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# 2022 SUSTAINABILITY REPORT

## **DMC GLOBAL INC.**

12-Month Period Ending December 31, 2022  
Publication Date October 2023

*The Flatirons formations near DMC's Colorado headquarters*

A wide-angle landscape photograph of the Flatirons mountain range in Colorado. The foreground is a lush green valley with scattered evergreen trees. The middle ground shows a dense forest of evergreens. The background features the iconic Flatirons rock formations, which are steep, rocky mountains with distinct horizontal layers. The sky is a vibrant blue with scattered white clouds. In the bottom right corner, a small, dark-roofed building is visible on a hillside.



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## About This Report

This Sustainability Report is prepared with reference to the Global Reporting Initiative's (GRI) Core Standards and references disclosure standards of the U.S.-based Sustainability Accounting Standards Board (SASB). We also provide reporting indices for the Task Force on Climate-related Financial Disclosures (TCFD).

Unless otherwise noted, this report covers initiatives and performance metrics of DMC and our subsidiaries for the fiscal year ended December 31, 2022.

References made in this report to "DMC" or the "Company" refer to DMC Global Inc. and our subsidiaries.

Contact Geoff High, vice president of investor relations and corporate communications, at [ghigh@dmcglobal.com](mailto:ghigh@dmcglobal.com) for additional information or questions about this report.

### MATERIALITY

Information presented in this report is based on criteria developed by third-party disclosure frameworks. The concept of materiality may vary between these organizations and, more important, is different than the meaning from a financial perspective applied to the Company's filings with the U.S. Securities and Exchange Commission (SEC). Accordingly, such information may not be considered material for financial reporting purposes. See our "Materiality Assessment" section for a description of how materiality was determined for the purposes of the information presented in this report. Our Annual Report on [Form 10-K](#) for the year ended on December 31, 2022, as filed with the U.S. Securities and Exchange Commission, and other reports filed with the U.S. Securities and Exchange Commission, are available on our [website](#).

### FORWARD-LOOKING STATEMENTS

Except for the historical information contained herein, this Sustainability Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including our sustainability commitments, our 2023 sustainability initiatives, or ability to achieve optimal cash flow, our plans to continue to improve our performance in various functional areas, and our long-term growth strategy.

Such statements and information are based on numerous assumptions regarding present and future business strategies, the markets in which we operate, anticipated costs and the ability to achieve goals. Forward-looking information and statements are subject to known and unknown risks, uncertainties and other important factors that may cause actual results and performance to be materially different from those expressed or implied by such forward-looking information and statements, including but not limited to: our ability to realize sales from our backlog; our ability to obtain new contracts at attractive prices; the execution of purchase commitments by our customers, and our ability to successfully deliver on those purchase commitments; the size and timing of customer orders and shipments; changes to customer orders; product pricing and margins; fluctuations in customer demand; our ability to successfully navigate slowdowns in market activity or execute and capitalize upon growth opportunities; the success of product and technology development initiatives; our ability to successfully protect our technology and intellectual property and the costs associated with these efforts; potential consolidation among DynaEnergetics customers; fluctuations in foreign currencies; fluctuations in tariffs and quotas; the cost and availability of energy; the cyclical nature of our businesses; competitive factors; the timely completion of contracts; the timing and size of expenditures; the availability and price of metal and other raw material; the adequacy of local labor supplies at our facilities; our ability to attract and retain key personnel; current or future limits on manufacturing capacity at our various operations; government actions or other changes in laws and regulations; the availability and cost of funds; our ability to access our borrowing capacity under our credit facility; geopolitical and economic instability, including recessions, depressions, wars or other military actions, epidemics or pandemics; inflation; supply chain delays and disruptions; transportation disruptions; general economic conditions, both domestic and foreign, impacting our business and the business of our customers and the end-market users we serve; as well as the other risks detailed from time to time in our SEC reports, including the annual report on Form 10-K for the year ended December 31, 2022. We do not undertake any obligation to release public revisions to any forward-looking statement, including, without limitation, to reflect events or circumstances after the date of this report, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

## A Letter to Our Stakeholders

### Dear Stakeholders,

DMC and its three manufacturing businesses participate in industries critical to the global economy. We are committed to operating these businesses safely, profitably and sustainably. Our sustainability programs seek to address five primary objectives:

1. Ensure the safety of our workplaces
2. Conserve energy and natural resources
3. Responsibly manage the consumption and disposal of raw materials and waste
4. Provide employees with career development and growth opportunities
5. Be a good corporate citizen

Safety is DMC's highest priority, and this commitment is reflected in the performance of our manufacturing facility in Liebenscheid, Germany. Operated by NobelClad, our composite metals business, this modern facility completed 2022 without a single lost-time or recordable incident. At this writing, Liebenscheid has operated nearly 1,500 days without a lost time incident, and more than 700 days without a recordable incident. This facility is the model for safe operations at DMC.

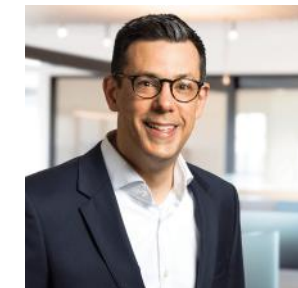
During 2022, NobelClad began pursuing opportunities in the growing liquefied natural gas industry. The initiatives included investments in more efficient industrial cutting equipment designed to increase manufacturing capacity while reducing energy and raw material usage. These investments are driving down annual cutting-related energy consumption by 58% versus NobelClad's legacy cutting machine.

DynaEnergetics, our energy products business, also focused on more sustainable operations in 2022, designing a range of streamlined well perforating systems and more ecologically sensitive packaging and shipping products. These initiatives are now bearing fruit, as our perforating guns use less metal and plastic, and our shaped charge packaging programs are expected to reduce Dyna's annualized cardboard consumption by 70%, or 237,000 pounds.

We acquired a majority interest in Arcadia, our building products business, in December 2021, and are continuing to integrate its operations and information systems. In 2022, our sustainability efforts centered on establishing data collection procedures at Arcadia's 14 service centers and manufacturing facilities. These efforts will help us identify opportunities to improve operating efficiencies and reduce Arcadia's environmental footprint. Additionally, 2022 was Arcadia's first full year as a member of the International Living Future Institute's "Declare" label program, which requires participating manufacturers to disclose product sustainability, performance and waste reduction efforts.

At DMC, we believe sustainability is essential to our long-term success, and we are committed to continuous progress on each of our sustainability priorities.

Sincerely,



**Michael Kuta**  
President and CEO





Asante Library in Surprise, AZ



## 2022 Company Overview

DMC is a partner for growth, providing the support and resources our businesses need to reach their goals. DMC's network of innovative and sustainable manufacturing companies provides unique products and services to specialized sectors in the energy, industrial and building products industries.

NobelClad facility in Liebenscheid, Germany



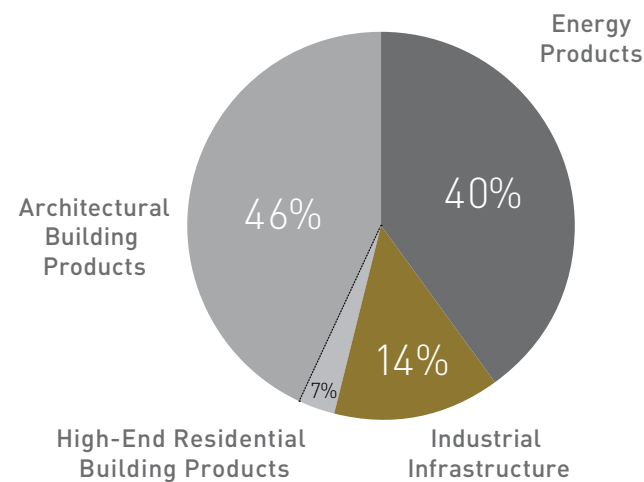
# About Us

DMC Global Inc. (DMC) owns and operates three innovative, asset-light manufacturing businesses that provide unique, highly engineered products and differentiated solutions. DMC's businesses have established leadership positions in their respective markets and consist of: Arcadia, a leading supplier of architectural building products; DynaEnergetics, which serves the global energy industry; and NobelClad, which addresses the global industrial infrastructure and transportation sectors. We leverage the unique strengths of our businesses to grow market share, expand profit margins, increase cash flow and enhance value for shareholders.

Our businesses are led by experienced, strategically focused management teams, which are supported with business resources and capital allocation expertise to advance their operating strategies and generate favorable returns. This approach helps our portfolio companies grow their core businesses, launch new initiatives, upgrade technologies and systems, expand their markets and improve their competitive positions.

DMC Global Inc. is a publicly traded company that is incorporated in Delaware and listed on Nasdaq (NASDAQ: BOOM).

### SALES BY END MARKET



For 12-month period ended December 31, 2022



DMC's headquarters in Broomfield, CO

## COMPANY SNAPSHOT

### OUR COMPANY AT A GLANCE

1965

Company Founded

Broomfield, Colorado

Headquarters

1,700 Full & Part Time Employees

as of December 31, 2022

\$654.1M

2022 Consolidated revenue

\$12.2M

2022 Net Income attributable to DMC Global Inc. stockholders

\$13.5M

2022 Adjusted Net Income attributable to DMC Global Inc. stockholders<sup>1,2</sup>

\$44.9M

2022 Cash flow provided by operations

\$107.7M

Net Debt at December 31, 2022<sup>2</sup>

\$25.1M

Cash and cash equivalents at December 31, 2022

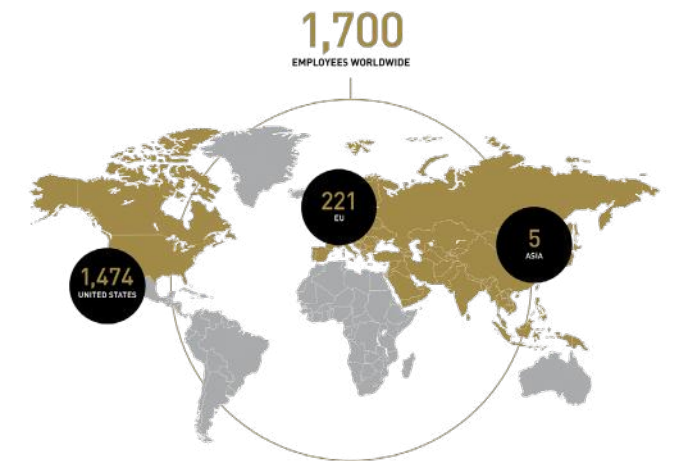
\$74.2M

2022 Adjusted EBITDA attributable to DMC Global Inc.<sup>2</sup>

<sup>1</sup> Adjusted net income is defined as net income attributable to DMC Global Inc. stockholders plus restructuring expenses and asset impairment charges and, when appropriate, nonrecurring items that management does not utilize in assessing DMC's operating performance.

<sup>2</sup> Non-GAAP financial measure.

### SCOPE OF OPERATIONS



### OUR PURPOSE

At DMC, we believe a sustainable enterprise is one that cultivates growth and development opportunities for our workforce, delivers innovative technologies and products for our customers, delivers superior value to our stakeholders, and contributes economic and societal benefits to the communities where we operate. Our shared values of integrity, teamwork, courage and humility guide all our endeavors.

With an unwavering commitment to safety, we work to ensure the well-being of our employees, our customers and the communities in which we operate. We are dedicated to operating with a strong focus on environmental responsibility and to providing our customers with products that help them lessen their own environmental footprint.

DMC offers enriching opportunities and competitive compensation and benefits, fostering a supportive atmosphere in which our employees are empowered to excel and drive transformation through their contributions.

OUR VALUES



**Integrity**  
We stand by our word and own our decisions. We are fair in how we treat customers, peers, partners and the communities we work in. We treat our company like it's our own.



**Teamwork**  
We believe in being a part of one team, one community. We count on each other to do our part. We stand by one another when things are tough, learning from our failures and celebrating together when we get the job done.



**Courage**  
We are entrepreneurs, with the courage to act when we see something that needs doing. We believe in pursuing the right path forward, even if it's the most difficult one.



**Humility**  
We believe that inspiration can come from anywhere and remain open to new ideas. We are proud of our work and how it helps our customers, but are never boastful.

OUR SHARED WAYS OF WORKING

1. We commit to clear priorities.
2. We never settle for "good enough".
3. We love a challenge.
4. We do our best when we do things together.
5. We're not afraid to fail.
6. We selflessly teach and willingly learn.
7. We believe good communication starts with good listening.
8. We are transparent about success and failure.
9. We celebrate successes and acknowledge efforts.
10. We think globally but act locally.

EMPLOYEE VALUE PROPOSITION

We provide a supportive environment where people are challenged to excel and empowered to transform business through their work. At DMC we offer employees:

- **Nurturing environment:** We strive to provide a nurturing environment where individuals feel supported and encouraged to grow and develop.
- **Challenges:** We present individuals with challenges that help them to develop their skills and knowledge. We believe that people learn best when they are challenged. We also believe that challenges help people to grow and become better versions of themselves.
- **Authority:** We give individuals the authority to enact transformative change within the realm of business. We believe that people are more likely to be successful when they have the freedom to take risks and to make decisions. We also believe that people are more likely to be engaged and motivated when they feel like they have a stake in the success of the Company.

Our Businesses

DMC is committed to encouraging localized innovation and decentralized decision-making, working closely with our portfolio companies to help them grow and succeed.

Currently, DMC operates a global network of eight primary manufacturing facilities and 19 light manufacturing, sales and administrative offices in seven countries.

As a multifaceted manufacturing enterprise, DMC is dedicated to employee safety, disciplined capital utilization, optimized manufacturing processes, and efficiency for our customers.



Arcadia aluminum framing system

What We Do:



Operate efficient manufacturing facilities that prioritize safety and ergonomics for our employees, conserve energy, and minimize waste and water usage.



Drive innovation in renewable energy technology through NobelClad's ongoing research and development initiatives.



Elevate the efficiency and eco-friendliness of energy production for DynaEnergetics' customers.



Offer technology advancements in plug and abandonment via DynaEnergetics' innovative DynaSlot™ product.



Leverage our expertise and product knowledge to contribute to the construction of energy-efficient buildings and homes through Arcadia.

What We Don't Do:



No ownership stake in oil and gas wells.



No engagement in drilling activities.





**Arcadia**

DMC acquired a 60% stake in Arcadia on December 23, 2021. Arcadia is a leading supplier of architectural building products to the commercial and high-end residential construction markets. The company's three businesses cater to distinct segments of the architectural building products market:

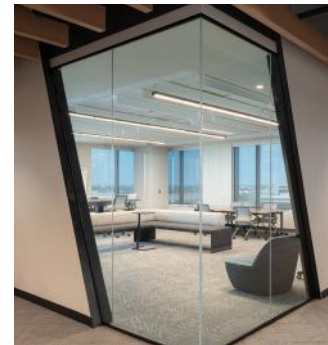
**Arcadia** specializes in exterior architectural framing systems, curtain and window walls, entrances, as well as sun control systems for the commercial buildings sector. Arcadia's manufacturing facilities in Vernon, California, supply a network of service centers primarily in the western and southwestern United States. The commercial business focuses primarily on low and mid-rise buildings in a broad range of commercial markets, including offices, government and civic facilities, education, healthcare, retail spaces, airports and warehouses. Many of these markets exhibit stability across economic cycles, generating consistent demand regardless of broader economic fluctuations.



**Arcadia**  
(Commercial Exteriors)

- Architectural framing systems
- Curtain and window walls
- Entrances
- Sun control

**Wilson Partitions** serves the commercial interior market, providing office framing solutions, doors and sliding systems. The company's products are principally used in office construction and renovation projects. Wilson has manufacturing facilities in California, Texas and Connecticut, which allows it to provide an elevated level of service to its customers across the United States.



**Wilson Architectural Interiors**  
(Commercial Interiors)

- Door framing systems
- Aluminum doors
- Sliding systems
- Glazing systems

**Arcadia Custom** specializes in the high-end residential real estate sector in the United States. The company builds tailor-made, precision-engineered windows and doors constructed from steel, aluminum and wood. These exquisite pieces are manufactured at Arcadia Custom's facilities in Arizona, California, and Connecticut. Collaborating closely with architects, contractors and installers, Arcadia Custom is involved throughout the planning and design stages of custom home projects. The company has established strong brand recognition for its quality and aesthetic appeal in homes featuring both contemporary and traditional designs.



**Arcadia Custom**  
(High-end Residential)

- Thermally broken steel and aluminum windows and doors
- Custom wood windows and doors

**Arcadia's national presence**

**Manufacturing**

Manufactures architectural framing solutions

- Efficient manufacturing base allows for cost-effective supply of products to regional locations
- Capable of seamlessly flexing footprint to fulfill larger, specialized and customized orders on as-needed basis

**Finishing**

In-house painting and anodizing

- Offers custom paint and anodized finishes across full suite of products
- Seamless integration into value chain allows for capture of incremental margin and ensures delivery of high-quality products

**Regional Service Centers**

Local service centers with onsite fabrication

- Network of strategically located service centers drives speed to market and caters to individualized needs of local customers
- Serves as downstream, regional distribution for manufacturing hubs



Arcadia Custom high-end aluminum windows in a Southern California residence





### DynaEnergetics

DynaEnergetics designs, manufactures and distributes highly engineered products used by the global oil and gas industry, principally for the perforation of oil and gas wells. Our products are used by oilfield service companies in the United States, Europe, Canada, Africa, the Middle East and Asia. The market for perforating products, which are used during the well completion process, generally corresponds with oil and gas exploration and production activity. With the increasing complexity of well completion operations, there is an increased demand for intrinsically safe, reliable and technically advanced perforating systems.

#### Capacity in place

- Four manufacturing, R&D, and customer training centers — two in Texas, two in Germany
- Six automated IS2 assembly lines in Troisdorf, Germany
- Five shaped charge manufacturing lines in Texas and Germany
- Fifty CNC machines for TSA and gun manufacturing in Texas and Germany
- Seven DS assembly lines in Texas



Manufacturing facility and floor in Blum, Texas

#### DS factory-assembled Performance-Assured™ Perforating System vs. Traditional Perforating Gun & Components

DynaEnergetics DS Perforating System



IS2 Top-Fire Wireless Detonator

Traditional Perforating Gun & Components



Resistorized detonator

Addressable switch



### NobelClad

NobelClad manufactures explosion-welded clad metal plates for use in the construction of corrosion-resistant industrial processing equipment, as well as specialized transition joints for use in construction of commuter rail cars, ships and liquefied natural gas (LNG) processing equipment. NobelClad operates in eight broad industrial sectors, including oil and gas, chemical and petrochemical, alternative energy, hydrometallurgy, aluminum production, shipbuilding, power generation and industrial refrigeration. While a sizable portion of our demand comes from maintenance and retrofit projects at existing facilities, new plant construction and large plant expansion projects account for a significant portion of overall demand.

#### NobelClad products and associated applications

Clad Product				
	<i>Clad plate</i>	<i>Cylindra™ cryogenic transition joint</i>	<i>Tube sheet</i>	<i>Structural Transition Joint</i>
Application				
	<i>Separation Towers</i>	<i>Liquefied Natural Gas Facility</i>	<i>Heat Exchangers</i>	<i>Deck/hull Interface</i>



**Built for Growth**

DMC cultivates a culture of innovation in our businesses, driving the creation of differentiated products and services that propel the advancement of the industries we serve.

All three of our manufacturing companies are characterized by:

- Established leaders in their respective industries.
- A nimble and asset-light approach.
- Efficient operations guided by strong management teams.
- A strong differentiation within their sectors.

To achieve optimal cash flow, returns and growth, our companies employ:

- Rigorous financial discipline.
- Operational excellence.
- Strategic investments.
- A focus on technological, product and market development.

The size of the total addressable markets for each of our businesses is set forth below.

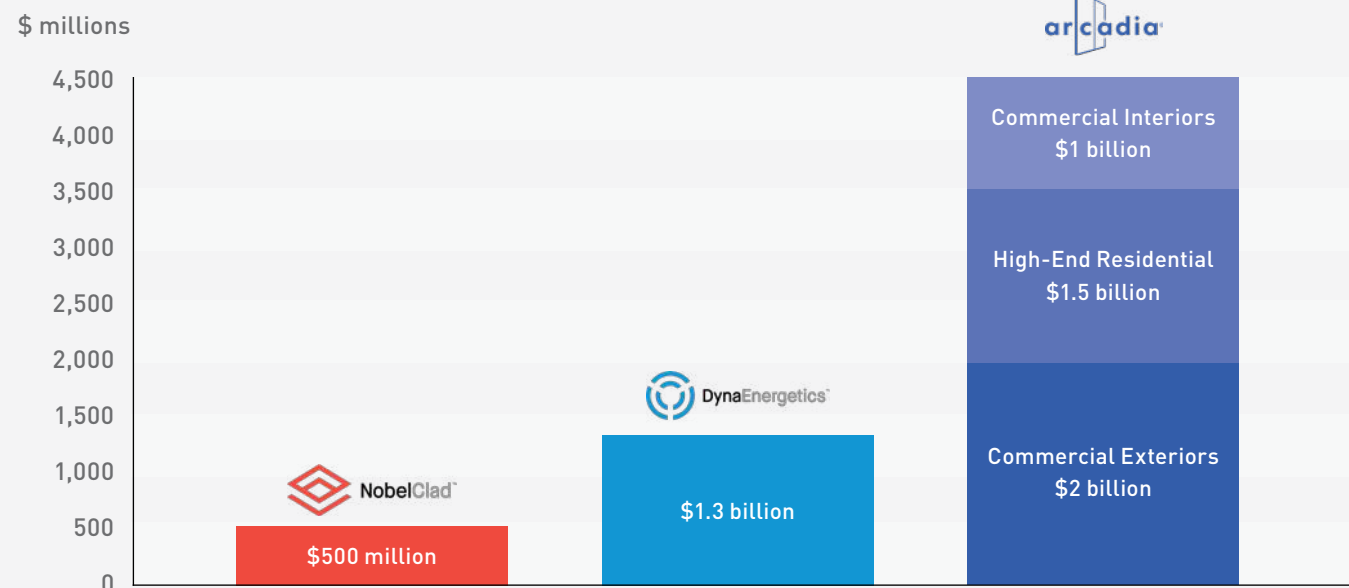


**ARCADIA ACQUISITION**

In December 2021, DMC acquired a 60% controlling interest in Arcadia. This strategic move nearly doubled DMC’s annual sales and contributed over \$32 million in annualized Adjusted EBITDA. The acquisition also brought 900 new employees into the DMC family and more than doubled our Company’s addressable markets.

