. These mechanisms empower individuals to report any unethical actions related to human rights violations to the ESG committee.

## Anti-Bullying and Anti-Harassment Policy

We believe that all employees have the right to work in an environment free from bullying and harassment. Cladtek has established a comprehensive Anti-Bullying and Anti-Harassment Policy that outlines our zero-tolerance stance on these issues.



## What We Will Do:

- Ongoing Policy Strengthening:**  
 Our commitment to human rights is ongoing. We will continue to review and update our Human Rights Policy regularly to ensure that it remains relevant and effective in a changing world. We also plan to enhance our monitoring and reporting mechanisms, providing greater transparency and accountability in our human rights practices.
- Human Rights Impact Assessment:**  
 Next year, we plan to conduct a thorough human rights impact assessment across all our operations. This assessment will help us identify potential risks and opportunities to strengthen our commitment to human rights, ensuring that our practices align with global best practices.
- Human Rights Audit:**  
 We will initiate an internal audit in 2024 to evaluate the effectiveness of our human rights policies and practices.

# Health and Safety

## Our Commitment and Why It Matters

The health and safety of our employees is a top priority. A safe working environment not only protects our employees but also enhances productivity and job satisfaction. Our goal is to achieve zero harm across all our operations.

## Health and Safety Performance:

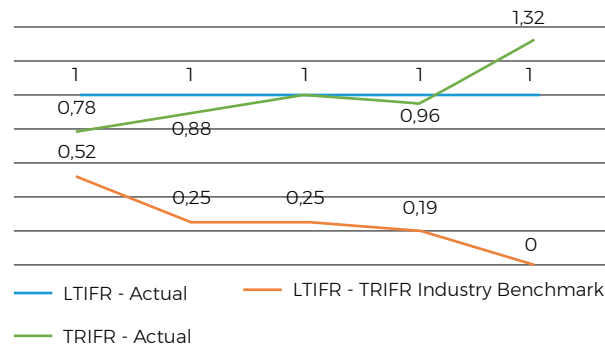
The year 2022 shown great safety performance within Cladtek's operations. The Environmental, Safety, and Health initiatives brought promising results, marked notably by zero fatalities and an impressive 10 million hours without a single Lost-Time injury at Cladtek Batam.

This achievement was made possible through a combination of regular safety drills, comprehensive training programs, and the introduction of new safety technologies designed to identify and mitigate risks before they lead to incidents.

## HSE Certification and Recognition

We have maintained our ISO 14001 certification for our environmental management system and ISO 45001 certification for our occupational health and safety management system. These certifications demonstrate our commitment to maintaining high standards in both environmental protection and workplace safety.

Cladtek Group LTIFR/TRIFR



## What We Will Do:

Our commitment to health and safety is ongoing. We aim to further setting a new benchmark for safety excellence in our industry.

- Strengthen Safety Culture:** Continue to foster a culture of safety through leadership commitment, employee engagement, and open communication. Maintain the health and safety commitment by carrying out the monthly toolbox meetings aimed at raising awareness about potential hazards and risky situations.
- Regular Reviews and Audits:** Conduct regular reviews and audits of our health and safety programs to identify areas for improvement and ensure compliance with evolving regulations and best practices.



# Training and Development



## Our Commitment and Why It Matters

At Cladtek, we believe that investing in our employees' development is key to their success and the success of our company. Continuous learning and development empower our employees to stay ahead of industry trends, adapt to new challenges, and contribute more effectively to the company's goals. By fostering a culture of learning, we not only enhance our employees' skills but also drive innovation and maintain our competitive edge in the market.

## Comprehensive Training Programs

We have implemented a wide range of training programs tailored to different roles and career stages. These include technical training, leadership development, and soft skills enhancement. Our training offerings are designed to meet the specific needs of our employees, ensuring they have the tools and knowledge to excel in their roles.

We invested in our employees' growth by providing an average of **43 hours** of training per employee in 2022, covering technical, leadership, and soft skills. This investment has led to numerous internal promotions, demonstrating our commitment to career advancement.



## What We Will Do:

- 1. E-Learning Platforms:**  
 To make learning accessible to all employees, regardless of their location, we will invest in e-learning platforms. These platforms offer a variety of courses that employees can take at their own pace, covering topics ranging from industry-specific skills to personal.
- 2. Expand Learning Opportunities:**  
 We plan to expand our training programs by introducing new courses and certifications that address emerging trends and technologies in our industry.
- 3. Focus on Leadership Development:**  
 Recognizing the importance of strong leadership, we will intensify our efforts to develop future leaders within our organization. This includes creating more targeted leadership development programs and providing opportunities for high-potential employees to take on leadership roles.

