



**KINECTRICS**

# 2023 Sustainability Program

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▶ **Message from Senior Leadership:**

“ We are committed to our people, clients and communities, to help solve climate change for the good of the planet and humankind.



**David Harris**  
President & CEO

Kinectrics has a long and rich history of innovation, research and development and continued strategic growth. As the world moves towards decarbonization, Kinectrics is committed to remaining innovative. We are committed to enhancing communities and increasing the diversity of our partnerships and supply chain.

In 2022, we launched our inaugural Sustainability Program as our first step towards our commitment to ensure future generations inherit a world where the world’s natural systems support life for all. As the world shifts towards electrification - Kinectrics will continue to rise up to growing global challenges.

**Vision**

We see a world powered by clean non-emitting energy for all

.....

**Mission**

To transform the energy sector to enable a clean future


# ► About Us

**Kinectrics** is a trusted global provider of electricity lifecycle services. We deliver **sustainable & innovative solutions** to the toughest problems facing the electricity industry.

We are driven by our commitment to transparency, accountability, safety, environment stewardship and community partnership. These values inform everything we do.

**People**  
 **1300+** highly technical staff

**Global Facilities**  
 Over **30+** unique laboratories

**Services**  
 **70+** lifecycle management services

## Nuclear + T&D | Complete range of **70+** services across:

- T&D Field Services & Testing
- PPE Testing & Servicing
- Design & Engineering Services
- Business & Project Management
- Nuclear Safety & Licensing
- Design & Engineering Services
- Lifecycle Management
- Nuclear Outage & Site Support
- Nuclear Equipment Development & Supply
- Materials & Nuclear Component Testing
- Foresinc & Failure Analysis
- Chemistry & Assaying
- Radioactive Material & Chemistry Services
- Radioactive Waste Management
- Medical Isotopes



## ► Facilities Highlight

**Integrating sustainability** - both for our people and our business practices, best management principles and thinking ahead to improving operations while reducing our footprint.

### Canadian Facilities Include:



Kipling Campus



Downtown Toronto

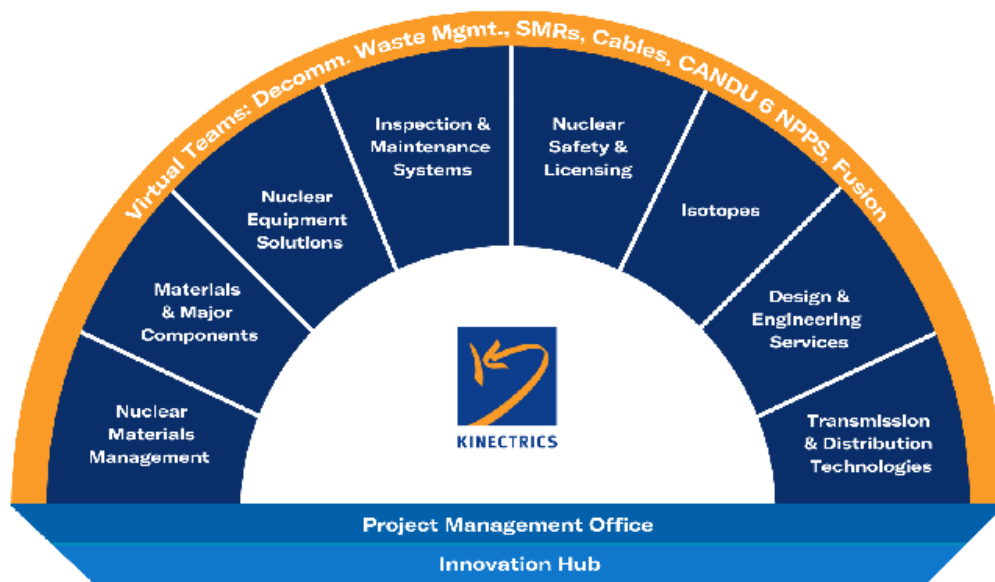


Tiverton, ON



Teeswater, ON

We have 8 Technology Platforms supported by an Innovation Hub & Project Management Office



### Our lifecycle management solutions include:

- New Nuclear Design & Station Engineering
- Testing, Inspection, & Certification
- Specialized Material Sciences & Management
- Material Recovery & Separation
- Safety Analysis, Licensing, & Siting
- Transmission & Distribution Innovation
- Medical Isotope Production & Distribution



We're advancing new methods and innovative technologies to support the ever-changing electricity market, so utilities can maximize asset value and extend the operational life of components and network systems.

Supporting the electricity as well as the health and safety industries, our highly specialized facilities are operated by leading subject matter experts, providing our worldwide clients with the confidence that equipment and systems will operate as designed to high levels of performance.

