



# 2022 SUSTAINABILITY REPORT

VICTAULIC ASPIRES TO BRING INNOVATIVE PRODUCTIVITY  
AND CONFIDENCE TO EVERY BUILD AROUND THE WORLD

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**Rick Bucher**  
President & CEO

# LETTER FROM THE PRESIDENT & CEO

At Victaulic, being a responsible contributor to our industry and community has always been at the forefront of how we operate and who we are. This steadfast conviction to always do what is right has served us well in our commitment to sustainability and upholding the highest environmental, social and governance (ESG) standards.

As a global company with the potential for great and far-reaching impact, we understand that we must be poised to evolve constantly. As we navigate the ever-changing challenges of our industry and the world in which we operate, what drives us forward is the same force that drives everything we do — our commitment to continuous improvement.

As we continue to grow our Sustainability Program and find new ways to bring value to our stakeholders, we recognize that this will require the commitment and attention of every group and individual across our organization. We will seek to open lines of communication both internally and externally to harness the power of shared insights and common goals, positioning us for greater success as a result. This space is evolving quickly, and we are committed to learning and growing.

I invite you to read Victaulic’s inaugural Sustainability Report, which encompasses our policies, procedures and outcomes surrounding environmental, social and governance topics. This report strives to exhibit our present standing in our material areas of impact and address our vision for Victaulic’s future in sustainability. As our first public disclosure of our values and practices, many of which have been guiding us for more than 100 years, this report is an attempt to connect with our stakeholders and open meaningful dialogue to better align our goals and serve our people, partners, and communities. Thank you for reading.



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# ABOUT US

## OPERATIONS, INDUSTRY, & BUSINESS MODEL

Victaulic Company, a U.S.-based C corporation, and Victaulic International B.V., a Belgium-based private limited company, are collectively referred to in this document as Victaulic. The company is privately held, with its global headquarters in Easton, Pennsylvania. Victaulic Company, Victaulic International and their subsidiaries are under common ownership and control and operate as a unified organization, with several joint ventures and combined operations worldwide. All Victaulic ventures, acquisitions and operations are integrated and held accountable to the governing policies, practices and ethical principles described herein.

We own and operate 15 manufacturing facilities, seven foundries and 30 branches, enabling us to serve diverse markets, including commercial & residential, mission critical, education, healthcare, industrial, energy, infrastructure, mining, and oil & gas.

Since 1919, Victaulic’s innovative solutions and design services have continued to increase construction productivity and reduce risk, ensuring projects are completed safely, on time, and within budget. With nearly 5,000 employees worldwide and 55 international facilities, Victaulic helps customers in 140 countries succeed in the global construction industry.

Victaulic solutions put people to work faster while increasing safety, ensuring reliability, and maximizing efficiency. Our product portfolio includes:

Grooved Mechanical Pipe Joining, Fittings, Valves and Flow Control, Hydraulic Control, Hydronic Balancing, Equipment Modules and Assemblies, Expansion Joints, Fire Devices, Fire Sprinklers, Hybrid Fire Extinguishing Systems, Pipe Preparation Tools.

### MARKETS WE SERVE:

- [COMMERCIAL AND RESIDENTIAL](#)
- [MISSION CRITICAL](#)
- [EDUCATION](#)
- [HEALTHCARE](#)
- [INDUSTRIAL](#)
- [ENERGY](#)
- [INFRASTRUCTURE](#)
- [MINING](#)
- [OIL AND GAS](#)



While this report captures results and data about our business from 2022, the information contained within this About Us section was updated to reflect our present standing at the time of publication.



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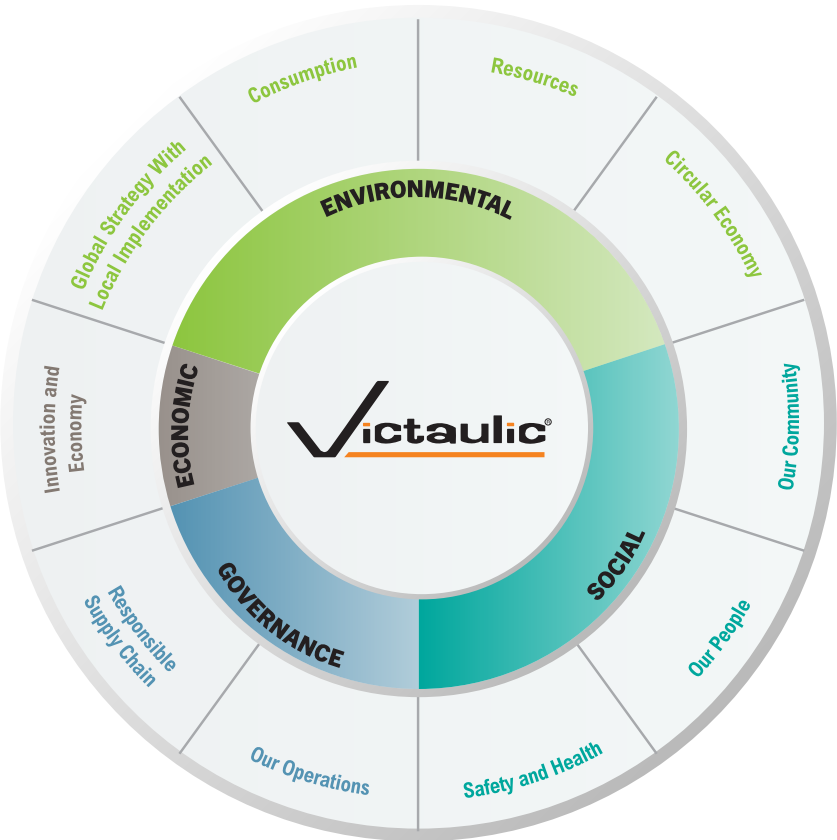
*Aidan Niggel*  
**Aidan Niggel**  
Director of Sustainability

**OVERSIGHT & MANAGEMENT OF OUR SUSTAINABILITY PROGRAM**

In 2022, Victaulic established its Office of Sustainability. This department reports directly to the Vice President of Global Internal Audit and Compliance. Under the supervision of the Board of Directors and guidance of the Executive Leadership Team, the Director of Sustainability is responsible for developing Victaulic’s sustainability strategy and helping the company navigate this new and rapidly evolving space — through legislative advocacy as well as supporting the needs of our customers. The Office of Sustainability provides regular updates to the Executive Leadership Team and the Board of Directors, continually evolving Victaulic’s direction and actions for the better.

Although still in its infancy, our sustainability program reached all Victaulic entities around the globe throughout 2022. We started by defining our current position in this space so that we could build the foundation for a successful and forward-looking program. Year one of Victaulic’s formal sustainability program was a year of obtaining baseline data, assessing existing policies and procedures, building internal processes to accommodate growth in this area, and listening to the values of our stakeholders and the evolving regulatory landscape.

With the creation of our Office of Sustainability, we are committed to growing in this area and working to align with the fast-moving developments of the global ESG space. This report aims to outline where we currently stand and how we are working to move forward.



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# VICTAULIC SUSTAINABILITY PRINCIPLES

## 10 PRINCIPLES

## 31 CRITERIA

ENVIRONMENTAL

GLOBAL STRATEGY WITH LOCAL IMPLEMENTATION	Support our global operations at the local level; buy and manufacture in the communities that we serve	<ul style="list-style-type: none"><li>• Buy where we consume</li><li>• Make where we sell</li></ul>
CONSUMPTION	Conduct our operations in an environmentally responsible manner and reduce, reuse or repurpose waste streams where possible	<ul style="list-style-type: none"><li>• Waste generated</li><li>• Reduction of end-user/customer site waste</li><li>• Environmental management systems</li><li>• Packaging</li></ul>
RESOURCES	Understand our impact on the environment and take effective action to minimize our footprint with a pragmatic environmental approach	<ul style="list-style-type: none"><li>• Utility management</li><li>• Energy usage</li><li>• Net zero by 2050 action plan</li></ul>
CIRCULAR ECONOMY	Actively support a circular economy; focus on products and technologies that can be converted back to their primary state, using the safest material components	<ul style="list-style-type: none"><li>• Recycled content/end-of-life</li><li>• Material content evaluations</li><li>• Carbon footprint</li><li>• Environmental Product Declarations (EPDs)</li></ul>

SOCIAL

SAFETY AND HEALTH	Maintain a safe and healthy workplace environment; exceed acceptable standards in our business categories	<ul style="list-style-type: none"><li>• Health and safety management and metrics</li></ul>
OUR PEOPLE	Promote a company culture that prioritizes the health and development of our employees	<ul style="list-style-type: none"><li>• Employee health and well-being</li><li>• Company culture/employee engagement</li><li>• Diversity strategy</li><li>• Employee “health” (pay/reviews)</li><li>• Learning, development and training</li><li>• Labor unions/labor relations</li></ul>
OUR COMMUNITY	Support the needs of our local communities; create opportunities for all and a better environment for those at risk	<ul style="list-style-type: none"><li>• Human rights</li><li>• Philanthropy</li><li>• Community development</li></ul>

GOVERNANCE

RESPONSIBLE SUPPLY CHAIN	Lead responsible business practices through the value chain, demonstrating market leadership, educating and developing our global supply base to do the same	<ul style="list-style-type: none"><li>• Sustainability goals in supply chain</li><li>• Supply chain compliance</li><li>• Distributor compliance</li></ul>
OUR OPERATIONS	Conduct our operations and hold ourselves and our business partners to the highest ethical standards	<ul style="list-style-type: none"><li>• Code of conduct</li><li>• Distributor compliance</li><li>• Transparency and disclosure</li></ul>

ECONOMIC

INNOVATION AND ECONOMY	Pursue innovative technologies, products and services that lead to sustainable economic development	<ul style="list-style-type: none"><li>• Innovation</li><li>• NPD development strategy</li></ul>
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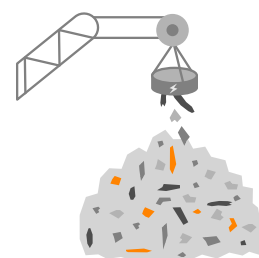
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## ENVIRONMENTAL – DESIGN, DELIVERY, & IMPACT

### RECYCLED CONTENT



While much of the steel produced today comes from mined iron ore, Victaulic products begin their lifecycle in the scrapyard. That said, we don't just buy any "scrap" available; we source a particular grade of scrap steel, and depending upon its availability, ***our ductile iron products are composed of up to 98% recycled material.*** Because we use recycled material and not virgin iron ore, the embedded carbon footprint of our products is inherently much lower.