# Community Engagement



## Our Commitment and Why It Matters

We believe that as a company, we have a responsibility to contribute positively to the communities where we operate. Investing in community development not only improves the quality of life for local residents but also strengthens our relationships with these communities, fostering long-term mutual benefits.

in 2022, we undertook several initiatives across our global operations, reflecting our ongoing commitment to community engagement:

- **Donations and Charities:**  
In Batam, Indonesia, we organized a company gifts program during month Ramadhan, where we provided gifts to our employees and supported local orphanages through various charitable donations.

- **Beach Clean-up:**  
In Rio de Janeiro, Brazil, for the World Environment Day, we conducted a beach cleanup campaign. This event not only helped preserve the natural beauty of our local beaches but also raised awareness.
- **Cladtek Academy:**  
In Indonesia, Brazil, and Saudi Arabia, we established the Cladtek Academy, a training and development center dedicated to enhancing the skills and capabilities of the local workforce. The academy focuses on providing high-quality education and training opportunities, helping to build a more skilled and empowered community.

## What We Will Do:

Moving forward, our community engagement strategy will continue to focus on three key areas:

1. **Sustainable Development:**  
We will prioritize initiatives that contribute to the long-term well-being of our communities, such as educational programs, environmental conservation efforts, and health-related campaigns.
2. **Employee Involvement:**  
We will encourage and support our employees to participate in community service activities, fostering a culture of volunteerism and social responsibility within our company.
3. **Collaborative Partnerships:**  
We will seek to build strong partnerships with local organizations, NGOs, and government bodies to amplify the impact of our community engagement efforts



# Governance and Ethics



# Governance with Integrity



## Our Commitment and Why It Matters:

Respecting and promoting human rights is a core value at Cladtek.

We are committed to ensuring that our business practices uphold the highest standards of ethical conduct and respect for human dignity. This commitment extends to all aspects of our operations, from our treatment of employees and business partners to our interactions with the communities in which we operate.

## Code of Conduct and Ethics

We have established a comprehensive Code of Conduct (ESG Pack) that outlines the ethical standards and behaviors expected of all Cladtek employees.

## Anti-Corruption and Integrity Measures

To safeguard our business from unethical practices, we have implemented robust anti-corruption policies and integrity measures. These include mandatory training programs for all employees on anti-bribery and corruption, as well as regular audits and monitoring to detect and prevent any violations of our ethical standards.

## Conflict of Interest Policy

We understand that conflicts of interest, whether actual or perceived, can undermine trust in our business and compromise our ability to operate transparently and fairly. To address this, we have established a comprehensive Conflict of Interest Policy designed to prevent, identify, and manage conflicts of interest effectively.

## Key elements of our Code of Conduct:

- Respect and Fair Treatment
- Compliance with Laws
- Transparency and Accountability

Our employees receive regular training on the Code of Conduct to ensure they fully understand their responsibilities. We also provide resources and support to help them navigate ethical dilemmas and make informed decisions.

# Navigating Risks



## Our Commitment and Why It Matters

Effective risk management is critical to our ability to achieve long-term sustainability. At Cladtek, we recognize that identifying, assessing, and managing risks—especially those related to environmental, social, and governance (ESG) factors—is essential to protecting our business and ensuring its resilience in the face of global challenges.

- **ESG Risk Assessment and Management Strategies:**  
We have integrated ESG considerations into our risk management framework, conducting regular assessments to identify potential risks related to climate change, supply chain disruptions, and regulatory changes.
- **Compliance and Monitoring:**  
To ensure that our risk management practices are effective, we conduct regular internal audits and compliance checks. These activities help us stay ahead of potential risks and ensure that our operations align with the latest industry standards and regulatory requirements.



# Listening to Our Stakeholders

## Whistleblowing and Grievance Channels

To ensure that ethical concerns are promptly addressed, we have established robust whistleblowing and grievance mechanisms.

These channels provide a safe and confidential way for employees, suppliers, customers, and other stakeholders to report any violations of our Code of Conduct, including issues related to corruption, discrimination, harassment, or conflicts of interest.

Key features of our whistleblowing and grievance mechanisms include:

- Confidential Reporting
- No Retaliation
- Feedback and Resolution

## Speak Up Culture

We encourage our employees to use this channel to voice any issues that may arise, ranging from ethical concerns to violations of company policies or legal requirements.



### Through your manager

The first step in addressing a concern should ideally be through the direct manager.