Our state-of-the-art facilities support companies in achieving component reliability and safety, and helps them adopt advanced materials, achieve lifecycle management excellence, and optimize asset value through component life extension.

## ► Our Operations:

30+ state-of-the-art laboratories and 400,000 sq. ft. of operations facilities



In November 2022, Kinectrics was pleased to announce the company's purchase and long-term investment in 24 acres of land at the Kipling Site, near Toronto - Ontario. Maintaining ownership of the site eliminates the possibility of having to rebuild facilities and allows Kinectrics to take control of the maintenance and improvement of the site services.

# Our Sustainability Strategy

Our Sustainability Program was developed in alignment with the SDG Compass®. In taking this strategic approach to the SDGs, an assessment was conducted on the current, potential, positive and negative impacts that Kinectrics' operations have on the SDGs through our entire value chain.

This assessment was performed through the collection of stakeholder feedback and an operational review. As the world shifts towards sustainable development, we continue to seek and incorporate our stakeholder feedback as input to our future sustainability goals.

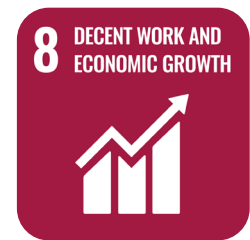
Materiality refers to an organizations' significant economic, environment and social impacts. Our inaugural materiality assessment engages stakeholders to determine how important various specific environment, social and governance (ESG) issues are.

## ► Our Focus:

The United Nations Sustainable Development Goals

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address global challenges we face in an integrated manner that balances social, economic and environmental sustainability.

As part of the sustainability strategy, Kinectrics has identified the following SDGs which we believe we will have the greatest impact.



In 2022, we developed an initial set of internal key performance indicators (KPIs) and goals to support our ESG program. This report provides progress on those initiatives as well as additional focus areas material to our business. This effort is in the spirit of continuous improvement and we will seek to increase our reporting annually in accordance with best practices and standards.

The appendix to this report provides a matrix for reporting disclosures under the Global Reporting Initiative (GRI) and Task Force on Climate-Related Financial Disclosures (TCFD) frameworks. We do not claim compliance with these standards and have included parameters in the annex of this report where relevant indicators are material to our business. While this report is focused on the majority of our operations (in Canada) and owned assets, with program maturity, we will continue to examine opportunities in our global and leased operations.

## ► Material Topics

As a leader in innovative lifecycle solutions for the power industry, our clients expect us to operate sustainably while delivering exceptional levels of service.

Sustainability information that is material in how Kinectrics creates value as an organization is identified as ESG information. ESG information is designed for users whose primary objective is improving economic decisions. Our ESG guiding principles and material topics encompassed by our sustainability goals are highlighted below.

### Environmental



We will support our clients in leading the clean-energy transition, while reducing our material footprint through operational excellence.

#### Material Topics:

- Climate Change
- Environmental Management
- Environmental Stewardship
- Waste Minimization

### Social



We will be a trusted community member, top-tier employer, safety and wellness advocate, as well as community steward.

#### Material Topics:

- Climate Change
- Indigenous Reconciliation and Relations
- Host Communities
- Our People
- Diversity, Equity and Inclusion
- Medical Isotopes

### Governance



We will conduct ourselves with the highest standards of integrity and honesty with transparency and process oversight.

#### Material Topics

- Corporate Governance
- Corporate Cultures
- Business Ethics
- Reporting and Transparency
- Responsible Business Practices



## ► **Environmental**

Climate change continues to be a planetary emergency. Many countries across the globe have set ambitious targets. Global emissions would need to decline to reach emission levels that are consistent with limiting the increase in global temperature to 1.5 °C compared with pre-industrial levels. In 2023, Kinectrics established our current baseline for Scope 1 and 2 (Direct) carbon emissions following an operational control approach. Kinectrics will continue to use this data to:

- Inform pathway to net-zero emissions
- Participation in GHG voluntary and mandatory GHG reporting
- Manage risks associated with climate change (Direct and Transitional)
- Advance sustainability of operations through reduction of carbon-intensity





► **Climate Change**

Scope 1 emissions considered are from natural gas, propane, and Kinectrics vehicle fleet. The Government of Canada provides emission factors, which were used to calculate emissions.

As part of our commitment to reduce our impact, we will capitalize on energy efficiency innovations available on the market now and in the future, including the installation of energy-efficiency lighting and improvements to building envelopes (such as insulation and window improvements).