The increased scale and diversification of DMC’s portfolio will help to alleviate potential risks associated with business, regulatory changes, climate and other factors.

**MARKET SIZE OVERVIEW**



**Sustainability Highlights 2022**

Arcadia framing systems at Orange Coast College Planetarium

**FINANCIAL DISCIPLINE FOR SUSTAINABLE GROWTH**



**Debt Reduction**

Debt-to-Adjusted EBITDA ratio reduced	Net debt at December 31, 2022
3.0 to 1.69	\$107.7M

DMC is focused on deleveraging and building cash reserves. This will make our Company more resilient, allow us to invest in our existing businesses and pursue growth opportunities.

In 2022, we made significant progress towards these goals. The Company’s debt-to-adjusted EBITDA ratio was reduced to 1.69, from 3.0 at the end of 2021. DMC also held cash and cash equivalents of \$25.1 million at the end of 2022, with total outstanding debt of \$132.8 million. This resulted in net debt of \$107.7 million.

We expect our strong financial position will allow us to continue to grow and succeed in the years to come.

**Capital Investment**

Total investments	\$18.6M
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DMC is committed to deploying capital in a targeted and strategic manner. This approach is essential to our Company’s sustainability and future growth.

In 2022, we invested a total of \$18.6 million in our businesses. During 2022, we invested in:

- Enterprise risk planning systems in Arcadia and NobelClad. These systems will help DMC to better manage risk and improve our decision-making.
- We purchased property in Germany to further secure access to NobelClad’s Konigzug shooting site.

These investments are aligned with our long-term growth strategy. They will help DMC to improve our operations, reduce risk and capture new market opportunities.



## PRODUCTS & INNOVATION



### R&D Investments

Invested approximately	Patents	Patent applications
\$6.8M	155	143

In 2022, DMC invested approximately \$6.8 million in research and development (R&D). We currently hold 155 patents and 143 patent applications.

### Efficient Manufacturing and Product Design

DMC's businesses are constantly innovating to improve their product designs and manufacturing processes. This focus on innovation is helping us to increase sales, lower costs and improve margins. Our customers also benefit from these innovations which improve their own performance and support their sustainability commitments.

Here are some specific examples of DMC's recent innovations:



**Arcadia** is focusing on sustainable and transparent designs that align with the latest sustainable construction standards. These initiatives have enabled Arcadia to demonstrate its commitment to sustainability and to participate in several prominent sustainability-focused projects.



*Arcadia Custom stainless thermal steel entry door and window system*



*Cylindra™ cryogenic transition joint*



**DynaEnergetics** has piloted a new Pick & Place system in Blum, Texas to more efficiently handle shaped charges in the manufacturing process and to reduce the use of single-use cardboard.



**NobelClad** is continuing to innovate in its application development efforts to solve problems for its customers. In 2022, bookings of the new Cylindra™ cryogenic transition joints, which are used in LNG processing equipment, continued to increase. Customer interest in the DetaPipe™ product also remained strong.

NobelClad also participated in evaluations of its composite metal plates in a variety of alternative energy applications, including concentrated solar power, wind, hydrogen and geothermal.

These are just a few examples of DMC's commitment to innovation. We are confident our continued focus on innovation will help our Company to achieve our growth goals and to create value for our customers and shareholders.



*Structural transition joints from NobelClad used in modern commuter trains*



## GOVERNANCE



### Cybersecurity

We have continued to increase cybersecurity maturity across all DMC business units and geographies by standardizing cybersecurity tools and processes, and implementing advanced cybersecurity solutions, including:

- Implementing a unified cybersecurity framework that applies to all business units and geographies.
- Standardizing a set of cybersecurity tools and technologies.
- Implementing a continuous monitoring program to detect and respond to security threats.
- Investing in employee training on cybersecurity best practices.
- Partnering with cybersecurity experts to stay ahead of the latest threats.



## PEOPLE

### Diversity and Inclusion

#### Pay Equity

In 2022, DMC extended our pay equity study to cover all employees, including non-U.S. and Arcadia employees. This was done to ensure all employees are paid fairly, regardless of their location or business unit.

#### DEI

DMC completed diversity, inclusion and harassment training for all U.S.-based DMC, DynaEnergetics and NobelClad employees in 2022.

Arcadia continued to implement its biannual harassment training for all employees in 2022.

### Compliance

In 2022, DMC rolled out our Code of Ethics to all Arcadia locations. Live training was provided to approximately 954 employees.

Targeted compliance training also continued throughout the Company, focusing on anti-bribery and anti-corruption, insider trading and cybersecurity.

### Safety

We advanced integration efforts with respect to health and safety programs and practices at Arcadia, with 2022 serving as our baseline for setting future improvement targets within Arcadia and DMC generally.



## ENVIRONMENT

Our local teams continue to guide our efforts to improve our processes and practices to reduce the environmental impacts from our operations and products through facilities-led initiatives, with support from DMC.

In 2022, Arcadia reported environmental data for the first time. This data will be used as a baseline to assess future opportunities to reduce energy consumption and emissions, water consumption and waste.



# Our Approach to Sustainability

Value generation extends beyond financial metrics. It encompasses forging a constructive influence on the planet and the people with whom we interact, including individuals, enterprises, societies and ecosystems. DMC remains steadfast in our dedication to constructing a thriving and enduring company that benefits all stakeholders.

*NobelClad Manufacturing Campus in Liebenscheid, Germany*



## Our Sustainability Commitment

DMC is committed to creating a positive global impact. We believe sustainability is essential for our long-term success and for the well-being of our planet. Our commitment to making a difference in the world is evidenced by:

- **Sustainability as a cornerstone of DMC's success:** We develop and manufacture products with a focus on sustainability for DMC and our Stakeholders that are sustainable. We are also committed to reducing our own environmental impact.
- **Shared priority with customers:** Leveraging DMC's inventive technologies, our clients enhance both the safety and efficiency of their enterprises. Through our products, we empower customers to mitigate the environmental impact of their operations. Collaboratively, we engage with our clients to forge product designs that align with their objectives.
- **Elevating workforce and impact:** DMC is committed to creating a safe and supportive work environment for our employees. We also encourage diversity and inclusion in our workforce. Our employees are committed to sustainability and to making a positive impact on the world.
- **Strengthening community ties:** DMC is dedicated to embodying good citizenship within the communities we serve. We employ resources judiciously and contribute positively to the locations in which we conduct our operations.
- **Path of continuous progress:** DMC is constantly innovating and developing new ways to manufacture more efficiently and reduce our environmental impact. We collaborate with our customers and communities to create a more sustainable future.
- **Respecting and conserving the environment:** We utilize sustainable materials and practices in our operations, reducing our waste and emissions, and supporting environmental protection initiatives.



DMC's sustainability commitment encompasses people, products, processes, services and the community.

## Our Sustainability Framework

### ESG AND SUSTAINABILITY MANAGEMENT

Our management team is responsible for the day-to-day management of environmental, social and governance (ESG) issues and sustainability programs. We have established an ESG Committee to ensure effective governance of these matters. The committee is composed of senior executives from various functional domains, such as operations, human resources, finance, legal and corporate communications.

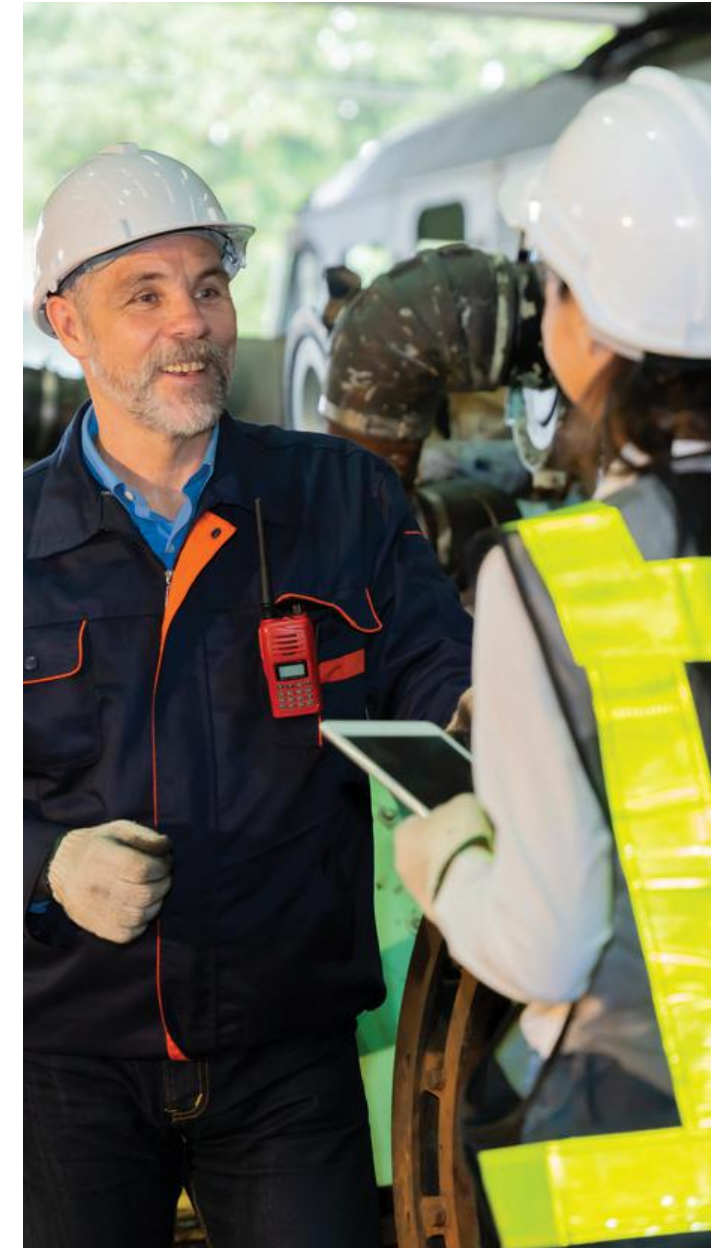
The ESG Committee plays a pivotal role in reviewing our comprehensive ESG program, which encompasses the selection and progress of our ESG commitments. It also provides its endorsement for our annual Sustainability Report.

### MATERIALITY ASSESSMENT

The ESG Committee conducted a comprehensive materiality assessment to identify the subjects that are most important to our current operations and our long-term growth. We carefully considered the potential effects and opportunities arising from regulatory and policy shifts, market conditions, environmental considerations and societal imperatives.

The findings from this assessment inform the topics discussed in this report and will serve as a strategic compass, guiding our sustainability pursuits and priorities in the coming years.

We conduct periodic re-evaluations of our materiality assessment as the need arises. This will ensure that we are aligned with relevant developments in ESG, and that we are taking the necessary steps to protect our long-term sustainability.



DMC has an established Environmental, Social and Governance (ESG) Committee to oversee the organization's sustainability efforts.



MATERIALITY ASSESSMENT METRICS

- **Climate Change Risks and Management**  
The physical and transition impacts, risks and opportunities presented by climate change and the transition to a low-carbon economy and adaptation and resilience measures adopted by our companies.
- **Energy Use**  
Our consideration and management of the environmental and social and governance consequences associated with energy use, including the access to affordable and reliable sources of energy, and our management of energy consumption, production, diversification, recovery, and reductions targets.
- **GHG Emissions**  
The greenhouse gas emissions that we generate from activities under our control (Scope 1), from the energy we use and purchase (Scope 2), and from business related activities that are created from sources outside our ownership and control (Scope 3) and the disclosures and practices around GHG emissions and reductions and efficiencies.
- **Hazardous Materials and Waste**  
The management of environmental and regulatory impacts related to the handling and disposal of hazardous materials and waste related to our operations.
- **Transition to Renewables and Alternative Energies**  
The transition from a predominantly fossil fuel-based energy production and consumption to renewable and alternative energy sources and the associated impacts and opportunities for our business.
- **Water Usage**  
Our consideration and management of the environmental and social consequences associated with water use, including the access to affordable and suitable sources of water, and our management of water consumption, water treatment and reductions targets.
- **Employee Culture**  
The alignment of our employees with DMC's values and our ability to provide a supportive environment for our employees where they are challenged to excel and develop and contribute to the success of DMC.
- **Employee Diversity and Inclusion**  
The processes and methods we have and are developing to encourage and maintain diversity in the workforce and ensure equal opportunities and treatment for all employees.
- **HSSE**  
Our safety performance and the processes we have in place to maintain a safe and healthy environment, including protocols, training, work arrangements and the working conditions our employees are exposed to.
- **Business Ethics**  
The code of conduct and principles that guide the strategic and operational management of our business, including the management of risks and opportunities associated with ethical considerations, lawful behavior, and compliance practice.
- **Compliance**  
Our development of policies, programs and processes to achieve compliance with current and future laws and regulations applicable to our businesses and operations around the globe. This also include Board and management oversight of these compliance programs to ensure proper risk assessment and resource allocation.
- **Customer Matters**  
How we address and manage the dynamics of customer expectations and satisfaction, loyalty and brand reputation, and the mechanisms to ensure our consumers are treated fairly and honestly during commercial transactions.
- **Human Rights**  
Our belief that fundamental rights and freedoms are inherent to all human beings and our efforts to uphold these rights and ensure they are able to live and work with dignity, freedom, equality, justice and peace.
- **Privacy and Data Security**  
Our information technology practices that protect proprietary and personal information, critical information systems and networks from security breaches.
- **Stakeholder Engagement**  
The importance of active engagement with our investors, employees, suppliers, customers and communities to make sure disparate interests are being considered.
- **Supply Chain**  
Our ability to manage supply chain risks, including supply shortages and disruptions, and our increasing commitment to screen, monitor and track supplier performance against certain ESG dimensions.
- **Transparency**  
Our communication of material information regarding our businesses to our stakeholders, including corporate developments, financial information and business performance data and metrics, risk analysis and management observations and expectations.
- **Innovation and Technology**  
Our focus on innovation and the development and use of advanced technologies and digital innovations to generate new business products, new applications for our products and improved customer experience and satisfaction. The need to constantly innovate to extend advanced technologies and maintain market positions, and the need to develop new applications and approaches to extend into new markets.
- **Intellectual Property**  
The confidential or proprietary information and technology used in our business and subject to trade secret, trademark, patent or other intellectual property protections. Our ability to appropriately defend and protect these assets from unauthorized use or infringement by third parties.
- **Manufacturing Disruption**  
Our manufacturing operations are subject to disruption due to labor factors, regulatory considerations, weather and extreme natural events, supply chain and transportation disruptions, pandemics and epidemics and cybersecurity risks, among other things. Management has obligations to anticipate and mitigate these risks in order to limit the scope and length of potential disruptions.

● Environment ● People ● Governance ● Financial

KEY METRICS BY BUSINESS

**arcadia**  
**Arcadia**

- Hazardous material and waste management
- Water usage
- Energy usage/GHG
- Employee culture
- HSSE

**DynaEnergetics**  
**DynaEnergetics**

- Government regulations
- Manufacturing disruptions
- Supply chain
- Intellectual property
- Employee culture
- HSSE

**NobelClad**  
**NobelClad**

- Manufacturing disruption
- Innovation and technology
- Supply chain

STAKEHOLDER ENGAGEMENT

DMC engages with our stakeholders in a meaningful and transparent way. We believe by listening to the perspectives of our stakeholders, we can better understand their needs and expectations, and make decisions that are in the best interests of all.

At DMC, we define stakeholders as those individuals or groups that are impacted by our businesses. This includes investors, customers, suppliers, employees, the communities where we operate and relevant associations.





### Associations

DMC and our businesses are members of the following associations and organizations, which are strategic to our business:

- The Welding Institute (TWI)
- Materials Technology Institute (MTI)
- International Titanium Association (ITA)
- Colorado Oil & Gas Association (COGA)
- The Institute of Makers of Explosives (IME)
- Chamber of Commerce Industry (IHK Bonn/Rhein-Sieg)
- German-Irish Chamber of Industry and Commerce (AHK)
- Federation of European Explosives Manufacturers (FEEM)
- ASTM International (American Society for Testing and Materials)
- DVS German Welding Society (DVS- Deutscher Verband Schweißen und verwandte Verfahren)
- Chamber of Commerce (IHK Lahn-Dill)
- Chamber of Commerce (IHK Koblenz)
- Chamber of Commerce (IHK Siegen)
- Chamber of Commerce (IHK Oberbayern)
- German Blasting Association (Deutscher Sprengverband)
- Employer's Liability Insurance Association for Raw Materials and the Chemical Industry (BG RCI)
- Chamber of Foreign Trade (AHK)
- Society of Petroleum Engineers (SPE)
- American Institute of Architects (AIA)
- Construction Specifications Institute (CSI)
- Aluminum Anodizers Council (AAC)

### Investor/Analyst

We use a multifaceted investor engagement approach, featuring post-earnings conference calls addressing financial and operational performance. Our executive team regularly participates in investor conferences and road shows, meets with current investors and prospective investors, and DMC arranges site visits to allow investors to better understand our businesses.

### Customers and Suppliers

Our customer and supplier interactions prioritize transparency, integrity and mutual benefit. Tailoring solutions to customer needs fuels innovation. We actively engage with customers to address any customer concerns, to look for opportunities to improve our product designs and performance, and to obtain assistance in testing certain products. We work closely with our suppliers to ensure responsible sourcing and address challenges and regulatory concerns.

### Employees

Our dedicated workforce drives innovation and progress, embodying DMC's values. From the Board to business units, engagement is nurtured through communication and recognition. Our BOOM Times newsletter celebrates achievements globally and each business unit maintains its own employee newsletter. Real-time acknowledgments, the CEO Innovation Award and the Chairman's Safety Award honor contributions. Leadership throughout our organization foster skill development and shared values through training and events.

### Communities

Our local teams prioritize community engagement. We collaborate with local partners and organizations, leveraging relationships and knowledge of our communities to ascertain needs and opportunities to be of service. Through initiatives and resource allocation, we nurture strong relationships that mutually benefit DMC and our communities.

## Oversight of ESG and Risk Management



### OVERSIGHT OF ESG AND SUSTAINABILITY

Sustainability oversight at DMC resides with our Board of Directors. The Board's Risk Committee, as part of its responsibility for overseeing sustainability matters, exercises oversight of ESG risks, including climate-related risks and opportunities. Our management team evaluates and compiles these ESG risks as an integral part of our Enterprise Risk Management process. These risk assessments are then presented to the Risk Committee for thorough review on a quarterly basis.

The Board's Audit Committee undertakes a comprehensive review of ESG considerations as they relate to financial reporting and internal control mechanisms.

The Board reviews our Sustainability Report, our ESG commitments and our progress in honoring those commitments. The Board also evaluates the entire ESG program, encompassing the selection of our ESG commitments and the strides made toward realizing them.

The day-to-day administration of ESG and sustainability concerns and initiatives are entrusted to our management team. To provide guidance, an ESG Committee—helmed by senior executives from operations, human resources, finance, legal and corporate communications—ensures appropriate oversight. The chair of the ESG Committee, who is also the executive vice president and chief legal officer, maintains regular communication with both the Board and the Risk Committee. This communication includes a thorough update on ESG matters on a regular basis, no less than twice a year.

Here is a summary of the sustainability oversight structure at our Company:

<b>Board of Directors</b>	The Board has ultimate responsibility for sustainability oversight.
▼	
<b>Risk Committee</b>	The Risk Committee oversees the spectrum of ESG risks.
<b>Audit Committee</b>	The Audit Committee critically examines ESG matters in relation to financial reporting and internal controls.
▼	
<b>Management Team</b>	The management team is responsible for the day-to-day administration of ESG and sustainability concerns and initiatives.
<b>ESG Committee</b>	The ESG Committee provides guidance to the management team on ESG matters.



## RISK MANAGEMENT

DMC places a high priority on managing risks effectively. We have a robust Enterprise Risk Management (ERM) process in place to help us identify, assess and mitigate risks.

Our ERM process is led by our senior leadership team and involves seasoned senior managers from across the Company. This team meets regularly to review and analyze current and potential risks. They also work with the Risk Committee to ensure our risk management process is effective.

Our ERM process includes the following steps:

- 1 **Identify risks:** We identify risks by conducting a thorough assessment of our business environment. We look at both internal and external factors that could have an impact on our Company.
- 2 **Assess risks:** We assess the likelihood and impact of each risk. We also consider the cost of mitigating each risk.
- 3 **Mitigate risks:** We take steps to mitigate risks. This could involve implementing controls, transferring risks or accepting risks.
- 4 **Monitor risks:** We regularly monitor risks to ensure that our risk management process is effective. We also update our risk assessments as needed.

Our ERM process is designed to help us:

- Identify and assess risks early.
- Take steps to mitigate risks before they cause problems.
- Make informed decisions about how to manage risks.
- Improve our overall risk management posture.

We believe our ERM process is an important part of our risk management strategy. It helps us to identify and mitigate risks, and it makes us a more resilient company.

## THE ROLE OF THE BOARD OF DIRECTORS AND RISK COMMITTEE

The Board of Directors has ultimate responsibility for risk oversight at DMC, including with respect to climate-related risks. The Board of Directors and its committees play a significant role in ensuring DMC has an effective risk management process in place. They help to ensure that risks are identified and assessed early, and that steps are taken to mitigate risks before they cause problems. They also work to assure that the Company's risk management process is aligned with its overall business strategy.

<b>Audit Committee</b>	The Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to financial reporting, internal controls, compliance with legal and regulatory requirements, and financial risks.
<b>Corporate Governance and Nominating Committee</b>	The Corporate Governance and Nominating Committee oversees governance matters, including the Code of Ethics.
<b>Compensation Committee</b>	The Compensation Committee oversees executive compensation strategy and programs, incentive compensation arrangements and the evaluation of risks related thereto.
<b>Risk Committee</b>	The Risk Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of the Company's level of risk, risk assessment and risk management in areas not otherwise addressed by other committees of the Board. The Risk Committee meets regularly with the Chair of the ERM team to review and discuss risks. The Risk Committee also provides oversight of the Company's risk management policies and procedures. Other general business risks, such as economic and regulatory risks, are monitored by the full Board.

