enwave
ENERGY CORPORATION

# ENWAVE 2024 ESG REPORT

*Enwave cafe*

# Contents

**CARLYLE COUTINHO**
Chief Executive Officer

# Message from Leadership

**Achievement is amplified by unprecedented challenges:** Reflecting on a rewarding year of progress, with excitement for the challenges and opportunities ahead.

In 2024, we forged ahead with infrastructure projects in support of the energy transition to a low-carbon future. We completed construction of our Deep Lake Water Cooling expansion, continued building out our new Enwave Green Heat® plant, and made progress toward an agreement to expand our Energy from Waste plant in Prince Edward Island. While some macroeconomic uncertainties persist, we are seeing interest rates cuts and core inflation leveling off. We continue to work with our development partners to prepare for the opportunities for much-needed housing and critical infrastructure—where we can play a significant role in the communities in which we operate. At Enwave, we are relentless and laser-focused in our pursuit of providing the innovative, integrated energy solutions that our communities need and want to propel our collective energy transition goals forward.

This is no doubt a critical time for the district energy industry. There is increased acknowledgment that district energy is an important enabler in the fight against both climate change and the constrained electricity grid. District energy systems have the potential to unlock underutilized resources and bring affordable, low-carbon energy to businesses and consumers. We are forging new paths in the deployment of district energy systems, and every team member, colleague, partner, and peer is a part of this journey.

In 2024, I completed my term as Board Chair of the International District Energy Association (IDEA). During my one-year tenure as Chair, I am proud of the leaps forward we took as an industry as a whole. With IDEA, we engaged in long-term strategic planning, including a government engagement strategy; increased awareness and knowledge of district energy through deliberate stakeholder engagement; and most importantly, collaborated with each other to share best practices. Through the creation of cross-sector working groups, we can leverage key learnings in operations, safety, maintenance, and decarbonization. We are stronger together, and we celebrate each other's wins—a win for the district energy industry is a win for all.

This year, our environmental, social, and governance (ESG) report builds on the foundation we laid in our previous years' reports. We continue to track, measure, and manage the ESG metrics that are material to our business. We are proud of the progress we have made, and we strive to continue our hard work in managing our ESG-related risks and opportunities. As we committed to last year, we updated our Materiality Assessment to reflect the ESG factors associated with our current business operations. This process resets the foundation of our ESG perspective going forward, and it helps us understand the evolution of our journey as it pertains to this work.

*Lakeview celebration*

If last year's theme was "Go slow to go fast", it is fair to say that this past year's theme was about being an action-oriented catalyst for change. In 2024, we certainly lived up to this theme and ambition. Some of our highlights include:

**Expanding our Deep Lake Water Cooling (DLWC) System:**
We constructed a fourth intake pipe and expanded the chilled water intake capacity of our world-renowned DLWC system by 60%, providing both cooling for our district customers and a heat source for our Enwave Green Heat® program.

**Constructing our Enwave Green Heat® plant:**
We continued expanding our Pearl Street Energy Centre to accommodate a new heat recovery heat pump plant, known as our Enwave Green Heat® Plant, further enabling the production of low-carbon hot water which can provide our Enwave Green Heat® program customers up to 95% emission reductions in the delivery of their heating solution as compared to traditional steam to hot water conversion.

**Breaking ground on two innovative, collaborative district energy projects:**
We saw exciting progress on two new systems here in the Greater Toronto Area (GTA)—we completed drilling boreholes for the geo exchange field at Etobicoke Civic Centre, and broke ground on construction of the energy centre at Lakeview Village in Mississauga. These two sites are great examples of developing new, standalone district energy networks for mixed use communities.

**Pushing forward on the expansion of our energy-from-waste facility in Charlottetown, Prince Edward Island (PEI):**
We continued to champion the expansion of our facility in PEI, which diverts black cart waste destined for landfill and produces thermal energy for critical City of Charlottetown infrastructure. We are proud to announce that construction will commence in late 2025 on this system expansion project.

With all of that and more, we are excited to be on this journey with you. Thank you for your partnership and support.

**Carlyle Coutinho**
*Chief Executive Officer*


# About Enwave

Enwave is an innovative energy transition platform and district energy owner-operator focused on commercial heating and cooling solutions.

Headquartered in Toronto, Ontario, we currently serve customers in Toronto, London, Windsor, and Markham, Ontario, as well as Charlottetown, PEI. We are also constructing greenfield systems and deploying assets in Mississauga and Brampton, Ontario, as we expand our low-carbon energy offerings. Our customers include critical infrastructure such as hospitals, data centres, and government buildings, as well as municipalities, educational campuses, residential buildings, and commercial buildings.

Through our ambition, size, and scale, we aim to create positive impact in our communities for generations to come. In Toronto, Ontario, we operate one of North America's largest district energy systems, anchored by the newly expanded Deep Lake Water Cooling (DLWC) system. This efficient district energy network connects hundreds of buildings with different energy needs to a renewable energy source for cooling, Lake Ontario. In turn, heat extracted from this cooling system can provide a renewable heating source for customers in our low-carbon Enwave Green Heat® program in Toronto. In Charlottetown, PEI, we turn waste material and biomass into reliable heating for customers, diverting black cart waste and reducing the need for new landfills on the Island. We are constantly seeking opportunities to integrate new technologies, assets, and solutions into our districts, positioning ourselves to be the energy partner of choice in the decarbonization journey.

## LAND ACKNOWLEDGEMENT

We acknowledge that the lands on which Enwave operates are home to many diverse First Nations, Inuit, and Métis communities from across Turtle Island, also known as North America. Our core operations and head office in Toronto are situated on the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples. This location is covered by Treaty 13, signed with the Mississaugas of the Credit, and the Williams Treaties, signed with multiple Mississauga and Chippewa bands.

We are grateful to have our head office here, and we respect Indigenous peoples' connections as traditional caretakers of the lands, water, and air upon which we all depend. We respectfully acknowledge our shared responsibility for this stewardship moving forward and are grateful for the continued partnership of our Indigenous communities in collectively working towards a more sustainable energy future.

At Enwave, we recognize that this land acknowledgement is a small step in our journey towards reconciliation with Indigenous peoples. We are committed to moving forward with humility, respect, and intentionality as we look to understand the truth and advance reconciliation efforts throughout our organization.

# 2024 Achievement Highlights

Our activities throughout 2024 enabled us to continue working collaboratively with our partners toward our respective decarbonization journeys. We are extremely proud of the initiatives that we undertook. Some of our key achievements include:

## COMMISSIONING THE DLWC FOURTH INTAKE

In summer 2024, we commissioned the expansion of our DLWC system, adding 60% more chilled water intake capacity to the DLWC system. This expansion, which added a fourth intake pipe that extends 3 kilometres into Lake Ontario, will allow us to provide cooling to an additional approximately 30 million square feet of commercial space.


## CONSTRUCTION OF OUR ENWAVE GREEN HEAT® PLANT

Throughout 2024, we constructed a heat pump plant within our Pearl Street Energy Centre. This asset adds to our low-carbon hot water generating capacity and allows us to offer low-carbon hot water through our Enwave Green Heat® program to customers seeking a decarbonization path for their buildings. The electrified heating generated from the Enwave Green Heat® Plant will be capable of displacing carbon emissions of up to 11,600 $tCO_2e$, as compared to traditional steam to hot water energy generation – which is the equivalent carbon reduction associated with converting 10 million square feet of existing office space from traditional boilers to low-carbon heating.