### Through HR department

If a concern cannot be resolved through the manager or if the issue is sensitive in nature, employees may reach out to Human Resources.



### Through ESG Committee

For more serious concerns, our employees can escalate the matter directly to the ESG Committee. The ESG Committee is responsible for overseeing ethical conduct across Cladtek and ensuring compliance with our sustainability goals.

Engaging with our stakeholders and addressing their concerns is a key aspect of our governance framework. We are committed to maintaining open and transparent communication channels that allow stakeholders to raise issues and provide feedback.



### Grievance

[esg.committee@cladtek.com](mailto:esg.committee@cladtek.com)



### Whistleblow

[whistleblow@cladtek.com](mailto:whistleblow@cladtek.com)

# Supply Chain



## Responsible Partnership

At Cladtek, we understand that our commitment to sustainability extends beyond our own operations to include our entire supply chain. We recognize that the choices we make in selecting and working with suppliers have a significant impact on our environmental, social, and governance (ESG) goals.

## Supplier Code of Conduct

Our Supplier Code of Conduct is the foundation of our supply chain governance strategy. It outlines the ethical, environmental, and social standards we expect all our suppliers to uphold. These standards are aligned with international frameworks such as the United Nations Global Compact, the International Labour Organization (ILO) conventions, and the Global Reporting Initiative (GRI).

## Key principles of our Supplier Code of Conduct:

- **Ethical Business Practices**  
We require our suppliers to conduct their business with the highest standards of integrity and fairness.
- **Labor Rights and Human Rights**  
Our suppliers must respect and uphold the human rights of their workers. This includes ensuring fair wages, safe working conditions, and the right to collective bargaining. We have a zero-tolerance policy for child labor, forced labor, and any form of exploitation.
- **Environmental Responsibility**  
We expect our suppliers to minimize their environmental impact
- **Health and Safety:**  
The health and safety of workers are paramount. Suppliers must provide a safe and healthy work environment, comply with all applicable health and safety regulations, and continuously work to prevent workplace accidents and injuries.

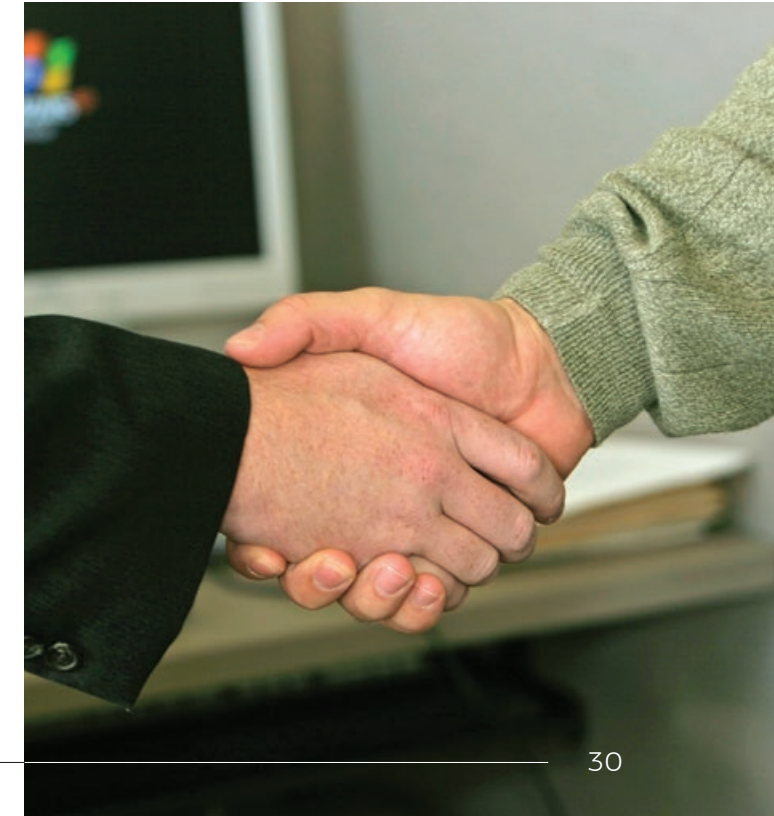
To ensure compliance with our Supplier Code of Conduct, we will conduct regular assessments and audits of our suppliers.