Scope 1 Annual Emissions (tCO2e)	819 - Direct emissions from stationary combustion 168 - Direct emissions from mobile combustion ----- 987 (Total)
Scope 2 Annual Emissions (tCO2e)	526 - Indirect GHG emissions from imported energy

Purchase of the Kipling site fully transfers operational control, which allows for facility improvements. As part of our energy reduction initiatives, Kinectrics will work towards a more efficient building envelope, which may involve an energy-audit to understand areas of loss and various improvement options suitable for operational needs. As part of the longer-term strategy, we will work to phase out (i.e., look for electric alternatives) or reduce/substitute the use of fossil fuel where technologies exist.

Scope 1 Direct emission factors for vehicle mileage were obtained from the 2022 Fuel Consumption Guide issued by Natural Resources Canada. As electrification continues globally, the mobile consumption emissions are expected to decline through enhancements to infrastructure. Kinectrics will continue to review opportunities to reduce the emission intensity of the corporate fleet of vehicles including consideration of electric vehicles, and hybrid vehicles where operational needs can be met.

The emission factors for electricity are provided by the Government of Canada of 28 g CO2e/kWh electricity consumed. Electricity consumption 526 Tonnes of CO2e.

**Facilities Under Operational Control for this Period\***



Head Office  
800 Kipling Avenue,  
Unit 2, Toronto, ON



141 Farrel Drive  
Tiverton, ON



4258 Bruce County  
Road 4 Teeswater, ON



8 Mitchell Street  
Teeswater, ON

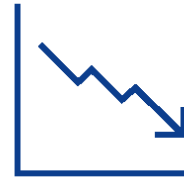
\* As Kinectrics continue to grow and additional facilities become under organizational control, re-baselining will occur in accordance with standards.

## ► GHG Reduction

Using the information provided in the baseline document, Kinectrics will develop a greenhouse gas reduction strategy towards net-zero emissions. The strategy will be developed in conjunction with facility owners to understand opportunities for reduction in carbon-intensity for products and services.

The sustainability program will continue to monitor and report on GHG emissions as part of the program. Detailed carbon reduction targets will be established in alignment with global context and as achievable based on current and projected future operations in alignment with the Canadian **greenhouse gas emissions target for 2050 of net-zero emissions.**

We have several initiatives to help reduce our GHG such as a study to evaluate our building envelopes. We are also considering the use of clean energy credits to address our Scope 2 emissions while we work on reducing GHG.



## ► Climate Related Resilience & Opportunities

Climate-related risks and opportunities are reviewed by the Board twice annually. Where identified, the executive team addresses and manages climate-related risks and opportunities. Climate resiliency and climate-related risks are qualitatively evaluated including physical risks to facilities and operational risks and integrated into the risk management process established with the Board.

As the world continues along the pathway to decarbonization, through electrification, the number of opportunities for strategic growth and innovation continue to grow for Kinectrics as a leader in lifecycle solutions for the energy industry.



**7 AFFORDABLE AND  
CLEAN ENERGY****► Clean Energy Generation**

We will respond to the energy transition and increase our services for new clean generation. This will be driven by our clients and achieved in part through aggressive investment in new, innovative services and solutions via our growing technical specialist team.

**► Fusion**

Developing fusion-enabling technology plays a pivotal role in advancing Kinectrics' environmental sustainability mission. Specifically, we are committed to enhancing our technical expertise in tritium management, isotope engineering, advanced materials R&D, hazards analysis, and fusion fuel cycle subsystems including liquid metal coolant technologies. These efforts are essential for the safe and efficient operation of fusion energy systems, which can provide a virtually limitless source of clean energy. By focusing on these critical areas, we not only contribute to the development of fusion power but also ensure that fusion companies are environmentally responsible and pose minimal risks to the public.

Kinectrics actively engages in the development of grant proposals, seeking external funding sources, partnerships and collaborations to help reduce the costs associated with fusion research and implementation. By securing grants and forming industry partnerships, we aim to accelerate the adoption of this sustainable energy source as it is more accessible and affordable across a broader range of stakeholders.

Our commitment to developing fusion-enabling technology advances the cause of a new form of clean energy that aligns with our company's environmental sustainability mission. By improving technical expertise in crucial areas that fusion companies need and then actively pursuing grants to support those clients, we are making a significant impact in our journey toward a more sustainable future.

## ► Energy Accessibility

The Kinectrics GridSim Power Laboratory is a state-of-the-art, independent facility in Toronto, Canada aimed at testing smart grid systems, renewable generation equipment, and medium voltage power systems over a wide range of voltages and frequencies, and at power levels up to 12MVA. The lab is funded in part by the Ontario Ministry of Energy's Smart Grid Fund and Alstom.

The interconnection of renewable energy can be a risky and intensive activity to achieve grid interoperability. Outages caused by insufficient interoperability have visibly demonstrated the impact. Pre-certification of grid support utility interactive inverters and associated DG (Distributed Generation) equipment creates a more stable utility grid.