The Board and its committees use outside resources to assist them in analyzing and monitoring certain risks, such as cybersecurity. This helps to supplement the expertise and experience of the directors and management.

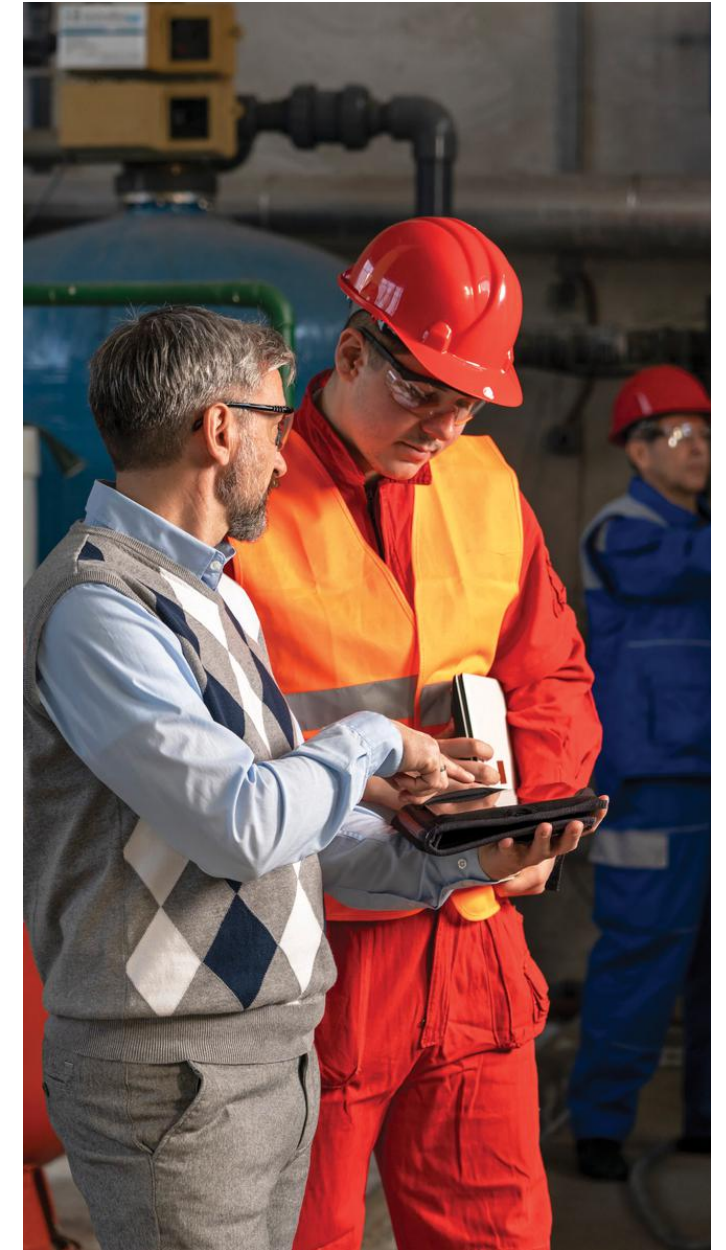
## THE IMPORTANCE OF EXTERNAL EXPERTISE

DMC also uses external expertise to help us manage risks. We work with a variety of experts, including consultants, lawyers and auditors. These experts help us to identify and assess risks, and to develop and implement risk mitigation strategies.

We believe using external expertise is an important part of our risk management strategy. It helps us benefit from the latest thinking on risk management, and it helps us ensure our risk management process is effective.

We are committed to managing risks effectively. We believe our ERM process, combined with the oversight of the Board of Directors and the Risk Committee, helps us to achieve this goal.

DMC maintains a Business Continuity and Disaster Recovery (BC/DR) Plan focused on defining requirements for developing, testing and maintaining business continuity, and recovering sensitive information/systems throughout the DMC environment. DMC is committed to promoting an effective balance between information security practices and business requirements. The BC/DR Plan helps DMC establish a framework, assign roles and responsibilities, and establish procedures in pursuit of continuity and recovery post-disaster. The BC/DR Plan supports compliance with both regulatory and contractual obligations. Periodically, DMC may implement different levels of security controls for different information assets, based on risk and changing security requirements.



DMC utilizes external expertise to help internal teams manage risks.





# 2023 Sustainability Initiatives

## FINANCIAL DISCIPLINE FOR SUSTAINABLE GROWTH



Our sustainability initiatives in 2023 are as follows:

### Debt Reduction and Cash Flow

- Continue to accelerate the integration of Arcadia
- Deleverage and increase cash position
- Focus on improving DMC's cash flow through:
  - Cost and capital discipline
  - Operating excellence
  - Focusing on highest return on investment (ROI) initiatives
- Acknowledge Selling, General and Administrative (SG&A) expenses as a key performance indicator (KPI) in our incentive bonus program

### Capital Investment

- Complete Phase 1 of Arcadia's enterprise resource planning (ERP) system
- Finish implementation of an ERP system for NobelClad
- Continue capacity expansion projects in Arcadia and NobelClad

## PRODUCTS AND INNOVATION



### Digitalization

- Finalize implementation of the new cloud-based ERP platform at Arcadia
- Roll out new web-based product configuration and quoting tool for NobelClad
- Launch new cloud-based dealer quoting tool for Arcadia in fall 2023 (with go-live planned in 2024)

### Product Leadership and Diversification

- Broaden Arcadia's participation in sustainability and environmental certification processes, including:
  - Declare label, which allows qualification of projects under LEEDv4
  - Living Building Challenge
  - Red List Free designations

- Optimize DynaEnergetics product designs and manufacturing processes to:
  - Decrease material usage
  - Increase manufacturing efficiency
  - Consider ergonomic and safety improvements for our employees
- Continue NobelClad's efforts to:
  - Innovate in applications and materials with the goal of expanding its end-use markets and customer base
  - Look for opportunities to deploy its technology to solve customer engineering and sustainability challenges

## GOVERNANCE



### Conflicts of Interest

- Roll out in-person conflict of interest training across the organization
- Enhance our procedure for the reporting of conflicts of interest

### Transparency, Reporting and Processes

- Build out our internal sustainability structures and initiatives
- Expand our reporting framework and processes that outline our Company's sustainability goals and objectives

### Strengthen our Sustainability Committee with Broader Mandate and Leadership Participation

- Evolve the composition of our Sustainability Committee to include a broader representation of functional areas from every business unit
- Share more broadly best practices and strategies in the areas of environmental, health and safety (EH&S), human resources and environmental management

## PEOPLE



### Safety

- Establish goals and targets for safety, based on a three-year average of injury rates, reflecting our view that the performance of the safety program must be measured over a multiyear period and that injury rates should show a downward trend over time

- Include safety reporting in all monthly business reports
- Include safety metrics for each business unit in the Executive Leadership Team Dashboard

### Compensation and Benefits

- Integrate benefits programs between DMC and Arcadia to improve overall benefits options for employees
- Develop and optimize our compensation and performance management programs to ensure fair compensation, aligned individual objectives, and opportunities for learning and development

### Employee Engagement and Development

- Conduct more regular and comprehensive communications with employees in each of our businesses, including each business unit publishing its own periodic newsletters, in addition to BOOM Times

### Diversity and Inclusion

- Continue to strengthen our diversity and inclusion efforts
- Increase the representation of women in our businesses by focusing on the development and advancement of our existing female employees. We are extending the DynaEnergetics Women's Leadership Series to U.S. employees in all business units this year

### Supply Chain

- Strengthen our relationships with our suppliers to ensure continuity of supply for necessary materials and products
- Ensure our suppliers are aligned with our ethical sourcing commitments

### Environment

- Map our processes and practices to ascertain paths to reduce environmental impacts
- Take concrete steps to set meaningful targets and commitments using 2022 data as our baseline
- Explore waste reduction and recycling strategies to reduce landfill waste





# Products and Innovation

At the forefront of progress, DMC leads the way in innovation by empowering our companies to create differentiated products and services that advance the industries we serve. DMC's leadership team collaborates with our businesses to address obstacles, facilitate new opportunities and optimize stakeholder value.

## Our Place in the Value Chain

DMC's businesses have established leadership positions in their respective industries, in large part by maintaining a consistent focus on technology and product innovation, and constant improvement of products and processes. In addition to optimizing product safety and performance, an important objective of DMC's businesses is to limit the environmental impact associated with manufacturing and deploying our products. We pursue innovation through in-house research and development, as well as collaborative partnerships with third parties. In 2022, we invested approximately \$6.8 million in research and development. We currently hold 155 patents and 143 patent applications.

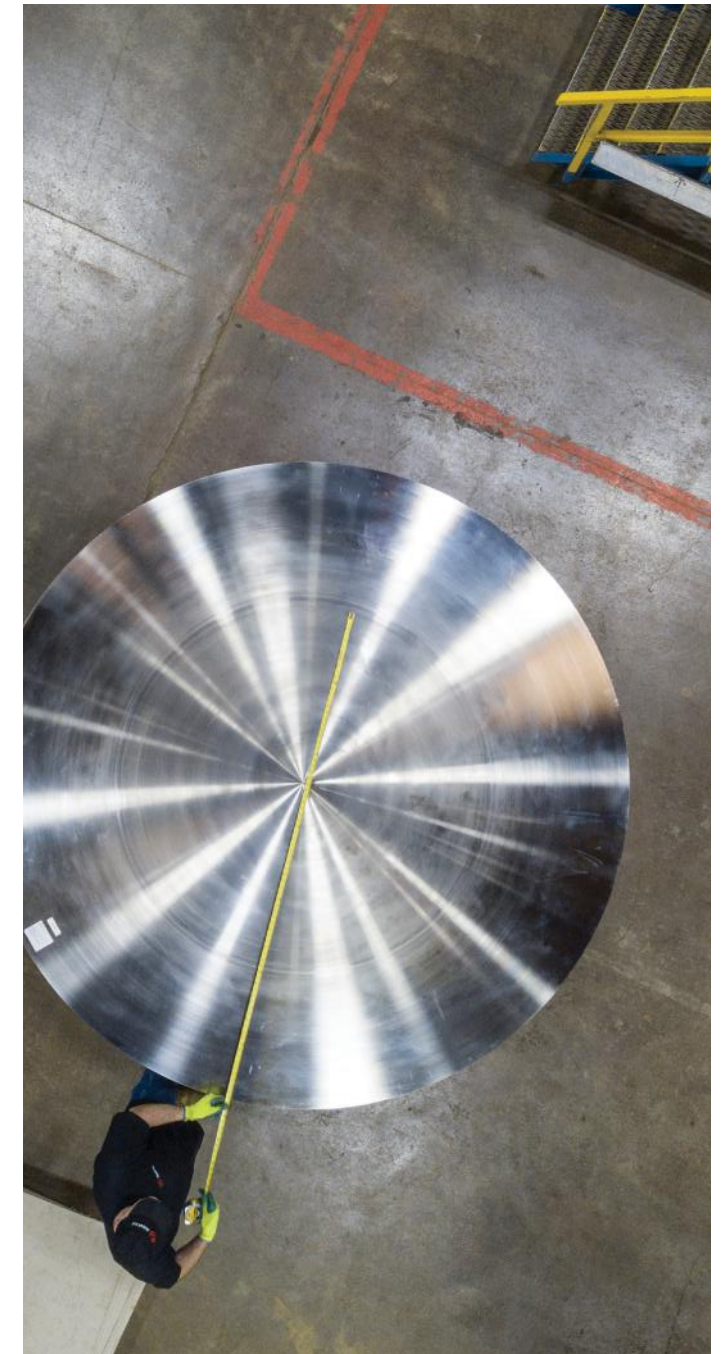
Although innovation is typically associated with research and development, DMC believes innovative ideas can come from any functional area of a business. For instance, a new or improved manufacturing or business process can drive meaningful improvements in quality, efficiency or bottom-line performance.

### SUN VALLEY SALES & LEADERSHIP CONFERENCE

The seventh annual Sales and Leadership Conference took place in January 2022 in Sun Valley, Idaho. Approximately 172 representatives from our DMC, DynaEnergetics, NobelClad and Arcadia teams attended the multiday event. Participants nurtured relationships, exchanged expertise and insights, and received training on a variety of subjects. The conference also recognized exceptional sales achievements across each of our businesses.

### CEO INNOVATION AWARD

Annually, DMC initiates a call for nominations across our diverse enterprises, rallying contenders for the esteemed CEO Innovation Award. Nominations are sought with respect to exceptional innovation related to technological advancements, product innovation, or enhancements to manufacturing or business processes. The award is presented to the winning individual or team at DMC's Sales and Leadership Conference, an annual January gathering in Sun Valley, Idaho.



*NobelClad's clad tube sheets*





## Arcadia

DMC acquired a controlling interest in Arcadia in December 2021 and began the process of integrating Arcadia's operations. Key elements of this process include identifying avenues to bolster the safety and efficiency of Arcadia's manufacturing processes while concurrently advancing its product lines, capacity and market expansion initiatives. The integration process will continue in 2023 with the aim of aligning safety reporting and initiatives and continuing progress toward manufacturing best practices.

Arcadia is continuously improving its manufacturing processes, procedures and product offerings to increase efficiency, reduce waste and maximize the value it brings to its customers, employees and communities in which Arcadia operates.

### HELPING ARCADIA CUSTOMERS ACHIEVE THEIR SUSTAINABILITY GOALS

Arcadia provides an array of products that can help architects, developers and building owners address their green building and sustainability goals. Arcadia's building products can help energy efficiency and reduce greenhouse gas emissions (GHG), provide daylighting and natural ventilation, and increase comfort and protection for occupants. Our energy-efficient products include:

- High-performance thermal framing systems: The addition of a thermal break, available in many of Arcadia's aluminum and steel products, enhances thermal performance, thereby reducing energy use associated with heating and cooling.
- Sun control products.
- Eco-friendly metal finishes.
- Building renovation solutions.

Many of our steel and aluminum framing products are fully recyclable at the end of their useful lives.

### CERTIFICATIONS

The suite of architectural building products produced by Arcadia is designed to address the many complex environmental, sustainability and safety needs of its customers and their construction projects, including the U.S. Green Building Council's LEED targets; the Living Building Challenge, Zero Energy and Zero Carbon certifications; impact ratings to withstand the strongest of storms; and blast and ballistic-resistant offerings to protect occupants.

As Arcadia works to continually increase the sustainability of its new and existing products, we are focused on sustainable and transparent design methodologies that enable us to align with the latest sustainable construction standards. For a complete list of products, please visit Arcadia's website.

#### Arcadia aligns with these sustainable construction standards:

- **International Living Future Institute's (ILFI's) Declare Red List Free products**
- **U.S. Green Building Council**
- **The American Society of Heating, Refrigerating and Air-Conditioning Engineers**
- **The International Green Construction Code**
- **CALGreen**
- **National Fenestration Ratings Council (NFRC)**

### RECENT INITIATIVES

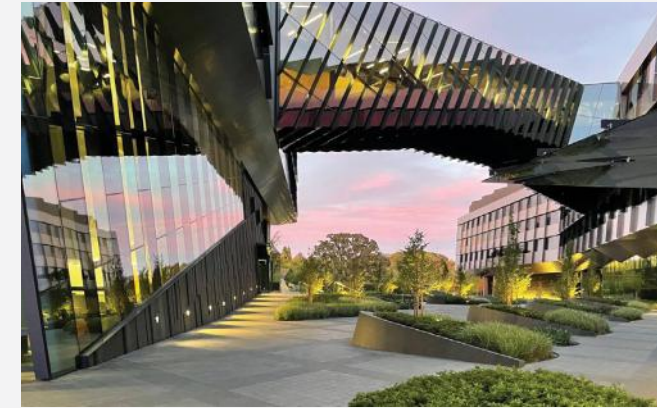
Embracing its path toward a more ecologically sound future, Arcadia took a significant stride by joining the **International Living Future Institute's Declare Label** program in 2021. This initiative engenders a voluntary disclosure of intricate product particulars, encompassing factors such as raw material composition, assembly locales, life expectancy, recyclability and adherence to preeminent green building benchmarks. The Declare Label serves as a testament to manufacturers' transparency in product creation and reflects a commitment to the tenets of sustainable construction.

Arcadia's participation in this program has opened new doors to project opportunities where clients expressly seek products with the Declare label. This demand is particularly pronounced on the west coast of the United States. The Declare label allows customers to achieve an array of sustainability and environmental certifications for their projects, including **LEEDv4**, **Living Building Challenge** recognition and the coveted **Red List Free** designations.

#### Arcadia's product portfolio comprises:

- 20 products that have earned the distinction of being Red List Free.
- Life expectancy of 60 years for its products.
- A recyclability quotient of 89–96% for Arcadia's Red List Free products once their intended use has concluded.

### ARCADIA'S SUSTAINABILITY DEDICATION: NOTABLE PROJECT HIGHLIGHTS



**Serena Williams Building** at Nike Headquarters in Beaverton, Oregon: Arcadia assumed a pivotal role in this prestigious project, certified LEED Platinum, by crafting a custom-engineered unitized curtain wall. Dubbed Arcadia's T500 Series, this unitized curtain wall complies with the rigorous Living Building Challenge and holds the distinction of being designated Red List Free. In addition, the aluminum framing of this curtain wall is up to 91% recyclable.



**Christ Cathedral Arboretum** in Garden Grove, California: Originally conceived by the eminent architect Richard Neutra in 1961, the sprawling Christ Cathedral Arboretum underwent extensive enhancements to usher it into the contemporary era. Spanning 22,000 square feet, the arboretum is a haven graced by more than 600 bays of windows. Arcadia stepped in to elevate this space by replacing the existing single-pane windows with dual-pane, low-glare glass, which increased energy efficiency while maintaining ample natural light.



*Arcadia Custom stainless thermal steel windows and doors*





DynaEnergetics revolutionized the North American well perforating landscape in 2013 with the introduction of its patented, intrinsically safe initiating system (IS2™). The IS2 system eliminates the risk of inadvertent detonations in perforating systems and has been used in over 4.8 million deployments without a single safety incident.

In 2015, DynaEnergetics further disrupted the market with the commercialization of its fully integrated DS perforating system. The DS system is delivered to the customer's wellsite fully assembled and just-in-time, which reduces on-site personnel requirements, eliminates the need for explosive storage and assembly facilities, and lowers inventory and supply chain costs. The cumulative effect of these innovative measures can result in substantial savings for customers on each well.

DynaEnergetics is also committed to environmental stewardship. Its direct-to-well distribution model reduces fuel consumption and truck traffic, which lowers emissions. The company has also reduced direct labor hours by 60% in the assembly of DS perforating systems since 2019.

**PRODUCTS**

DynaSlot™ is a unique perforating solution used to properly seal end-of-life oil and gas wells. The system's slotted charges are set in a helical, overlapping pattern which ensures the entire circumference of a well's inner casing is penetrated, and all voids and channels in the surrounding cement are intersected to prevent future leaks.

While DynaSlot significantly improves the performance of well seals compared to traditional methods, it is also substantially less time consuming and avoids the production of additional hazardous and potentially toxic waste that results from these other methods.



**DYNAENERGETICS SUSTAINABILITY DEDICATION: NOTABLE PROJECT HIGHLIGHTS**

**Shaped Charge Holder**

DynaEnergetics is constantly looking for ways to increase efficiency, reduce waste and improve manufacturing costs of its perforating gun systems. One key part of DynaEnergetics gun system is the shaped charge holder, which is made of heavy-duty plastic. With plastic material prices rising, DynaEnergetics needed to find a way to reduce costs.

The research and development team developed a new charge holder that was lighter, required less plastic and kept manufacturing costs nearly flat, even as material prices increased. Based on DynaEnergetics estimated production schedule in 2023, the new charge holder would save the company approximately \$260,000 and reduce plastic use by 38,400 pounds each year.

**Pick & Place**

The team then turned its attention to the trays used to transport shaped charges within the Blum, Texas manufacturing facility, which were historically made of cardboard. These were single use, which led to substantial unnecessary waste. Based on DynaEnergetics' estimated shaped charge production in 2023, it projected use of 96,000 pounds of cardboard a year. The DynaEnergetics team developed a solution, called Pick & Place, to automate the placement of shaped charges into reusable trays. This new model reduces the amount of cardboard used in the shaped charge manufacturing process by 70%. In addition, the process improvements resulting from the Pick & Place strategy are expected to reduce labor costs and increase efficiency and output.