We are proud to offer products that are made from recycled material and can be almost completely recycled themselves back into their primary state. A circular economy prioritizes recycled material over raw goods: solutions are designed to minimize or eliminate waste, and the final product can be reused, recycled, or repurposed.

[Recycle Content of Ductile Iron Products](#)



### REGULATORY COMPLIANCE AND THE VICTAULIC STANDARD OF CARE

As we look forward to developing policies, procedures, and technology that will allow us to sustain and improve the environment surrounding our facilities, we continue to rely on the strong standard of care that is a core value for Victaulic.

We operate at the highest industry standard for environmental protection protocol through implemented systems, such as the closed loop water systems to maintain furnace temperature; the dust collectors that protect surrounding areas from the emission of particulates; the use of noise control walls to mitigate our impact on surrounding communities and ecosystems; our integrated Kanban system that allows us to ensure Lean Operations in all of the materials that we utilize; and our processes for reusing process water until completely spent and below our specifications before discharging to a wastewater treatment facility.

Policies and procedures that have for many years guided our employees — such as our Hazardous Waste Management Procedure, our Universal Waste Management Procedure, our Environmental Health and Safety Management System, our Integrated Contingency Plans, and our compliance with all country and locality-specific environmental reporting regulations — remain core ways in which we operate at the industry standard for environmental protection.



## WATER

Due to the nature of the metal castings industry and the design of our foundries, water is not among the most significant influents or effluents of our manufacturing or operational processes. The volume of water usage at Victaulic sites is positively correlated with the number of employees onsite at each location, meaning that most of our usage comes from basic employee facilities.

Most of our operational sites draw this water from city lines, with the exception of two facilities that draw water directly from onsite wells. Before being discharged to appropriate wastewater treatment plants, all wastewater undergoes onsite pre-treatment and interval-based testing for anything off-specification, in alignment with local regulatory requirements. We adhere to all applicable local and regional regulatory standards for effluent discharge quality. These external standards vary based on the location of the Victaulic site and the site to which effluents are discharged.



## WASTE

As a manufacturing company, one of the material impacts our operations have on the environment and local communities is the volume and variety of waste generated by our operations. Consistent with industry norms, our greatest waste contributors are the sand, slag, and dust generated in our foundry process — all of which are non-hazardous byproducts. Victaulic is continually looking for ways to avoid sending these materials to landfills. While we have had some success to date, we have yet to find long-term beneficial reuse options; however, this effort remains a focus. Until we have identified sustainable long-term options for our waste, we will continue to dispose of it in accordance with local environmental rules and regulations.



## AIR EMISSIONS

Before any chemical or material is considered for use or brought to a Victaulic site, it is first evaluated for its Potential to Emit (PTE). The PTE evaluation reviews the potential emission of Nitrogen Oxides (NOx), Sulfur Oxides (SOx), Persistent Organic Pollutants (POP), Volatile Organic Compounds (VOC), Hazardous Air Pollutants (HAP), Particulate Matter (PM), and other standard categories of air emissions identified in relevant regulations. Air emissions are monitored and reported according to the regulatory requirements of the respective country where those operations are conducted.



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Victaulic does not intentionally import/export or produce ozone-depleting substances (ODS). Any ODS byproducts that indirectly result from facility operations are measured, documented, and reported as described in the included chart. Where we can use them, accepted alternatives to an ODS are preferred; however, if an ODS is necessary for production, the substances would be monitored and reported according to the regulatory requirements of the respective country.

Representative emissions from the Victaulic–Forks Facility and Victaulic–Lawrenceville Facility for the year 2022 are shown for reference. Additional information is available upon request.

**VICTAULIC COMPANY  
2022 FACILITY WIDE–AIR EMISSIONS**

COMPONENT	SYMBOL/FORMULA	FORKS		LAWRENCEVILLE	
		TPY	KG/Y	TPY	KG/Y
Ammonia	NH <sub>3</sub>	0.37	336	0.86	780
Carbon Dioxide	CO <sub>2</sub>	3,200	2,902,777	6,048	5,486,681
Carbon Monoxide	CO	2.26	2,050	20.11	18,245
Lead	Pb	0.00	0.00	0.01	4.81
Methane	CH <sub>4</sub>	0.06	54	0.13	113
Nitrogen Oxides	NOx	2.82	2,558	5.57	5,056
Nitrous Oxide	N <sub>2</sub> O	0.00	0.00	0.12	109
Particulate Matter (≤ 2.5µm)	PM2.5	14.04	12,737	1.58	1,437
Particulate Matter (≤ 10µm)	PM10	14.04	12,737	1.58	1,437
Particulate Matter (Condensable)	PM-CON	0.15	136	0.31	281
Persistent Organic Pollutants**	POP**	0	0	0	0
Sulfur Oxides	SOx	0.29	263	2.43	2,200
Volatile Organic Compounds	VOC	26.22	23,786	5.63	5,111

*\*\*To the best of our knowledge, there are no POPs contained in any of the processes with a regulated/permitted PTE.*



**RECONFIGURABILITY AND EFFICIENCY AT THE CORE OF VICTAULIC PRODUCTS**

Before Victaulic, the piping industry relied primarily on welders for joining pipe. Victaulic’s mechanical pipe coupling design introduced the industry to an efficient, more economical way to assemble pipes quickly, safely, and over longer distances than ever before. The same spirit of innovation that brought about the first grooved mechanical coupling in 1919 continues to drive our company’s relentless pursuit to bring productivity-enhancing solutions to every build worldwide.

Victaulic products are designed to be fast, simple, and safe to install, and they are tested to perform. These characteristics also make them flexible and highly adaptable. Victaulic’s pipe joining solutions make piping systems infinitely reconfigurable, significantly reducing pipe waste. Pipe can be disassembled, cleaned, and reused or repurposed at end of system life, reducing single use materials.

Victaulic joints, whether used on metallic or non-metallic pipe, eliminate environmentally hazardous emissions, including dangerous gases and fumes otherwise generated by welding, brazing, soldering, using solvent cement, or fusing pipe joints. This yields numerous benefits:

- Pipefitters are not exposed to the damaging fumes currently cited as the cause of serious health issues in a series of lawsuits
- No costly fire watch staffing or fire shielding is required
- No tanks, no torches, and no potentially dangerous lead lines



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**ENGINEERING FOR THE FUTURE—OUR COMMITMENT TO THE BEST AVAILABLE TECHNOLOGY**

**INDUSTRY-LEADING ELECTRIC INDUCTION FURNACES**

Our core business is ductile iron. We leverage high grade recycled steel as the primary input and produce our ductile iron castings with electric induction furnace technology. This allows us to create a circular economy product by taking used material and then converting it into a new, value-added product which can ultimately be reused, repurposed, or recycled back into its primary state. Electric induction is the most efficient means of melting metal, and it produces over 85% less carbon dioxide (CO<sub>2</sub>) per ton of steel compared to traditional blast furnaces that have long been used in the metal casting industry. Additionally, the increased efficiency of our furnaces allows for increased flexibility, varied production, and optimized energy expenditure in alignment with customer demand.

**RE-ENGINEERING OUR PAINTING AND COATING TECHNOLOGY TO DECREASE VOC EMISSIONS**

In 2022, the vast majority of our ductile iron products were coated with technologies that minimize waste and decrease the volume of Volatile Organic Compounds (VOCs) emitted at our manufacturing facilities. Moving forward, we are looking to expand these processes in new installations and as we update existing installations.

**INTELLIGENT TECHNOLOGY FOR ENERGY OPTIMIZATION**

Victaulic facilities utilize intelligent compressed air management systems where appropriate to manage the energy requirements for generation. These systems allow for reduced energy expenditure during off-peak hours and while machines are idle.

**INNOVATION AT THE FOREFRONT**

As part of the Victaulic promise of continuous improvement that has driven our innovation for more than 100 years, Victaulic Materials Engineers are actively searching for the next generation of alternative materials that will support our sustainability initiatives, particularly with respect to the polymers and plastics used in many of our product lines.

**INNOVATIVE BUSINESS OPERATIONS AND LOCAL MANUFACTURING**

A major aspect of Victaulic’s business strategy has always been to manufacture products in close proximity to our customers. In 2022, a series of strategic property acquisitions, innovative inventory management strategies, and investments in automation further demonstrated this commitment, enabling us to reduce the environmental footprint of our distribution activities and network.

Victaulic’s acquisition of Tennessee Metal Fabrication Corporation (TMF) in September 2022 supports the company’s growth in the infrastructure market and increases capacity for large-diameter piping solutions. The addition of the TMF business includes three buildings totaling 125,000 square feet and over 36 acres of land that will help us better serve our valued North American construction customers. With this acquisition, ***Victaulic has added just under 1.4 million square feet of foundry and manufacturing capacity in North America since 2011.***



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**VICTAULIC CUSTOMIZED VIRTUAL DESIGN & CONSTRUCTION SOFTWARE**

Victaulic’s portfolio of custom content for 28 different software platforms and commitment to advanced Building Information Modeling (BIM) enables exact planning for every project stage. This helps our partners minimize the environmental impact of their projects by reducing the need for onsite rework, reducing the carbon footprint of deliveries and over-ordering through proactive planning, and allowing for more efficient construction and maintenance at the project site and throughout its lifecycle.



**PACKAGING IMPROVEMENTS**

Most of Victaulic’s products are shipped in heavy-duty, triple-wall corrugated cardboard boxes attached to wooden pallets. The boxes are designed to maximize the amount of product transported in standard shipping containers, reducing the total amount of shipping required. The boxes and pallets are reused until worn out and need replacing. Victaulic has instituted several programs to recycle or repurpose old packing material. Wooden pallets are reprocessed into garden mulch and cardboard is either ground to create padding material or recycled.

In May 2022, Victaulic launched a pilot program in the U.S. for corrugated cardboard recycling. This program has diverted an average of 10 to 15 tons of board per month from landfills to reuse as raw material for new boxes. Victaulic is currently exploring the necessary steps to implement similar programs in other locations across North America.

Victaulic also continually assesses new packing materials, looking for alternatives to single-use plastic protectors. We are phasing out spray foams in favor of sustainable alternatives that still deliver our products safely to our customers.



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**RECOVERY AND BENEFICIAL REUSE PROGRAMS**

From a production perspective, our business is most sustainable when processes are optimized and efforts focus on creating high-quality products. Our operations staff regularly seeks ways to reuse scrap and waste or finds alternative uses for them.