## LAKEVIEW GROUNDBREAKING

In October 2024, along with our partners at the City of Mississauga, Lakeview Community Partners Limited, and the Region of Peel, we broke ground on a new district energy system at Lakeview Village in Mississauga, Ontario. This system will provide heating and cooling from a centralized plant and will leverage treated wastewater from the nearby G.E. Booth treatment plant as a source of renewable heating energy for the system.

# 2024 Figures at a Glance[1]

In 2024, Enwave provided heating and cooling to over 400 buildings across Ontario and Prince Edward Island.

1 Figures accurate as of August 31, 2025.


**One Total electricity customer served:** Enwave provides electricity to the Independent Electricity System Operator (IESO).

# Partnerships, Memberships, Registrations, & Awards

## PARTNERSHIPS

In 2024, we continued fostering strategic partnerships that have enabled us to deliver on our mission. Strong partnerships are foundational to our success, and we are proud to share some of the impactful initiatives with a few notable partners.

### Lakeview Community Partners:

In late 2024, we broke ground on the new district energy system being constructed at Lakeview Village in Mississauga. We celebrated this milestone with our partners at the City of Mississauga, Lakeview Community Partners Limited, and the Region of Peel. The district energy system will be the first of its kind in Ontario to use treated wastewater as the main source of low-carbon energy for the district. Once developed, this low-carbon district system will provide the essential heating and cooling to the mixed-use community, comprised of residential units, office space, and commercial space.

### Etobicoke Civic Centre (ECC) and City of Toronto:

In March 2024, Enwave was thrilled to break ground at the Etobicoke Civic Centre in Toronto. The site will have up to 2,700 new homes, with 900 homes meeting affordable housing criteria. The district energy system will use geoexchange technology as the main source of low-carbon energy for the site, and all boreholes that are part of the site's geoexchange system have been drilled. This technology will further enable the City of Toronto in its net-zero aspirations and will provide the future residential and commercial users of the space with low-carbon heating and cooling.

## MEMBERSHIPS & REGISTRATIONS

Enwave is a member of various industry associations which represent both the district energy industry and our business communities.

Our memberships and registrations include:

- International District Energy Association (IDEA)
- Cool Coalition
- Building Decarbonization Alliance
- Urban Land Institute (ULI)
- Toronto Region Board of Trade (TRBOT)
- Ontario Geothermal Association (OGA)
- Heating, Refrigeration and Air Conditioning Institute of Canada (HRAI)
- Canada Green Building Council (CAGBC)
- Toronto 2030 Districts Network
- Ontario Energy Association

## AWARDS

### IDEA Innovation Award:

In 2024, Enwave won the IDEA's Joseph M. Brillhart Innovation Award for its involvement in decarbonizing the Fairmont Royal York Hotel in Toronto. The hotel leveraged its connection to Enwave's DLWC system to recover waste heat which is now used as an input into a heat pump that provides low-carbon heating to the hotel, allowing the site to achieve CAGBC's Zero Carbon Building – Performance Standard.

### IDEA DE SPACE:

Enwave received a bronze medal in the IDEA's District Energy Space competition for adding and renewing significant square footage in its district energy systems.

### Ontario Engineering Project Award:

Presented by the Association of Consulting Engineering Companies, the Enwave Green Heat® Plant at our Pearl Street Energy Centre, in collaboration with HH Angus, won the Ontario Engineering Project Award for its technical innovation and contribution to reducing greenhouse gas emissions in Toronto.


*Receiving the Joseph M Brillhart Innovation Award at IDEA*

## SPOTLIGHT: IDEA ANNUAL CONFERENCE

In 2024, Enwave sent a contingent of employees to represent the organization at the IDEA annual conference in Orlando, Florida. The team spoke on various topics, such as customer decarbonization strategies, electrification of district energy systems, and ESG reporting in district energy. We were also proud recipients of the IDEA's Joseph M. Brillhart Innovation Award for the work we did with our partner, Continual Energy Inc., on the decarbonization of the 100-year-old Royal York Hotel in Toronto, Ontario.

# About this Report

This Report is an important part of our ongoing commitment to robust reporting and disclosure of our progress and performance on the ESG issues identified as important to our customers, investors, and other key stakeholders.

We aim to report in alignment with the following ESG reporting frameworks and will continue to take a phased approach to further enhancement over time:

- The **Sustainability Accounting Standards Board** (SASB) Standards, referencing specifically the Electric Utilities and Power Generators Standard and the Engineering and Construction Services Standard. SASB has been identified as an investor-preferred ESG reporting framework, and we have selected these sector-specific standards based on their applicability to our business.
- The recommendations of the **Task Force on Climate-Related Financial Disclosures** (TCFD). We have selected the TCFD recommendations because this framework is an industry-preferred framework for disclosure of material climate-related risks and opportunities. While the TCFD has fulfilled its remit and has disbanded, the TCFD recommendations remain highly relevant to international disclosure standardization efforts and continue to be expected disclosure from many capital market participants.

SASB and TCFD indices are provided as an appendix to this Report and are referenced throughout.

We continue to monitor various ESG reporting frameworks to ensure that we are aligning to those that are the most applicable and stakeholder-preferred. We note the significance of the International Sustainability Standards Board (ISSB) Sustainability Disclosure Standards (June 2023), and the Canadian Sustainability Standards Board (CSSB) Canadian Sustainability Disclosure Standards (CSDS) S1 and S2 (December 2024). We continue to consider the implications of these emerging frameworks (including potential regulatory requirements, as relevant) as we progress on our ESG reporting and strategy journey.

This Report covers the period from January 1, 2024 to December 31, 2024. Data limitations are explicitly noted where relevant and where information is available. Where data is not reported, we have explained why it is not relevant to Enwave or noted if we intend to report it in the future. Unless otherwise stated, financial data is presented in Canadian dollars (CAD) and data provided is company-wide. The terms “Enwave”, “Company”, “our” and “we” and other similar terms all denote Enwave Canada Investment Holdings Inc. and its subsidiaries. This Report contains company names, trade names, trademarks, and service marks of Enwave and other organizations, some of which have been identified and all of which are property of their respective owners.

More information regarding Enwave can be found on our website: www.enwave.com. We welcome comments, questions, and feedback on this Report.