## Supply Chain Due Diligence

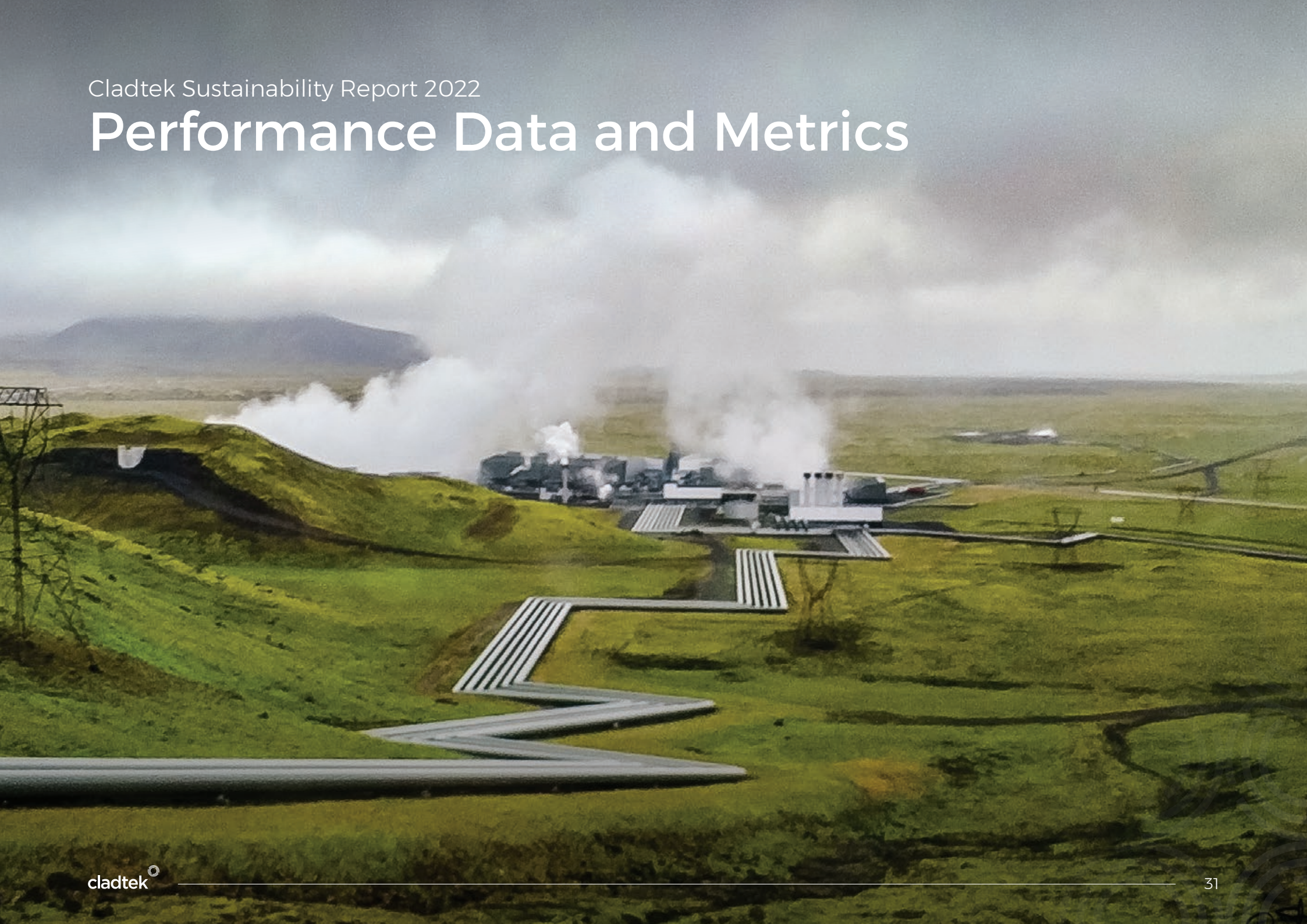
Our supply chain due diligence process will enable us to identify, assess, and address potential risks throughout our supply chain.

Our due diligence process includes:


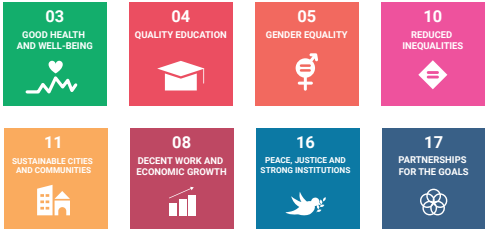

- Risk Mapping
- Supplier Screening: All potential suppliers undergo a rigorous screening process before they are approved to work with us.
- Ongoing Monitoring
- Collaboration and Improvement



# Performance Data and Metrics



# Framework Mapping Index

Cladtek 2022 Sustainability Report	GRI Standards	Sustainable Development Goals
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# Environmental Performance Data