**RUBBER REPURPOSING**

Victaulic owns and operates rubber gasket molding facilities around the world. In each of them, engineered scrap and waste are inevitable. However, instead of landfilling that waste product, Victaulic has established programs with third-party processors who clean, grind, and repurpose the material to create sports field turf, playgrounds, and other new products. Our facility in Mexico diverts over 540 tons of material a year, and in 2022, our facility in Poland diverted more than 330 tons of rubber scrap for beneficial reuse. Not only is this program good for the environment, but it also supports local businesses and communities.

**METAL RECYCLING**

Our Operations staff spends a great deal of time improving production efficiencies and reducing waste in the manufacturing process. Despite those efforts, there are by-products of the process that cannot be avoided. These by-products, which include chips, turnings, filings, and shavings generated from the machining process, are completely recyclable.

To process this material, Victaulic uses specialized equipment to remove excess oil and coolant, then compresses the material into small briquettes for reintroduction into the furnaces. This process eliminates any excess fluid and allows for a cleaner melt process. This strategy also reduces storage space, eliminates harmful smoke, increases furnace life, and avoids costly landfill charges.

**SAND RECLAMATION**

Sand is an extremely important raw material that supports our foundry process. Similar to the graded steel scrap we purchase, Victaulic sources very specific grades of sand with the right mix of particle sizes to produce high-quality castings with a smooth surface finish and less waste.

We strive to return all the sand into our process for reuse, and nearly all of it is, except for some small conveyance losses and general wear from processing. Due to the proximity of our foundries in the U.S., we can send excess core sand from Forks to Alburtis, which offsets some of the latter’s demand and reduces landfill costs. Victaulic is always investigating beneficial reuse alternatives to reduce or eliminate any sand or dust that goes to landfills.



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*In 2022, we expanded our innovation journey by introducing the Victaulic Green Belt Program, a company-wide initiative to bring Six Sigma and DMAIC problem-solving tools to the organization to improve cost and deliverability, and support our sustainability initiatives. The program's inaugural class included 16 employees from diverse job functions across our engineering and manufacturing sectors. These individuals completed their certifications through a series of ESG-focused projects that have since been implemented to generate tangible waste reduction and employee health and safety outcomes. We plan to grow this program in the years ahead and continue to embed sustainability as a mindset into employee training and development.*

POSITIONING FOR CHANGE — SUSTAINABILITY AS A BUSINESS STRATEGY

TRANSFORMATION & OPERATIONAL EXCELLENCE

We innovatively minimize waste streams by incorporating the principles of Lean Manufacturing into our processes. To support this effort, the company created a new department in 2022: Transformation & Operational Excellence (T&OE). This new team oversees projects and initiatives that drive fundamental changes to how we do business to ensure greater alignment in initiatives, processes, and resources.

*“Every industry and every organization will have to transform itself in the next few years. To become a change-ready organization we need to build a culture and organizational structure that not only is ready, willing, and able to adapt to any change, but more importantly, has the vision and foresight to anticipate the dynamics driving the change. This goes beyond being able to deploy a new tool or process. Think of organizational transformation as a state of perpetual agility. To effectively grow our business, we must always be ready to evolve while keeping a keen focus on solving our customers’ needs. The new T&OE department will keep us all pointed down the right path.”*

RICK BUCHER, PRESIDENT & CEO

SOURCING FOR SUSTAINABILITY

***Our Supply Chain and Sourcing Teams have diligently procured industry-leading materials and technology, minimizing our environmental impact in 2022.***

Purchasing environmentally responsible and pragmatic products and services from companies whose values align with ours is integrated throughout our business model. In the coming years, we will look for ways to further leverage this strategy to drive our sustainability goals.



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UNDERSTANDING OUR CARBON FOOTPRINT

In 2022, Victaulic began the process of analyzing and understanding our global carbon footprint. This included compiling our global utilities and calculating our Scope 1 and Scope 2 carbon footprint. We are developing a globally integrated process along with a set of controls for this data collection and analysis. Victaulic is committed to a sustainable future and the preservation of our world’s natural resources. Understanding where we are today is the first step to understanding where we must be tomorrow.

Our 2022 carbon data will serve as a baseline to drive future actions, including the required disclosure of this information per European law. This data will also serve as a baseline as new carbon taxes are introduced worldwide. In addition, many of our customers want to better understand how sustainable the products they purchase are and how those products can help them meet their sustainability goals. Our objective is to support our partners in this mission.



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# SOCIAL – WORKFORCE, PARTNERS, & COMMUNITY

## VICTAULIC COMMITMENT TO HUMAN RIGHTS

Our Commitment: Victaulic believes that we have a responsibility to respect human rights and that we can play a positive role in the communities where we operate. We conduct our business in a socially responsible manner, respecting the law and universal human rights to benefit the communities where we work. We are focused on treating our employees in a manner consistent with these values, evaluating how our operations may impact communities, and engaging with suppliers on issues related to human rights.

Likewise, we expect our employees and suppliers to act in a socially and environmentally responsible manner. We require them to comply with applicable laws and regulations. We encourage corruption-free decision making and sound management based on appropriate environmental, occupational health and safety, and human rights and labor policies.

[Victaulic Commitment to Human Rights](#)

[Anti-Human Trafficking and Slavery Statement](#)

## ENGAGEMENT WITH OUR EMPLOYEES

As a family-owned company, we understand that our biggest asset is our people, and we are proud of the culture that we have built. As a result, we expect all our employees to model our Guiding Principles:

- Always obey the laws and regulations that govern our business activities.
- Demonstrate ethical conduct in everything you do.
- Treat employees fairly and use employment practices based on equal opportunity for all employees. We are committed to providing safe and healthy working conditions and an atmosphere of open communication.
- Deal fairly with suppliers, vendors, and customers by treating everyone with respect and dignity.
- Safeguard Victaulic assets – both physical and intangible – and ensure they are used to further the interests of Victaulic.
- When communicating with others, both inside and outside Victaulic, use good judgment and consider how our actions reflect on the company.

[Code of Conduct](#)



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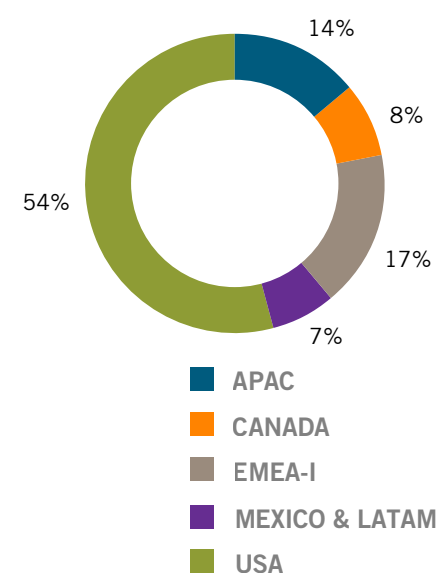
## OUR PEOPLE

We closed the 2022 calendar year with just under 5,000 employees across six continents. Our broad employee base comprises full-time and part-time personnel working on an hourly or salaried basis in diverse roles.

Key trends and representative information are reported internally to the Executive Leadership Team, Compensation Committee and Board of Directors at regular intervals to maintain a cycle of continuous feedback across various levels of the company.

In 2022, we began streamlining our intentions and capacity to gather data surrounding meaningful characteristics that represent Victaulic employees worldwide. This is an integral part of our efforts to better understand our employees, what is important to them, and how we can continue to make Victaulic work better for everyone.

GEOGRAPHIC EMPLOYEE DISTRIBUTION



## SPANNING THE GLOBE

SERVING 140 COUNTRIES WITH A GLOBAL NETWORK  
OF MANUFACTURING FACILITIES AND BRANCH LOCATIONS





WOMEN'S BUSINESS NETWORK

Created in 2021, the Women's Business Network (WBN) operates out of Victaulic U.S. locations with a mission to help Victaulic attract, develop, retain, and advance women; promote diversity, equity, and inclusion; and drive positive policy changes.

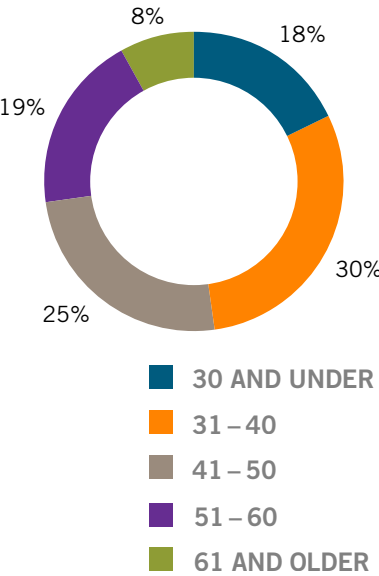
Throughout 2022, the Victaulic WBN hosted numerous events and initiatives, such as golf lessons and a golf tournament, a food drive, a series of leadership and development seminars, a clothing drive, guest speaker panels, social events, and more.

DIVERSITY, EQUITY, & INCLUSION

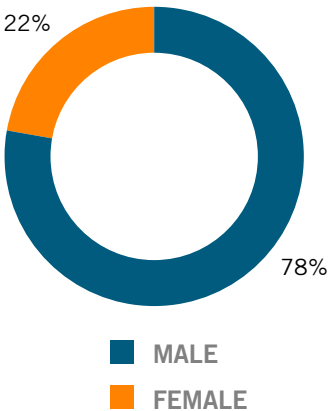
At Victaulic, our strength lies in our employees' diverse backgrounds, perspectives, and experiences. We are committed to creating a workplace where all employees feel valued, respected, and empowered to contribute their unique perspectives. We are committed to eliminating barriers hindering professional growth and advancement based on individual backgrounds or characteristics. We believe that embracing a culture of diversity, equity, and inclusion not only drives innovation and strengthens our organization but also helps us better serve our customers and communities. Our goal is to create a more equitable and inclusive environment for all.