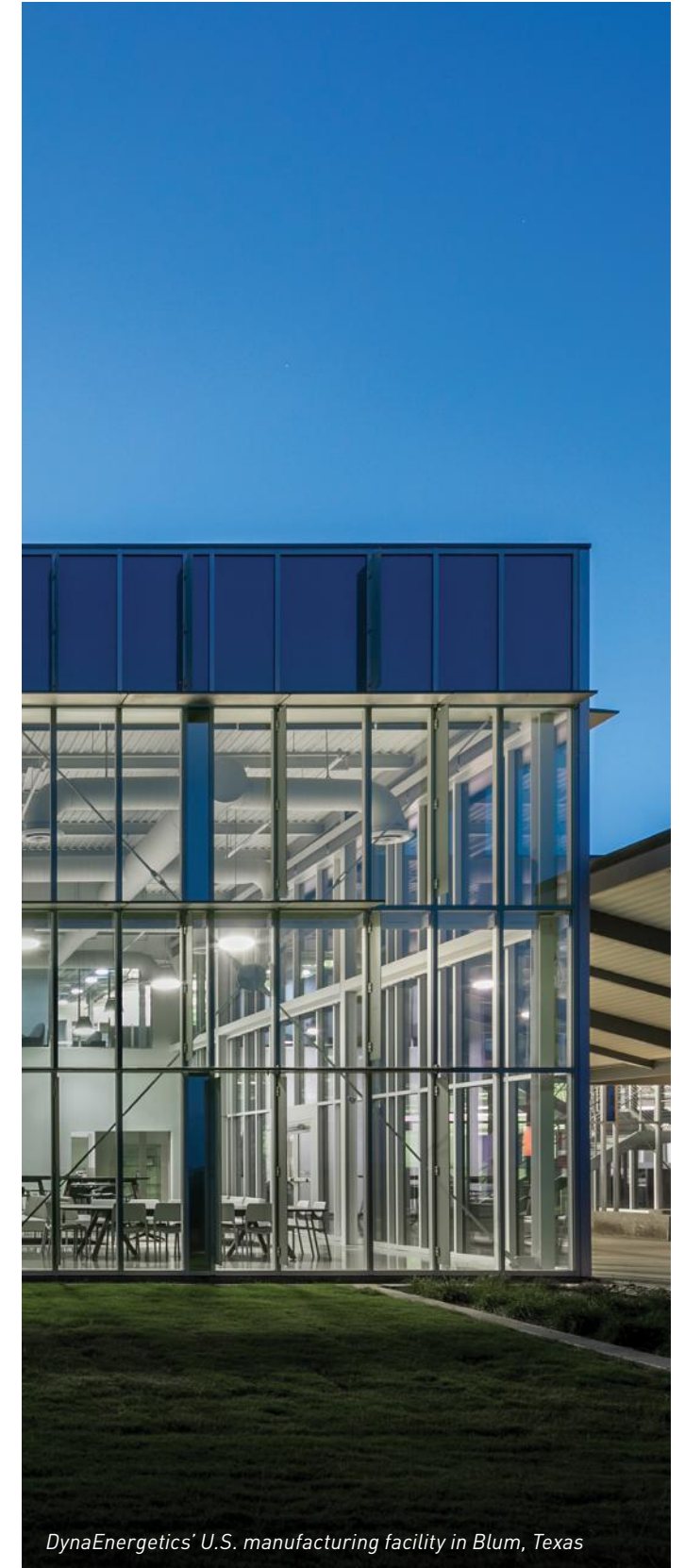
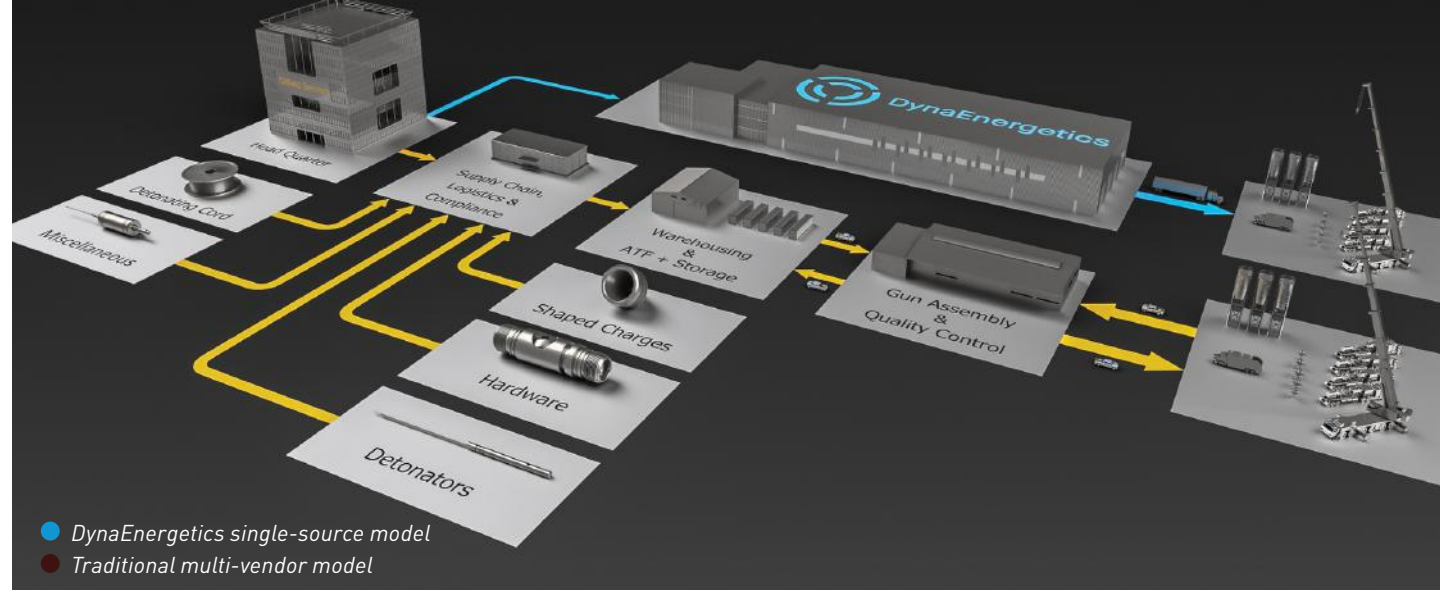
DynaEnergetics expects the Pick and Place model to be fully implemented by the fourth quarter of 2023.

**Geothermal**

In 2022, DynaEnergetics successfully developed and provided a complete perforating-string design for a new geothermal project in Europe. Applying its experience and latest perforating technology, DynaEnergetics was able to offer a solution to meet the requirements of the challenging well design and new application. DynaEnergetics plans to continue work on this application through 2023.

**A BETTER BUSINESS MODEL**

DynaEnergetics is a single-source provider of completion solutions, simplifying the supply chain and logistics



DynaEnergetics' U.S. manufacturing facility in Blum, Texas





## NobelClad

### PRODUCTS

NobelClad has been working on new applications and technologies that address challenges related to sustainability and alternative energy sources. Its new DetaPipe™ and Cylindra™ technologies have shown considerable promise in these areas.

#### DetaPipe

NobelClad's DetaPipe technology provides a more efficient way to use corrosion resistant reactive metals, such as zirconium and titanium, in high-pressure and high-temperature chemical applications.

- NobelClad is currently working on a project to use DetaPipe in certain pipe reactor designs, which not only reduces operating costs, but also reduces consumption of energy and metals in reactors with short life spans.
- DetaPipe will also be tested in the hydrometallurgy world for its use in high-pressure acid leaching processes utilized in the extraction of nickel, which is critical for the electric vehicle batteries.
- NobelClad is exploring new technologies that may utilize DetaPipe in the world of polyethylene terephthalate (PET) plastic recycling.
- NobelClad also played a critical role in the concentrating solar power (CSP) technology advancement by providing DetaClad™ pipe samples for a research project funded by the U.S. Department of Energy (DOE) and executed by the National Renewable Energy Laboratory (NREL). Thermo-mechanical tests proved that DetaClad can effectively be used to produce a clad pipe that can withstand the thermal and mechanical loads encountered in molten salt environments used for some CSP plants. DetaClad is now in DOE's portfolio of proven materials that can be used by licensors and Engineering Procurement and Construction companies of CSP plants.
- Lithium availability and production has become a critical factor for the successful transition of petrol consuming vehicles to electrical ones. Lithium may be produced by direct treatment of ores via extractive metallurgical methods, or as a byproduct of brines extracted from geothermal energy sources. NobelClad has won several orders in the geothermal market space to provide DetaClad for the handling of harsh brines found in California, and is also exploring the possibility of using DetaPipe in more intensive chemical processes to maximize yields and to enable recycling of lithium from spent batteries.

#### Cylindra

Natural gas has been categorized around the world as a "transition energy source," allowing the transition from oil and coal to more environmentally friendly sources like wind, solar and geothermal energy. With the Russia-Ukraine war, Europe experienced one of its biggest energy crises in history as the flow of gas from Russia was disrupted. Liquefied natural gas became a key solution to the energy shortage in Europe. Since 2022, NobelClad has played an increased role in supporting LNG production with its cryogenic transition joint, Cylindra. This product allows for the connection between aluminum and steel pipes used in heat exchangers found in "cold boxes" that are necessary to cool down and compress natural gas until it becomes a liquid, which is more efficient to transport. NobelClad currently provides Cylindra to more than 75% of the original equipment manufacturers (OEMs) and licensors of cold boxes for LNG projects around the world. Because of its unique thermal and mechanical properties, Cylindra, in a modified form, is also being considered for the liquefaction of hydrogen.



Clad metal solutions from NobelClad





# Governance

Robust corporate governance stands as the cornerstone of our business strategy, epitomizing our dedication to responsible operations.

## Board of Directors

### GOVERNANCE HIGHLIGHTS

A strong corporate governance framework is essential to the success of our business strategy and the responsible conduct of our operations.

- Annual election of all directors
- Majority voting for directors in uncontested elections with a director resignation policy if a director fails to receive a majority of votes cast "for" their election
- Proxy access bylaw provisions, allowing eligible stockholders to include their own director nominees in DMC proxy materials
- Ability of stockholders to communicate directly with our management and directors
- Code of Ethics for directors, officers and employees
- Incentive compensation clawback policy
- Separate Board Chair and CEO
- Risk assessment oversight by the Board
- Stock Ownership Guidelines for directors and executive officers
- Independent directors meet in executive session
- Anti-Hedging and Pledging Policy
- Annual Board Evaluations
- No supermajority voting provisions
- No shareholder rights plan

### BOARD HIGHLIGHTS

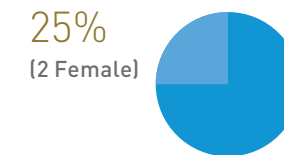
Size of Board:



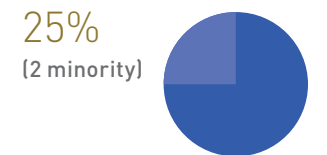
Director Independence:

**7 of our 8**  
7 of our 8 directors are independent, including the Chair of the Board

Gender Diversity:



Racial/Ethnic Diversity:



Board Refreshment:

**4 New Directors**  
since beginning of 2020

Average Director Age:

**65 Years Old**



## BOARD COMPOSITION

The DMC Board of Directors oversees the management and governance of the Company. Each director brings a wealth of experience and expertise to the Board.



**DAVID  
C. ALDOUS**

Director since: 2013

**Committees:**

- Risk

**Skills and Qualifications**

- Current and practical experience in leadership of global operations, financial analysis, project management, risk management, and health, environment, safety and security matters.
- Over 35 years of corporate leadership experience in the energy, alternative energy, nanotechnology, chemical and petrochemical industries.
- Extensive skills in strategic planning and corporate development in the industries in which the Company and our customers operate.



**MICHAEL  
KUTA**

Director since: 2023

**Committees:**

- Risk

**Skills and Qualifications**

- 25 years of corporate leadership experience in the energy, petrochemical, industrial and building products industries.
- In-depth experience with multinational companies operating in global markets.
- Eight years as DMC's chief financial officer.
- Expertise in integrating mergers and acquisitions, and managing capital structure, debt and equity financing.
- Substantial experience in building and developing financial teams, providing financial and operational leadership.



**RUTH I.  
DREESSEN**

Director since: 2020

**Independent**

**Committees:**

- Audit (Chair)

**Skills and Qualifications**

- Extensive financial and management background in investment banking and private equity firms in the chemical and energy industries.
- Substantial experience in financial analysis, finance and risk management, and strategic planning.
- Over two decades of financial leadership experience in the chemical, energy and petrochemical industries.



**MICHAEL  
A. KELLY**

Director since: 2020

**Independent**

**Committees:**

- Compensation
- Corporate Governance and Nominating
- Risk

**Skills and Qualifications**

- Diversified background in finance, operations and the life sciences industry.
- Extensive skills in executive leadership, finance, operations and management.
- In-depth experience with a multinational company operating in global markets.



**RICHARD  
P. GRAFF**

Director since: 2007

**Independent**

**Committees:**

- Audit
- Risk

**Skills and Qualifications**

- Over 35 years of experience in public company accounting and consulting on public company accounting policy and practice in the mining industry.
- Substantial insight and experience with regard to accounting and financial reporting matters for companies operating internationally.
- Public company director experience since 2005, with current service on the boards of one other multinational public company.



**ROBERT  
A. COHEN**

Director since: 2011

**Independent**

**Committees:**

- Compensation (Chair)
- Corporate Governance and Nominating

**Skills and Qualifications**

- Extensive financial background and management experience with multinational companies, bringing depth to the Board in the areas of strategic planning, finance and risk management.
- Served as chief executive officer of one of the largest banks in Korea while living in Korea and working with many Korean and Asian companies.
- Substantial expertise in the Korean and Asian markets, which are key growth markets for NobelClad and DynaEnergetics.



**CLIFTON  
PETER ROSE**

Director since: 2016

**Independent**

**Committees:**

- Compensation
- Corporate Governance and Nominating (Chair)

**Skills and Qualifications**

- Extensive work with world-leading financial, investment banking and strategic communications firms, which brings depth to the Board in the areas of strategic planning, leadership, risk management, public relations and corporate governance.
- Substantial experience reviewing and analyzing acquisitions and investments, providing unique and valuable perspectives to the Board as it analyzes growth strategies and opportunities.



**OUMA  
SANANIKONE**

Director since: 2023

**Independent**

**Committees:**

- Risk

**Skills and Qualifications**

- Extensive background in finance, capital markets, mergers and acquisitions, and investment management, and is knowledgeable about a variety of industrial end markets.
- 30 years of executive leadership and board-level experience.



The diverse set of core competencies represented on our current Board is summarized below:

Director Nominees	Aldous	Cohen	Dreessen	Graff	Kelly	Kuta	Rose	Sananikone
<b>Key Skills &amp; Experience</b>								
Public Company Director (Other than DMC)	✗	✓	✓	✓	✓	✗	✗	✓
Executive Leadership	✓	✓	✓	✓	✓	✓	✓	✓
Industry Background	✓	✗	✓	✓	✗	✓	✗	✗
Financial Literacy/Accounting	✓	✓	✓	✓	✓	✓	✗	✓
Environmental, Social and Governance	✓	✗	✓	✓	✗	✗	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓
Manufacturing	✓	✗	✗	✗	✓	✗	✗	✗
Finance/Capital Markets	✗	✓	✓	✗	✓	✓	✗	✓
Government, Legal or Regulatory	✗	✗	✗	✓	✗	✗	✓	✓
Human Capital Management/ Executive Compensation	✓	✓	✓	✗	✓	✓	✗	✗
International	✓	✓	✗	✓	✓	✓	✓	✓
Mergers, Divestures and Acquisitions	✓	✓	✓	✓	✓	✓	✓	✓
Technology/Innovation	✓	✓	✗	✗	✓	✗	✗	✓
Cybersecurity	✗	✗	✗	✗	✗	✗	✗	✗



### CORPORATE GOVERNANCE GUIDELINES

DMC has adopted a comprehensive set of [corporate governance guidelines](#). These guidelines were enacted by the Board of Directors and are a testament to the Board’s commitment to good governance.

The guidelines ensure that there is a clear separation of duties between the Board and management. This means that the Board is responsible for setting the Company’s overall direction and overseeing management, while management is responsible for running the day-to-day operations of the Company.

The guidelines also ensure the interests of the Board, management, and shareholders are aligned. The guidelines are reviewed annually to ensure they remain up-to-date and relevant. The most recent revision occurred in March 2023.

### BOARD COMMITTEES

The Board and its committees work together to ensure that the Company is managed in a responsible and sustainable manner. Each committee operates within the confines of a written charter that carefully defines its purpose and responsibilities.



**Audit Committee**

The Audit Committee is responsible for overseeing the Company’s financial reporting and internal controls.

- Oversees the integrity of the Company’s financial reporting process and the internal controls around those processes
- In conjunction with the Corporate Governance and Nominating Committee, reviews compliance with the Company’s Code of Ethics as it relates to financial matters
- Oversees the Company’s compliance with legal and regulatory requirements and the financial risks of the Company
- Oversees ESG and cybersecurity matters related to financial and internal control matters

[Audit Committee Charter](#)

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**Corporate Governance and Nominating Committee**

The Corporate Governance and Nominating Committee is responsible for nominating directors to the Board and for overseeing the Company’s corporate governance practices.

- Identifies and recommends individuals to the Board for nomination as members of the Board and its committees.
- Develops and recommends to the Board corporate governance principles and policies applicable to the Company.
- Oversees the Board’s annual evaluation of its performance.
- In coordination with the Audit Committee, reviews compliance with the Company’s Code of Ethics.

[Corporate Governance and Nominating Committee Charter](#)

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**Compensation Committee**

The Compensation Committee is responsible for setting the compensation for the Company’s executives and overseeing compensation programs for employees generally.

- Oversees the Company’s executive and director compensation strategy and programs.
- Reviews incentive compensation arrangements and equity-based awards to employees and non-employee directors.
- Evaluates risks related to compensation programs.

[Compensation Committee Charter](#)

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**Risk Committee**

The Risk Committee is responsible for identifying and managing the Company’s risks.

- Oversees the Company’s level of risk, risk assessment and risk management process, with responsibility for overseeing designated areas of risk that are not the primary responsibility of another committee.
- Reviews health, safety and environmental matters.
- Oversees the Company’s global Enterprise Risk Management program.
- Reviews ESG and sustainability programs, cybersecurity policies and practices.

[Risk Committee Charter](#)



# Business Ethics

## CODE OF CONDUCT

Our **Code of Ethics and Business Conduct** (Code of Ethics) is a comprehensive set of ethical principles and standards that guide our behavior and business interactions. It applies to everyone who is associated with DMC, including employees, directors, suppliers, distributors, agents, independent contractors and anyone else who acts on our behalf.

We require all employees and directors to certify their commitment to the Code of Ethics annually.

The Code of Ethics applies to DMC and our subsidiaries around the world. We have translated the Code of Ethics and our global compliance policies into multiple languages—including English, Spanish, German and French—to ensure everyone can understand it.



DMC's office located in Broomfield, CO

### Our Code of Ethics includes commitments in the following areas:

- Compliance with laws
- Positive work environment
- Health, safety, security and the environment
- Corporate citizenship and human rights
- Conducting business fairly
- Conflicts of interest
- Insider trading
- Political contributions
- Antitrust and competition
- Anti-bribery and anti-corruption
- Export and import controls
- Confidential information and use of company assets
- Privacy and data security

### Additional Governance Documents

The following policies also support our governance framework and operational protocols:

- [Conflict Minerals Policy](#)
- [Diversity, Equity, and Inclusion Policy](#)
- [Environmental Policy](#)
- [Human Rights Policy](#)
- [Whistleblower Policy](#)

## ANTI-BRIBERY AND ANTI-CORRUPTION

Our Anti-Bribery Policy is a critical part of our compliance program. It prohibits bribery and facilitating payments in any part of the world, whether we are interacting with governments, state-owned entities, the private sector or any other entity. We have internal controls and procedures in place to prevent bribery. These controls and procedures address areas of compliance sensitivity, such as travel, gifts, entertainment, charitable donations and collaborations with third parties.

We also conduct ongoing evaluations of third-party entities, such as sales agents, representatives, resellers and distributors. We require these entities to uphold the highest ethical standards and to comply with all applicable laws.

Our employees receive comprehensive training on our Code of Ethics, including the Anti-Bribery Policy. We also provide periodic, targeted anti-bribery training sessions that are tailored to employees' job functions and responsibilities.

Our commitment to ethics and integrity is unwavering. We take a multifaceted approach to preventing bribery and protecting our Company and our stakeholders.

## POLITICAL ADVOCACY

DMC's Code of Ethics prohibits the allocation of Company funds or assets towards political contributions without the approval of the chief executive officer and the chief legal officer (CLO). In 2022, no DMC funds were paid as political or Political Action Committee contributions.

## COMPLIANCE

Our compliance initiatives are comprehensive and robust. They are overseen by our chief legal officer and are managed collaboratively by our legal and business teams. The oversight of our compliance teams extends to the identification, assessment, management, and mitigation of compliance and ethics risks, while ensuring the effectiveness of our internal controls. These compliance initiatives are designed to engender a culture of integrity, ethics, and adherence to all applicable laws and regulations.

Compliance initiatives cover a wide range of regulatory domains, including:

- Anti-bribery and anti-corruption
- Antitrust and competition
- Insider trading
- Import and export compliance
- Explosives compliance
- Privacy and data security

We take a proactive approach to compliance. We track and implement changes to regulations as needed, both domestically and internationally. This ensures our compliance programs remain up-to-date and effective. Our compliance teams meet regularly to discuss compliance risks, scrutinize the ongoing efficacy of our policies and procedures, and assess the effectiveness of our compliance program.

Our compliance initiatives are designed to be flexible and adaptable, and to evolve with the changing needs of our businesses, our customers and the global environment. We are committed to compliance with all applicable laws and regulations. We believe compliance is essential for building trust with our customers, partners and other stakeholders.

### See Something, Say Something: Reporting Potential Violations and No Retaliation

At DMC, we recognize the importance of providing our employees with channels to address concerns and grievances in a transparent and respectful manner. Our Code of Ethics, Whistleblower Policy and compliance policies encourage employees to report violations or compliance concerns to their supervisors, the CLO or use procedures outlined in the Whistleblower Policy, including the Compliance Hotline.

Our commitment to a culture of respect and open communication is underpinned by a strict stance against retaliation. We firmly prohibit any form of retaliation against employees who raise grievances or escalate concerns. We firmly believe every individual has the right to express their concerns without fear of repercussions.

If an employee feels the need to raise a concern or grievance, our policies outline clear steps for escalation, ensuring the matter is appropriately addressed by the relevant parties.

At DMC, we stand by our commitment to foster a workplace where open dialogue and the resolution of concerns are paramount, and where all employees can contribute to the continuous improvement of our Company without concerns of retaliation.



### Compliance Hotline

We encourage all employees and those representing our interests to report any conduct they believe violates the Code of Ethics, the Company's compliance policies, or applicable laws and regulations. We offer a variety of reporting methods, both confidential and non-confidential as set forth above. Our Compliance Hotline allows for anonymous reporting of concerns and is available 24/7 by phone or online, and is operated by an independent third party. We also offer website access in five languages and phone access in additional languages.

All reported information is reviewed by our legal department and appropriate action is taken as needed. In the interest of transparency, the Board's Corporate Governance and Nominating Committee is privy to individual Compliance Hotline reports, and the Board of Directors receives quarterly updates on complaints received through the Compliance Hotline, any regulatory or litigation matters, as well as the status of related inquiries or investigations.

We emphasize the importance of the Compliance Hotline during Code of Ethics training, and Compliance Hotline posters are prominently displayed at all our facilities. Our commitment to a culture of respect and open communication is underpinned by a strict stance against retaliation.