Cladtek 2022 Sustainability Report	Unit	2021	2022
<b>GHG emissions</b>			
Scope-1 (direct)	Metric Tons CO2e	667	1120
Scope-2 (indirect)	Metric Tons CO2e	16.153	13.868
Scope-3 (indirect)	Metric Tons CO2e	81.697	70.576
<b>Scope-1</b>			
Fuel Combustion - Stationary	Metric Tons CO2e	77	588
Fuel Combustion - Mobile	Metric Tons CO2e	301	434
Fugitive Emission	Metric Tons CO2e	286	91
<b>Scope-2</b>			
Electricity Consumption	Kwh	17.364.420	15.854.394
<b>Scope-3</b>			
Cat 1: Purchased goods and services			
CRA wires, liners, coils	Metric Tons CO2e	6.942	4.626
Steel pipes, fittings, flanges	Metric Tons CO2e	23.034	30.925
Other	Metric Tons CO2e	14.337	11.939
Cat 2: Capital Goods	Metric Tons CO2e	11.637	4.862
Cat 3: Fuel- and energy-related emissions	Metric Tons CO2e	1.672	1.447
Cat 4: Upstream transport (supplier to Cladtek)	Metric Tons CO2e	12.425	7.033
Cat 5: Operational waste	Metric Tons CO2e	661	616
Cat 6: Business travel	Metric Tons CO2e	662	1.702
Cat 7: Employee commuting	Metric Tons CO2e	2.828	3.274
Cat 8: Upstream leased assets	Metric Tons CO2e	174	194
Cat 9: Downstream transport (Cladtek to Client)	Metric Tons CO2e	6.993	3.401
Cat 10: Processing of sold products	Metric Tons CO2e	332	557

# Environmental Performance Data

Cladtek 2022 Sustainability Report	Unit	2021	2022
<b>Water</b>			
Water usage	m3	37.279	44.468
Total emission	Metric Tons CO2e	2.611	3.347
<b>Waste</b>			
Total Operational Waste	Kg	1.303.632	1.812.152
Recycle Waste	Kg	512.582	1.292.424
% Landfill Waste	Percentage	63	34
% Recycle Waste	Percentage	39	71
Total Emission	Metric Tons CO2e	661	615
Total volume of non-hazardous waste generated	Tonnes	863	656
Total volume of hazardous waste generated	Tonnes	229	186
Total volume of process water, wastewater or industrial effluent discharged	m3	20.411	26.669

# Social Performance Data

Data / Indicator	Unit	2021	2022
Total number of employees (Full-time Equivalent)	Number	1936	1705
Total number of Senior Managers	Number	48	58
Total number of Executive Committee Members	Number	3	3
<b>Age</b>			
Under 30	Number	588	469
30-50 years	Number	1228	1123
Over 50 years	Number	105	113
<b>Gender</b>			
Total number of female employees	Number	167	202
Total number of male employees	Number	1754	1503
<b>Local &amp; Foreign Composition</b>			
Total number of nationalities	Number	22	16
% local employees	Percentage	96.6	92.1
% foreign employees	Percentage	3.4	7.9
<b>Employee Turnover</b>			
Total no. of employee turnover	Number	250	245
Total no. of employee turnover - female	Number	30	25
Total no. of employee turnover - male	Number	220	220
<b>New Hires</b>			
Total no. of new employee hires	Number	614	394
Total no. of new employee hires - female	Number	41	36
Total no. of new employee hires - male	Number	573	356
<b>Senior Management Composition</b>			
% of female employees as senior managers	Percentage	16.7	24.1
% Senior Managers - Local	Percentage	62	74.1
% Senior Managers - Foreign Nationals	Percentage	33	25.9

# Governance Performance Data

Data / Indicator	Unit	2021	2022
<b>Whistleblow</b>			
Submitted	Number	-	1
Closed	Number	-	1
<b>Grievance</b>			
Received	Number	-	7
Closed	Number	-	7
<b>Cases by Issue Type</b>			
HR, Diversity, workplace respect	Number	-	7
Business Integrity	Number	-	1
<b>Health and Safety</b>			
Total Recordable injury Frequency Rate (TRIFR)	Percentage	0.96	1.32
Lost Time Injury Frequency Rate (LTIFR)	Percentage	0.19	7.9
Total number of work-related fatalities	Number	0	0
<b>External Communities</b>			
Complaints or any other feedback	Number	0	0
<b>ESG Training</b>			
Introduction to ESG (Business Ethic, human rights, etc.)	Number	1200	1705

## Sustainability Report 2022

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