[Diversity, Equity, & Inclusion Statement](#)

EMPLOYEE HEADCOUNT BY AGE



EXECUTIVE LEADERSHIP TEAM BY GENDER



REGION	FEMALE	MALE
APAC	30%	70%
CANADA	17%	83%
EMEA-I	26%	74%
LATAM	7%	93%
MEXICO	48%	52%
USA	24%	76%
TOTAL	28%	72%



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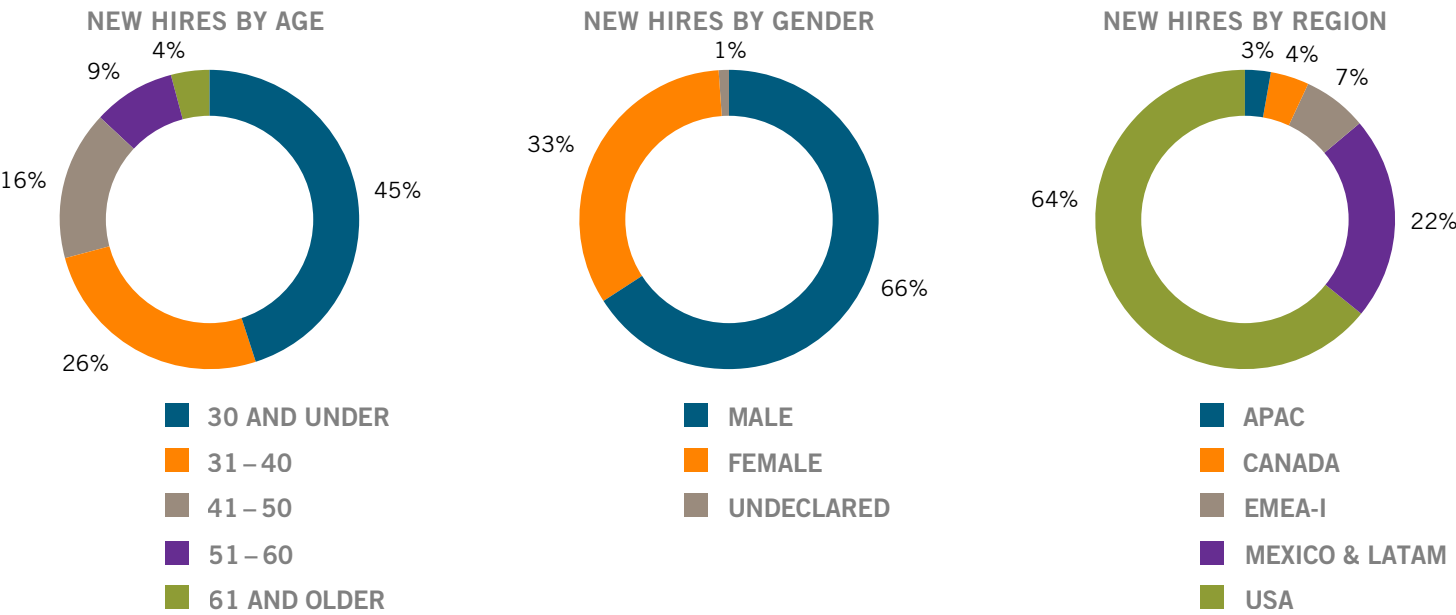
DIVERSITY OF THOUGHT

Every voice matters. This is perhaps one of the most important values for Victaulic's ongoing success. To capitalize on how we can create an inclusive environment where ideas are shared and opinions are heard, our Executive Leadership Team launched the Executive Roundtable Program in 2022. Through this program, small groups of randomly selected employees gather virtually and in person to engage informally and share feedback. We use these roundtable discussions to share insights, areas of opportunity, and solutions to further support communication, culture, and cross-functional collaboration.

EQUAL EMPLOYMENT OPPORTUNITY (EEO)

Victaulic has been and will remain an equal employment opportunity employer. This means that all qualified persons are afforded an equal opportunity for employment or promotion without regard to race, religion, color, national origin, gender, age, disability, sexual orientation, gender identity, marital status, military status, or any other basis protected by law. This policy applies to all personnel actions in all job classifications, including, but not limited to, hiring, promoting, training, disciplining, compensating, providing benefits, terminating, transferring, laying off, and recalling. It also applies to benefits and recreational programs.

Overall responsibility for implementing these policies is assigned to the Human Resources Department. However, all supervisors are responsible for ensuring these policies are adhered to in their work units with the overall intent to further the company's commitment.



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**EQUITABLE COMPENSATION AND FAIR EMPLOYMENT PRACTICES**

Victaulic is committed to gender pay equity and ensuring fair, competitive wages. We regularly research market data to ensure pay aligns with national and local employment markets. We look at related position data externally and internally, regardless of who is currently in that position.

Overtime pay is available to select employees whose job functions may require additional work outside of normal working hours in accordance with local laws and regulations, as well as any overtime stipulations that may be addressed in employment or collective bargaining contracts. Our policy on overtime pay varies by region and is available to employees in their regionally specific employee handbook or set of Human Resources governing policies.

Victaulic pays recruitment fees, training costs, and expenses accrued as a direct result of employment and operates in accordance with accepted protocols for protection against forced labor, child labor, and human trafficking across the workforce.

**SOCIAL DIALOGUE**

As a global manufacturing company, one of the ways that we can universally ensure the highest standard of work environments and employer care is our commitment to work collaboratively within the confines of local, national, and regional laws, with any labor union, collective bargaining agreement, or works council representative selected by Victaulic employees around the world. These organizations are present across several Victaulic operational sites and receive full communication and cooperation from management.

[Freedom of Association Policy](#)



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EMPLOYEE WELLNESS PROGRAM

*Since 2014, Victaulic has offered an annual Employee Wellness Incentive Program that allows all U.S. employees and their spouses to receive a monetary incentive after completing a series of wellness-focused activities throughout the year. These activities include educational seminars, health screenings, competitions, and more — all focusing on physical health and overall well-being. This program encourages employees to take an active role in ensuring their health and wellness both at work and in their personal lives and is an integral part of Victaulic's commitment to caring for its employees. In 2022, 14% of eligible employees participated in this program.*

EMPLOYEE INVESTMENT

Victaulic offers health management programs to support employees around the globe. Our health benefits meet a diverse range of needs, from preventative care and wellness programs to comprehensive healthcare coverage. Our benefits programs address employee needs throughout their careers and into retirement. This includes savings and pension plans, which provide financial stability for our retirees and their families.

As we move through the coming years, we are developing processes to better collect and audit data surrounding employee utilization of many of our health and wellness programs to improve the value we offer our employees.

Victaulic is committed to helping employees juggle work, family, and personal obligations by offering flexible work arrangement options, where permitted by job function. The agreement and consideration of flexible work arrangements is a case-by-case program designed to provide employees with increased flexibility with their work schedule while allowing Victaulic to maintain a productive work environment. This also includes paid time off and leave of absence to optimize work-life balance.

Employees have access to comprehensive information regarding the compensation and benefits to which they are entitled, the environment and culture that Victaulic expects its employees to cultivate, and everything that it means to work at Victaulic in our portfolio of more than 30 regularly revised Employee Handbooks and Human Resources governing policies translated across all of our operational languages that address this information on a regional level.



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*In 2022, we internally promoted 7.6% of our employees globally.*

*In 2022, our tuition reimbursement program supported 42 Victaulic employees in pursuing a higher education degree.*

EMPLOYEE TRAINING AND CAREER DEVELOPMENT

At Victaulic, career mobility is a driving force of our sustained evolution and growth as a company. We pride ourselves on being a place where our employees choose to stay, and we foster a culture of developing our people and promoting from within. This mindset helps us continually realign with the unique values that come from being family-owned, even as we grow.

LEADERSHIP DEVELOPMENT

Victaulic’s two Leadership Development Programs, launched in 2019, help drive our culture of fostering potential and investing in our people. The Leadership Essentials Program, offered several times a year to select leaders across all Victaulic regions, is a two-and-a-half-day program designed to equip front-line managers with the critical skills they need to be successful people leaders. The Leadership Academy, delivered globally each year, is a four-month leadership journey that equips our mid-level managers to lead collaboratively across organizational boundaries. Both programs focus on leadership style, skills, behaviors, and impact on others.

VICTAULIC UNIVERSITY

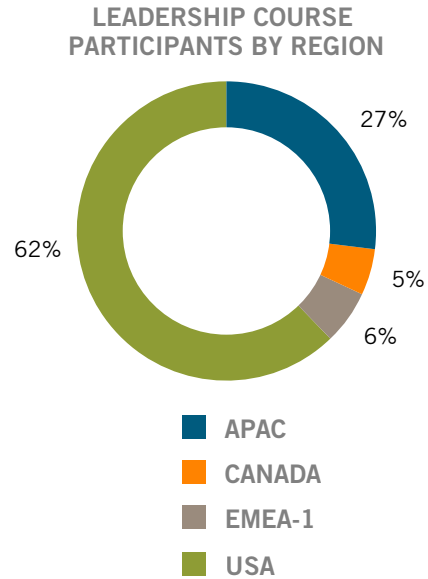
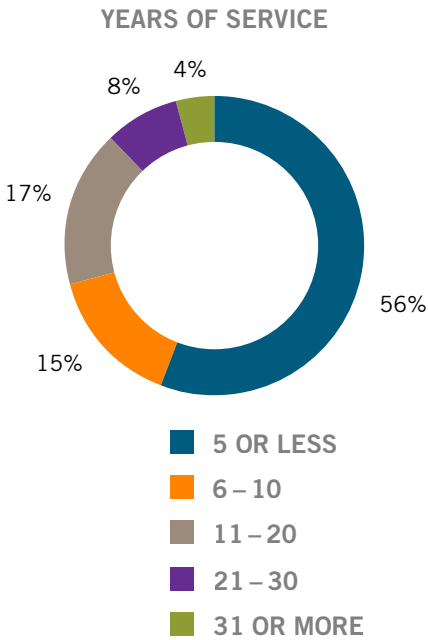
Victaulic University, our internal learning management software, supports our employees globally in their learning and development goals. The growing catalog of more than 350 courses, available to employees on demand or upon requirement, is used for employees moving into new roles, as well as personal enrichment and skills development. Providing our employees with skills-learning opportunities on topics ranging from Victaulic products and department-specific protocols to professional development and leadership, Victaulic University is one of the essential ways we invest in helping our employees grow with us.

Key performance indicators for utilization of this platform are reported twice annually to management.

AVERAGE YEARS OF SERVICE – REGION	TOTAL
APAC	7.3
CANADA	8.8
EMEA-I	10.1
MEXICO	4.1
USA	8.5

AVERAGE YEARS OF SERVICE – GLOBAL	TOTAL
ALL EMPLOYEES	8.3

VICTAULIC LEADERSHIP COURSES	FEMALE PARTICIPANTS	MALE PARTICIPANTS
LEADERSHIP ACADEMY	22%	78%
LEADERSHIP ESSENTIALS	27%	73%
TOTAL	26%	74%



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Our Forks site, the location of our Global Headquarters, is OSHA VPP Star Certified.