Beyond GridSim, Kinectrics supports accessibility of energy via DC Testing facilities and battery testing, which we continue to expand.

**We continue to grow our support for deployment of renewable energy via our GridSim lab.**



## ► Environment Management

We are committed to protecting our environment and to continually improving our environmental performance. Safety, health, and environmental issues are fully integrated into all aspects of work at Kinectrics, with a commitment by all employees to meet relevant regulatory, corporate, and internal requirements.

**Kinectrics' safety and environment programs are compliant to OHSAS 18001 and ISO 14001.**

## ► Historical Remediation

We discovered vinyl chloride, a designated substance by the Ontario MECP, in the groundwater under one of our site buildings during the due diligence environmental survey before its acquisition. The regulatory tolerance is 0.5 ppb, but we detected > 200 ppb in the worst spot. This was a legacy contaminant that presumably arose from work done on site about thirty years ago.

We identified a slow-moving groundwater plume through our environmental monitoring, and took action to remediate it. The consultants suggested two solutions: treat it in situ with a passive process that could take years, or contain it with a reactive berm. We were seeking a faster and permanent solution, however no process was directly available to treat volatile organics at low concentration.

We sought an innovative solution by finding and testing processes that could work in the laboratory under controlled conditions before applying these successfully to our issue. A three-month pilot project removed vinyl chloride and other pollutants in a small area of the plume. A full plume cleanup is now in progress, where water from thirty wells on site is treated with air sparging and granulated activated charcoal, then returned to the ground. The treated water is pollutant-free, and the spent media is disposed of in MECP licensed facilities.

We have to ensure that our systems and all thirty wells are clean and stay clean after the treatment stops. This is expected to take about a year, based on the hydrogeology estimate of the water volume in the plume. This technology was not tested for such low concentrations of volatile pollutants before, and the results show its usefulness in treating groundwater pollutants.

This technical solution quickly and proactively cleans up the plume for the designated and other organic contaminants in a short and controlled time, and is better for the environment in the long term. The alternatives would take too long and have no immediate positive impact on the plume and the environment. We also avoided using a diesel generator, as proposed by the consultants, and supplied power from our own site. This increased the cost slightly, but saved more than 85,000L of diesel related emissions. A third party laboratory is conducting the chemical measurements to ensure the process is working and satisfy the MECP. Our laboratory is also doing the measurements as a quality check and confirmation.



## 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



### ► Waste

The Teeswater Laundry Plant located in Bruce County, Ontario, Canada is a 40,000 Sq. ft federally licensed facility that launders Nuclear Station Personal Protective Equipment (PPE) at a current capacity of 500,000 plastic suits and 4,000,000 kilograms of cotton products a year, which continues to expand.

The Teeswater Laundry Plant is our largest production facility within the vast services we offer. This state-of-the-art facility was engineered to **minimize resource-intensity** and impact on the local infrastructure and protect the environment. For example, the Laundry Water Recycling Systems are engineered to recycle up to 90% of all Laundry Water.

We are continuously working to reduce intensity of this operating facility, and looking for opportunities to minimize the impact of the facility, including reduction of radioactive waste. Today our Bi-Product Recovery Systems on Teeswater Laundry Plant site continues to soundly manage known and trusted byproduct disposal, while our HEPA Filtration Exhaust and Tritium Monitoring Systems ensure containment of radiological materials promoting clean air practices and protecting the environment.

By 2024 (FY25), we will reduce our low level radioactive plastic bag waste by 100% (approx. 100 m<sup>3</sup> per year), by adopting our processes for clients implementation of reusable laundry bags for transporting PPE, which can be laundered within our facility.





## ► **Social**

Kinectrics is committed to making a positive impact in the communities where it operates. Through its long-standing partnership with United Way, **Kinectrics has raised over \$2 million to support various social causes in the Greater Toronto Area.** Kinectrics also supports Yonge Street Mission (YSM), an organization that seeks to end chronic poverty in Toronto.

Kinectrics is proud to be a socially responsible company that cares about the well-being of its employees and society.

## ► Our Community

### United Way 2023

Kinectrics is proud to be recognized on the Local Leaders list for United Way Greater Toronto for our 2022 campaign. Kinectrics has been a leading supporter of United Way through employee led fundraising campaigns, raising over \$2 million since the start of the campaigns 24 years ago, including annual corporate donations to the Greater Toronto, Durham Region and Bruce Grey United Way chapters.



Kinectrics leadership and staff recognize the increasing need across communities in the GTA and is proud to support United Way in its efforts to work directly with community partners to combat issues such as food insecurity, housing and homelessness, mental health and addiction, settlement, and inclusive employment.

Along with many other fundraisers planned throughout the annual four-month campaign, this year Kinectrics participated in the CN Tower ClimbUP event, ranking as one of the top 5 teams, raising over **\$22,000.00** in support of United Way.