**Please contact:**
Sarah Bertollo | Director, Energy Evolution
info@enwave.com

Enwave Energy Corporation
16 York St, Suite 2200, Toronto, ON M5J 0E6

*Drilling DLWC tunnel*

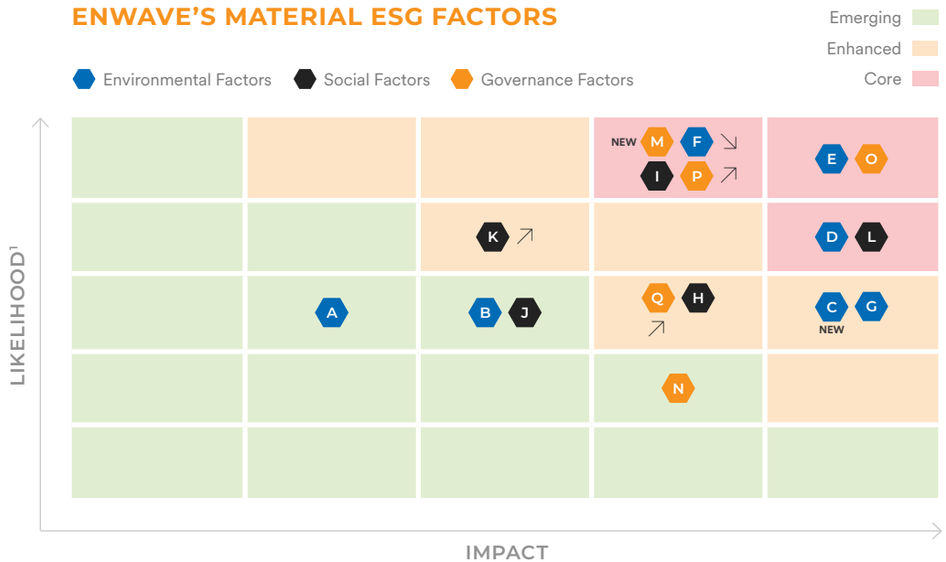
# ESG Materiality Assessment

In 2022, Enwave completed an ESG Materiality Assessment to identify and prioritize the ESG factors most likely to impact our Company value, performance, and ability to achieve our objectives over the short-, medium- and long-term. The Materiality Assessment identified ESG factors most likely to be material to Enwave by conducting an analysis of our investors' expectations and customers' ESG priorities, referencing ESG frameworks (including the SASB standards and the TCFD recommendations), reviewing industry regulations, trends, initiatives and relevant ESG guidance and reviewing methodologies from leading ESG research and rating providers.

In preparation for this Report, we refreshed our Materiality Assessment to ensure our ESG priorities remain aligned with evolving stakeholder expectations and current market conditions. This refresh included updated stakeholder engagement and a review of key developments across the ESG landscape. We remain committed to regularly reviewing and updating our ESG priorities to support strategic decision-making and transparency.


*DLWC intake installation*

## ENWAVE'S MATERIAL ESG FACTORS




### ENVIRONMENTAL

- A Air Quality
- B Biodiversity Impacts
- C Climate Change – Opportunities
- D Climate Change – Physical
- E Climate Change – Transition
- F GHG Emissions
- G Water Management

### SOCIAL

- H Community Relations
- I Human Capital Management
- J Labour Relations
- K Rights of Indigenous Peoples
- L Workforce Health & Safety

### GOVERNANCE

- M Asset Integrity, Resiliency, and Efficiency
- N Business Ethics
- O Cybersecurity
- P ESG Governance
- Q Supply Chain Management

Impact and likelihood ratings reflect the inherent risk associated with each topic, representing the probability and potential consequence of occurrence prior to considering mitigation measures or controls. While we maintain strong systems, governance, and performance across our operations, the ratings are based on the intrinsic nature of each topic and its exposure to underlying risk factors, rather than the residual (post-mitigation) risk level.

[1] Likelihood ratings refer to the inherent probability of an event, including minor events and near misses and regardless of its relative impact, within a one-year period given the context of our business.

Enwave's 2024 ESG Materiality Assessment reaffirms the continued relevance of the Company's core ESG factors identified in 2022. While the foundation of Enwave's business model remains consistent, the refreshed assessment incorporates targeted updates to reflect evolving operational realities, stakeholder expectations, and the external risk environment.

Updates from the refreshed Materiality Assessment are summarized below:

- As part of the Materiality Assessment refresh, the previously separate factors of "Asset Integrity and Resiliency" and "Energy Management and End Use Efficiency" have been combined. This change was made to streamline the Materiality Assessment and better reflect the interconnected nature of infrastructure reliability and energy performance. The overall level of risk remains consistent with the prior Materiality Assessment, although the impact and likelihood scores have been updated. These updates consider recent operational events, as well as the increasing role of energy efficiency in advancing climate goals.
- The "GHG Emissions" factor continues to reflect material risk exposure. While the likelihood score remains high, due to continued regulatory evolution and stakeholder scrutiny, the impact score has decreased. This change reflects Enwave's progress in decarbonization and the reduced immediacy of regulatory implementation across several jurisdictions. The Company continues to seek opportunities to invest in projects which lower emissions intensity and support long-term climate objectives.
- The "ESG Governance" factor has increased in impact. This reflects a growing focus on governance structures as a foundation for managing both ESG and broader business risks. Developments such as the introduction of anti-greenwashing legislation in Canada elevated the relevance of this factor.
- The 2024 Materiality Assessment also introduces a new factor, "Climate Change Opportunities". This addition ensures alignment with updated disclosure frameworks that emphasize both risks and opportunities related to climate change. The growth opportunities in Enwave's business model, which focus on delivery of low-carbon energy solutions, position the Company to benefit from transition-related opportunities. Recent and planned capital investments reflect this strategic direction.
- The risk associated with responsible "Supply Chain Management" has increased in impact. This is driven by new regulatory requirements, such as *Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act*, and heightened investor expectations. While Enwave's supply chain is primarily North American and relatively low risk from the perspective of modern slavery, the Company is taking steps to enhance due diligence and compliance processes in response to evolving standards and obligations.
- Finally, the "Rights of Indigenous Peoples" factor reflects an increase in likelihood. This update acknowledges the maturing of risks and expectations related to Indigenous engagement, particularly in the context of project development, procurement, and reconciliation. Enwave has taken initial steps to formalize its approach and is working to align with emerging best practices and investor priorities in this area.

# Enwave's Approach to ESG

## STRATEGY

Our commitment to integrating ESG into our operations is woven into our Purpose, Mission, and Vision. Consideration of ESG issues form an important part of our long-term strategic planning processes, and are a key driver in achieving our broader objectives and delivering lasting value to our customers, employees, and investors. We strive to consider the most relevant and impactful ESG factors as they pertain to our business. As ESG is a constantly evolving space, we are deliberate in our approach to integrating the needs of our customers and communities, particularly as they pertain to the energy transition.