### Compliance Training Program

In order to further the values and commitments espoused in the DMC Code of Ethics and to ensure our employees understand the importance of our Company policies and relevant laws and regulations, DMC maintains a compliance training program. Trainings are provided to employees based on their job responsibilities and requirements, with some trainings mandated for employees worldwide, and others required only for employees in relevant functional areas. Members of our Board of Directors participate in one training a year. Training schedules for various topics are set based on regulatory requirements, relative training burden and learning needs.

The program provides in person and e-learning training courses on important topics including, but not limited to:

- Code of Ethics
- Anti-discrimination
- Workplace harassment
- Insider trading
- Conflicts of interest
- Electronic communications
- Cybersecurity
- Anti-bribery and anti-corruption
- Antitrust
- Import/export compliance



## Privacy and Cybersecurity

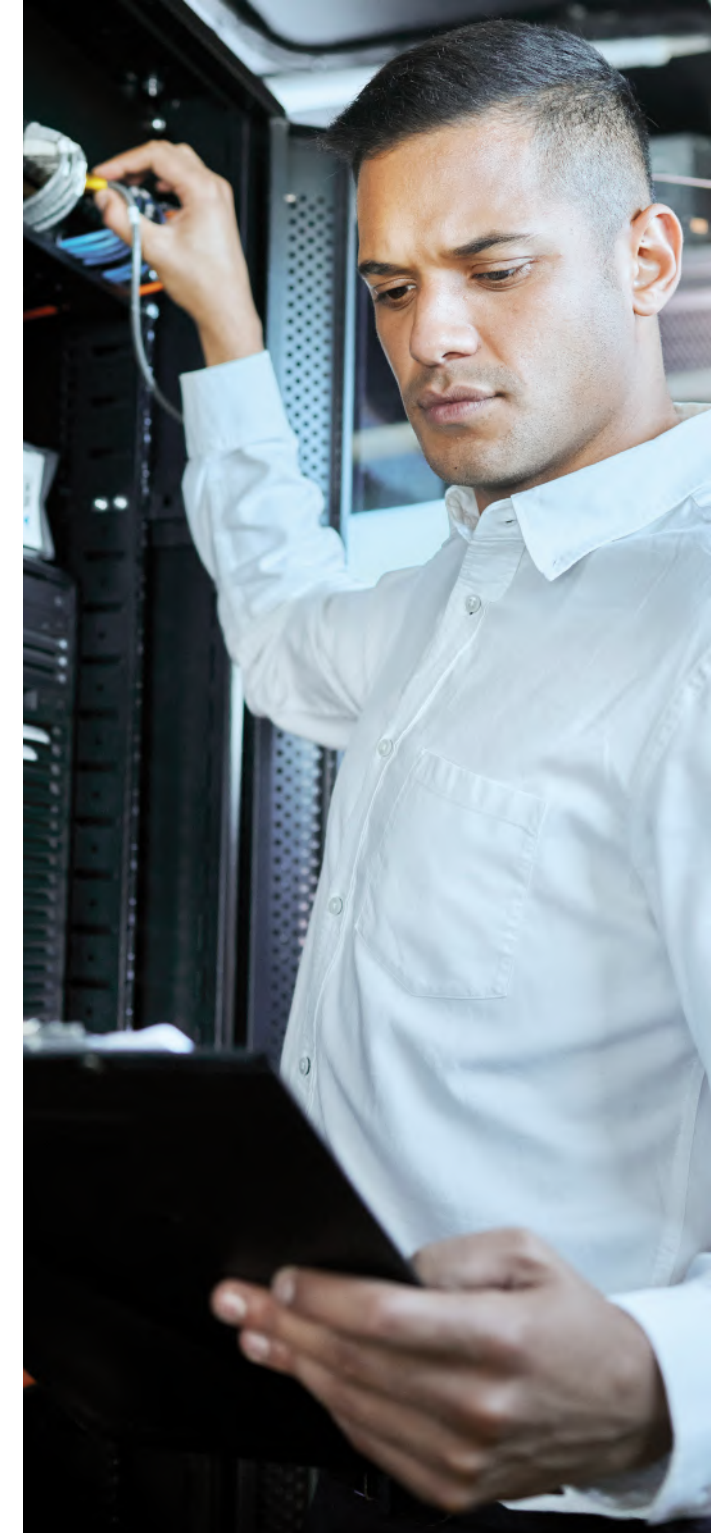
DMC places a high value on cybersecurity and data privacy, cultivating digital trust through vigilant oversight of cybersecurity and data privacy safeguards, coupled with the conscientious and judicious employment of data and technology.

We have a comprehensive cybersecurity management program that is overseen by the Risk Committee of the Board of Directors. The Audit Committee reviews cybersecurity matters related to financial and internal control domains. Quarterly insights on the Company's cybersecurity program presented by our chief information officer form an integral part of the agenda at regular Board meetings. These reports encompass in-depth analyses of recent cyber threats and industry incidents, alongside an appraisal of our security measures, program maturity and risk mitigation strides. Importantly, to date, the Company has avoided material cybersecurity breaches.

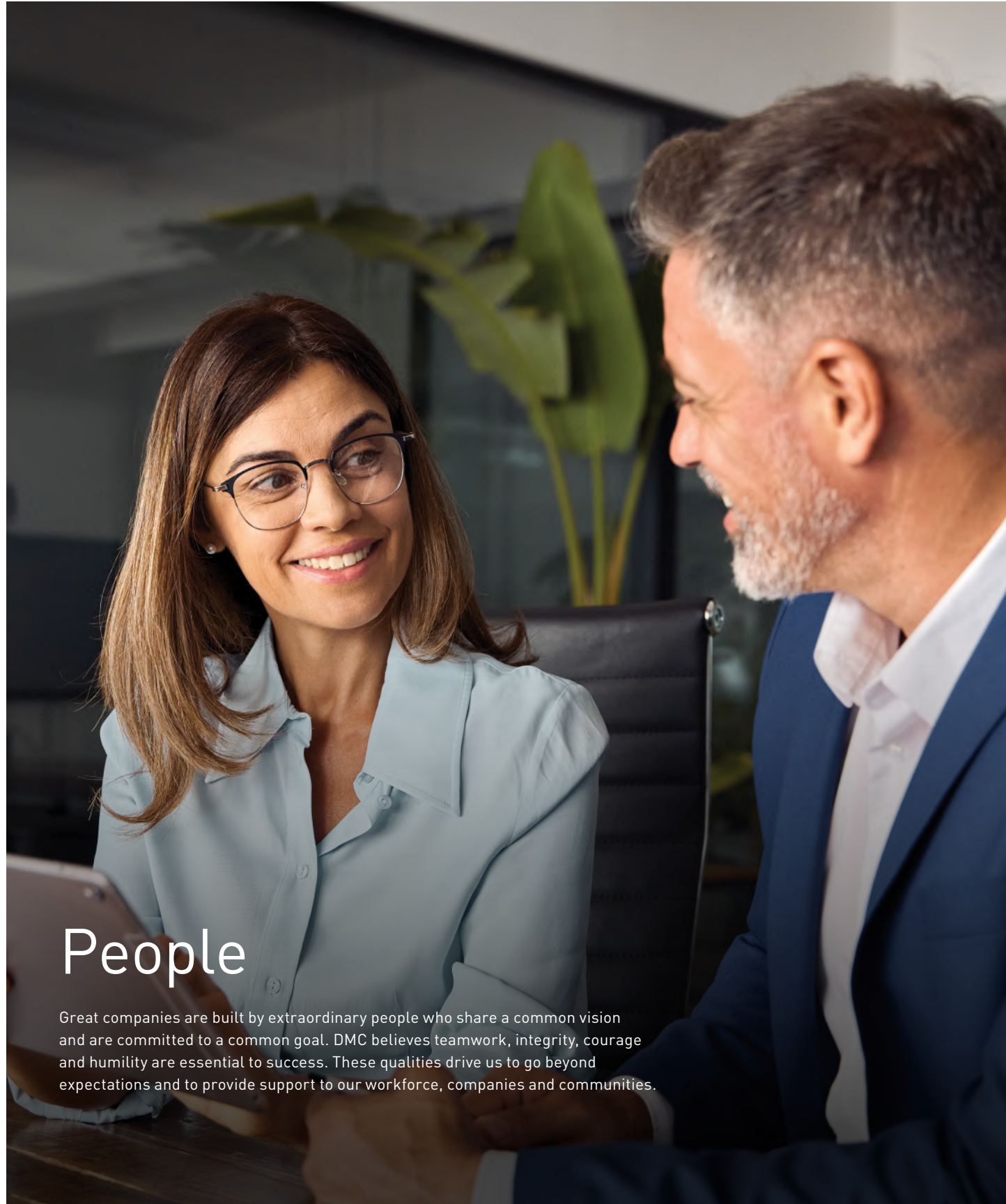
Our strategic direction and maturity enhancement are fortified by our reliance on the [National Institute of Standards and Technology \(NIST\)](#) cybersecurity framework. Augmenting this strategic approach, we harness the expertise of third-party security specialists who undertake risk assessments and program augmentations encompassing ransomware vulnerability assessments, cybersecurity tabletop exercises and internal phishing awareness initiatives. Further bolstering our resilience, we maintain robust information security risk insurance coverage.

To foster a heightened sense of vigilance amongst our workforce, we offer information security training to all employees. These e-learning modules are administered annually, with new hires mandated to attend as an integral facet of their orientation. Periodic phishing simulation tests keep our employees astute, with refresher courses available as needed to enhance phishing detection prowess.

Our cybersecurity endeavors rest on a robust governance foundation, uniting executive leadership, Board members and stakeholders. Regular risk assessments stimulate proactive protective measures, while our reliance on cutting-edge cybersecurity tools ensures a continuous scan of our network and assets for potential threats. Enlisting the aid of a third-party Security Operations Center (SOC), operating round the clock, further enhances our vigilance, promptly addressing alerts and anomalies identified by our security apparatus. Swift and effective mitigation plans, carefully orchestrated by our internal teams and SOC, stand ready to neutralize detected issues, thereby amplifying our cybersecurity response capabilities. An enduring collaboration between our internal teams and SOC functions as the bedrock of a fortified defense mechanism against potential threats.







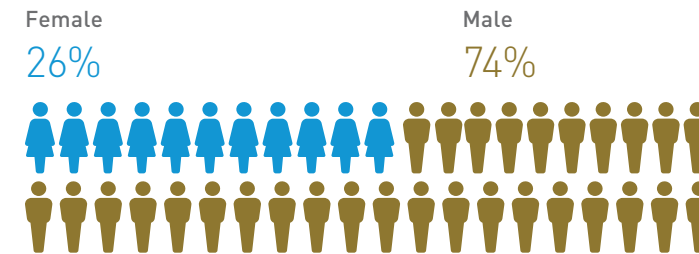
# People

Great companies are built by extraordinary people who share a common vision and are committed to a common goal. DMC believes teamwork, integrity, courage and humility are essential to success. These qualities drive us to go beyond expectations and to provide support to our workforce, companies and communities.

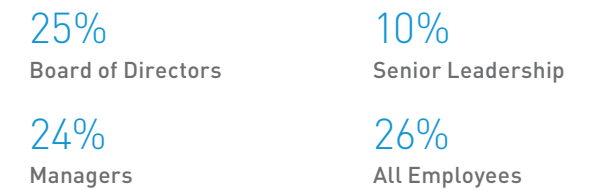
## Our Global Team

DMC's international management teams drive our businesses, with expertise and strategic direction within their industries. Our global workforce, characterized by diverse talents and backgrounds, contributes to the success of each business under the guidance of these teams.

### EMPLOYEES BY GENDER

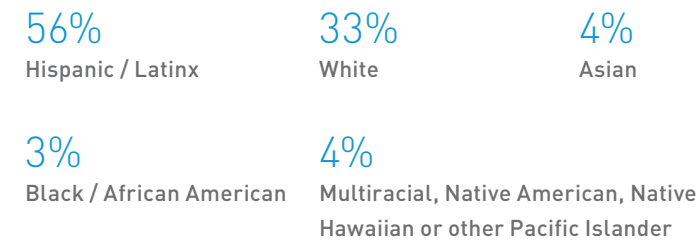


### WOMEN AT DMC IN 2022



*Workforce data includes permanent employees or those employees with long-term contracts who receive DMC benefits. Additional workforce demographics are available in the appendix.*

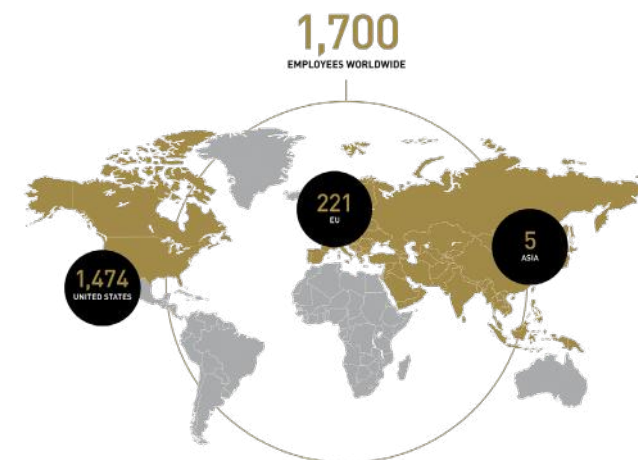
### DIVERSITY AT DMC IN 2022 (U.S. Employees)



### ANNUAL NEW HIRES BY REGION IN 2022

METRICS*	NUMBER	PERCENT
<b>Global</b>	<b>446</b>	
Male	301	67%
Female	145	33%
<b>North America</b>	<b>419</b>	
Male	284	68%
Female	135	32%
<b>Europe</b>	<b>27</b>	
Male	17	63%
Female	10	37%
<b>Asia</b>	<b>0</b>	
Male	0	0%
Female	0	0%

### EMPLOYEES BY REGION





# Employee Experience

## EMPLOYEE ENGAGEMENT AND DEVELOPMENT

Our employees are the foundation of our success. We are committed to creating a vibrant and inclusive environment where everyone feels valued and appreciated. We offer a variety of initiatives to engage, recognize and develop our employees, including:

- The BOOM Times newsletter, which keeps employees connected and informed.
- Periodic newsletters from each of our business units to create community and keep team members informed of developments.
- Company-wide communications that share important news and recognition.
- DMC’s quarterly earnings calls, which all employees are encouraged to listen to.
- Annual sales and leadership events, which provides forums for networking, training and inspiration.
- The prestigious CEO Innovation Award, which recognizes outstanding contributions to innovation.
- The Chairman’s Safety Award, which celebrates our commitment to safety.
- Culture rollout events that foster a cohesive and inspiring work environment.
- DMC Board of Directors’ visits to manufacturing sites, which strengthen relationships with employees and provide insights into our operations.

In addition to these corporate-led initiatives, our facilities offer a variety of employee engagement and training programs that are tailored to the specific needs of each location. For example:



Thursday breakfast provided by the company.  
New employee meet-and-greets and holiday celebrations.  
Targeted leadership coaching and training opportunities.



The Broomfield, Colorado office of NobelClad hosts Thursday Afternoon Club (ThAC) gatherings to build camaraderie.  
The Mt. Braddock, Pennsylvania, NobelClad team invites all employees and their immediate families to a picnic at Kennywood Park, an amusement park in Pittsburgh. Attendees enjoy rides and activities, lunch is provided and employees are eligible for several door prizes.  
Mt. Braddock hosts an annual summer corn hole tournament.  
NobelClad offers cross-functional training opportunities to its manufacturing teams.



Arcadia’s safety training program helps employees learn the skills and knowledge they need to work safely.



The HR team in Blum, Texas, organized and launched Women’s Leadership Series, which hosted its first event in 2022.  
DynaEnergetics provides periodic supervisor training to its line leads, managers and supervisors to provide them with skills and approaches to more effectively manage their responsibilities.  
DynaEnergetics provides subsidized meals at its Blum facility.



### HR in Troisdorf Responds to Recruiting Challenge with New Training

Twelve DynaEnergetics employees at the Troisdorf, Germany, location with management responsibilities completed a comprehensive training program in 2022. The program covered topics such as leadership, communication, innovation, agile working, presentation methods and time management.

The training was in response to the increasing challenge of recruiting professionals. To address this challenge, HR in Troisdorf is bringing external recruiting in-house. They will also optimize and make sustainable the recruitment process, which includes employer branding, direct search, selection, onboarding and commitment.



NobelClad Mt. Braddock site

Offering cross-functional training is one way we are further aligning ourselves with our commitment to growth and innovation. This type of training helps our employees gain new skills and perspectives, which makes them more adaptable and creative. It also helps break down silos and build a more collaborative culture.



## DIVERSITY AND INCLUSION

DMC deeply values the richness that diversity brings to our workforce, celebrating and honoring a spectrum of backgrounds, abilities, strengths, perspectives and insights. Given our global operational reach, it is essential we cultivate a workforce that reflects the cultures of the countries in which we operate. A substantial number of our dedicated employees, especially those in DynaEnergetics and NobelClad, come from all over the world. Our commitment to inclusivity and diversity is evident at all levels of our organization, starting with our highly skilled and diverse Board of Directors.

We are committed to recruiting and promoting talented individuals from all backgrounds. We believe a diverse workforce is essential for innovation and success. We also provide our employees with a supportive environment where they can develop their skills and advance their careers.

In 2022, comprehensive diversity, inclusion and harassment live training sessions were conducted for all DMC, DynaEnergetics and NobelClad employees in the United States. Similarly, Arcadia employees undergo anti-harassment training on a bi-annual schedule, and a total of 508 Arcadia employees successfully completed this training in the course of 2022.

### Equal Opportunity

We are committed to equal opportunity employment. We believe everyone should have the same opportunities to succeed, regardless of their race, age, gender, religion, color, national origin, disability or any other legally protected characteristic. Our decisions about hiring, compensation, promotions and other employment-related matters are based solely on merit, qualifications and abilities. We do not discriminate based on any protected characteristic.

We are proud to be an equal opportunity employer, and we are committed to creating a workplace where everyone feels welcome, respected and valued.

## Policy Against Discrimination and Harassment

At DMC, we promote an inclusive work environment, and we believe every employee deserves to have a workplace where they are treated with dignity and respect. We are committed to providing a positive work environment where our employees are free from unlawful discrimination, harassment and any behavior that creates a hostile or intimidating work environment. Our discrimination and harassment policy applies not only to DMC employees, but also non-employees, contractors and temporary employees.

DMC is committed to fostering a diverse, equitable and inclusive environment in which all employees are treated with dignity and respect. We believe diversity of thought, experiences and background are critical to our success, and we seek to build and support a workforce that reflects the communities in which we operate. At DMC, we are committed to the success of all our employees and strive to provide opportunities for growth and development for everyone.

### [Diversity, Equity, and Inclusion Policy](#)

## COMPENSATION AND BENEFITS

We believe everyone deserves to be compensated fairly for their work. We are committed to creating an equitable and competitive compensation structure that rewards all employees for their contributions. Our pay-for-performance philosophy ensures everyone is fairly compensated based on their skills, experience and results. We regularly benchmark our compensation programs against the local market to ensure we are offering competitive rates.

We administer a global incentive bonus initiative that covers a significant portion of salaried employees worldwide. This program is designed to align employee compensation with the Company's financial and strategic goals.

In 2022, we had no U.S. employees covered by collective bargaining arrangements or similar arrangements. Our workforces in Germany and France are governed by works councils which collaborate with management on various items related to working condition and terms of employment.

## Equitable Pay

DMC is dedicated to establishing market-competitive, fair and equitable pay across our global operations. In 2021, we successfully conducted our inaugural pay equity analysis in the U.S., encompassing employees from DMC corporate, NobelClad and DynaEnergetics. In 2022, we extended our pay equity assessment to all employees, encompassing both our European and Arcadia teams. We work proactively to identify and address potential pay disparities and their underlying causes.

## Benefits

In our role as a global enterprise, we navigate healthcare and benefits administration in accordance with local laws and regulations that differ across regions.

For our U.S.-based workforce, comprehensive benefits are extended to full-time employees as outlined below:

Benefits	DMC™	arcadia	DynaEnergetics	NobelClad
Comprehensive medical, dental and vision coverage for employees	✓	✓	✓	✓
Comprehensive medical, dental and vision coverage for eligible dependents	✓	✗	✓	✓
Life insurance	✓	✗	✓	✓
Access to the Employee Assistance Program	✓	✓	✓	✓
Short and long-term disability coverage, along with life and accident insurance	✓	✗	✓	✓
Pre-tax health savings plan	✓	✓	✓	✓
Employer match for contributions to Safe Harbor 401(k)	✓	✓	✓	✓
Opportunity to participate in the Employee Stock Purchase Plan	✓	✗	✓	✓
Paid time off, inclusive of holidays and parental leave	✓	✓	✓	✓
Educational assistance program	✓	✓	✓	✓
Annual health risk assessment	✓	✓	✓	✓



In addition, we offer supplementary regional benefits, which complement government-sponsored benefits, such as:

- In Germany: Pension benefits, capital-forming benefits and a bike leasing program.
- In Canada: Additional healthcare benefits, dental and vision coverage, life insurance, Employee Assistance Program, long-term disability insurance and a 3% contribution match to retirement savings accounts.
- In France: Pension benefits.

### EMPLOYEE STOCK PURCHASE PLAN

The Employee Stock Purchase Plan provides U.S. employees of DMC, DynaEnergetics and NobelClad with the opportunity to acquire ownership in the Company and have a stake in our success. Participants of the program can purchase stock based on the beginning or ending stock price in the period, whichever is lowest, with an additional 15% discount on the stock price. Enrollment is open twice a year and employees can invest up to 15% of their salary.



### EDUCATIONAL ASSISTANCE PROGRAM

DMC's Educational Assistance Program provides for the reimbursement of qualified educational expenses related to certain certification courses, undergraduate, graduate and post-graduate courses in accredited colleges or universities. Reimbursable educational expenses include costs tuition, textbooks and required fees.

### Active Employees

We encourage our workforce to embrace active and healthy lifestyles, through local activities, DMC-sponsored teams and running clubs. In select locations, we extend discounted gym memberships to further support employees' physical well-being.