## EMPLOYEE HEALTH & SAFETY – OUR BEST IN CLASS STORY

The health and safety of our employees is our highest priority, consistent with our operating philosophy. Although many characteristics of our operational sites vary, our approach to Employee Health and Safety (EH&S) is universal across all Victaulic locations. Victaulic’s safety management program rests on sharing insights and effectively communicating with a focus on behavior-based safety principles.

### EH&S TRAINING

As part of our Onboarding Program, we ensure all new hires have undergone and thoroughly understand the appropriate level of safety training pertinent to their job and provide regular training on various topics throughout employment. We provide health and safety information to all our employees in their most proficient language to ensure its effectiveness, and we require the same standards of health and safety awareness from any subcontractors or third parties who visit our locations.

### OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

Our Environmental Health & Safety Management System Manual governs employee safety across all Victaulic operations worldwide. This document guides the implementation and direction of our portfolio of regionally and functionally specific safety protocol documents, all translated to accommodate the regions where we operate.

### PROTOCOLS AND SPECIALIZED GUIDANCE

Many of our facilities are equipped with specialized technology and machinery to increase the efficiency and capabilities of our manufacturing process. Our Global Safety Program is managed at every facility with location specific protocols. To mitigate risk, we perform and document machine safety analyses when introducing any new machinery into our processes and perform weekly targeted inspections at all manufacturing sites.

In addition to our comprehensive EH&S Management System Manual, our Health and Safety Management Program is guided by many supplemental policies, including our Hierarchy of Controls, Personal Protective Equipment Policy, Contractor Safety Guidelines Policy, Integrated Contingency Plans, and our portfolio of Safe Systems of Work Documents.

### INTEGRATED CONTINGENCY PLANS

We maintain specialized integrated contingency plans as required for all our operational sites to guide our employees in the event of a wide array of potential emergencies.

### ONSITE MEDICAL CARE

Onsite medical staff operate out of many of our large manufacturing operations, providing both regular and emergency care to our employees.



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PROTOCOLS IN ACTION

*Like all our safety protocols, our Hearing Conservation Program is a persistent effort to evolve with our operations. At Victaulic, noise levels are measured and monitored, with noise surveys performed before introducing any new equipment or configuration. Where noise levels exceed predetermined safety-based thresholds, employees assigned to affected areas are provided with hearing protection equipment. Subsequently, employees whose assignment requires hearing protection receive an annual audiogram. This is consistent with our commitment to continual hazard identification and mitigation in all forms.*

EMT/EMR CERTIFIED EMPLOYEES

*Beginning at our Global Headquarters in Easton, Pennsylvania, Victaulic has implemented an employee-driven program whereby the company provides EMT or EMR training and certification to employees on a volunteer basis. The program aims to ensure the presence of at least one individual appropriately trained to respond in the event of a health or medical emergency on any Victaulic site. It also manages the availability and upkeep of AED devices and other medical emergency response kits across Victaulic sites. This initiative has grown to operate throughout several of Victaulic's locations.*

SAFETY COMMITTEES

Health and safety culture at Victaulic is deeply rooted in strong lines of communication between employees across all locations and job classifications. Safety Committees meet regularly at various levels to facilitate effective communication, including job function, regionally and globally. These committees are composed of diverse groups of employees and create a forum for openly sharing safety concerns, insights, and best practices across all sectors of the company.

Our Safety Committees provide an opportunity for advocacy and for the concerns of employees at all levels to be heard, escalated, and addressed. All employees are actively encouraged to voice any health and safety concerns without fear of intimidation or reprisal, thereby creating a globally cohesive safety program driven by those on the front lines of the issues.

INCIDENT REPORTING AND MANAGEMENT

Safety at Victaulic is the responsibility of all employees and requires that people at all levels feel empowered to identify and raise concerns. We are committed to embedding non-retaliation principles into our safety training programs, and we train supervisors to be positive safety coaches who ensure that reporting safety incidents or concerns is never a negative experience. We believe that protecting our employees begins with creating a strong culture of communication across our operations.

All incidents related to the health and safety of Victaulic employees, including all types of injuries, concerns, and near misses, are centrally reported from all the company's global facilities and communicated regularly to the Executive Leadership Team.

A formal investigation and root cause analysis is conducted following every reported safety incident, allowing us to track performance and drive improvement.



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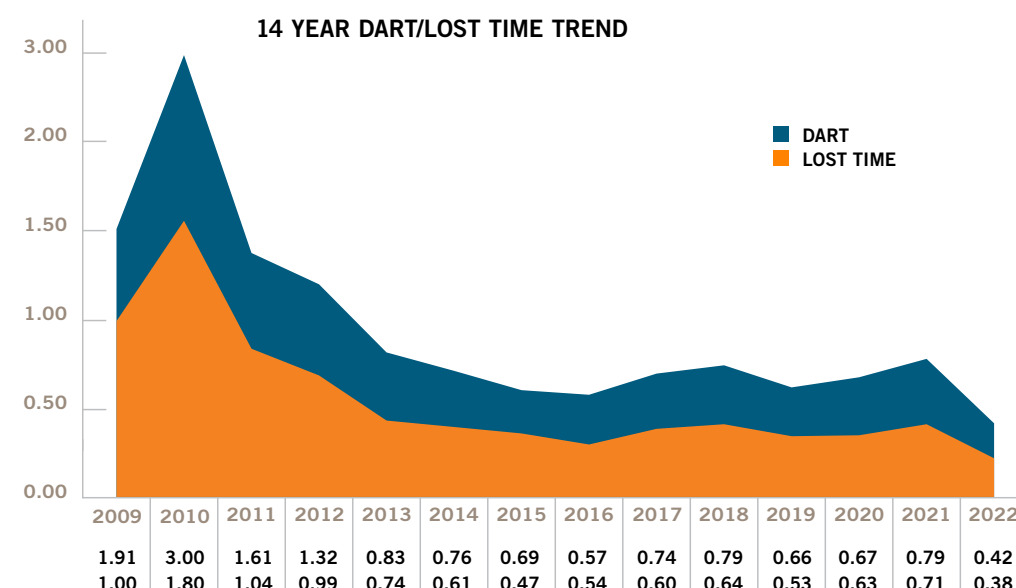
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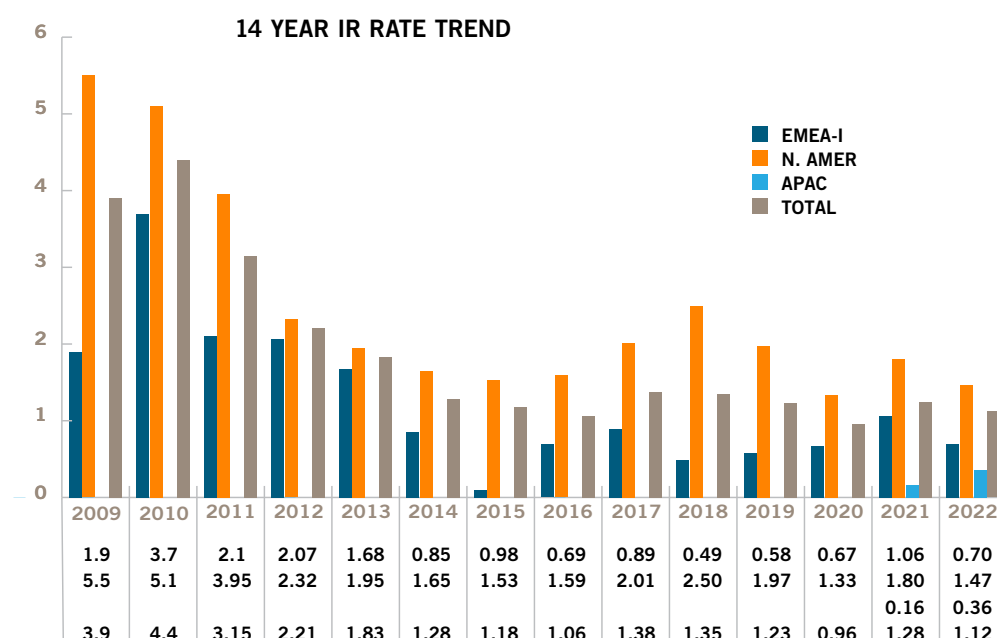
## SAFETY IN 2022

Calendar year 2022 was another successful safety year for Victaulic. Meeting the challenges of continued company growth (organically and via acquisition), Victaulic ended the year with a recordable injury rate of 1.12 (injuries per 100 employees). This rate represents a 12.5% reduction from the calendar year 2021 and more than three times less than the industry average of 4.0 for the primary metals industry.

In 2022, no Victaulic employees suffered a serious injury (fatality, loss of limb, incident requiring hospitalization, or incident resulting in three or more recordable injuries).



Despite a 7.5% increase in workforce hours expended in 2022, the actual number of recordable injuries (an injury that goes beyond first aid) decreased from the previous year. We have consistently maintained our Lost Time Rate under 1.0 for eleven years, where the industry average for the Primary Metals Industry is 2.0. Similarly, our DART (days away, restricted or transferred) figures have remained below 1.0 for ten years, where the industry average for the Primary Metals Industry is 4.2.



The most frequent type of injuries recorded by our employees were sprains/strains, contusions, cuts, abrasions, and foreign bodies to the eye. The most frequent type of incident reported in 2022 involved material handling equipment, most of which involved hazards introduced by the use of fork trucks. Fortunately, these incidents rarely result in a personnel injury. More often than not, these incidents are categorized as a near miss or an incident resulting in some material damage suffered. However, given this equipment's high potential for serious injury, we scrutinize these events and share lessons learned to reduce the risk.

## SAFETY PERFORMANCE MANAGEMENT

We conduct annual safety audits for all our locations and regularly report safety performance indicators at the company level to encourage employees to stay vigilant and continue to report what they see. We are very proud of our consistent ability to keep our employees safe.

**ENGAGEMENT WITH OUR SUPPLY CHAIN AND BUSINESS PARTNERS**

We understand that as a global operating company, our decisions can have significant impacts reaching far beyond the scope of our operations, thus driving our constant focus on operating with integrity in all we do. We hold all our supply chain partners to the same high standards of business conduct that guide our internal operations. As a result, we respect and periodically reevaluate the commitments made in such partnerships to ensure that Victaulic is positioned to best serve and protect its internal and external stakeholders.