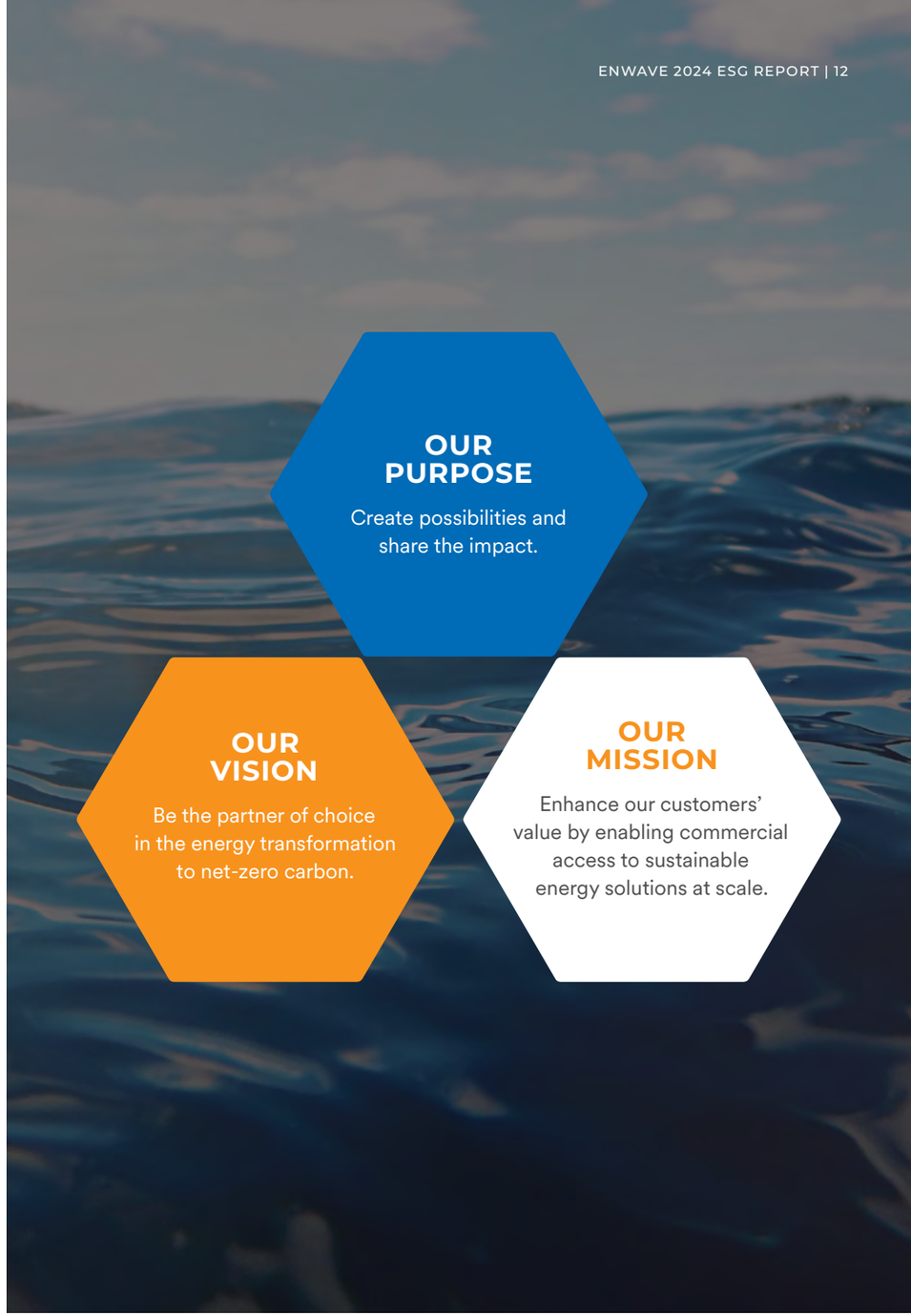
## RISK MANAGEMENT

At Enwave, we seek to integrate ESG risks into our firm-wide risk management policies and processes to ensure that we adequately identify, monitor, and manage ESG risks, including climate-related risks. Our current focus is on enhancing our enterprise risk management (ERM) approach, including ensuring that the ESG-related risks are appropriately assessed and prioritized within our overall ERM systems and processes. In 2024, we undertook a Materiality Assessment refresh, which affirmed, updated, and prioritized the ESG factors most likely to be associated with material risk or opportunities. In the coming year, we will continue to enhance our approach by working to fully integrate our ESG risk register into our ERM, which will ensure that we have a consolidated view of our corporate risks and put our ESG-related risks on the same footing as other core business risks. In line with best practice, we will continue to review our material ESG factors on an annual basis, and undertake a more comprehensive refresh of our formal ESG Materiality Assessment every two years. We are committed to ensuring that the Company's ESG risks continue to be effectively understood and managed over the short-, medium-, and long-term.

## METRICS AND TARGETS

We measure our progress and performance on ESG through the collection, monitoring, and reporting of ESG metrics related to factors most material to Enwave. Relevant metrics are informed by the SASB standards and the TCFD recommendations, and other business-relevant inputs. In this Report, our ESG data is consolidated in a table in the ESG Performance Metrics section. The SASB Index summarizes our performance on relevant ESG metrics from the SASB Electric Utilities and Power Generators Sustainability Accounting Standard and the Engineering and Construction Services Sustainability Accounting Standard. The TCFD Index summarizes our climate-related disclosures informed by the TCFD recommendations.

In our Toronto district, we are driving toward the energy transition pathway that we have developed to decarbonize portions of our system, and we are executing on initiatives in support of this pathway, such as the construction of our Enwave Green Heat® plant which will enable us to provide low-carbon hot water to the customers through our Enwave Green Heat® program. The decarbonization roadmaps that we are developing, refining, and executing on are reflective of our commitment to reduce carbon within our existing operations and grow our networks of low-carbon heating and cooling. Understanding our customers' decarbonization aspirations is imperative, and we are seeking to provide the low-carbon heating and cooling required to enable our customers to meet their ESG goals. As we progress our strategies related to managing our ESG metrics, we will continue to evaluate the feasibility and relevance of setting additional ESG targets to ensure increased accountability and transparency over time.



# Governance

# ESG Oversight

## BOARD OVERSIGHT OF ESG
*[TCFD: Governance (a)]*

Our Audit and Risk Committee and our Human Resources Committee of our Board of Directors ("Board") each provide oversight of the implementation of Enwave's ESG framework, by providing guidance on ESG and climate-related risks and opportunities, and guidance on diversity and inclusion and health and safety related matters, policy and strategy, respectively.

*Heat exchangers in John Street Energy Centre*

**Table 1: ESG-Related Policies**

| POLICY | DESCRIPTION | LAST REVIEW |
|---|---|---|
| Code of Business Conduct and Ethics | Serves as a common reference document that reflects our values and sets out our fundamental principles and rules of doing business, including ethics and compliance with laws. | Sep-25 |
| Health, Safety and Environment Policy | Articulates our commitment to providing a safe and healthy work environment and to create a positive culture where all employees, contractors and visitors are aware and accountable for their health, safety and environmental performance. | Sep-25 |
| Violence, Harassment and Discrimination Policy | Establishes our approach to maintaining a workplace free of violence, harassment, and discrimination. | Sep-25 |
| Anti-Bribery and Corruption Policy | Supports our commitment to conducting business with honesty and integrity in accordance with all applicable laws, rules, and regulations, held to the highest ethical standards. | Sep-25 |
| Accessible Employment Policy | Establishes our approach to ensuring accessibility for our employees and prospective employees. | June-22 |
| Policy on Communication with Government Officials in Canada | Establishes guidelines for communications with public officials on Enwave's behalf and facilitates compliance with lobbying laws. | Sep-25 |
| Delegation of Authority Policy | Establishes strong internal controls for the delegation of authority in order to promote efficient operations. | Sep-25 |
| Privacy Policy | Explains when and why Enwave collects, uses and shares personal information provided or obtained in connection with the use of the Enwave.com website. | Sep-24 |
| Supplier Standards Code of Conduct | Establishes a set of minimum standards of conduct for suppliers of goods and services to Enwave. | Sep-25 |
| Ontario Accessibility Policy and Multi-year Accessibility Plan | Establishes our policies and plans in respect to the requirements of the Access for Ontarians with Disabilities Act (AODA). | Oct-21 |
| Attendance Support Program | Establishes guidelines and expectations for attendance at work to ensure the safety of employees and business continuity. | Jan-23 |
| Work From Away | Outlines our practices under which work from away arrangements are administered. | Sep-25 |
| Social Media Policy | Establishes guidelines for responsible use of social media to minimize business and legal risk. | Sep-25 |

## MANAGEMENT ACCOUNTABILITY FOR ESG *[TCFD: Governance (b)]*

Our approach to ESG, including climate change, is championed by our Leadership Team, formally implemented by our business leaders, and embraced by our people. Together they are responsible for ensuring the successful deployment of our strategy.