### Promoting Healthy Eating

We foster healthy eating habits through region-specific initiatives. At our Blum, Texas, facility, our dining hall is operated by a third-party partner who provides a broad range of healthy and delicious food choices available for breakfast and lunch, with the Company subsidizing the cost of the meals.

Our European offices benefit from weekly deliveries of fresh produce, promoting wholesome dietary choices.

### Mindful Well-Being

The mental well-being of our employees is as important as their physical health. Through our Employee Assistance Program, U.S. employees gain access to confidential counseling and legal services. Complimentary annual biometric screenings are available at certain U.S. sites. Furthermore, we offer financial education and wellness programs throughout the year, supporting employees in retirement planning, managing unexpected health expenses and overall financial well-being.

## Health and Safety



### ELEVATING EMPLOYEE WELL-BEING AND SAFETY

We prioritize the health, safety and overall well-being of our employees. Our occupational health and safety (OHS) management systems are designed to foster a robust safety culture, stringent risk management and effective leadership. These systems extend to all global personnel within DMC, Arcadia, DynaEnergetics and NobelClad. Certain of our facilities adhere to OHS systems aligned with International Organization for Standardization (ISO) 45001:2018 standards, while others are actively progressing towards such benchmarks. Through the exchange of information and cross-audits among our business units, we cultivate a community of best practices and robust safety standards.

### ENSURING RISK MANAGEMENT AND OPERATIONAL INTEGRITY

Managing risks and upholding operational integrity are essential to our business success. We thoroughly investigate any workplace incidents or significant events to identify root causes. We promptly implement corrective actions where necessary to prevent future recurrences, losses and disruptions to our operations.

### STRATEGIC HEALTH AND SAFETY INITIATIVES

Our dedicated health and safety plans outline clear strategic objectives, key performance indicators, goals and annual targets. These comprehensive plans are designed to improve our performance and strengthen our commitment to the well-being and safety of our workforce.



## Risk Assessment and Mitigation

### LOCAL-LEVEL RISK MANAGEMENT

Each DMC business adheres to the specific risk assessment laws and regulations applicable to their operations at the local level. A continuous process of identifying, assessing, and reviewing hazards and risks is guided by the appropriate risk assessment methodology under the purview of our occupational health and safety management. To ensure objectivity, audits across business units are conducted to evaluate OHS performance.

### STRATEGIC RISK MITIGATION

Our approach to risk mitigation is structured around a well-defined control hierarchy:

#### RISK MITIGATION HIERARCHY

- A** ELIMINATION
- B** SUBSTITUTION
- C** ENGINEERING CONTROL
- D** ADMINISTRATIVE CONTROL
- E** PERSONAL PROTECTIVE EQUIPMENT

However, the uniqueness of each location's activities and core processes is acknowledged through the implementation of a location-specific risk map and a tailored mitigation plan. This personalized strategy amplifies our ability to manage risks effectively while optimizing safety outcomes.

### ENGAGING EMPLOYEES IN SAFETY

At DMC, we cultivate a safety-positive culture anchored in principles of self-responsibility and care for others. We believe employee engagement is the most effective means of managing safety risks and elevating performance.

#### Monthly Collaborative Safety Forums

Dedicated cross-departmental safety committees meet monthly in our manufacturing facilities. These committees, which include both employees and managers, provide a forum for sharing feedback on safety risks, discussing risk mitigation strategies, and developing and implementing corrective measures. By leveraging the collective wisdom of our teams, we proactively work to prevent future safety incidents and strengthen our commitment to the well-being of everyone.



Arcadia aluminum framing system

## Safety Performance

At DMC, we prioritize the creation of a healthy and safe workplace for all our employees, offering valuable resources and comprehensive training tailored to job responsibilities and exposures.

We are committed to meeting or exceeding all legal, regulatory, safety, and environmental standards and obligations at all our facilities. Each location commits to continuous improvement initiatives focused on process evaluation, setting and monitoring objectives and targets, employee training programs, and conducting internal audits and incident investigations.

To ensure the safety and well-being of all employees at our manufacturing sites, DMC provides regular OHS training. This training begins with a safety orientation for new employees, followed by ongoing monthly training that addresses specific work-related hazards, hazardous activities and dangerous situations. We also hold daily 15-minute safety meetings before each shift to reinforce safety reminders and insights.

### Safety Training

DMC understands the importance of educating our stakeholders on health, safety and environmental matters to prevent potential safety hazards and incidents during our operations. Our training curriculum is carefully designed to share knowledge on current risk assessments, regulatory requirements, general knowledge of workplace hazards and lessons learned from past incidents.

Throughout 2022, we conducted various training initiatives at our facilities to improve employee environment, health and safety (EHS) awareness and safety preparedness. These included the following:

- Evacuation Drill
- Safe Lifting/Stacking
- Heat Illness
- First Aid/CPR/AED
- Personal Protective Equipment (PPE)
- Fall Protection-Ladders
- Carts and rolling dollies
- DOT Hazardous Waste
- Safe saw practices
- Proper Use of Power Tools
- Fire Prevention/Fire Extinguisher
- Emergency Action Plan
- Machine Guarding
- HazComm (Right to Know Act)
- Forklift/Overhead Crane Safety
- SafeStart Program
- Bloodborne Pathogen Exposure Control Plan
- General Safety Rules
- Accident Reporting/Investigation/Recordkeeping
- Material Handling Safety
- Respirator Standard
- Hearing Conservation
- Electrical Safety
- Lockout/Tagout Program
- Housekeeping/5S
- Security Awareness
- Active Shooter Awareness



### SafeStart

The SafeStart initiative was implemented across our worldwide DynaEnergetics and NobelClad teams. This initiative serves as a valuable tool for imparting knowledge on critical behavior inventories and vocal/visual techniques, which are instrumental in mitigating the prevalent human behaviors that often lead to accidents. Comprising a five-unit training program, SafeStart serves as a platform for fostering safety awareness and enhancing proficiency in recognizing the four primary states of mind that are frequently associated with causing injuries: rushing, frustration, fatigue and complacency.

### Chairman's Safety Award

Safety is ingrained in the fabric of DMC's culture. Annually, our Board of Directors highlights the importance of safety by awarding the esteemed Chairman's Safety Award. Chosen by the Risk Committee, awardees are carefully selected through an assessment of nominations and supporting evidence. These nominations are open to all members of our organization, and the potential recipients can include individuals, teams or specific locations.

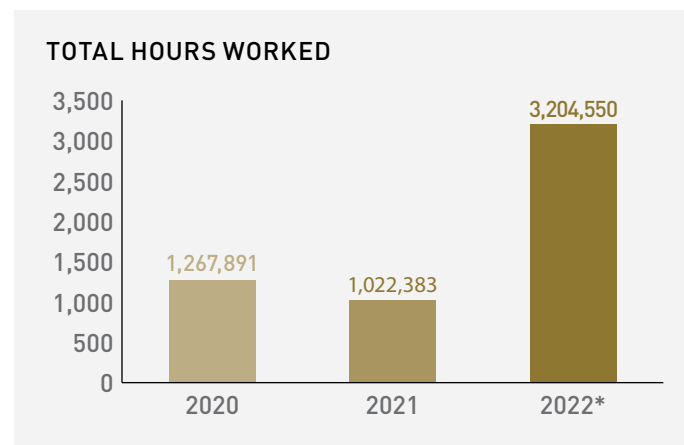
This prestigious yearly accolade is a testament to exceptional achievements in preventing workplace injuries, dedicating efforts to amplify the safety of colleagues and showcasing unwavering safety leadership in day-to-day operations. At DMC, safety is not just a priority—it is an intrinsic value celebrated through the Chairman's Safety Award.

### Safety Goals: Path to Zero

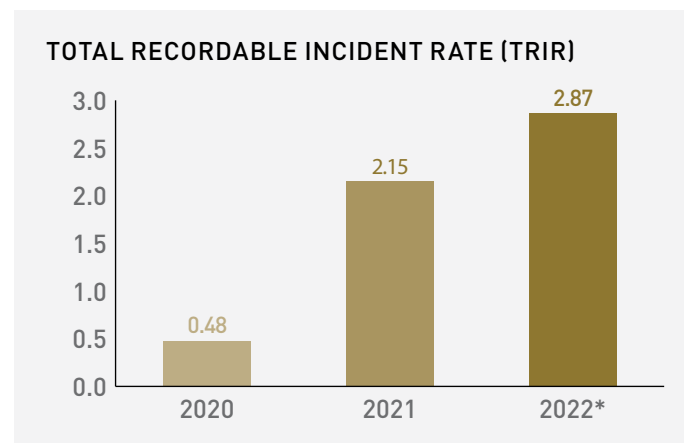
We review performance and trends for both Lost-Time Incident Rates (LTIR) and Total Recordable Incident Rates (TRIR) for our businesses. Regular monthly safety performance reporting is a standard practice across all business units, directed to both the CEO and the executive leadership team. Furthermore, the Risk Committee conducts quarterly reviews of safety performance for all business units.

We recorded another year without a fatality. Our overarching goal is preventing all accidents, but it is particularly important to prevent those that could have significant consequences for the environment, our employees and their families.

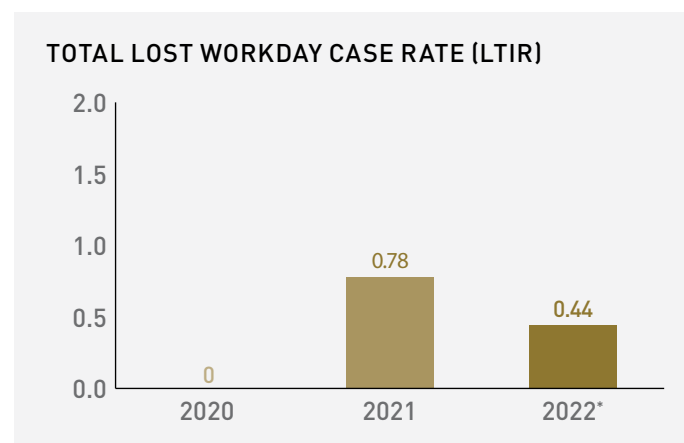
The inclusion of Arcadia in our operations in 2021 led to 2022 becoming our baseline year for data, and we aim to drive performance improvements throughout 2023.



\* Includes Arcadia

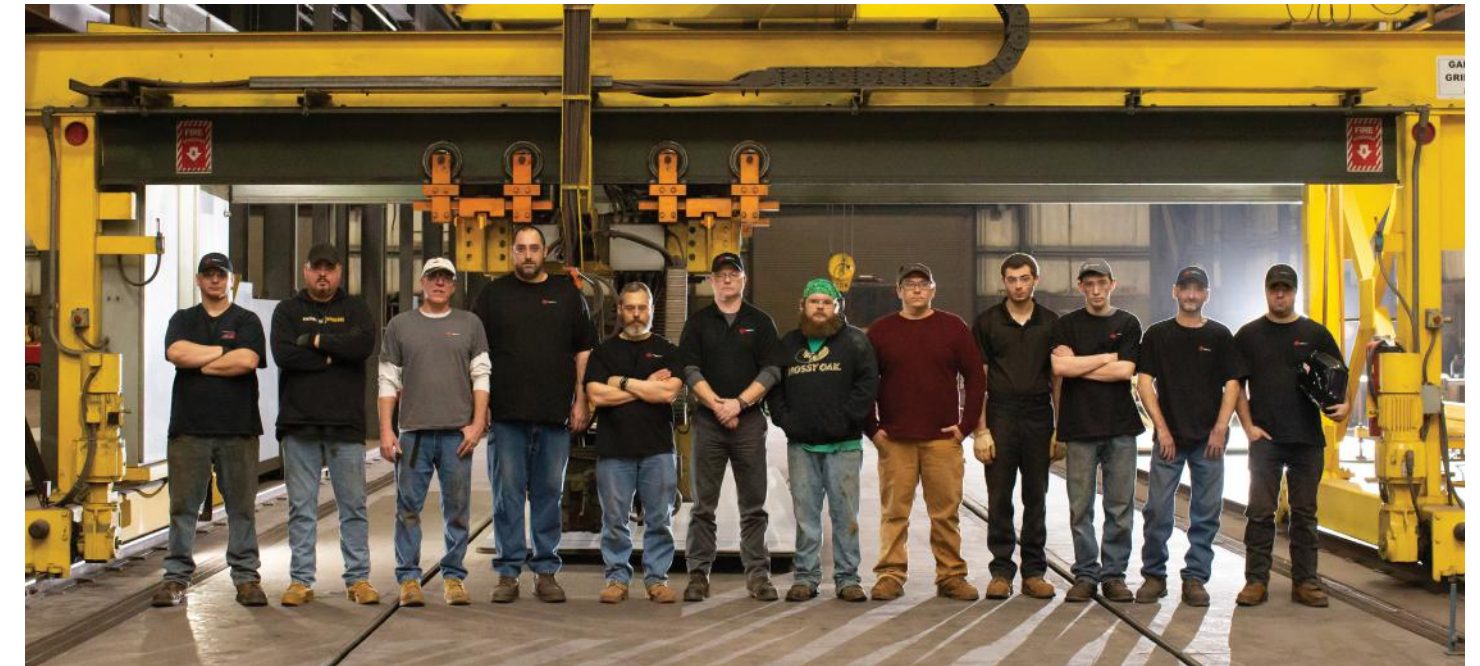


\* Includes Arcadia



\* Includes Arcadia

## Human Rights



### DMC'S HUMAN RIGHTS POLICY

DMC remains steadfast in our commitment to responsible citizenship, recognizing that meaningful engagement with others contributes to the betterment of the human condition. Across our global workforce, we are dedicated to cultivating safe and healthy work environments that uphold the rights and dignity of workers, ensuring an environment free of discrimination. Our approach is guided by the more rigorous of either U.S. standards, local regulations or our corporate policies.

Aligned with the [United Nations Universal Declaration of Human Rights](#), we stand against any form of exploitation of children (including child labor), physical abuse, forced or prison labor, human trafficking or other violations of fundamental human rights. We maintain a stance of non-engagement with individuals or entities involved in such practices. These principles extend to our partners in business, as we hold them to the same standards.

DMC's [Human Rights Policy](#) builds upon the broader commitments articulated in our [Code of Ethics](#) and other compliance policies. It reinforces our dedication in the following key areas:

- Freedom of association and right to collective bargaining:** We honor and respect our employees' rights to join associations and select representative bodies for engaging in collective bargaining, in alignment with applicable laws, regulations and local customs.
- Prevention of forced or compulsory labor:** At DMC, forced or compulsory labor has no place. Our recruitment practices adhere to legal requirements, encompassing fair working conditions, wages and benefits that comply with relevant laws and regulations.
- Eradication of child labor:** Across our global operations, the utilization of child labor is strictly prohibited. All DMC employees meet or exceed the legal employment age within the jurisdiction of their employment.
- Upholding fair labor practices:** Our commitment extends to fair compensation for employees, adhering to wages, working hours, overtime regulations and benefits laws, in accordance with both local and international labor standards.



### Anti-Bribery and Anti-Corruption

DMC recognizes the severe human rights implications that arise from corruption and bribery in all forms. We are committed to conducting our business with honesty and integrity in full compliance with anti-corruption and anti-bribery laws and regulations, including the U.S. Foreign Corrupt Practices Act and other laws that prohibit improper payments to obtain a business advantage. In furtherance of the foregoing, we have adopted an Anti-Bribery Policy applicable to our employees and all third parties working on DMC’s behalf, and we conduct due diligence to proactively assess, identify, and prevent actual and potential corruption and bribery.

### Conflict Minerals

DMC acknowledges the serious human rights abuses associated with the extraction, transportation, and trade of certain minerals and materials. Our unwavering commitment to responsible sourcing from like-minded suppliers reinforces our mission to prevent contributing to conflict through our procurement practices, as articulated in our [Conflict Minerals Policy](#).

DMC is committed to complying with the requirements regarding the use of “conflict minerals” under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), and the related rules and regulations issued by the U.S. Securities and Exchange Commission (SEC). These regulations require publicly traded companies to disclose whether they use tin, tantalum, tungsten and gold (collectively 3TG) that originated in the Democratic Republic of Congo (DRC) or an adjoining country and, if so, to issue a report identifying certain information about the source of those conflict minerals. DMC, like many companies in our industry, requires some of these 3TG materials in the manufacturing of our products as they are necessary for the functional performance of our products. We do not purchase these metals directly from smelters or mines, and therefore must rely on the source information provided by our suppliers.

We file our annual [Conflict Minerals Report](#) with the U.S. Securities and Exchange Commission. We have posted our Conflict Minerals Policy and our annual report on our website at [www.dmcglobal.com/Sustainability](http://www.dmcglobal.com/Sustainability) under Governance Documents.

### Supply Chain

Our suppliers play a pivotal role as integral partners in our operations, and the establishment of an ethically sound supply chain remains indispensable to our success and sustainability. With an extensive network of international manufacturing and distribution facilities, we are reliant upon a global supply chain encompassing an array of raw materials, finished products and services. The ethical procurement of raw materials and the assurance of safe and equitable working conditions throughout our supply chain are important parts of DMC’s overarching sustainability strategy.

Our commitment to sustainability is woven into every facet of our operations, and we expect our suppliers to commit to the standards delineated in our [Code of Ethics](#), [Human Rights Policy](#) and [Conflict Minerals Policy](#). As part of our vendor onboarding processes, suppliers are mandated to fulfill specific requirements, which may entail comprehensive due diligence questionnaires, credit assessments and other compliance reviews. This onboarding procedure is complemented by ongoing compliance protocols that suppliers must uphold to ensure ethical conduct and responsible practices within the supply chain.



## Community

### ELEVATING COMMUNITIES: EMPOWERING THROUGH ENGAGEMENT AND ACTION

We believe it is important to give back to the communities where we operate and where our employees live. This commitment is manifested through philanthropic endeavors, employee volunteerism and strategic community investments.

At every level of our organization, from DMC to our individual business units, our employees actively engage in community service by dedicating their time and energy to various volunteer initiatives. These efforts are not only a testament to our values, but they also reflect our dedication to making a meaningful and positive impact in the areas where we are present.

Throughout the year, our employees take the lead in organizing and participating in company-sponsored volunteer events, contributing to a wide range of community causes. Many of our colleagues extend their contributions beyond volunteerism, taking on leadership roles and serving as board members for local organizations, further deepening our ties to the communities we serve.

**Our local teams have undertaken projects designed to uplift and support their communities, including:**

- |  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>DMC and NobelClad’s Broomfield, Colorado, office arranged a holiday gift drive for local families.</li> <li>DMC continues its Arrupe Partnership.</li> </ul>   |
|  | <ul style="list-style-type: none"> <li>DynaEnergetics presented a check for \$1,200 to the Blum ISD Special Olympics Meet.</li> <li>DynaEnergetics hosted Blum High School Seniors for tours and Q&amp;A with senior leaders.</li> <li>DynaEnergetics has established formal community involvement teams in Blum, Houston and West Texas. These teams have found opportunities to support a broad range of causes and organizations.</li> </ul> |
|  | <ul style="list-style-type: none"> <li>NobelClad continues its Arrupe partnership.</li> </ul>   |



### PARTNERING IN SUPPORT OF EDUCATION

In 2022, DMC’s corporate headquarters and NobelClad’s North American sales office, both located in Broomfield, Colorado, sustained their collaboration with Arrupe Jesuit High School’s Corporate Work Study Program (CWSP). This initiative offers economically disadvantaged students from north Denver a pathway to a college-preparatory education. Through paid, full-time work study positions, students earn income that contributes to nearly 50% of their tuition costs at Arrupe.

DMC and NobelClad have committed to continuing their partnership with Arrupe in 2023.





# Environment

We are committed to minimizing our environmental footprint and continuously improving our environmental performance as an integral part of our business strategy and operational practices.

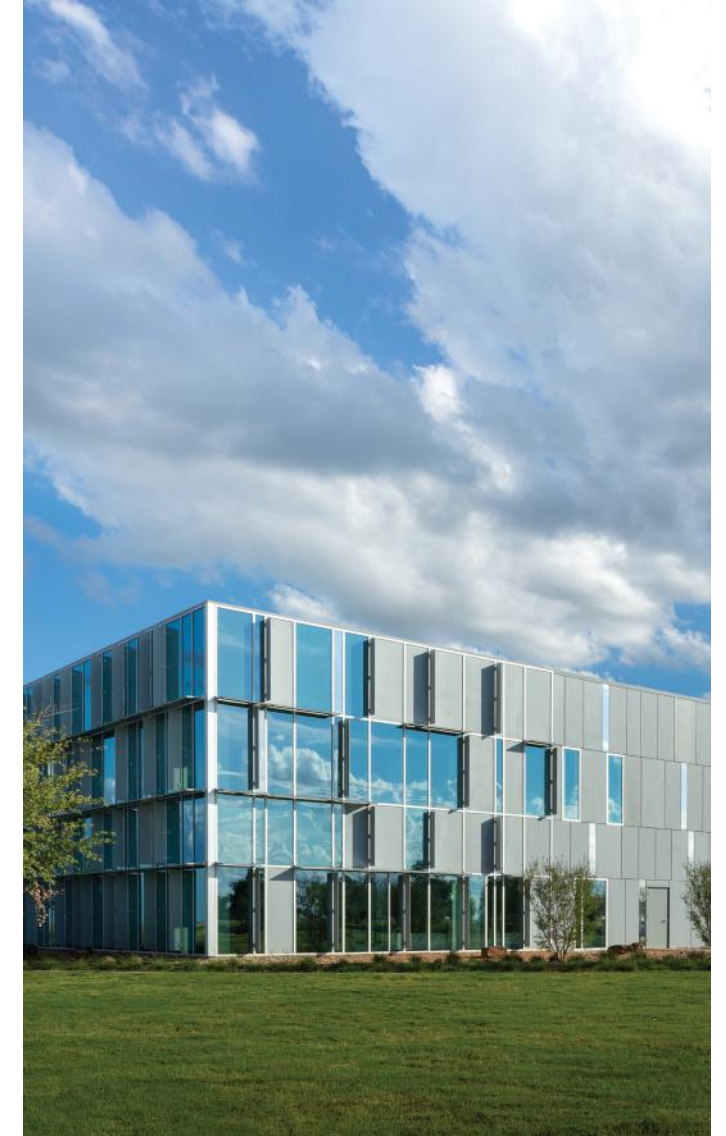
## Overview

Each of our businesses has unique manufacturing processes, material inputs and EHS considerations. Below are highlights for each company:

**Arcadia** is headquartered in Vernon, California, and operates four manufacturing facilities and 11 fabrication and distribution facilities. Most of Arcadia’s facilities focus on assembly of aluminum and steel windows, doors and other building products. Arcadia’s Washington Boulevard facility hosts a paint line, an anodizing line and a pour-and-debridge process for the manufacturing of our thermal break products. Arcadia Custom’s Tucson, Arizona facility builds wood and steel doors and windows and hosts a paint line and other wood finishing operations.

