



ESG Report

A large, complex industrial facility, likely a refinery or chemical plant, is shown in the background. The structure is made of dark metal with numerous yellow safety railings and ladders. A banner with the Enerkem logo and name is visible on one of the structures. The sky is a pale, clear blue.

2022

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Enerkem

Rapport de développement durable 2022

Highlights 2021-2022



Adoption of a first Sustainable Development Policy



Realization of a diagnosis of sustainable development and adoption of an action plan with 4 strategic axes

Development and publication (in 2023) of Enerkem Inc.'s first public ESG report



Realization of a first GHG inventory for Enerkem Inc.

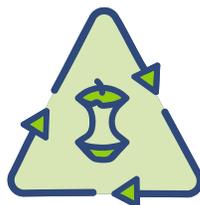
173

employees trained on sustainable development and its concepts



\$12,500

donated to social and environmental causes chosen by our employees



1,677 kg

of residual materials composted in 2022

277 kg

recycled electronic waste



53

employee volunteer hours



Obtaining the ICI on recycle + Level Performance certification from the Montreal office



111

employees trained on First Nations

57 tCO₂eq

compensated with



Enerkem

2022 Sustainability Report

Message from Chief Executive Officer



“I am proud to present Enerkem’s first-ever ESG report. This is an important milestone that reflects the process carried out to date. Our goal is to continue to expand its reach over the coming years.”

– Dominique Boies, CEO

Innovating in terms of the environment and the fight against climate change has always been in Enerkem’s DNA. Giving waste a second life and contributing to the circular economy have been the very foundation of our company since its creation. Over the years, we have broadened our scope to implement a more comprehensive approach to environmental, social and governance (ESG).

We therefore launched our very first Sustainable Development Policy as well as the accompanying 2022-2030 action plan. It is with great enthusiasm that I present our first ESG Report, which outlines our progress in this area.

In the coming years, our actions are expected to multiply so that we can have a positive impact on our employees, our stakeholders, and our society as a whole. In doing so, we want to play our part and contribute to the achievement of the Sustainable Development Goals established by the United Nations.

Happy reading

A handwritten signature in black ink, appearing to read 'D. Boies', written over a horizontal line.

Dominique Boies
Chief Executive Officer of Enerkem

Introduction

Enerkem's mission is to build a sustainable future by commercializing its ground-breaking technologies producing low-carbon fuels and circular chemicals to support the energy transition for the hard-to-abate sectors, address waste management challenges and contribute to a circular economy.

Enerkem wants to become a key player in the fight against climate change by participating in energy diversification and meeting the pressing needs of waste management, while building a robust circular economy.

This first ESG Report is the result of two years of exchanging with our stakeholders and developing a strategy that respects their values and aspirations while being in synergy with our mission and the well-being of our planet.

To achieve this, Enerkem has initiated a strategic analysis process involving its stakeholders. This reflection resulted in the adoption of the very first Sustainable Development Policy, which represents the cornerstone of our eco-responsibility approach. From this policy then flows the 2022-2030 action plan, containing 79 concrete actions and addressing 20 sustainable development issues.

Since the implementation of our approach officially began in 2022, our first report is intended to be a simplified version. Thus, we have chosen to include the first ten monitoring indicators. Their number and complexity will evolve with the continued implementation of the sustainable development action plan.

Sustainable Development at Enerkem

In the spring of 2021, Enerkem began a process aimed at deploying a social responsibility strategy for all of its activities. Being based on ESG (environmental, social and governance) criteria, this approach is intended to be exhaustive and involves the most influential stakeholders in the company. It includes the three major implementation phases as well as the sub-steps illustrated below.

This strategy also responds to 13 of the 17 UN Sustainable Development Goals.



Priority Axes and Issues

Following the strategic analysis, we have identified 20 issues, divided into 4 specific areas, that we wish to prioritize in our action plan.

1 MAXIMIZE THE POSITIVE EFFECT OF OUR TECHNOLOGY

Apply the principles of precaution and prevention in our activities and our decisions with the constant concern to reduce the negative impacts on the environment, water, ecosystems and biodiversity. Enerkem is committed to supporting its customers in choosing and achieving carbon neutrality.

2 INTEGRATE PRINCIPLES OF SOUND GOVERNANCE INTO CORPORATE MANAGEMENT

Make sure to act ethically, in our decisions and our behaviour, so as to guarantee a reputation as a responsible organization. Maintain communication that promotes transparency by publishing our results in terms of sustainable development.

3 INVOLVEMENT IN COMMUNITY

Demonstrate leadership and play a role of influence with our investors, collaborators, suppliers, customers, employees and in the community in order to mobilize them towards sustainable development. Listen to communities and actively participate in their development.

4 OPTIMIZE THE WELL-BEING OF OUR EMPLOYEE

Encourage and promote equity and inclusion in the workplace. Ensure the safety of our employees. Seize opportunities to grow team skills and develop an mobilize, diverse and satisfied workforce.