Enwave has a cross-functional working group comprising of senior management and as well as various departments such as Commercial Operations, Operational Excellence, Health and Safety, Legal, People & Culture, and Solutions & Innovations. This group aids in the development and implementation of Enwave's ESG strategy, including carbon reduction planning and ongoing ESG-related reporting and disclosure. The ESG work done at Enwave is reported into relevant members of the Leadership Team, including Enwave's CEO. The CEO and the Audit and Risk Committee of the Board have ultimate responsibility for Enwave's ESG strategy, reporting and disclosure.

Our Director, Energy Evolution manages and is accountable for the day-to-day aspects of Enwave's ESG strategy, including aspects related to climate change, and provides updates to the Vice-President, Grid Solutions on a weekly basis and to the CEO on a regular basis. Our CEO has the highest level of executive responsibility for ESG factors, including climate change factors and reports to the Board and its committees on ESG-related matters quarterly.

Notable initiatives undertaken in 2024:

- Publication of our 2023 ESG Report
- A thorough review and update of our ESG Materiality Assessment
- Scenario analysis and development of five-year emission outlook across all our sites

*Enwave team member speaking at IDEA conference*

# Business Ethics

## WHY THIS MATTERS

At Enwave, integrity is at the forefront of everything we do – it is one of our guiding principles. We conduct our business in a lawful, fair, and honest way, as do our business partners. We have strong and transparent relationships with our vendors, contractors, and customers alike. As an essential service provider, we often have close relationships with governments and local officials, so it is important that we maintain comprehensive policies and procedures in respect of risks related to ethics, bribery, and corruption. Our operations are in Canada, and we are subject to domestic anti-corruption and transparency legislation. Canada is generally not perceived to have high levels of corruption. On the Transparency International's 2024 Corruption Perception Index, Canada scored 80.5/100 ranking 15th overall in the index[1] *[SASB IF-EN-510a.1]*.

## APPROACH

### Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics, updated in fall 2025, serves as a common reference document that reflects our values and sets out our fundamental principles and guidelines for doing business. This fundamental document evolves to meet the current requirements of the organization and is reviewed annually. It is championed by senior business leaders, and all our directors, officers and employees are required to confirm their ongoing compliance with it on an annual basis.

### Anti-Bribery and Corruption Policy and Training *[SASB IF-EN-510a.3]*

While our operations are in Canada, a country which has low levels of risk related to bribery, corruption and transparency[2], key employees are still required to complete annual anti-bribery and corruption training, and officers are required to attest to a quarterly anti-bribery and corruption questionnaire. Our Anti-Bribery and Corruption Policy lays out clear guidelines on topics such as gifts and entertainment, political donations, lobbying and charitable donations.

### Communications with Public Officials

In addition to our Anti-Bribery and Corruption Policy we also maintain a separate policy on Communication with Public Officials in Canada. This policy supports our commitment to conducting business with honesty and integrity in accordance with all applicable laws, rules, and regulations, held to the highest ethical standards. The policy lays out our guidelines for interactions with government officials as well as tracking and reporting rules.

## PERFORMANCE

In 2024, 100% of our directors, officers and employees attested confirmation of understanding our Code of Business Conduct and Ethics, consistent with our 2022 and 2023 performance. We do not have any active projects or backlogs in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index *[SASB IF-EN-510a.1]*. We have had zero monetary losses from legal proceedings associated with bribery, corruption, and other related issues *[SASB IF-EN-510a.2]*. In addition, our supply chain policies reflect our understanding and compliance with Canada's new Fighting Against Forced Labour and Child Labour in Supply Chains Act, and we continue to submit and publicly share our annual Report Fighting Against Forced Labour & Child Labour in Supply Chains.

### Table 2: Business Ethics Metrics

| BUSINESS ETHICS | UNIT | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Number of active projects in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index[1] | Number (#) | 0 | 0 | 0 |
| Number of backlog projects in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index[2] | Number (#) | 0 | 0 | 0 |
| Total amount of monetary losses as a result of legal proceedings associated with charges of bribery or corruption, and anti-competitive practices | Reporting currency ($) | 0 | 0 | 0 |
| Percentage of employees who completed code of conduct or business ethics related training | Percentage (%) | 100 | 100 | 100 |

[1] The Corruption Perceptions Index (CPI) is the most widely used global corruption ranking in the world. It measures how corrupt each country's public sector is perceived to be, according to experts and businesspeople. A country's score is the perceived level of public sector corruption on a scale of 0-100, where 0 means highly corrupt and 100 means very clean. A country's rank represents its position relative to the other countries in the CPI.