**DynaEnergetics** operates manufacturing facilities in Germany and the United States. In Troisdorf, Germany, DynaEnergetics has six IS2™ detonator manufacturing lines, two shaped charge lines and a detonating cord manufacturing line. In Liebenscheid, Germany, DynaEnergetics operates a manufacturing facility for perforating guns and associated hardware. In the United States, DynaEnergetics has three shaped charge manufacturing lines in Blum, Texas, where product assembly and metal fabricating also occur. We have a second metal fabricating facility in Whitney, Texas.

**NobelClad** operates manufacturing plants and associated shooting sites in Pennsylvania and Germany.



*DynaEnergetics facility in Blum, Texas*



## Environmental Policy

## Climate Risk Management



LEED Platinum-certified University of California, Los Angeles Psychology Tower, renovated with Arcadia aluminum framing systems

DMC recognizes our responsibility to the environment beyond legal and regulatory requirements. We are committed to reducing our ecological footprint and continually improving our environmental performance as an integral part of our business strategy and operational methodologies. We extend this aspiration to customers, suppliers and stakeholders, urging them to join us on this journey. DMC has adopted an [Environmental Policy](#) to articulate these commitments.

Consistent with our policy, we endeavor to comply with and exceed all relevant environmental regulations. We monitor our environmental performance and strive to reduce our environmental impact. We educate our employees about environmental issues and incorporate environmental considerations into our business decisions. We integrate these commitments into all aspects of our business, including manufacturing, logistics, marketing, sales, product usage, energy and water use, travel, office supplies and the disposal of hazardous materials.

Guided by our decentralized management approach, our local teams take the helm in ensuring compliance with laws, implementing preferred practices, fostering innovative programs and nurturing heightened environmental consciousness among employees. Collaborating with senior DMC leadership, our local teams set goals, establish initiatives and report progress on their efforts. United by the shared vision of the DMC community, we strive towards a more sustainable future.

In 2022, we had zero environmental incidents.

**Zero**  
Environmental  
Incidents in 2022

**26.9%**  
Renewable Electrical  
Use in 2022

**3,400**  
Tons of Metal Recycled in 2022

**11.1%**  
Renewable Energy  
Use in 2022

### ENVIRONMENTAL RISKS AND OPPORTUNITIES

As an organization, DMC faces a variety of risks and opportunities related to environmental compliance and stewardship. These include both potential challenges and pathways for progress associated with climate change and the ongoing energy transition. We are assessing these risks and opportunities as an essential part of our operations, which underscores our commitment to sustainability.

### ENERGY AND CLIMATE CHANGE

The global implications of climate change, coupled with societal and governmental responses, pose formidable challenges for companies worldwide. In this context, adaptation becomes imperative. Beyond risk management, there is an opportunity to identify potential avenues for contribution to solutions. These solutions, in turn, can catalyze the development of more

streamlined and cost-efficient products, new applications and new markets. DMC continues to actively pursue such opportunities. Arcadia monitors and makes design changes as needed to comply with evolving construction and energy efficiency standards, and seeks alignment with various sustainable construction standards. DynaEnergetics continues to market its DynaSlot product for plug and abandonment operations, and NobelClad is actively working to develop new applications and markets for clad products within the alternative energy space—ranging from concentrated solar power and wind, to hydrogen and geothermal innovations.

### PHYSICAL RISK MANAGEMENT

Our comprehensive risk assessment considers the physical threats posed by climate change, with a particular focus on extreme weather events. These events, such as hurricanes, tornadoes, and extreme heat or cold, can have far-reaching consequences for our operations and infrastructure.



They can cause flooding, damage to roads and worksites, facility damage and harm to employee health.

These events can lead to increased operational costs or reduced revenue. They can disrupt our facilities, our supply chain or our customers' sites. They can damage equipment, requiring repairs, and lead to higher insurance premiums.

To mitigate the risks posed by extreme weather, we proactively identify potential hazards to our facilities and develop mitigation measures. Our local teams then implement these measures in the form of safety protocols and initiatives. We also have insurance policies in place to help mitigate potential losses in the event of asset damage.

### TRANSITION RISK MANAGEMENT

Within our risk management approach, we maintain ongoing surveillance of climate-related transition risks. These encompass an array of factors, particularly policy and legal risks linked to our diverse operations across jurisdictions, including the scrutiny of current and potential disclosure obligations mandated by the SEC, alongside environmental and climate-related regulations applicable to our manufacturing sites and procedures. We acknowledge the growing resources required to navigate this expanding regulatory landscape, which may directly increase our operational expenditures and potentially influence the costs of materials procured from our suppliers.

In addition, government policies and actions intended to combat climate change may contribute to secondary effects, such as escalated transportation costs, surging fuel and energy expenses, and the potential for power disruptions at our manufacturing facilities. Regulations curbing oil and gas activities or constraining greenhouse gas emissions not only steer preferences toward products beyond the conventional energy sectors but also negatively impact the oil and gas industry and clients of NobelClad and DynaEnergetics, thereby attenuating demand for our offerings. To ensure our business sustainability and growth trajectory, we actively engage in dialogues with key stakeholders and customers to understand their needs and concerns.

Furthermore, we monitor the potential reputational challenges stemming from our level of involvement in climate-related issues, particularly within the energy end markets encompassed by DynaEnergetics. These challenges could have ripple effects across our investor relations, employee dynamics, supplier and customer relationships, as well as banking relationships.

To uphold our commitment to environmental stewardship, optimize product efficiency, and streamline our manufacturing processes, we actively manage our energy consumption, emissions, waste and water consumption.

Our management team and our Board consider all of the above factors and considerations in the Enterprise Risk Management process, in our strategy planning sessions and in our budgeting processes.

### ENVIRONMENTAL MANAGEMENT

We are committed to environmental responsibility. Each of our manufacturing facilities has an environmental management system (EMS) in place. Our internal environmental compliance processes promote a culture of risk identification, root-cause analysis, information sharing, and timely and thorough implementation of corrective actions to prevent recurrences. We empower our employees with the knowledge, resources and verification mechanisms they need to comply with environmental laws, regulations and our internal standards wherever we operate in the world. We provide training to employees on various environmental management topics, including DOT hazardous waste and HazComm (Right to Know Act).

Certain of our facilities have made commitments to either uphold their ISO 14001 certification, attain ISO 14001 certification or actively pursue alignment with this standard.

We are determined to operate and strengthen our social contract by improving our performance and collaborating with stakeholders to address any concerns related to our environmental footprint.

### TOTAL ENERGY CONSUMPTION

2022 ENERGY USE DATA	TOTAL
Total Energy Use (GJ)	185,546
Non-Renewable Energy Use (GJ)	164,964
Non-Renewable Energy Use %	88.9%
Renewable Energy Use (GJ)	20,582
Renewable Energy Use %	11.1%
Total Electrical Use (kWh)	21,232,935
Total Electrical Use (non-renewable) (kWh)	15,515,698
Total Electrical Use (non-renewable) %	73.1%
Total Electrical Use (renewable) (kWh)	5,717,237
Total Electrical Use (renewable) %	26.9%
Total Natural Gas and Propane Use (non-renewable) (MCF)	88,489
Total Gasoline/Diesel/LPG Fuel Use (non-renewable) (Gal)	101,531

GJ – Gigajoules  
 kWh – Kilowatt hours  
 MCF – Thousand cubic feet  
 Gal – Gallons

The information in the above chart represents purchased electricity, natural gas, LPG, gasoline and diesel.

### ENERGY INTENSITY

METRIC	UNIT	2022
Total Energy Intensity – DMC Consolidated	GJ/\$ of revenue	0.00028

### GHG EMISSIONS AND INTENSITY

**Scope 1:** covers direct emissions from owned or controlled sources  
**Scope 2:** covers indirect emissions from the generation of purchased electricity

GREENHOUSE GAS EMISSIONS <sup>1,2</sup>	UNIT	2022
<b>Total GHG Emissions</b>		
Total Direct (Scope 1)	TCO2e	5,706
Total Indirect (Scope 2)	TCO2e	8,130
Emissions Intensity	TCO2e/\$ of Revenue	0.00002

<sup>1</sup>Emissions in total metric tons of CO2 equivalents.

<sup>2</sup>The scope of Arcadia's operations is shown in the 2022 energy consumption and emissions figures. With 14 manufacturing and assembly sites under its purview, Arcadia's comprehensive footprint encompasses a diverse range of activities. Notably, the Washington Boulevard facility serves as a hub for centralized anodization operations, a process that employs electricity to provide the final finish to aluminum products integral to Arcadia's business operations.



## Managing Our Energy Use and Emissions

Responsible operations play a pivotal role in securing our long-term sustainability and overall performance. Our local teams examine key drivers of energy consumption and emissions at their respective facilities and determine appropriate paths to reduce energy use and emissions. Our endeavors to manage energy usage and greenhouse gas emissions encompass a comprehensive array of actions, including but not limited to:

- Actively considering co-location of company facilities and shared processes whenever viable.
- Evaluating potential enhancements in lighting systems for improved efficiency.
- Identifying energy providers with low environmental impact where geographically feasible.
- Incorporating energy-efficient and environmentally friendly alternatives into the design of new or revamped office and manufacturing spaces.
- Scrutinizing thermostat settings in our manufacturing and office premises.
- Exploring avenues to minimize emissions from our fleet vehicles.

Looking forward, we are committed to continually improving our operations to minimize environmental impact. We are dedicated to collaborating with industry associations and using global frameworks to uncover additional opportunities for reducing emissions and energy consumption.

Beyond greenhouse gases, we recognize the critical role of curbing other airborne pollutants to foster cleaner air and a more sustainable environment. These pollutants, including volatile organic compounds (VOCs), nitrogen oxides (NOx), particulate matter (PM) and hazardous air pollutants (HAPs), often fall under regulatory scrutiny in the regions and localities where we operate. In adherence to varying air quality standards, we implement pollution control and abatement measures that align with pertinent policies and regulations governing our business.

Our approach to curbing and minimizing these emissions is not solely steered by regulatory mandates; it is firmly rooted in our internal air management standards. We adhere to best practices aimed at minimizing air pollutants to reduce adverse effects on human health and the environment even in the absence of regulatory mandates.

Below are recent initiatives sponsored by our businesses to reduce energy use and emissions:



- Regenerative thermal oxidizer (RTO) technology is employed within Arcadia's painting facilities in Vernon, California. This technology safeguards the environment by capturing and eliminating volatile organic compounds present in liquid solvent-based paints.



- Initiatives are underway within our DynaEnergetics operations in Texas and Troisdorf, Germany, aimed at curbing energy consumption across our facilities. These initiatives encompass insulation upgrades, lighting enhancements, centralized heating control, identification of high energy consumption points in production and workspace reconfiguration to optimize energy efficiency through 2023.



- A sizable portion of our legacy DMC sites have transitioned to energy-efficient LED lighting, enhancing illumination quality while curbing energy usage. In select locations, the implementation of motion sensors for on/off switches furthers efficiency.



- NobelClad has refined the chemical composition of its explosives to mitigate NOX emissions.



NobelClad Manufacturing Campus in Liebenseid, Germany



## Waste

We have initiated the process of monitoring waste quantities across all our manufacturing facilities and are actively exploring avenues to improve tracking of waste quantities at various facilities and to reduce waste volumes and divert materials away from landfills. Our waste management initiatives center on diminishing higher-volume waste and addressing waste that has a significant impact on the environment. DMC has recycling and waste reduction initiatives in place at many of our sites. We recycle a diverse array of materials, including aluminum, steel, glass, cardboard, solvent and waste oil.

All waste resulting from our manufacturing operations is characterized to ensure compliant processing and disposal. Where waste is deemed hazardous or otherwise regulated, the waste is inventoried, securely stored, appropriately labeled

### 2022 WASTE QUANTITIES

WASTE TYPE	UNIT	2022
DMC Consolidated		
Metals	Tons	3,400
Landfill	Tons	3,470
Wood	Tons	151
Cardboard	Tons	318
Plastic	Tons	24
Hazardous Materials	Tons	157
Mixed Recyclables	Tons	562

Our local teams are responsible for evaluating and mitigating waste at their respective facilities. Their actions are tailored to the specific waste generated, local resources available and recycling options within the vicinity.

### These initiatives include:

- Arcadia addresses the aluminum hydroxide byproduct from its anodizing process through treatment, diverting it from landfills and contributing to cement manufacturing instead.
- Arcadia has voluntarily phased out the usage of paints containing lead, mercury and cadmium.
- Arcadia pursues methods to diminish paint consumption and waste.

- At our Blum, Texas, DynaEnergetics facility, we have engaged external expertise to assess recycling possibilities and strategies for reducing landfill waste.
- Within the DynaEnergetics team, diverse processes are being implemented to curtail the consumption of raw materials, including plastic and steel, as well as the quantities of wood and cardboard used in product packaging and transportation.
- DynaEnergetics Pick & Place innovation has reduced cardboard waste and increased manufacturing efficiencies.

- Our Mt. Braddock, Pennsylvania, NobelClad facility is actively pursuing a study to identify cost-effective approaches for segregating clad scrap into distinct alloys, thereby enhancing recycling possibilities. Insights gleaned from this study will be adopted across both NobelClad manufacturing sites.

## Water Usage

DMC tracks water usage at all of our manufacturing sites and at our office locations (with the exception of locations that include water usage in their leases). This effort is geared towards identifying opportunities to address water usage and mitigate disposal-related risks. At all our manufacturing sites, we operate under stringent wastewater discharge requirements outlined in regulations, permits from governmental agencies, and our internal policies and procedures. Our wastewater discharges undergo assessment by various stakeholders to gauge compliance with applicable regulations. In the event of any actual or potential non-compliance with applicable discharge regulations, we initiate investigations into the incident, identify root causes and execute corrective actions to prevent recurrence.

For 2022, we have integrated Arcadia into our data reporting, and we intend to utilize this year as our baseline for evaluating our water consumption. The addition of Arcadia's operations has resulted in a noticeable uptick in water withdrawal, particularly due to Arcadia's significant water use for anodizing and painting operations. However, this increase is offset by the water treatment process used at Arcadia's Washington Boulevard location alongside its anodizing operations to remove aluminum hydroxide from anodizing solutions, enabling the safe and efficient disposal of wastewater.

### WATER WITHDRAWAL

METRIC	UNIT	2022
DMC Consolidated	Cubic meters	118,810

## Biodiversity

DMC prioritizes the protection of the ecosystems in which we operate by managing the environmental impact of our operations. This includes maintaining equipment in compliance with applicable regulations and training our employees on the proper procedures and protocols, should an incident occur. Our dedicated efforts aim to establish appropriate environmental controls that deter pollution and preserve local biodiversity where we operate.

In 2022, DMC had no significant environmental controversies.







# Appendices

## Environmental & Social Data

ENERGY CONSUMPTION <sup>2</sup>			
	UNIT	2021	2022
<b>DMC Consolidated</b>			
Diesel	gallons	79,101	87,407
Gasoline	gallons	9,580	14,124
Propane	therms	0	45,450
Natural Gas	therms	423,340	872,182
Electricity	KWh	7,546,307	21,232,935
Total Energy	GJ	82,578	185,546
Energy intensity	GJ/\$ of Revenue	0.00032	0.00028
<b>Arcadia</b>			
Diesel	gallons		8,292
Gasoline	gallons		0
Propane	therms		45,450
Natural Gas	therms		412,271
Non-renewable electrical use	KWh		8,193,808
Renewable electrical use	KWh		4,378,023
Total electrical use	KWh		12,571,831
Total Energy	GJ		94,545
Energy intensity	GJ/\$ of Revenue		0.00032
<b>DynaEnergetics</b>			
Diesel	gallons	29,429	36,709
Gasoline	gallons	8,128	12,455
Propane	therms	0	0
Natural Gas	therms	59,257	46,750
Non-renewable electrical use	KWh	4,073,379	4,543,910
Renewable electrical use	KWh	539,968	577,010
Total electrical use	KWh	4,613,347	5,120,921
Total Energy	GJ	27,414	29,330
Energy intensity	GJ/\$ of Revenue	0.00016	0.00011

<b>NobelClad</b>			
Diesel	gallons	49,673	42,406
Gasoline	gallons	1,452	1,669
Propane	therms	0	0
Natural Gas	therms	364,083	413,161
Non-renewable electrical use	KWh	1,893,557	2,656,605
Renewable electrical use	KWh	1,039,403	674,311
Total electrical use	KWh	2,932,960	3,330,915
Total Energy	GJ	55,164	60,918
Energy intensity	GJ/\$ of Revenue	0.00065	0.00068

GHG EMISSIONS <sup>2</sup>			
	UNIT	2021	2022
<b>DMC Consolidated</b>			
Total Direct (Scope 1)	TCO <sub>2</sub> e	3,210	5,706
Total Indirect (Scope 2)	TCO <sub>2</sub> e	4,290	8,130
Emissions Intensity	TCO <sub>2</sub> e/\$ of Revenue	0.00003	0.00002
<b>Arcadia</b>			
Total Direct (Scope 1)	TCO <sub>2</sub> e		2,554
Total Indirect (Scope 2)	TCO <sub>2</sub> e		3,466
Emissions Intensity	TCO <sub>2</sub> e/\$ of Revenue		0.00002
<b>DynaEnergetics</b>			
Total Direct (Scope 1)	TCO <sub>2</sub> e	762	509
Total Indirect (Scope 2)	TCO <sub>2</sub> e	2,878	2,549
Emissions Intensity	TCO <sub>2</sub> e/\$ of Revenue	0.00002	0.00001
<b>NobelClad</b>			
Total Direct (Scope 1)	TCO <sub>2</sub> e	2,448	2,643
Total Indirect (Scope 2)	TCO <sub>2</sub> e	1,412	1,993
Emissions Intensity	TCO <sub>2</sub> e/\$ of Revenue	0.00005	0.00005





WASTE QUANTITIES			
WASTE TYPE	UNIT	2021	2022
<b>DMC Consolidated</b>			
Metals	Tons	2,658	3,400
Landfill	Tons	317	3,470
Wood	Tons	75	151
Cardboard	Tons	144	318
Plastic	Tons	37	24
Hazardous Materials	Tons	51	157
Mixed Recyclables	Tons	0	562
<b>Arcadia</b>			
Metals	Tons		*
Landfill	Tons		3,268
Wood	Tons		80
Cardboard	Tons		182
Plastic	Tons		*
Hazardous Materials	Tons		102
Mixed Recyclables	Tons		562
<b>DynaEnergetics</b>			
Metals	Tons	1,415	2,301
Landfill	Tons	*	*
Wood	Tons	*	*
Cardboard	Tons	103	106
Plastic	Tons	*	*
Hazardous Materials	Tons	51	55

\* No data collected

NobelClad			
Metals	Tons	1,243	1,099
Landfill	Tons	317	202
Wood	Tons	75	71
Cardboard	Tons	41	30
Plastic	Tons	37	24
Hazardous Materials	Tons	0	0

WATER WITHDRAWAL			
	UNIT	2021	2022
DMC Consolidated	Cubic meters	18,910	118,810
Arcadia	Cubic meters		96,561
DynaEnergetics	Cubic meters	14,763	18,664
NobelClad	Cubic meters	3,281	2,650
Corporate	Cubic meters	866	935

1 gallon = 0.00378541 cubic meters

WORKFORCE SAFETY			
	2020	2021	2022
<b>DMC Consolidated</b>			
Total Hours Worked	1,267,891	1,022,383	3,204,550
Total Recordable Incident Rate (TRIR)	0.48	2.15	2.87
Total Fatalities	0	0	0
Total Recordable Cases (TRI)	2	11	46
Total Lost Workday Cases (LTI)	0	4	7
Total Lost Workday Case Rate (LTIR)	0	0.78	0.44
Total Number of Lost Work Days	0	9	330
Total Severity Rate	0	0.8	7.2
Near Miss Reports	45	68	32
Total Near Miss Frequency Rate (NMFR)	10.74	13.30	2.00

Arcadia		
Total Hours Worked		1,941,556
Total Recordable Incident Rate (TRIR)		3.9
Total Fatalities		0
Total Recordable Cases (TRI)		38
Total Lost Workday Cases (LTI)		3
Total Lost Workday Case Rate (LTIR)		0.3
Total Number of Lost Workdays		278
Total Severity Rate		7.3
Near Miss Reports		0
Total Near Miss Frequency Rate (NMFR)		0.0

DynaEnergetics AME			
Total Hours Worked	334,244	514,607	732,111
Total Recordable Incident Rate (TRIR)	0	1.9	1
Total Fatalities	0	0	0
Total Recordable Cases (TRI)	0	5	5
Total Lost Workday Cases (LTI)	0	1	2
Total Lost Workday Case Rate (LTIR)	0	0.4	0.5
Total Number of Lost Workdays	0	3	19
Total Severity Rate	0	0.6	3.8
Near Miss Reports	16	56	19
Total Near Miss Frequency Rate (NMFR)	101	21.8	5.2

DynaEnergetics Europe			
Total Hours Worked	218,219	235,225	272,499
Total Recordable Incident Rate (TRIR)	0	2.6	1
Total Fatalities	0	0	0
Total Recordable Cases (TRI)	0	3	1
Total Lost Workday Cases (LTI)	0	3	1
Total Lost Workday Case Rate (LTIR)	0	2.6	0.7
Total Number of Lost Workdays	0	6	1
Total Severity Rate	0	2.0	1.0
Near Miss Reports	6	4	4
Total Near Miss Frequency Rate (NMFR)	6	3.4	2.9