MAXIMIZE THE POSITIVE EFFECT OF OUR TECHNOLOGY

- Sustainable procurement
- Eco-design
- Climate change
- Ecosystem and Biodiversity
- Water management
- Residual materials management



INTEGRATE PRINCIPLES OF SOUND GOVERNANCE INTO CORPORATE MANAGEMENT

- Ethics
- Transparency
- Accountability
- Anti-corruption
- Data security



INVOLVEMENT IN COMMUNITY

- Develop and maintain our relationship with First Nations
- Listen to the community
- Act for the community



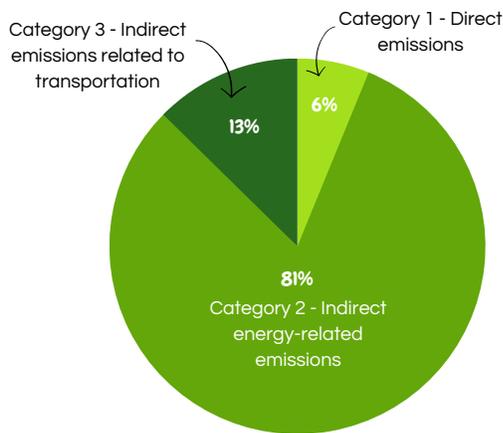
OPTIMIZE THE WELL-BEING OF OUR EMPLOYEES

- Health and safety
- Equity, diversity and inclusion
- Training and skill development
- Sense of belonging
- Right to disconnect
- Working conditions

Measure Progress

1 MAXIMIZE THE POSITIVE EFFECT OF OUR TECHNOLOGY

Issues	Key indicator	Data / Results
Climatic changes	<ul style="list-style-type: none"> Greenhouse gas emissions from Enerkem Inc. activities Total offset emissions 	<ul style="list-style-type: none"> GHG Emissions (2022) : 4,961 tCO₂eq <ul style="list-style-type: none"> Scope 1 : 307 tCO₂eq Scope 2 : 4,027 tCO₂eq Scope 3 : 627 tCO₂eq Emissions offset (2022) : 57 tCO₂eq



The 2022 GHG inventory is the first inventory carried out for Enerkem inc. It therefore represents the reference year for future inventories. It was produced based on the ISO1464-1:2018 standard and covers the period from January 1 to December 31, 2022.

The organizational scope chosen is that of operational control. The emission sources included are:

- 1) Fixed combustion of fossil fuels in buildings owned by Enerkem inc.
- 2) Combustion of fuel in vehicles belonging to Enerkem inc.
- 3) Direct emissions related to the process
- 4) Electricity consumption in buildings belonging to Enerkem inc.
- 5) Employee travel to work
- 6) Employee business travel
- 7) Electricity consumption in rented offices

Waste management	<ul style="list-style-type: none"> Quantity of residual materials composted 	<ul style="list-style-type: none"> Quantity of composted materials: 1,677 kg
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In the years to come, Enerkem will establish key indicators for the other issues that are part of this priority axis, namely responsible procurement, eco-design and biodiversity.

Measure Progress

2 INTEGRATE PRINCIPLES OF SOUND GOVERNANCE INTO CORPORATE MANAGEMENT

Issues	Key indicator	Data / Results
Transparency	<ul style="list-style-type: none"> Number of ESG indicators shared with stakeholders 	For 2022 : 10 indicators
Accountability	<ul style="list-style-type: none"> Number of investors requesting ESG data 	For 2022 : 5 investissors

3 INVOLVEMENT IN COMMUNITY

Issues	Key indicator	Data / Results
Developing and maintaining our relationships with First Nations	<ul style="list-style-type: none"> Number of employees trained on First Nations 	<ul style="list-style-type: none"> Number of employees trained in 2022: 111
Be active in the community	<ul style="list-style-type: none"> Investments dedicated to the community Number of hours of employee volunteer involvement 	<ul style="list-style-type: none"> \$12,500 donated to the community 53 hours of volunteer involvement by Enerkem employees

In the years to come, Enerkem will establish key indicators for the other issues that are part of these two priority axes, namely ethics, anti-corruption, data security and listening to the community.

Measure Progress

4 OPTIMIZE THE WELL-BEING OF OUR EMPLOYEES

Issues	Key indicator	Data / Results
Occupational Health and Safety (OHS)	Number of lost-time accidents	Number of accidents in 2022: 0
Training and skills development	Average number of hours of training per employee (excluding mandatory training)	Total number of training hours for all employees: 7,018 hours
Sense of belonging	Rating given by employees to Enerkem inc. regarding the inclusiveness of the company*	Average score obtained in 2021**: 8.07 out of 10
Working conditions	Number of employees considering that working conditions should be improved	Number of employees considering that working conditions should be improved in 2021**: 61.17% of employees

*Question asked to employees during an internal survey: On a scale of 1 to 10, to what extent do you consider Enerkem to be an inclusive company? An inclusive business creates an environment where people feel they belong and feel respected, valued and connected, and where everyone expresses their "authentic" being (ideas, background and perception) in their work. with colleagues and with clients

**There was no survey in 2022.

In the years to come, Enerkem will establish key indicators for the other issues that are part of this priority axis, namely equity, diversity and inclusion and the right to disconnect.

Next Steps

This first ESG Report represents an important milestone in Enerkem Inc.'s transparency approach. During the implementation of the 2022-2030 action plan, the report will be improved and clarified. Enerkem plans to publish an update to its ESG Report every year.

The sustainable development action plan of Enerkem inc. is a dynamic and evolving work tool. It will therefore be adapted to the pace at which the company is evolving in order to ensure the success of the process.

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