[2] https://www.transparency.org/en/countries/canada

# Cybersecurity

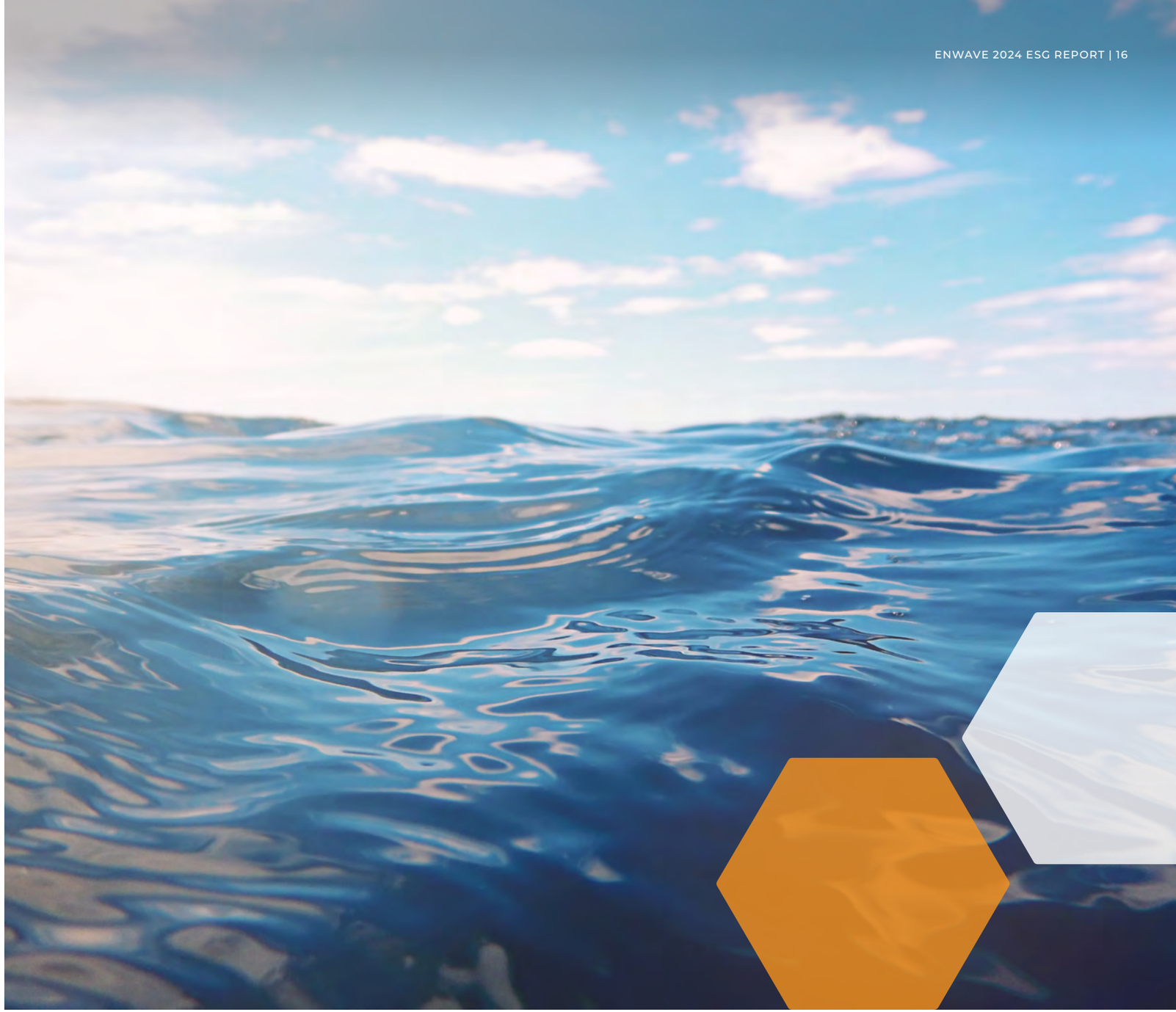
## WHY THIS MATTERS

Cybersecurity remains a critical pillar in our risk management strategy. As a provider of essential services to diverse customers—including municipalities, hospitals, data centers, and educational campuses—we ensure that the integrity of our information technology and operational technology platforms is consistently and thoroughly maintained. The increasing sophistication of cyber threats, coupled with rising geopolitical tensions, poses significant risks to digital and physical operations. These threats could disrupt critical services, impacting stakeholders and overall company performance. Maintaining robust cybersecurity measures is vital to preserving trust and reliability in our services.

## APPROACH

Our approach to cybersecurity continues to evolve in step with the dynamic threat landscape. The Board plays a key oversight role, ensuring that management follows stringent cybersecurity practices. Management is responsible for implementing these practices, managing day-to-day cyber risks, and aligning all cybersecurity efforts with our ESG strategy and core values.

In 2024, we prioritized comprehensive security assessments of our systems to proactively identify vulnerabilities; conducted regular and mandatory employee training to ensure our workforce can recognize and respond to cyber threats; and enhanced service continuity through preventative maintenance and upgraded security protocols. As part of our layered defense strategy, we have deployed endpoint protection platforms, centralized identity and access management, and real-time threat detection through Security Information and Event Management (SIEM) systems. These tools work together to prevent, detect, and contain cyber threats before they can impact operations.



## SPOTLIGHT: CYBER RISK ASSESSMENT

As part of our commitment to responsible governance and operational resilience, we are initiating a comprehensive cyber risk assessment across our critical assets and business processes. This proactive effort is designed to enhance our ability to make informed, risk-based decisions that align with our mission and sustainability commitments.

By identifying and prioritizing cyber risks, we aim to strengthen our digital infrastructure, reduce potential disruptions, and safeguard stakeholder trust. Strategically, this approach ensures that our cybersecurity investments and resources target the most critical vulnerabilities, delivering maximum value and long-term resilience. Tactically, it allows us to further embed security into our day-to-day operations, improving responsiveness and operational continuity.

This initiative reflects our belief that robust cyber risk management is not only a technical necessity but also a core enabler of sustainable business growth.

By adopting these measures and continuously improving our cybersecurity framework, we aim to maintain high standards of information security and operational resilience, demonstrating our commitment to protecting both our customers and the integrity of our services.

## PERFORMANCE

Enwave remains committed to safeguarding its digital infrastructure and protecting both customer and personal data. We continue to reinforce our focus on digital safety by training employees to recognize phishing threats, exercise caution with suspicious emails, and foster a culture of shared cybersecurity responsibility. Over the past two years, phishing click rates have generally trended under the industry average click rate, reflecting increased employee awareness and engagement. Our cybersecurity team strengthens this culture through monthly phishing simulations, sharing best practices on secure communications, data handling, and cyber hygiene.

### Table 3: Cybersecurity Metrics

| METRIC | UNIT | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations | Number (#) | 0 | 0 | 0 |
| Number of data breaches | Number (#) | 0 | 0 | 0 |

# Environment

# Climate Change

## WHY THIS MATTERS

As a leading district energy owner-operator in Canada, we continue to progress our journey toward decarbonizing our existing operations. We ensure that our growth is focused on deploying and integrating technologies that provide optimal energy solutions for our customers, which meet both economic and environmental desired outcomes. We recognize that we must take steps to address the climate change impacts on our business, as these impacts, such as more temperature volatility and increased extreme weather events, could have profound effects on infrastructure and the communities we serve. We also recognize the important role that climate disclosures play in allowing our customers and partners to make informed decisions, and we are pleased to continue updating our stakeholders on our progress in this arena.

We continue to work toward decarbonizing our operations and we track our emissions both historically and with scenario analysis to project future emissions. This allows us to monitor our progress in transitioning to a lower carbon future. We are also committed to further enhancing our future climate-related disclosures in alignment with the TCFD recommendations.

"Climate Change – Opportunities" is a new factor in our most recent Materiality Assessment. Ensuring that we track, manage and monitor risks and opportunities that pertain to climate change is a critical part of our business. Although it is a new factor in this Report, it has been an area of focus for our business over the past several years. In alignment with current reporting standards, specific consideration of climate change risks and opportunities has been given more prominence in this Report.

Managing risks associated with both physical impacts and transition impacts of climate change allows us to provide reliable and resilient services to our networks. Understanding and acting on opportunities to provide integrated energy solutions to our customers is at the very core of our business.

## APPROACH

### Board Oversight *[TCFD: Governance (a)]*

The Board provides oversight of our approach to climate risks and opportunities. The CEO has the highest level of executive responsibility for ESG factors, including climate change factors. Similar to other important issues, the Board and its committees provide general oversight of climate risks and opportunities. Important information regarding ESG factors, including climate-related factors, is reported to the Board and its committees by the CEO on a quarterly basis. In 2024, we developed an emissions forecast that allows us to anticipate our near-term emissions inventory and track our progress against our projected emissions across all our energy systems.

### Management Accountability *[TCFD: Governance (b)]*

The CEO is supported by both the Leadership Team and by the Commercial Operations Group where the Energy Evolution function sits. Strategy development lies with the Director, Energy Evolution who reports to the Vice-President, Grid Solutions, and Sustainability Operations maintains our GHG inventory. The Solutions & Innovations and Community Energy Planning and Development teams develop and deploy energy solutions for our customers that meet their environmental goals.

### Climate Strategy *[TCFD: Strategy (a); TCFD: Strategy (b)]*

We have identified both transition and physical risks associated with climate change as key ESG factors that may impact both stakeholders and Company performance. Transition risks are defined as risks associated with the transition to a low-carbon economy and include policy, legal, reputational, technology and market risks. Physical risks from climate change can be acute or chronic. Acute risks include events such as increased incidence of extreme weather events while chronic risks involve longer term shifts in climate patterns such as sustained higher temperatures leading to heat waves, rising sea levels and coastal erosion.

