

Environmental, Social and Governance (ESG) and Our Corporate Purpose

At Castle, we are focused on providing innovative, clinically actionable, high-value diagnostics that transform disease management and improve care and outcomes for patients with dermatologic cancers and other conditions with unmet clinical need. Although our journey as a public company only began in 2019, we published our first ESG Report in 2021, recognizing the link between strong ESG practices and sustainable long-term value creation for our stockholders.

We are committed to advancing our ESG strategy and improving our capabilities, and to measure our progress, we use key performance indicators (see "ESG Data Summary" on the following page). In 2022, we prioritized assessing our Scope 1 and 2 greenhouse gas (GHG) emissions; established a diversity, equity and inclusion statement; and developed ethical guidelines for our vendors. As we move forward in 2023, we will continue to identify ways to enhance and deliver on our commitment to patients, clinicians, employees and investors.

Building a Culture of Inclusion

In 2022, key efforts included the following:



Developed a [Diversity, Equity and Inclusion Statement](#)



Engaged with minority colleges to recruit diverse talent and began tracking diverse hiring



Included questions on diversity and inclusion in our annual engagement survey



Conducted training with Castle hiring managers on diverse hiring practices in alignment with our affirmative action plan

Identified Castle's core DEI pillars:



Recruiting a Diverse Workforce



Building a Culture of Inclusion



Promoting Transparency

Key inclusion statistics:

81% of employees are "engaged" or "enthusiastically engaged" in the culture at Castle, according to our second annual employee engagement survey

50% of our board members are women

2.9% regrettable turnover

Understanding & Reducing Our Environmental Impact



Published an [Environmental Policy Statement](#) that outlines our commitment to conducting our business responsibly, by focusing on our operations, sourcing, waste management, environmental performance monitoring and employee engagement.



Conducted our first **greenhouse gas assessment** by measuring Scope 1 and 2 GHG emissions for Castle offices and data centers. The assessment was completed in alignment with the GHG Protocol to baseline our 2021 (calendar year) emissions. Castle's market-based Scope 1 and 2 GHG emissions for 2021 equated to 755.08 MtCO₂e.

Maintaining Strong Governance



Developed a [Vendor Code of Conduct](#) that addresses our expectations of all Castle vendors regarding responsible and ethical conduct.



100% of Castle employees completed training on compliance, fraud, waste and abuse in 2022.

ESG Data Summary

Human Capital	Unit	2022	2021
Total employees	Number	543	345
Diversity, Equity & Inclusion (data is self-reported)			
Women in overall workforce	Percentage	65.7	64.6
Total employee racial / ethnic diversity			
White	Percentage	74.2	64.3
Asian	Percentage	7.2	4.6
Black or African American	Percentage	2.9	3.5
Hispanic or Latino	Percentage	11.6	7.2
Two or more races	Percentage	4.1	20.4
Women in executive positions (executive director or regional business director level and above)	Percentage	35.5	35.7
Racial / ethnic diversity in executive positions (executive director or regional business director level and above)	Percentage	19.4	25.0
Employee Engagement, Training & Development			
Employee participation in engagement survey	Percentage	89	86
Employee engagement score	Percentage	81	83
Regrettable turnover	Percentage	2.9	1.8
Employee Health & Safety			
Health & safety training hours per employee	Hours	Approx. 16	Approx. 8
Number of incidents (lab employees only)	Number	6	2
Days away, restricted or transferred (DART) cases (lab employees only)	Number	1	0
Environment			
Electricity consumption	MWh	–	1704
Natural gas	mmBtus	–	454.08
Emissions			
Total Scope 1 Emissions (MtCO ₂ e-Metric Tons Carbon Dioxide Equivalent)	MtCO ₂ e	–	24.13
Total Scope 2 Emissions (market-based)	MtCO ₂ e	–	730.95
Total Scope 2 Emissions (location-based)	MtCO ₂ e	–	647.11
Total Scope 1 & 2 Emissions (market-based)	MtCO ₂ e	–	755.08
Total Scope 1 & 2 Emissions (location-based)	MtCO ₂ e	–	671.23
Corporate Governance			
Board Independence & Diversity			
Total board members	Number	8	8
Independent board members	Number	7	7
Independent board chair	–	Yes	Yes
Female board members	Number	4	4
Data Security & Privacy			
Employees who received training on data security and privacy	Percentage	100	100
Ethics & Compliance			
Employees who received training on compliance, fraud, waste and abuse	Percentage	100	–