**SUPPLIER ONBOARDING**

Our supplier onboarding process consists of a series of due diligence procedures with touch points in our Supply Chain and Sourcing Teams, Compliance and Trade Compliance Teams, and Quality Assurance Department, all to ensure that our partnerships are ethical, responsible, and practical.

In 2022, we began to evaluate this series of procedures for gaps and opportunities to improve our integration of sustainability and ESG values throughout our supplier selection process. This includes implementing language in our supplier contracts that encourages our partners to commit to growing with us in this space. We introduced our Supplier Code of Conduct to our existing partners and integrated the signing of this commitment into our onboarding process for new suppliers.

Victaulic does not tolerate human trafficking, child labor, or any violation of universal human rights within our supply chain. We will continue to seek a better understanding of these risks, develop an improved system for measuring related performance indicators, and hold our partners to the highest standard of ethical business conduct.

[Supplier Code of Conduct](#)

**TRAINING OF SOURCING AND PROCUREMENT TEAM**

Throughout 2022, training of our Supply Chain Teams on environmental, social and governance topics occurred through our comprehensive Code of Conduct Training that is distributed to all employees annually. In acknowledgment that our Sourcing and Procurement Teams could benefit from more targeted training on these topics and how they relate to risk mitigation for Victaulic and the industry, we have begun creating and implementing a unique ESG Training Program for these individuals.

**CONFLICT MINERALS**

In accordance with U.S. Securities and Exchange Commission (SEC) guidelines and our own Conflict Minerals Policy, which prohibits the use of any conflict minerals in our products, we collaborate with our suppliers to ensure that any materials or products we source are free from human rights risks and violations.



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## CUSTOMER HEALTH & SAFETY

From the beginning, Victaulic's products are designed with safety, and ease of use and installation in mind. The Victaulic Quality Assurance Program assures this standard of quality through the entire life cycle of Victaulic products. It is used to monitor the effectiveness of our Quality Systems to ensure both internal and external customers receive world-class products.

Victaulic products undergo rigorous validation and testing designed to stress the product beyond what is considered normal service to ensure it meets the health and safety requirements of the application. The battery of tests varies depending on the market, service, and severity of the application. Where needed, Victaulic submits all products to third-party, certifying bodies for both physical and material testing.

Several key programs support this effort, including, but not limited to, the support of new product development, supplier qualification and reevaluation, first article inspection, customer material certificate generation, ISO compliance, and quality performance reporting.

This effort to protect our end user is governed by our Global Quality Systems Manual, Control of Nonconforming Material Procedure, Preventive Action Procedure, Corrective Action Procedure, and more.



Job site safety and ensuring the health and safety of the end user once Victaulic products leave our facilities is an essential component of the value we offer our partners. With an industry-leading global sales team, we regularly provide essential training to customers on the proper installation and use of our products on the job site and assist in tracking levels of training across workers at the site. Where we cannot provide onsite training, we offer extensive training materials, including pamphlets, posters, instruction manuals, videos, and more, all available on demand to our customers.

Our unique ability to offer a wide array of prefabricated products not only helps reduce labor hours and subsequent expenses but also enables our customers to dramatically reduce the health and safety risks of their job sites. Prefabricated products cut down on installation variability, eliminating much of the margin for human error.

Additionally, end user safety is engineered into Victaulic products through:

- Specialized products designed to provide specific safety features for installed systems. For example, Victaulic manufactures fire sprinkler heads to disperse water, valves to control flow, products that allow movement and prevent system damage from expansion, settlement or during seismic events, and products that provide emergency pressure relief, among others.
- Victaulic tools are designed with electrical and mechanical safeguards to keep the operator away from moving parts. Victaulic has even developed technology where the operator is required to start and operate the tool from a remote position. As a global supplier, Victaulic’s tools also meet stringent safety requirements per the Canadian Standards Association (CSA) and Conformité Européenne (CE).
- Victaulic products are developed and routinely tested beyond their rated performance to ensure robust performance in the field. Many of our products are listed by third-party agencies such as Underwriter Laboratories (UL) and Factory Mutual (FM). In these cases, those products must withstand substantial physical testing, such as hydrostatic testing of over four times their rated pressure.

*The Victaulic Quality Management System is certified ISO 9001 compliant for the protection of our people and partners.*



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## ENGAGEMENT WITH OUR COMMUNITIES – LOCAL PARTNERSHIPS

Victaulic understands the value of protecting and engaging with the communities in which we operate. We are committed to limiting any disruption our business may cause and strive to connect and contribute positively to the communities surrounding us.

### BEDFORD FOUNDATION

Our history of giving began in 1948 when Frederick H. Bedford Jr., co-founder of Victaulic Company, organized a global fundraising campaign for a cancer charity. Today, we continue in those footsteps by creating a gateway for employees to connect to philanthropic and volunteer opportunities. Through the Bedford Foundation, Victaulic supports more than 35 organizations annually — providing substantial financial support to people and families in need and organizations that benefit performing arts, education, the environment, health, and human services.

Victaulic partnered with Americares, a global health-focused relief and development organization for those affected by poverty and disaster, to provide humanitarian support for Ukrainian families. Victaulic employees, matched by the Bedford Foundation, raised a total of \$35,804. Victaulic remains committed to the betterment of the global communities where we do business.

### UNITED WAY AND VOLUNTEERISM

Victaulic has partnered with United Way for more than four decades, helping our employees give, advocate and volunteer in our communities.

United Way fights for the health, safety, and education of every person by assessing community needs, raising funds, investing in solutions, mobilizing people to action, and measuring results. Together, United Way empowers people who live, work, and play in the communities where we operate, and we are a proud partner in their mission.

Service to our community has always been a foundational value for Victaulic, and our Ambassador & Volunteer Network (AVN) employee resource group, formed in 2022, aims to unify our employees with the common passion of dedicated community service and philanthropy. It not only allows employees to take on a more active role in driving the direction of Victaulic's existing community outreach and charitable contributions but also allows them to share their favorite causes with our active network of employees. Ultimately, the AVN aims to further engage employees and build connections through volunteerism.

Although 2022 was a challenging year for volunteerism due to the barriers in many communities around the world that persisted following the COVID-19 pandemic, we were able to begin re-engaging in volunteer activities. As these barriers continue to dissolve, our employees are enthusiastic about reconnecting with many of the community programs that have become part of our culture at Victaulic.



### ANNUAL UNITED WAY DAY OF CARING

*Every year, employees at our Global Headquarters participate in the United Way Day of Caring, the largest one-day mobilization of volunteers in the Greater Lehigh Valley. In 2022, Victaulic employees continued this partnership by volunteering their time at Safe Harbor and Third Street Alliance, two nonprofits that combat the effects of homelessness in our neighboring communities.*

*"The AVN inspires employees to become community stewards representing Victaulic, building on our heritage and reputation of philanthropy, and connecting with the communities where we operate."*

**JOE SAVAGE, EXECUTIVE VICE PRESIDENT AND CFO**



**VOLUNTEER TIME OFF PROGRAM**

In 2022, we introduced the first year of our Volunteer Time Off Program across all of our U.S. locations. The program allows salaried employees to take up to eight hours of paid time off each year to reinvest in our communities through volunteer work. This program, in conjunction with the Ambassador & Volunteer Network, aims to create community engagement opportunities that are meaningful and purposeful while removing barriers to getting involved.



**INVESTING IN THE FUTURE**

Fostering young talent is one of the core ways that Victaulic ensures its longevity as a company and a valued outlet for community outreach. Each year, Victaulic hires approximately 70 to 80 interns from 35 to 45 universities across the U.S., with about 20% returning for more than one internship opportunity and several accepting full-time employment at Victaulic after graduation. We seek to strike a balance between mentoring our interns and teaching them new skills while providing them with a challenging workload and interesting projects. Through networking events, a mentorship program, social activities, competitive compensation, and more, we work to provide a rich experience that derives mutual benefit for our company and for students from the communities where we live and work.



We are also proud to offer the Victaulic Exploring Post 1919, a program that allows us to help local high school students explore what it means to pursue a career in professional engineering. This program, run annually out of our Global Headquarters, invites students to our facility in the evenings to participate in hands-on engineering challenges, each centered on a unique discipline and led by our subject matter experts. Through interdisciplinary and engaging activities, Victaulic volunteers expose students to practical engineering scenarios and learning objectives while developing the soft skills to help them build successful careers. Our 2022 Explorer Program had 37 students enrolled from six local school districts, representing the program’s steady growth since its inception.

**2022 INTERN IMPACT DAY**

*Through our internship program, we strive to give our interns a glimpse into everything it means to work for Victaulic and share our corporate values. As part of this initiative, our 2022 summer interns took a day out of the office to volunteer across three local organizations with the shared goal of community enrichment.*

**EASTON URBAN FARM**

*In October 2022, members of our Ambassador & Volunteer Network rolled up their sleeves to help a local farm harvest and prepare crops for local families in need. Our partnership with this farm, which harvests thousands of pounds of produce annually and delivers directly to the neighborhood’s food pantry, allowed us to engage with our community and see firsthand the value of our relationship.*

**DREZDENKO BOOK DRIVE FOR LIBRARY**

*In August 2022, employees at our foundry and office in Drezdenko, Poland, came together to help fill the shelves of The Lipki Wielkie Public Library. The village of Lipki Wielkie has a population of just 1,200 people; Victaulic’s employee population in the region is nearly half that. As such, the local Victaulic employees have an integral role in the neighboring communities.*

*“The library book drive in Drezdenko is a prime example of Victaulic’s culture of caring,” commented Rick Bucher, President & CEO. “I am very proud of how we support our communities and neighbors in need. It is remarkable the extent to which our global Victaulic team shares its time, talent, and gifts as individuals and collectively as a company.”*



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## GOVERNANCE – COMPLIANCE, ETHICS, & DUE DILIGENCE

### CORPORATE COMPLIANCE AT VICTAULIC

#### BOARD OVERSIGHT

Incorporated in 1925 as a privately held corporation with a humble portfolio of products that would grow to revolutionize the construction industry, Victaulic has more than 100 years of company history and culture that has been carefully built through time and innovation. Under the guidance of our Owners and the Board of Directors, the policies, procedures, and values governing our business have evolved and matured while retaining the core principles upon which they were initially written at incorporation. This natural evolution of Victaulic's governance structure has produced a robust and forward-looking array of governing documents and practices that allow Victaulic to continue to conduct business responsibly in the changing global environment while preserving the company's foundational values.