Transitioning to a decarbonized future represents significant opportunities for Enwave, and is aligned with our goal to be a leader in the low-carbon energy transition. The decarbonization


*New PEI Energy from Waste plant upgrade rendering*

**Climate Strategy (Cont.)** *[TCFD: Strategy (a); TCFD: Strategy (b)]*

strategies that we are deploying are guided by indicative pathway studies conducted over the past few years. In Toronto, our Enwave Green Heat® program is helping customers achieve carbon reduction targets for their buildings, and we continue to evolve the program to meet customer-specific needs.

We are making significant investments to reduce emissions and build resiliency against both transition and physical climate risks. As we decarbonize existing operations, we are also creating opportunity to align future growth with our customers' net-zero pathways. This reflects growing demand for sustainable infrastructure driven by regulatory requirements, energy system planning, voluntary commitments, and expectations from our team and shareholders to futureproof our business.

As a provider of low-carbon energy solutions, we are well positioned to benefit from this decarbonization demand. Our core business model supports scalable impact, as seen in recent investments such as our Enwave GeoCommunities business, the Enwave Green Heat® program, and other bespoke integrated energy solutions. These initiatives support decarbonization while improving energy system efficiency. Despite broader external factors influencing timing, climate-related opportunity remains central to our long-term strategy and capital planning.

**Table 4: Climate-Related Risks and Opportunities**

Short term | Medium term | Long term

| FACTOR | TIME HORIZON | DESCRIPTION OF POTENTIAL IMPACT | INITIATIVES TO MITIGATE RISK OR CAPTURE OPPORTUNITY |
|---|---|---|---|
| **CLIMATE-RELATED RISKS** | | | |
| **Acute Physical** | Short, Medium, Long | • In Ontario and PEI, we face risks from weather events such as heatwaves, floods, blizzards, and other such climate events that may impact our operations. | • We continue to build out infrastructure that enables resilient energy production, such as our fourth intake of DLWC, our Enwave Green Heat® Plant, and our future expansion for our energy-from-waste plant in PEI. |
| **Chronic Physical** | Long | • For our Toronto system, sustained higher temperatures may lead to higher lake temperature requiring further mechanical chilling to reach adequate temperatures for cooling. For all our systems, sustained higher temperature may impact our ability to meet customer demand for cooling. | • Our DLWC expansion seeks to futureproof our ability to provide cooling to our Toronto customers in the face of changing weather patterns by increasing our cooling capacity with our new intake pipe.<br>• We are installing equipment that can switch between electric and steam-driven chillers, allowing us to fuel switch to optimize cooling production more readily. |
| **Policy & Legal** | Short, Medium, Long | • We may be affected by increasingly stringent regulations related to GHG emissions based on government policy. | • We are actively executing on our decarbonization initiatives that will serve to reduce both Enwave's and our customers' emissions. |
| **Market** | Short, Medium | • As a provider of low-carbon energy solutions, we may face an increasingly competitive market landscape.<br>• We may also experience headwinds based on shifting or delayed climate targets that are the result of changing climate policy in North America. | • Our vision is to be the partner of choice in energy transition to net-zero carbon. During times of regulatory and economic uncertainty, we continue to forge ahead with our decarbonization strategies so that we can provide offerings to our customers that support their net-zero aspirations. |
| **CLIMATE-RELATED OPPORTUNITIES** | | | |
| **Resource Efficiency** | Short, Medium, Long | • Providing heating and cooling from a central plant requires less fuel and displaces the need to install separate space heating and cooling and hot water systems in each building, meaning that district energy can provide significant opportunities for increased energy efficiency. | • We are making investments to expand our services, including DLWC and waste heat recovery.<br>• We are implementing a Digital Transformation project that will allow us to better optimize our assets, improving efficiency and reducing energy consumption. |
| **Energy Source** | Medium, Long | • Climate change necessitates the diversification of energy sources towards low-carbon and renewable sources. As a leading provider of low-carbon energy solutions, Enwave is likely to benefit from increased demand for our services. | We are making significant investments in expansion of our low-carbon services, including in the following areas:<br>• We have expanded our DLWC to include a new fourth intake pipe into Lake Ontario<br>• Moving forward on the expansion of our Energy from Waste facility in Prince Edward Island, and it is anticipated that the facility will be capable of processing nearly 90% of the province's current total black cart residential waste, significantly diverting waste from landfill.<br>• We are capturing recovered heat from our cooling service to produce low-carbon heating for our Enwave Green Heat® program customers. |


*Inside PSEC*

### Climate-related Risk Management

*[TCFD: Risk Management (a); TCFD: Risk Management (b); TCFD: Risk Management (c)]*

We aim to ensure that ESG risks, including climate-related risks, are appropriately addressed, and prioritized within our ERM systems and processes. We recognize our assets contain critical infrastructure, such as heating and cooling for hospitals, data centres, educational campuses, government buildings and commercial and residential buildings. In 2022, we undertook a comprehensive ESG Materiality Assessment, which identified both transition and physical risks and opportunities from climate change as key factors that may impact our performance and stakeholders. In 2024, we did a full refresh of our climate considerations to ensure they remain accurate and up to date. The results of this ESG Materiality Assessment are currently being used to develop a roadmap for enhanced ESG risk management.

### Climate-related Metrics and Targets

*[TCFD: Metrics & Targets (a); TCFD: Metrics & Targets (b); TCFD: Metrics & Targets (c)]*

We are continuing to measure our progress and performance on climate-related risks and opportunities through the collection, monitoring, and reporting of key metrics informed by the SASB standards and the TCFD recommendations. Key metrics identified related to climate change include Scope 1, 2, and 3 GHG emissions, energy usage and megawatt (MW) capacity pipelines. We continue to progress our decarbonization strategies, including our DLWC expansion and the development of the Enwave Green Heat® program. We undertake a comprehensive emissions forecast annually to monitor and manage our absolute emissions and emissions intensity. By tracking emissions both geographically and by business line, we can easily identify trends, patterns, and areas of focus as we work to reduce our emissions in our operations.

## PERFORMANCE *[TCFD: Metrics & Targets (a); TCFD: Metrics & Targets (b)]*

In 2024, we experienced a reduction in our Scope 1 emissions, representing the second successive decrease since publishing our annual ESG report. This decrease was due in part to the increased use of electrified assets in our operations, a modest reduction in natural gas usage as we increased low-carbon hot water production, and lower emissions from both oil usage and refrigerants in our Toronto district. We continued to experience operational and production variations in our systems due to district growth and peak customer demand, consistent with previous years. However, weather conditions notably impacted the operation of our heating and cooling systems. While we are progressing our deployment of low-carbon technology, increased summer temperatures and rising grid intensity will continue to play a role in our overall emissions intensity figures in the near-term. Over the next ten years, our absolute emissions are forecasted to remain fairly stable as reductions in steam production and the corresponding increase in hot water production will be offset by growth in some of our off-district greenfield and brownfield projects – such as our Lakeview Village district system which will make use of natural gas generation before switching to a low-carbon effluent heat recovery system once the community has sufficient heating load to support the effluent system.

During the cooling season, we experienced higher energy intensity and higher emissions intensity from our chilled water operations in the Toronto district due to the increased electricity grid emission factor as reported in the National Inventory Report. We are currently constructing dual-fuel chillers in our Toronto cooling operations, which will further our ability to electrify our production, reducing the use of steam driven chillers. While we had anticipated that these assets would be operational in 2024, due to supply chain constraints we are not expecting these assets to be operational in 2025. As such, we anticipate being able to realize a decrease in our chilled water emission factor in 2026 and beyond.