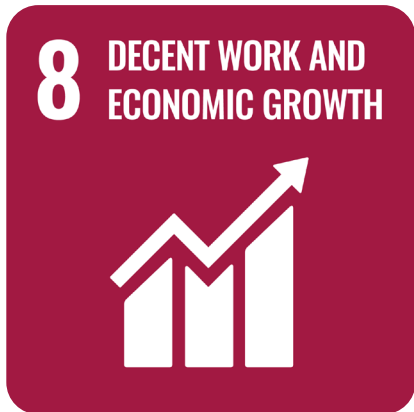


## Young Street Mission

Kinectrics is proud to support YSM as they seek to end chronic poverty in Toronto. This year Kinectrics' staff have continued to volunteer at YSM's center for street youth, preparing and serving meals to those in need. We also participated in YSM's Coldest Night of the Year Event for the third time. **Our team of 30 staff members surpassed our fundraising goal of \$3,500 and raised over \$8,400 for YSM.**

This year we added three new pillars of support to YSM: employment opportunities, tutoring, and a March Break Field Trip. We were pleased to welcome many YSM community members for temporary employment in support of our laundry facility and have also brought on a full-time employee. These efforts will continue as we understand the immense support employment brings to the YSM community members, as well as the benefits this support brings to Kinectrics by diversifying our work force and supporting the communities in which we operate. We have also onboarded several of our staff into YSM's tutoring program where they are helping school aged children succeed in areas such as math and science.

The inaugural March Break Field Trip was a huge success this year. 55 school aged children from YSM's community were brought to our Kipling campus for a day to tour our facilities. The purpose of this trip was to inspire young minds by providing a day of fun and learning that they otherwise may not have the opportunity to experience. Highlights of the tour included a visit with our robot dog, KANINE, a walk through our machine shop and colorful chemistry demonstrations. Each child was also sent home with a backpack full of school supplies donated by Kinectrics staff and our suppliers. This day was equally impactful to Kinectrics staff who were delighted by the children's enthusiasm for science and technology.



### ► Diversity & Inclusion

Through our DEI initiative we seek to maintain the growth of our diversity in leadership. (Presidents, Vice Presidents, Chief Officers and Senior Directors).

Kinectrics has continued to prioritize continuous improvement of our Diversity, Equity and Inclusion (DEI) Program over the last fiscal year. Our DEI Council, comprised of company executives, senior leadership team members and working level staff, is meeting regularly and providing strategic direction to the overall program.

We are actively working on improving our data collection processes, enhancing learning around DEI related topics, and putting programs in place to assist with continued diversification of our workforce and the recruitment process.



Kinectrics continues to acknowledge dates and events of diverse significance this year. This includes Mental Health Week, Pride Month, International Women’s Day, National Day for Truth and Reconciliation, and dozens of diverse cultural and ethnic holidays.

This is an important part of celebrating the diversity of our workforce, and ensuring everyone feels a sense of belongingness within Kinectrics. We are also actively working towards our PAR Phase 3 certification as part of our commitment to building strong Indigenous partnerships.



## ► Indigenous Relations

Kinectrics continues to develop partnerships with Indigenous Nations and communities. Notably in 2022, Kinectrics proposed a collaboration with Curve Lake First Nation (CLFN) to establish a proposed joint venture for our nuclear laundry services clients. The primary objective of this joint venture is to facilitate substantive participation in the nuclear energy sector. Company-wide, Kinectrics continues to seek opportunities for meaningful economic participation and is currently in the process of exploring potential collaborative endeavors with the Williams Treaty Economic Development Corporations, acting on behalf of Curve Lake, Scugog, and Hiawatha First Nations, for prospective future opportunities. Kinectrics is actively pursuing an additional Joint Venture in conjunction with the Saugeen Ojibway First Nations (SON) for a substantial 5-year project and collaborative partnership. Kinectrics is open to joint ventures and collaborative partnerships with interested Indigenous Nations and communities, please contact ([sustainability@kinectrics.com](mailto:sustainability@kinectrics.com)) for further information.

Kinectrics proudly upholds its membership with the Canadian Council for Aboriginal Business (CCAB) since the year 2015. The PAR Committed Criteria is a progressive and phased process, developed from questions elected from the full PAR Certification Criteria, to assist a company just starting out in Progressive Aboriginal Relations (PAR). A company's involvement in PAR indicates its commitment to the continuous improvement of Aboriginal relations, and intention to undergo external verification of its performance in the future. The PAR Committed Criteria is comprehensive but user friendly with three specific progressive phases, emphasizing self-assessment/gap analysis, and annual feedback to assist companies in setting a stable foundation for positive Aboriginal relations, and for making a future submission for CCAB PAR Certification. Following successful completion of Phase Three of the PAR Committed Criteria, a company submits a PAR submission at the PAR Certification Criteria level (see <https://www.ccab.com/> for further details).