#### BOARD STRUCTURE

Both Victaulic Company and Victaulic International, B.V. are governed by a Board of Directors with 12 and five directors, respectively. Each Board of Directors, entrusted by our shareholders to steer the company's course, comprises individual directors representing a mixture of shareholders, executive management, and independent directors.

All Board Members are first nominated by the shareholders or a sitting director; following interviews with the members of the Board, internal reviews, and thorough due diligence, they are then approved by the current Board of Directors. In addition to appointing senior management and overseeing the broad scope of company activity, members are responsible for running and governing the Audit and Compensation Committees.

The Board and the Committees of each Board conduct annual self-evaluations. All sitting directors complete annual compliance training and disclose all actual and potential conflicts of interest.

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### THE ROLE OF EMPLOYEES

Victaulic employees are guided by our Code of Conduct, a living document that is reassessed regularly to best reflect the values of our company. Although our Code is intended to be a comprehensive guide, we recognize that one governing document cannot suffice on its own. As such, we have established a broad portfolio of policy and procedural documents intended to guide our employees in unique situations. In addition to the many policies and procedures included throughout this report, Victaulic employees are also responsible for working within the guidelines of the following policies:

- Delegation of Authority
- Document Retention Policy
- Email Retention Policy
- Social Media Policy
- Our extensive list of Information Security Policies in place for the protection of employee and partner data in compliance with the GDPR and all applicable laws

We encourage open dialogue surrounding all policies and procedures and support all employees in raising concerns and contributing to the evolution of our corporate governance and compliance programs.

### THE ROLE OF THE COMPLIANCE PROGRAM

Beyond promoting ethical conduct at every level of Victaulic, our Compliance Program guards our company's and shareholders' reputations, reduces uncertainty in business transactions, and protects our assets.

Victaulic has compliance representation around the globe to ensure proper governance of our program. Our five Regional Compliance Officers, Chief Legal and Administrative Officer, and the Vice President of Global Internal Audit and Compliance are devoted to overseeing the program and have the authority to take appropriate action when needed.

Employees are encouraged to maintain open communication with the Compliance Department and their respective Regional Compliance Officer.

To help guide us, the U.S. Department of Justice (DOJ) and Securities and Exchange Commission (SEC) made specific recommendations as to what constitutes an effective compliance program, which can be tailored to a company's size and needs. Victaulic carefully considered these characteristics and implemented them in the development of our Compliance Program.



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#### COMPLIANCE AT ALL LEVELS

*Our workforce is made up of a very diverse set of individuals spanning the globe, all of whom contribute to our organization in unique ways.*

*As such, our compliance program has evolved with the company's global expansion and ventures to ensure that our training programs equally cover our workforce.*

*We have developed comprehensive compliance training materials in various formats, including interactive online modules, video lessons, quick hit guides, group presentation materials, and more — all available in the 13 languages our employees speak.*

*In 2022, 100% of Victaulic employees received training on the Code of Conduct.*

## ENGAGEMENT WITH OUR EMPLOYEES

### COMMITTED SENIOR LEADERSHIP

Our Board of Directors, President & CEO, and Executive Leadership Team are committed to having an effective compliance and ethics program in every location where Victaulic does business.

### COMPLIANCE AWARENESS AND TRAINING

Conducting business lawfully and ethically and having our employees act fairly and honestly are among Victaulic's core values. This policy is centrally located on our website to ensure all employees know and have access to our Code of Conduct. The Code outlines the responsibility everyone in the company plays in guaranteeing our compliance, as well as potential conflicts of interest in specific business areas requiring special attention to avoid compliance risks.

All instances of conflict of interest or perceived conflict of interest involving a Victaulic employee at any level, as well as any code violations, are to be disclosed internally through our Corporate Compliance Program.

To ensure that all employees understand Victaulic's compliance policies, we require all employees to perform two fundamental activities: complete our annual Code training — either in person or through our online learning management system — and annually certify that they understand our Code and do not have conflicts of interest to report.

Beyond our training on the Code, Victaulic has established an internal Global Compliance Site to feature regular communication regarding important compliance topics and timely areas of interest. Our Code and training materials are available in 13 languages, allowing all Victaulic employees to review and understand our policies. Victaulic also offers in-person training with new employees to introduce the Code and how it governs our business.

[Code of Conduct](#)



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*A comprehensive Business Ethics Training Program covering bribery, corruption, the Foreign Corrupt Practices Act (FCPA), conflicts of interest, and more is integrated into our industry-leading sales training program.*

## COMPLIANCE REPORTING

Employees who violate the Code will be disciplined accordingly, including termination when appropriate. In addition, employees may be subject to personal liability and possible jail time, as provided under applicable laws. Victaulic recognizes that positive incentives can drive compliant behavior, including our employees' contributions to developing training materials, teaching the Code, and coaching and counseling others on the Code and other compliance topics.

Victaulic employees are empowered to report suspected Code violations to a supervisor, the Human Resources Department, a compliance officer, the internal audit team, or any member the Executive Leadership Team. Employees and external parties may also report anonymously via our regional hotlines or at [www.victaulic.ethicspoint.com](http://www.victaulic.ethicspoint.com). Our regional hotlines and online reporting platform are available 24/7 in all regions where Victaulic operates. We utilize this tool to address employee concerns, monitor the state of our business to identify training opportunities and, most importantly, create a culture of trust and respect.

The Compliance Department reviews and investigates all reported potential violations per our established Awareness Line Procedure and escalates them as necessary. Victaulic takes all reports seriously and has investigation procedures in place to ensure all matters are properly examined and dealt with swiftly. We do not tolerate retaliation of any form against anyone who reports a concern in good faith.

Compliance program performance indicators are reported quarterly to the Board of Directors.

## NON-RETALIATION AND WHISTLEBLOWER PROTECTION

Non-retaliation as a company value is integrated throughout Victaulic's governing documents to ensure the protection of the company, stakeholders, and employees. We operate in compliance with evolving whistleblower protection laws and requirements on a local level.

## ANTI-CORRUPTION & BRIBERY

Victaulic is committed to conducting business lawfully and ethically in all countries where we do business. Victaulic competes on the merits of its products and services in the global marketplace, and relationships with Distributors and Agents must be based on lawful, efficient, and fair business practices.

As part of Victaulic's commitment to lawful business practices and fair trade, Victaulic expects employees, Distributors, and Agents to comply with all applicable Anti-Corruption Laws.

Any Victaulic employee who fails to comply with the Anti-Corruption Laws may be in violation of the Victaulic Code of Conduct and be disciplined up to and including termination. In addition, the employee may be subject to personal liability and possible jail time, as provided under applicable laws.

Any Distributor or Agent who fails to comply with the Anti-Corruption Laws may be subject to immediate termination of the agreement or relationship with Victaulic and civil and criminal penalties.



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**ENGAGEMENT WITH OUR SUPPLY CHAIN AND BUSINESS PARTNERS**

As a company operating in the global market, we understand that in working with our business partners from different parts of the world, some inherent risks cannot be mitigated by our internal ethics and compliance policies alone.

In addition to establishing our own rules based on key laws and regulations and thoroughly educating our employees on those rules, we ensure compliance with the rules governing external business dealings and partners.

**CUSTOMER DUE DILIGENCE - DETERMINING AND MITIGATING THIRD-PARTY RISK**

Victaulic’s third-party risk management system for evaluating customers rests on the information provided by Transparency International’s Corruption Perceptions Index, a complete assessment of the compliance-related risks commonly associated with doing business in each country.

From this analysis, we have created a comprehensive risk matrix comprised of a tiered system to determine the appropriate level of due diligence necessary throughout our customer relationships. The risk matrix is reviewed and updated as needed in accordance with annual changes to the Corruption Perceptions Index. Based on a factor of our sales volume with each customer and each customer’s position within the Corruption Perceptions Index, the risk matrix guides the use and frequency of due diligence measures, including third-party investigations, anti-bribery, and anti-corruption certifications, in-person training, web-based training, and desktop audits.

In 2022, 100% of our sales dollars came from customers screened against our risk matrix and put through our Compliance and Due Diligence protocols in alignment with each company’s risk profile.

[Anti-Bribery & Corruption Policy](#)



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**SUPPLIER DUE DILIGENCE - DETERMINING AND MITIGATING THIRD-PARTY RISK**

We leverage the same software platform previously described to run third-party investigations for all our suppliers that fall into a risk category of 50 or below per the current Corruption Perception Index. All supplier contracts are subject to termination at any point based on this assessment and at the discretion of appropriate personnel within our Sourcing and Compliance Departments.

[Supplier Code of Conduct](#)

**CONTINUOUS IMPROVEMENT**

Just as Victaulic seeks to improve its business practices, such as safety and productivity, across all global operations, we aim to make our compliance program as effective as possible, recognizing the need to re-evaluate as our company evolves. Utilizing input from all sources, including outside advisors, we strive to deliver improvements in our compliance program every year.

For more than 100 years, Victaulic has committed to conducting business lawfully and ethically in all countries and places we operate. Integrity is the foundation upon which Victaulic was built and is one of our most important assets. It is a major reason for our successful history and a requirement for a successful future, ensured by establishing a best practice compliance program.



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# ABOUT THIS REPORT

## PREPARATION AND SCOPE

This report covers information and data collected from January 1, 2022, through December 31, 2022, with respect to all Victaulic operating locations. Victaulic strives for the highest global standard in all that we do. While we have several operating entities in various regions of the globe, our approach to sustainability is panoptic and aligned with our universal Victaulic values. We prepared this report with reference to the Global Reporting Initiative GRI Standards 2021 and have carefully selected those topics that are material to our business.

We use the word “material” throughout this report consistent with GRI terminology, which states material issues include those that “reflect the organization’s significant economic, environmental and social impacts; or substantively influence the assessments and decisions of stakeholders.” We do not use the term as defined by or in the context of the U.S. Securities and Exchange Commission (SEC) laws, including those related to SEC reporting and disclosure obligations, or any other securities laws, or as the term is used in the context of financial statements and financial reporting. Our GRI Index can be found at the end of this document.

This report has been prepared as a collaborative effort across numerous departments within our organization and under the oversight of the Executive Leadership Team, with ultimate approval by Victaulic’s Board of Directors. The key concepts in this report were derived from our Victaulic culture in what our key executives and our Board have determined to be our material topics and areas of greatest potential impact. These initiatives are driven by our key stakeholders and were formed through the accumulation of customer requests, employee interests and a culture of community support wherever our employees live and work.