NobelClad AME			
Total Hours Worked	157,921	153,402	151,908
Total Recordable Incident Rate (TRIR)	2.53	1.30	2.63
Total Fatalities	0	0	0
Total Recordable Cases (TRI)	2	1	2
Total Lost Workday Cases (LTI)	0	0	1
Total Lost Workday Case Rate (LTIR)	0	0.00	1.32
Total Number of Lost Workdays	0	0	32
Total Severity Rate	0	0.0	42.1
Near Miss Reports	13	7	5
Total Near Miss Frequency Rate (NMFR)	16.46	9.13	6.58

NobelClad Europe			
Total Hours Worked	127,589	119,149	106,476
Total Recordable Incident Rate (TRIR)	0	3.36	0
Total Fatalities	0	0	0
Total Recordable Cases (TRI)	0	2	0
Total Lost Workday Cases (LTI)	0	0	0
Total Lost Workday Case Rate (LTIR)	0	0.00	0.00
Total Number of Lost Workdays	0	0	0
Total Severity Rate	0	0.0	0.0
Near Miss Reports	10	1	4
Total Near Miss Frequency Rate (NMFR)	15.68	1.68	7.51

200,000 TRIR metrics (hours)

## SASB Index

### INDUSTRIAL MACHINERY & GOODS

TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	INFORMATION REFERENCE
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-IG-130a.1	(1)(3) Environmental — Climate Risk Management — Environmental Management, pages 68-69 (2) Data not available
Employee Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Quantitative	Rate	RT-IG-320a.1	(1) 2.87 (2) Absolute value is zero (3) 2.00
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-IG-440a.1	People — Human Rights — DMC’s Human Rights Policy — Conflict Minerals, page 62 Conflict Minerals Policy

TABLE 2. ACTIVITY METRICS

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	INFORMATION REFERENCE
Number of employees	Quantitative	Number	RT-IG-000.B	2022 Company Overview — About Us — Company Snapshot, page 9  2022 Form 10-K: Item 1. Business — Human Capital, page 12

### HARDWARE

TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	INFORMATION REFERENCE
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Quantitative	Percentage (%)	TC-HW-330a.1	(1)(3) People — Our Global Team, page 51 (2) DMC does not report this data for “Technical Staff” as a category.
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	TC-HW-440a.1	People — Human Rights — DMC’s Human Rights Policy — Conflict Minerals, page 62 Conflict Minerals Policy

TABLE 2. ACTIVITY METRICS

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	INFORMATION REFERENCE
Area of manufacturing facilities	Quantitative	Square feet (ft²)	TC-HW-000.B	2022 Form 10-K: Item 2. Properties, pages 34-37



**CONSTRUCTION MATERIALS**

**TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS**

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	INFORMATION REFERENCE
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO <sub>2</sub> -e, Percentage (%)	EM-CM-110a.1	Gross global Scope 1 emissions: 5,725 TCO <sub>2</sub> e Percentage covered under emissions-limiting regulations: Data not available
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative and (4) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	EM-CM-130a.1	(1)(4) Environmental — Climate Risk Management — Environmental Management, pages 68-69 (2)(3) Data not available
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubicmetres (m <sup>3</sup> ), Percentage (%)	EM-CM-140a.1	(1) Environment — Water Usage, page 73; Appendices — Environmental & Social Data — Water Withdrawal, page 76 (2) Data not available Percentage of each in regions with High or Extremely High Baseline Water Stress: Data not available
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	Quantitative	Rate	EM-CM-320a.1	(1) 2.87 (2) 2.0 (a) Data not available (b) Data not available
	Number of reported cases of silicosis	Quantitative	Number	EM-CM-320a.2	Zero cases
Pricing Integrity & Transparency	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities	Quantitative	Presentation currency	EM-CM-520a.1	Zero losses with respect to these matters

**ELECTRICAL & ELECTRONIC EQUIPMENT**

**TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS**

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	INFORMATION REFERENCE
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-EE-130a.1	(1)(3) Environmental — Climate Risk Management — Environmental Management, pages 68-69 (2) Data not available
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	RT-EE-150a.1	Amount of hazardous waste generated: Environment — Waste, page 72; Appendices — Environmental & Social Data — Waste Quantities, page 76 Percentage recycled: Data not available Zero reportable spills
	Number and aggregate quantity of reportable spills, quantity recovered	Quantitative	Number, Kilograms (kg)	RT-EE-150a.2	
Product Safety	Number of recalls issued, total units recalled	Quantitative	Number	RT-EE-250a.1	No recalls issued
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	Reporting currency	RT-EE-250a.2	Zero losses related to these matters
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-EE-440a.1	People — Human Rights — DMC’s Human Rights Policy — Conflict Minerals, page 62 Conflict Minerals Policy
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Discussion and Analysis	n/a	RT-EE-510a.1	Governance — Business Ethics — Anti-Bribery and Anti-Corruption, page 47; People — Human Rights — DMC’s Human Rights Policy — Anti-Bribery and Anti-Corruption, page 62 Code of Ethics & Business Conduct Zero losses related to these matters
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	Reporting currency	RT-EE-510a.2	
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Reporting currency	RT-EE-510a.3	Zero losses related to these matters

**TABLE 2. ACTIVITY METRICS**

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	INFORMATION REFERENCE
Number of employees	Quantitative	Number	RT-EE-000.B	2022 Company Overview — About Us — Company Snapshot, page 9  2022 Form 10-K: Item 1. Business — Human Capital, page 12



# GRI Index

<b>Statement of use</b>	DMC Global Inc. has reported the information cited in this GRI content index for the period January 1, 2022 to December 31, 2022 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021</b>		
2-1 Organizational details	<p>a. <b>Name of the organization:</b> DMC Global Inc.</p> <p>b. <b>Ownership and legal form:</b> DMC Global Inc. is a publicly traded company that is incorporated in Delaware and listed on Nasdaq (NASDAQ: BOOM).</p> <p>c. <b>Location of headquarters:</b> 11800 Ridge Parkway, Suite 300, Broomfield, Colorado 80021</p> <p><i>2022 Form 10-K:</i> Item 2. Properties — Corporate Headquarters, page 34</p> <p>d. <b>Location of operations:</b> DMC conducts business in 60 countries and has significant operations in the U.S. and Germany</p> <p>2022 Company Overview — About Us — Company Snapshot, page 9; Our Businesses, pages 11-16</p> <p><i>2022 Form 10-K:</i> Item 2. Properties, pages 34-37</p>	
2-2 Entities included in the organization’s sustainability reporting	<p>About This Report, page 4</p> <p><i>2022 Form 10-K:</i> Item 8. Financial Statements and Supplementary Data, pages 58-94</p>	
2-3 Reporting period, frequency and contact point	<p><b>Reporting period:</b> January 1, 2022 to December 31, 2022</p> <p><b>Reporting cycle:</b> Annual</p> <p><b>Publication date of the report:</b> October 2023</p> <p><b>Contact point for questions regarding the report:</b> Contact Geoff High, vice president of investor relations and corporate communications, at ghigh@dmcglobal.com for additional information or questions about this report.</p>	
2-4 Restatements of information	Not Reported	
2-5 External assurance	Not Reported	
2-6 Activities, value chain and other business relationships	<p>2022 Company Overview — About Us, pages 8-10; Our Businesses, pages 11-16; Products and Innovation, pages 32-39; Environment — Overview, page 65</p> <p><i>2023 Proxy Statement:</i> Executive Compensation — Compensation Discussion and Analysis (CD&amp;A) — Executive Summary — 2022 Business Overview, page 29; 2022 Financial/Strategic Achievements, page 30</p> <p><i>2022 Form 10-K:</i> Item 1. Business — Overview, page 1; Business Segments, pages 2-11</p>	
2-7 Employees	<p>2022 Company Overview — About Us — Company Snapshot, page 9; People — Our Global Team, page 51</p> <p><i>2022 Form 10-K:</i> Item 1. Business — Human Capital, page 12</p>	
2-8 Workers who are not employees	Not Reported	

GRI STANDARD	DISCLOSURE	LOCATION
2-9 Governance structure and composition		<p>Our Approach to Sustainability — Oversight of ESG and Risk Management — Oversight of ESG and Sustainability, page 27; Governance — Board of Directors, pages 41-45; People — Our Global Team, page 51</p> <p><i>2023 Proxy Statement:</i> Proposal 1: Election of Directors — Nominees, pages 8-11; Board of Directors, pages 14-17; Corporate Governance — Director Nominations, pages 20-21</p> <p>Corporate Governance Policy — 1. Structure and Processes, pages 1-2</p>
2-10 Nomination and selection of the highest governance body		<p><i>2023 Proxy Statement:</i> Corporate Governance — Director Nominations, pages 20-21</p> <p>Corporate Governance Policy — 3. Nomination and Succession, page 3</p>
2-11 Chair of the highest governance body		<p><i>2023 Proxy Statement:</i> Board of Directors — Board Leadership Structure, page 14</p>
2-12 Role of the highest governance body in overseeing the management of impacts		<p>Our Approach to Sustainability — Our Sustainability Framework — ESG and Sustainability Management, page 23; Oversight of ESG and Risk Management — Oversight of ESG and Sustainability, page 27; Governance — Board of Directors — Board Committees, page 45</p> <p><i>2023 Proxy Statement:</i> Board of Directors — Board Committees — The Risk Committee, page 17</p> <p>Corporate Governance Policy — 1. Structure and Processes, pages 1-2</p>
2-13 Delegation of responsibility for managing impacts		<p>Our Approach to Sustainability — Our Sustainability Framework — ESG and Sustainability Management, page 23; Oversight of ESG and Risk Management — Oversight of ESG and Sustainability, page 27; Governance — Board of Directors — Board Committees, page 45</p> <p><i>2023 Proxy Statement:</i> Board of Directors — Board Committees — The Risk Committee, page 17</p> <p>Corporate Governance Policy — 1. Structure and Processes, pages 1-2</p>
2-14 Role of the highest governance body in sustainability reporting		<p>Our Approach to Sustainability — Oversight of ESG and Risk Management — Oversight of ESG and Sustainability, page 27</p>
2-15 Conflicts of interest		<p><i>2023 Proxy Statement:</i> Board of Directors — Director Independence, page 14; Certain Relationships and Related Transactions, pages 61-62</p> <p>Code of Ethics &amp; Business Conduct</p>
2-16 Communication of critical concerns		<p><i>2023 Proxy Statement:</i> Corporate Governance — Communications with the Board, page 21</p> <p>Whistleblower Policy</p>
2-17 Collective knowledge of the highest governance body		Not Reported
2-18 Evaluation of the performance of the highest governance body		<p><i>2023 Proxy Statement:</i> Corporate Governance — Annual Board Assessments, page 19</p> <p>Corporate Governance Policy — 5. Board and Executive Performance and Development, page 4</p> <p><b>Frequency of the evaluations:</b> Annual</p>
2-19 Remuneration policies		<p><i>2023 Proxy Statement:</i> Executive Compensation — Compensation Discussion and Analysis (CD&amp;A), pages 29-38; Potential Payments Upon Termination, pages 53-54; Director Compensation, page 55</p>



GRI STANDARD	DISCLOSURE	LOCATION
2-20	Process to determine remuneration	<i>2023 Proxy Statement</i> : Board of Directors — Board Committees — The Compensation Committee, page 17; Executive Compensation — Compensation Discussion and Analysis (CD&A) — 2022 Say On Pay Results & Shareholder Engagement, page 32; What Guides Our Program — The Decision Making Process, pages 33-34  Corporate Governance Policy — 5. Board and Executive Performance and Development, page 4
2-21	Annual total compensation ratio	<i>2023 Proxy Statement</i> : CEO Pay Ratio for Fiscal Year 2022, page 56
2-22	Statement on sustainable development strategy	A Letter to Our Stakeholders, page 5
2-23	Policy commitments	Governance — Business Ethics — Code of Conduct, page 46; People — Employee Experience — Diversity and Inclusion — Policy Against Discrimination and Harassment, page 54; Human Rights — DMC’s Human Rights Policy, pages 61-62; Environment — Environmental Policy, page 66  <i>2023 Proxy Statement</i> : Corporate Governance — Code of Ethics and Business Conduct, page 20  <i>2022 Form 10-K</i> : Item 1. Business — Human Capital, page 12  Code of Ethics & Business Conduct  Conflict Minerals Policy  Diversity, Equity and Inclusion Policy  Environmental Policy  Human Rights Policy  Whistleblower Policy
2-24	Embedding policy commitments	Sustainability Highlights 2022 — People, page 20; Governance — Business Ethics — Compliance — Compliance Training Program, page 48; People — Human Rights — DMC’s Human Rights Policy — Supply Chain, page 62  Conflict Minerals Policy  Environmental Policy
2-25	Processes to remediate negative impacts	Not Reported
2-26	Mechanisms for seeking advice and raising concerns	Governance — Business Ethics — Compliance, pages 47-48  <i>2022 Form 10-K</i> : Item 1. Business — Human Capital, page 12  Code of Ethics & Business Conduct  Whistleblower Policy
2-27	Compliance with laws and regulations	<i>2022 Form 10-K</i> : Item 8. Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — 13. Commitments and Contingencies — Contingent Liabilities — Legal Proceedings, pages 93-94
2-28	Membership associations	Our Approach to Sustainability — Our Sustainability Framework — Stakeholder Engagement, pages 25-26
2-29	Approach to stakeholder engagement	Our Approach to Sustainability — Our Sustainability Framework — Stakeholder Engagement, pages 25-26
2-30	Collective bargaining agreements	People, pages 50-63

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	Our Approach to Sustainability — Our Sustainability Framework — Materiality Assessment, pages 23-25
3-2	List of material topics	Our Approach to Sustainability — Our Sustainability Framework — Materiality Assessment, pages 23-25
3-3	Management of material topics	Our Approach to Sustainability, pages 21-31; Products and Innovation, pages 32-39; Governance, pages 40-49; People, pages 50-63; Environment, pages 64-73  <i>2022 Form 10-K</i> : Item 8. Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — 13. Commitments and Contingencies — Contingent Liabilities — Legal Proceedings, pages 93-94  Code of Ethics & Business Conduct  Conflict Minerals Policy  Diversity, Equity and Inclusion Policy  Environmental Policy  Human Rights Policy  Whistleblower Policy
<b>GRI 201: Economic Performance 2016</b>		
201-1	Direct economic value generated and distributed	Revenues: \$654.1M
201-2	Financial implications and other risks and opportunities due to climate change	Environment — Climate Risk Management, pages 67-69  <i>2022 Form 10-K</i> : Item 1A. Risk Factors — Legal and Regulatory Risks, pages 26-30
201-3	Defined benefit plan obligations and other retirement plans	<i>2022 Form 10-K</i> : Item 8. Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — 9. Employee Benefit Plans — Foreign Subsidiary Defined Benefit and Defined Contribution Plans, pages 85-86
201-4	Financial assistance received from government	Not Reported
<b>GRI 202: Market Presence 2016</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not Reported
202-2	Proportion of senior management hired from the local community	Leaders who live outside of the country in which the business operates  DMC Global Inc. conducts business in 60 countries. Our significant operations are those where we conduct manufacturing and assembly operations.
<b>GRI 203: Indirect Economic Impacts 2016</b>		
203-1	Infrastructure investments and services supported	Not Reported
203-2	Significant indirect economic impacts	People — Community, page 63



GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 204: Procurement Practices 2016</b>		
204-1	Proportion of spending on local suppliers	DMC Global Inc. conducts business in 60 countries. Our significant operations are those where we conduct manufacturing and assembly operations.
<b>GRI 205: Anti-corruption 2016</b>		
205-1	Operations assessed for risks related to corruption	100%: 2 product companies
205-2	Communication and training about anti-corruption policies and procedures	100% 100% of employee have received at least basic anti-corruption training
205-3	Confirmed incidents of corruption and actions taken	Data not available due to confidentiality constraints
<b>GRI 206: Anti-competitive Behavior 2016</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption within the organization	Environment — Climate Risk Management — Environmental Management, pages 68-69; Appendices — Environmental & Social Data — Energy Consumption, page 75
302-2	Energy consumption outside of the organization	Data not available
302-3	Energy intensity	Environment — Climate Risk Management — Environmental Management, pages 68-69
<b>GRI 303: Water and Effluents 2018</b>		
303-1	Interactions with water as a shared resource	Environment — Water Usage, page 73
303-3	Water withdrawal	Environment — Water Usage, page 73; Appendices — Environmental & Social Data — Water Withdrawal, page 76
<b>GRI 305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	Environment — Climate Risk Management — Environmental Management, pages 68-69; Appendices — Environmental & Social Data — GHG Emissions, page 75
305-2	Energy indirect (Scope 2) GHG emissions	Environment — Climate Risk Management — Environmental Management, pages 68-69; Appendices — Environmental & Social Data — GHG Emissions, page 75
305-4	GHG emissions intensity	Environment — Climate Risk Management — Environmental Management, pages 68-69
306-2	Management of significant waste-related impacts	Environment — Waste, page 72
306-3	Waste generated	Environment — Waste, page 72; Appendices — Environmental & Social Data — Waste Quantities, page 76
<b>GRI 401: Employment 2016</b>		
401-1	New employee hires and employee turnover	People — Our Global Team, page 51
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People — Employee Experience — Compensation and Benefits — Benefits, pages 55-56  <i>2022 Form 10-K:</i> Item 1. Business — Human Capital, page 12; Item 8. Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — 8. Stockholders' Equity and Employee Stock Plans, pages 82-85; 9. Employee Benefit Plans — 401(k) Plan, page 85

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 402: Labor/Management Relations 2016</b>		
402-1	Minimum notice periods regarding operational changes	We comply with local laws pertaining to operational changes. Notice periods vary by geography.
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1	Occupational health and safety management system	People — Health and Safety — Elevating Employee Well-Being and Safety, page 57  <i>2022 Form 10-K:</i> Item 1. Business — Human Capital, page 12
403-2	Hazard identification, risk assessment, and incident investigation	People — Risk Assessment and Mitigation, page 58
403-4	Worker participation, consultation, and communication on occupational health and safety	People — Risk Assessment and Mitigation — Engaging Employees in Safety — Monthly Collaborative Safety Forums, page 58
403-5	Worker training on occupational health and safety	People — Safety Performance, pages 59-60
403-6	Promotion of worker health	People — Employee Experience — Compensation and Benefits, pages 55-56
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	DynaEnergetics employees provide training to its customers.
403-9	Work-related injuries	People — Safety Performance — Safety Goals: Path to Zero, page 60; Appendices — Environmental & Social Data — Workplace Safety, page 77
403-10	Work-related ill health	Employee fatalities: 0 Contractor fatalities: 0  Our DMC procedures entail a detailed assessment of hazards and the identification of appropriate controls and is required for work activities conducted by our employees and supervised contractors.  All employees and contractors supervised by the DMC are included in these calculated values. Contractors not under the day-to-day supervision of DMC are excluded from the metrics.  DMC follows OSHA standard recording methodologies to determine recordability of illnesses.  People — Safety Performance — Safety Goals: Path to Zero, page 60; Appendices — Environmental & Social Data — Workplace Safety, page 77
<b>GRI 404: Training and Education 2016</b>		
404-2	Programs for upgrading employee skills and transition assistance programs	People — Employee Experience — Employee Engagement and Development, pages 52-53
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	Governance — Board of Directors — Board Highlights, page 41; People — Our Global Team, page 51  <i>2023 Proxy Statement:</i> Board of Directors — Board Composition, page 15



GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 406: Non-discrimination 2016</b>		
406-1	Incidents of discrimination and corrective actions taken	Data not available due to confidentiality constraints
<b>GRI 408: Child Labor 2016</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	People — Human Rights — DMC's Human Rights Policy, pages 61-62
<b>GRI 409: Forced or Compulsory Labor 2016</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	People — Human Rights — DMC's Human Rights Policy, pages 61-62
<b>GRI 413: Local Communities 2016</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	People — Risk Assessment and Mitigation — Engaging Employees in Safety — Monthly Collaborative Safety Forums, page 58; Community, page 63;
<b>GRI 415: Public Policy 2016</b>		
415-1	Political contributions	Governance — Business Ethics — Political Advocacy, page 47
<b>GRI 418: Customer Privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero substantiated complaints received concerning breaches of customer privacy. Zero identified material leaks, thefts, or losses of customer data. Governance — Privacy and Cybersecurity, page 49

## TCFD Index

### GOVERNANCE

TCFD RECOMMENDATIONS	DISCLOSURE CONTENT AND REFERENCES (DMC GLOBAL INC.)
Describe the boards' oversight of climate-related risks and opportunities	Our Approach to Sustainability- Oversight of ESG and Sustainability, p. 27; Environment- Climate Risk Management, pages 67-68
Describe management's role in assessing and managing climate-related risks and opportunities.	Environment- Climate Risk Management, pages 67-68

### STRATEGY

TCFD RECOMMENDATIONS	DISCLOSURE CONTENT AND REFERENCES (DMC GLOBAL INC.)
Describe the climate-related risks and opportunities the organization has identified over the short- medium- and long-term.	Environment — Climate Risk Management, pages 67-69  2022 Form 10-K: Item 1A. Risk Factors — Legal and Regulatory Risks, pages 26-30
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Environment — Climate Risk Management, pages 67-69  2022 Form 10-K: Item 1A. Risk Factors — Legal and Regulatory Risks, pages 26-30
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Data not available

### RISK MANAGEMENT

TCFD RECOMMENDATIONS	DISCLOSURE CONTENT AND REFERENCES (DMC GLOBAL INC.)
Describe the organization's processes for identifying and assessing climate-related risks.	Our Approach to Sustainability- Oversight of ESG and Sustainability, p. 27; Environment- Climate Risk Management, pages 67-68
Describe the organization's processes for managing climate-related risks.	Our Approach to Sustainability- Oversight of ESG and Sustainability, p. 27; Environment- Climate Risk Management, pages 67-68
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Environment — Climate Risk Management, pages 67-69

### METRICS AND TARGETS

TCFD RECOMMENDATIONS	DISCLOSURE CONTENT AND REFERENCES (DMC GLOBAL INC.)
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Environment, pages 64-73; Environmental & Social Data, pages 75-77
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Environment — Climate Risk Management — Environmental Management, pages 68-69; Environmental & Social Data — GHG Emissions, page 75
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Data not available





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