Kinectrics is steadfastly advancing through Phase 3 criteria, with the anticipation of achieving Bronze Certification in 2024 as part of its ongoing Progress Assessment Report (PAR) endeavors.





At Kinectrics, we have **1,300+** staff including Industry Experts, Technical and Support Staff

## ► Investing in Our Team

Our experts are the best and the brightest, trusted worldwide for their expertise in engineering, testing & inspection. We prioritize strong industry expertise, dedication, and diversity at all levels of our organization. Our corporate culture and core values define who we are, enabling us to deliver innovative solutions to our clients.

We encourage and embrace learning. Our team supports and encourages employees to grow alongside our organization by providing training and professional development programs.

Kinectrics values and invests in our employees. Kinectrics launched a Learning Management System used for the administration, documentation, tracking, reporting, automation, and delivery of training programs, courses, and employee qualifications. This system is used to gain knowledge, acquire new skills and develop abilities through our training programs.



We work closely with the Power Workers' Union and the Society of United Professionals, two of the most respected and influential labour organizations in Canada, to maintain a healthy and productive working environment for all employees.

**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE**► Research & Innovation**

We continue to grow our R&D through strategic investments which foster sustainable development.

**► Anagen™ Self-Healing Fluid Technology**

Kinectrics introduces Anagen™, a pioneering self-healing dielectric fluid (SHF) designed to address challenges posed by aged Fluid Filled Cables (FFCs) in electrical networks, which are prone to leaks due to their fragility. Anagen™ acts as a replacement for standard cable oils and can retroactively be applied to existing assets. Under regular operation, it functions like typical dielectric fluid but solidifies upon encountering air, whether in the atmosphere or within the cable surroundings, to autonomously seal leaks. This innovation promises reduced maintenance costs and environmental impact for utilities. Trials worldwide, including high voltage tests in the UK, Canada, and Argentina, confirm its effectiveness. Anagen™ not only prevents leaks but also maintains or enhances electrical properties while being compatible with existing equipment and procedures, ensuring safety for both wildlife and technicians handling the fluid.



## ► Universal SEParation Process (USEP)

Kinectrics' Universal SEParation Process (USEP) addresses the challenge of handling Mixed Liquid Waste (MLW) from nuclear facilities in Canada. This innovative method effectively removes both hazardous and radiological contaminants, including Tritium (H-3) and various radionuclides, from the waste to levels below unconditional clearance standards. This allows for disposal as conventional hazardous waste within the country. The process involves three stages: vacuum dehydration, cyclic acid-base treatment, and filtration, resulting in the capture and solidification of radionuclides for disposal at licensed radioactive waste facilities. The bulk processed waste can then be disposed of at conventional hazardous waste sites. USEP's versatility allows it to potentially manage various organic MLW types, offering a cost-effective, environmentally friendly alternative to cross-border waste shipment, while ensuring compliance with radiation safety standards.

## ► Helium Test Facility

Kinectrics has acquired 15 acres of land in Oak Ridge Tennessee. Kinectrics' first endeavor at this site will be a Helium Test Facility (HTF) to support testing and design validation for X-energy's Xe-100 advanced small modular reactor as a part of the U.S. Department of Energy's Advanced Reactor Demonstration Program ("ARDP"). ARDP is a cost-shared federal funding program for the demonstration of a first-of-a-kind commercial advanced nuclear plant.

This facility will operate a high-temperature, high-pressure, high-purity helium test loop environment — a first-of-its-kind in the United States. Kinectrics has also begun the facility design, with the building design being developed by ARCO/Murray, who brings over 30 years of experience building facilities in North America.



## ► Medical Isotopes

We are creating a vertically integrated global medical isotope supply chain in Ontario. Through our joint-venture company, Isogen, which supplies therapeutic isotopes including Lu177 to the pharmaceutical partners and innovators.



## ► Hydrogen Innovation Fund Project

Kinectrics is pleased to announce that it has secured funding from the IESO Hydrogen Innovation Fund to perform a hydrogen feasibility study. This fund seeks to establish action-oriented, sector-specific pilot projects with the purpose of evaluating and demonstrating how low-carbon hydrogen technologies can be integrated to strengthen and improve the reliability of Ontario's energy grid.

The comprehensive plan submitted by Kinectrics and its project partners, Bruce Power and FuelCell Energy, included performing a techno-economic assessment of hydrogen production as a clean fuel source for heavy-duty vehicles through high-temperature water electrolysis and will explore the use of solid oxide fuel cells for power generation. It will evaluate the economic feasibility, including installation, maintenance and operating costs of hydrogen production, storage, distribution, and power generation infrastructure.