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GRI STANDARD	DISCLOSURE	RESPONSE/LOCATION
GENERAL DISCLOSURES		
GRI 2: GENERAL DISCLOSURES 2022	2-1 Organizational Details	<a href="#">About Us</a>
	2-2 Entities included in the organization's sustainability reporting	<a href="#">About this Report – Preparation and Scope</a>
	2-3 Reporting period, frequency, and contact point	<a href="#">Page 42 // About this Report – Preparation and Scope</a>
	2-4 Restatements of information	Not Applicable – This is our first report.
	2-5 External assurance	This report has not been externally assured.
	2-6 Activities, value chain and other business relationships	<a href="#">About Us</a>
	2-7 Employees	<a href="#">About Us</a> // <a href="#">Engagement with our Employees – Our People</a> // <a href="#">Diversity, Equity, &amp; Inclusion</a>
	2-9 Governance structure and composition	<a href="#">Corporate Compliance at Victaulic – Board Oversight</a> // <a href="#">Corporate Compliance at Victaulic – Board Structure</a>
	2-10 Nomination and selection of the highest governance body	<a href="#">Corporate Compliance at Victaulic – Board Oversight</a> // <a href="#">Corporate Compliance at Victaulic – Board Structure</a>
	2-11 Chair of the highest governance body	The chair of the highest governance body is the Chairman of the Board. The Chairman is not a senior executive of the company.
	2-12 Role of the highest governance body in overseeing the management of impacts	<a href="#">About this Report – Preparation and Scope</a> // <a href="#">Oversight and Management of our Sustainability Program</a> // <a href="#">Corporate Compliance at Victaulic – Board Oversight</a> // <a href="#">Engagement with our Employees – Committed Senior Leadership</a> // <a href="#">Engagement with our Employees – Compliance Reporting</a> // <a href="#">Engagement with our Employees – Our People</a>
	2-13 Delegation of responsibility for managing impacts	<a href="#">Oversight and Management of our Sustainability Program</a>
	2-14 Role of the highest governance body in sustainability reporting	<a href="#">About this Report – Preparation and Scope</a>



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	2-15 Conflicts of interest	<a href="#">Corporate Compliance at Victaulic – Board Oversight //</a> <a href="#">Corporate Compliance at Victaulic – Board Structure</a>
	2-16 Communication of critical concerns	<a href="#">Engagement with our Employees – Compliance Reporting</a>
	2-18 Evaluation of the performance of the highest governance body	<a href="#">Corporate Compliance at Victaulic – Board Structure</a>
	2-20 Process to determine remuneration	<a href="#">Engagement with our Employees – Equitable Compensation and Fair Employment Practices</a>
	2-22 Statement on sustainable development strategy	<a href="#">Letter from the President and CEO</a>
	2-23 Policy commitments	See Policies linked throughout report. Any policies or procedures referenced may be available upon request.
	2-24 Embedding policy commitments	Dispersed throughout report.
	2-25 Processes to remediate negative impacts	<a href="#">Engagement with our Employees – Compliance Reporting</a>
	2-26 Mechanisms for seeking advice and raising concerns	<a href="#">Engagement with our Employees – Compliance Reporting</a>
	2-27 Compliance with laws and regulations	In 2022 we incurred no significant or material fines or sanctions as a result of noncompliance with laws and regulations.
	2-29 Approach to stakeholder engagement	<a href="#">About this Report – Preparation and Scope</a>
	2-30 Collective bargaining agreements	<a href="#">Engagement with our Employees – Social Dialogue</a>
<b>MATERIAL TOPICS</b>		
<b>GRI 3: MATERIAL TOPICS 2021</b>	3-1 Process to determine material topics	<a href="#">About this Report</a>
	3-2 List of material topics	<a href="#">About this Report</a>
	3-3 Management of material topics	Dispersed throughout report.
<b>GRI 203: INDIRECT ECONOMIC IMPACTS</b>	203-2 Significant indirect economic impacts	<a href="#">Engineering for the Future – Our Commitment to Best Available Technology – Innovative Operations Engineering and Manufacturing Locally</a>



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GRI 205: ANTI-CORRUPTION	205-1 Operations assessed for risks related to corruption	<a href="#">Engagement with our Employees – Compliance Awareness and Training</a> // <a href="#">Engagement with our Supply Chain and Business Partners – Customer Due Diligence – Determining and Mitigating Third-Party Risk</a> // <a href="#">Engagement with our Supply Chain and Business Partners – Supplier Due Diligence – Determining and Mitigating Third-Party Risk</a>
	205-2 Communication and training about anti-corruption policies and procedures	<a href="#">Engagement with our Employees – Compliance Awareness and Training</a> // <a href="#">Engagement with our Supply Chain and Business Partners – Customer Due Diligence – Determining and Mitigating Third-Party Risk</a> // <a href="#">Engagement with our Supply Chain and Business Partners – Supplier Due Diligence – Determining and Mitigating Third-Party Risk</a>
	205-3 Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption within the reporting year.
GRI 206: ANTI-COMPETITIVE BEHAVIOR	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were no legal actions for anti-competitive behavior, anti-trust, or monopoly practices during the reporting period.
GRI 301: MATERIALS	301-2 Recycled input materials used	<a href="#">Recycled Content</a>
GRI 302: ENERGY	302-1 Energy consumption within the organization	280,000 MWh
GRI 303: WATER AND EFFLUENTS	303-1 Interactions with water as a shared resource	<a href="#">Regulatory Compliance and the Victaulic Standard of Care – Water</a>
	303-2 Management of water discharge-related impacts	<a href="#">Regulatory Compliance and the Victaulic Standard of Care – Water</a>
GRI 305: EMISSIONS	305-1 Direct (Scope 1) GHG emissions	23 thousand tons CO <sub>2</sub> e
	305-2 Energy indirect (Scope 2) GHG emissions	134 thousand tons CO <sub>2</sub> e
	305-6 Emissions of ozone-depleting substances (ODS)	<a href="#">Regulatory Compliance and the Victaulic Standard of Care – Air Emissions</a>
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<a href="#">Regulatory Compliance and the Victaulic Standard of Care – Air Emissions</a>



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GRI 306: WASTE	306-1 Waste generation and significant waste-related impacts	<a href="#">Regulatory Compliance and the Victaulic Standard of Care – Waste</a>
	306-2 Management of significant waste-related impacts	<a href="#">Regulatory Compliance and the Victaulic Standard of Care – Waste</a> // <a href="#">Engineering for the Future – Our Commitment to Best Available Technology – Recovery and Beneficial Reuse Program – Rubber Repurposing</a> // <a href="#">Metal Recycling</a> // <a href="#">Sand Reclamation</a>
GRI 401: EMPLOYMENT	401-1 New employee hires and employee turnover	<a href="#">Engagement with our Employees – Equal Employment Opportunity</a>
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">Engagement with our Employees – Employee Investment</a>
GRI 403: OCCUPATIONAL HEALTH AND SAFETY	403-1 Occupational health and safety management system	<a href="#">Employee Health &amp; Safety – Occupational Health and Safety Management System</a> Our Environmental Health and Safety Management System was initially implemented out of identified need, not legal regulations.
	403-2 Hazard identification, risk assessment, and incident investigation	<a href="#">Employee Health &amp; Safety- Safety Committees</a> // <a href="#">Employee Health &amp; Safety – Incident Reporting and Management</a> // <a href="#">Employee Health &amp; Safety – Safety Performance Management</a>
	403-3 Occupational health services	<a href="#">Employee Health &amp; Safety – Onsite Medical Care</a>
	403-4 Worker participation, consultation, and communication on occupational health and safety	<a href="#">Employee Health &amp; Safety – EH&amp;S Training</a> // <a href="#">Employee Health &amp; Safety – Occupational Health and Safety Management System</a> // <a href="#">Employee Health &amp; Safety – Protocols and Specialized Guidance</a> // <a href="#">Employee Health &amp; Safety- Safety Committees</a>
	403-5 Worker training on occupational health and safety	<a href="#">Employee Health &amp; Safety – EH&amp;S Training</a>
	403-6 Promotion of worker health	<a href="#">Employee Health &amp; Safety – Onsite Medical Care</a> // <a href="#">Employee Wellness Program</a>
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">Engagement with our Supply Chain and Business Partners – Customer Health &amp; Safety</a>
	403-8 Workers covered by an occupational health and safety management system	<a href="#">Employee Health &amp; Safety – Occupational Health and Safety Management System</a>
	403-9 Work-related injuries	<a href="#">Employee Health &amp; Safety – Our Best in Class Story</a>



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<b>GRI 404: TRAINING AND EDUCATION</b>	404-2 Programs for upgrading employee skills and transition assistance programs	<a href="#">Engagement with our Employees – Employee Training and Career Development</a> // <a href="#">Engagement with our Employees – Leadership Development</a> // <a href="#">Engagement with our Employees – Victaulic University</a>
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY</b>	405-1 Diversity of governance bodies and employees	<a href="#">Engagement with our Employees – Diversity, Equity, &amp; Inclusion</a>
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<a href="#">Engagement with our Employees – Social Dialogue</a> // Addressed in our Freedom of Association Policy
<b>GRI 408: CHILD LABOR</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	<a href="#">Engagement with our Employees – Equitable Compensation and Fair Employment Practices</a> // <a href="#">Engagement with our Supply Chain and Business Partners – Supplier Onboarding</a> // Addressed in our Anti-Human Trafficking and Slavery Statement and Supplier Code of Conduct
<b>GRI 409: FORCED AND COMPULSORY LABOR</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">Engagement with our Employees – Equitable Compensation and Fair Employment Practices</a> // Addressed in our Anti-Human Trafficking and Slavery Statement and Supplier Code of Conduct
<b>GRI 413: LOCAL COMMUNITIES</b>	413-1 Operations with local community engagement, impact assessments, and development programs	<a href="#">Engagement with our Communities – Local Partnerships</a> // <a href="#">Engagement with our Employees – Social Dialogue</a>
<b>GRI 416: CUSTOMER HEALTH AND SAFETY</b>	416-1 Assessment of the health and safety impacts of product and service categories	<a href="#">Customer Health &amp; Safety</a>
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	In 2022, we did not identify any non-compliance with regulations or voluntary codes concerning the health and safety impacts of our products.
<b>GRI 418: CUSTOMER PRIVACY</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no substantiated complaints concerning breaches of customer privacy and losses of customer data during the reporting period.



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