This project will seek to demonstrate the value of hydrogen as an integral part of the electrical grid, and will identify key environmental, safety, regulatory and operational considerations for its deployment. This project will serve as a pilot for broader deployment at a larger scale including integrating hydrogen systems with nuclear power plants including Small Modular Reactors. The project team will seek to apply the lessons learned in this pilot to future commercial installations of hydrogen electrolyzers and fuel cells.

**We have developed a Hydrogen Strategy, to maximize our impact in supporting the advancement of Hydrogen technologies, and continue to assess feasibility with our project partners.**



## ► **Governance**

Kinectrics commits to sustainability as a guiding principle in our work. We make this commitment at all stages of our work and its associated positive and undesirable impacts.

All departments and individuals within Kinectrics will be responsible for the implementation of the provisions of this policy in accordance with existing governance. Such that sustainable decision-making is integrated into the core business across all functions to achieve our set goals.

The Chief Executive Officer and Senior Leadership Team will ensure the guiding principles of this policy are upheld and sustainable decision-making is integrated into our business. The Chief Executive Officer and Senior Leadership is responsible for the ongoing maintenance and review of this Policy.



## ► Responsible Business Practices

At Kinectrics we recognize that our long-term success depends on sound corporate citizenship and environmental sustainability. Quality, environmental stewardship, diversity and inclusion, health and safety of our workforce, and positively contributing to the communities in which we operate are of utmost importance.

To help inform our strategies we continue to engage with our stakeholders and experts to develop and improve our social and environmental sustainability initiatives.

## ► Governance

Kinectrics is committed to conducting its worldwide operations legally, ethically, and always with integrity. Our Code of Business Conduct (Code) is a resource for staff in resolving situations wherever they may be encountered. Our business practices and the integrity of our employees, products and services must never be compromised by individual, customer, or other commercial pressures. This document sets out a framework of business conduct to give practical meaning to these aims.

Kinectrics provides an independent channel for a whistleblower hotline, to provide a simple, anonymous way to report confidentially for ethics violations, conflict of interest, discrimination, financial controls, harassment, health and safety, theft/fraud, workplace violence, and any other general human resources matter.

Ethical conduct is an essential means by which Kinectrics sustains relationships with customers, employees, suppliers, governments, and the general public. We earn trust and respect of stakeholders by maintaining a commitment to the shared values and rules within the Code. We are committed to maintaining an organizational culture that encourages people to do the right thing.

Anyone who is found to have violated the Code may be subject to disciplinary action, up to and including termination, and there may be an obligation on the Company to contact appropriate authorities.



Kinectrics provides employee training on key policies including Conflict of Interest, anti-bribery, anti-corruption, cybersecurity and compliance. In addition to this training the principles in our policies as well as our Corporate Vision, Mission and Values are reinforced through our internal communications materials and our Town Halls.



## ▶ ESG Team

Our sustainability strategy is reviewed by our senior leadership team as part of the annual strategic planning at the end of each fiscal year, where strategy is revised and as important feedback is received from our stakeholders. Our CEO is responsible for ongoing maintenance and review of our Sustainability Policy and for the approval of the Sustainability Goals and Targets. The ESG Team comprised of the ESG Lead and Initiative champions is responsible for developing and leading the Sustainability Strategy and reporting to the ESG Program Director. The ESG Program Director is responsible for the success of the program. To support the program a cross-functional executive committee has been established comprised of the CEO, ESG Program Director and Senior Leadership Team who are called upon based on topic/strategy and are responsible to ensure resource dedication and the integration of our sustainability vision and mission into daily decision-making.

## ▶ Procurement

Kinectrics recognizes and is responding to the call to action for companies everywhere to advance sustainable development. We are doing this through our investments, pursuit of innovative solutions and our business practices. We minimize our negative impact while enhancing our contribution to the sustainable development agenda.

We require suppliers to comply with labour and human right laws, and encourages suppliers to promote diversity and inclusion in the procurement process.

Kinectrics is committed to providing equal opportunities to all suppliers regardless of ownership or background. Kinectrics considers environmental impacts when evaluating suppliers.

## ▶ Reporting & Transparency

Kinectrics is a privately-owned and operated company. We are continually seeking to increase our transparency while maintaining our non-disclosure arrangements and proprietary informations, and considering future use of standards such GRI.

We strive to continue publicly reporting our progress to our goals on an annual basis.

# Kinectrics Goals



## Clean Energy (New Nuclear)

We will respond to the energy transition and increase our services for new clean generation driven by our clients and achieved in part through aggressive investment in new innovative services and solutions via our growing technical specialist team.



## Accessibility/Efficiency

Support Deployment of 500MW via GRIDSIM lab

## Diversity, Equity, and Inclusion

Through our DEI initiative we seek to maintain our growth of our diversity in leadership (includes Presidents, Vice Presidents, Chief Officers and Senior Directors).

Through partnerships with Indigenous employment & training services we will increase support for the hiring of more indigenous staff.



## Research and Development

We have developed a Hydrogen Strategy, to maximize our impact in supporting the advancement of Hydrogen technologies, and continue to assess feasibility with our project partners.

## Innovation Investment and Projected Growth

We continue to grow our R&D through strategic investments, which foster sustainable development.



## Reduction of Hazardous Waste

By 2024 (FY25) we will reduce our low-level radioactive plastic bag waste by 100% (approx. 100m<sup>3</sup> per year), by adapting our processes for clients implementation of reuseable laundry bags for transporting PPE which can be laundered within our facility.



## Reduce Direct Carbon Emissions

Establish detailed carbon reduction targets, and initiatives, in alignment with global context and as achievable based on current and projected future operations with the Canadian greenhouse gas emissions target for 2050 of net-zero emissions.

## ► Appendix 1 - TCFD index

Category	Disclosure	Page Reference
Governance (a)	Board oversight of climate-related risks and opportunities	9
Governance (b)	Management's role in addressing and managing climate-related risks and opportunities	8 - 11
Strategy (a) and (b)	Identified climate-related risks and opportunities and their impacts on the organization's businesses, strategy, and financial planning	9
Strategy (c)	Climate resiliency and climate-related risks	9
Risk Management (a) and (b)	Identification and assessment of climate-related risks and the organization's processes for managing climate-related risks	8 - 11
Risk Management (c)	Process for integrating climate-related risks into the organization's overall risk management	8 - 11
Metrics and Targets (a)	Greenhouse gas (GHG) emissions and related risks	9
Metrics and Targets (b)	Targets used to manage climate-related risks and opportunities and performance against target	8 - 11

## ► Appendix 2 - GRI Standard Index

Topic	GRI Disclosure	Description	Page Reference
<b>GRI 102: General Disclosures</b>			
Organizational Profile	102.1	Name of the organization	3
	102.2	Description of activities brands, products and services	3 - 5
	102.3	Location of headquarters	4
	102.4	Location of operations	5
	102.6	Markets served	3 - 5
	102.8	Information on other employees and other workers	20
	102.9	Supply chain	22
	102.12	External initiatives	16
Strategy	102.14	Statement from senior decision maker	2
	102.15	Key Impacts, risks, and opportunities	2
Ethics and Integrity	102.16	Values, principles, standards, and norms of behavior	2
	102.17	Mechanisms for advice and concerns about ethics	25
Governance	102.18	Governance structure	25
	102.20	Executive-level responsibility for economic, environmental, and social topics	25
Stakeholder Engagement	102.41	Collective bargaining agreements	18
Report Practice	102.46	Defining report content and topic boundaries	31
	102.47	List of material topics	7
	102.50	Reporting period	31
	102.52	Reporting cycle	31
	102.55	GRI content index	29

### GRI 300: Environmental Disclosures

Greenhouse Gas Emissions	103.2	Management approach	8 - 11
	305.1	Direct (scope 1) greenhouse gas emissions	9
	305.2	Energy indirect (Scope 2) greenhouse gas emissions	9
Environmental Compliance	103.2	Management approach	8 - 11
Management of Nuclear By-Products	103.2	Management approach	12

### GRI 400: Social Disclosures

Human Capital	103.2	Management approach	13 - 16
	404.2	Programs for update employee skills and transition assistance programs	20
Equity, Diversity and Inclusion	103.2	Management approach	17 - 18
	405.1	Diversity of governance bodies and employees	17
Corporate Citizenship	103.2	Management approach	14 - 19
	413.1	Operations with local community engagement and development programs	15 - 16

### GRI Indicator

Indigenous Reconciliations	103.2	Management approach	19
Medical Isotopes	103.2	Management approach	23



## ► Data Quality and Assurance

Operational and performance data is reviewed by management and independent reviewers. Sustainability data is published annually through the Sustainability Program report.

Kinectrics continues to maintain transparency with the public and the communities in which we operate through our active social media channels and website, where we provide updates on operations, innovations and strategic growth.

The information contained within this report represents Kinectrics facilities globally with focus on our largest operations located in Canada (as described above). Our reporting period follows the fiscal year ending March 31st.

In the spirit of continuous improvement, we encourage feedback on this report and our sustainability initiatives through [sustainability@kinectrics.com](mailto:sustainability@kinectrics.com) or our social media channels.