Our steam and hot water plants operated with similar efficiency to 2023.

In the next decade, we anticipate seeing a decrease in overall emissions intensity as we continue to electrify heating, deploy more low-carbon generation assets, and operationalize the next phases of our decarbonization strategies.

### Table 5: Climate-Related Metrics

| METRIC | UNIT | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Gross Global Scope 1 emissions | Metric tonne (t) $CO_2e$ | 315,024 | 299,548 | 294,222 |
| Gross Global Scope 2 emissions | Metric tonne (t) $CO_2e$ | 2,246 | 2,536 | 3,344 |
| Percentage of gross global Scope 1 emissions that are covered under emissions-limiting regulations and emissions-reporting regulations | Percentage (%) | 0 | 0 | 0 |
| Scope 1 GHG emission intensity | Metric tonne (t) $CO_2e$ per unit of output (MWhe) | 0.20 | 0.20 | 0.19 |
| Scope 1 and 2 GHG emission intensity | Metric tonne (t) $CO_2e$ per unit of output (MWhe) | 0.13 | 0.12 | 0.12 |
| Scope 3 emissions | Metric tonne (t) $CO_2e$ | *Not reported* | 83,684 | 77,728 |

## SCOPE 3 SPOTLIGHT

Scope 3 emissions are an increasingly important metric for how organizations measure and manage their impact. We recognize the significance of understanding our environmental impact through Scope 3 emissions, acknowledge their crucial role in measuring and managing GHGs throughout global supply and value chains.

Using a quantification framework that we built with our advisors in 2023, we quantify and report on specific Scope 3 categories, as defined by the GHG Protocol, that are most relevant to our business. Through a detailed screening assessment (considering criteria such as size, influence, risk, stakeholders, outsourcing, and spend/revenue) we have identified key emission sources within our upstream and downstream value chain within the following categories:

- Category 1: Purchase goods and services
- Category 2: Capital goods
- Category 4: Fuel and energy related activities
- Category 6: Business travel
- Category 15: Investments

We have an internal process in place to systematically collect and report Scope 3 emissions data, with 2022 as our baseline year. In our 2024 quantification, we were pleased to observe a reduction in our Scope 3 emissions over previous years. Going forward, we will work toward including additional Scope 3 categories in our quantification framework.

*PSEC Mural*

# Asset Integrity, Resiliency, and End Use Efficiency

## WHY THIS MATTERS

The integrity of the assets within our district energy systems is critically important. Enwave is entrusted by hundreds of customers to provide reliable energy solutions, and managing risks associated with our energy infrastructure is at the core of our business. Community and public safety are extremely important considerations to us. Whether through engineering, design, inspection, construction, or maintenance, we have a professional responsibility to ensure the safety and integrity of our work and assets. As a district energy provider, Enwave is a prominent essential services provider in the communities in which we operate. Our operations have a direct impact on a broad range of community-based customers, including many who provide additional essential services, such as mission critical data centres, municipalities, and hospitals. Therefore, we recognize the importance of maintaining the structural integrity and safety of our assets and facilities, including ensuring that our operational technology is safe from cyber-attacks.

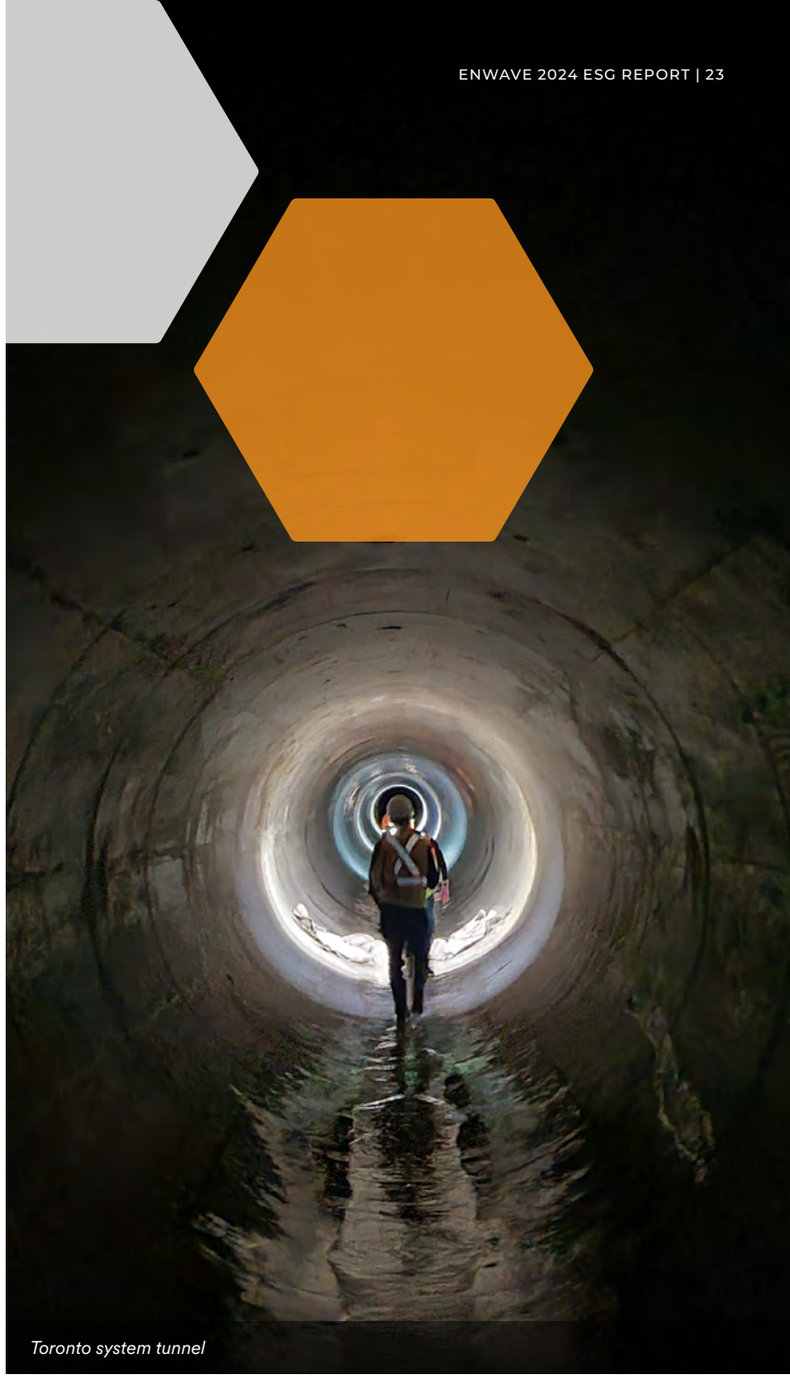
Providing heating and cooling from a central plant usually requires less fuel and displaces the need to install individual space heating and cooling and hot water systems in each building, making district energy systems inherently efficient. At Enwave we seek even greater efficiencies by making use of sources of recycled heat, such as heat recovered from our DLWC system, from data centres, and from wastewater as part of the Enwave Green Heat® program. This heat is then upgraded through electric heat pumps to produce low-carbon hot water, which is distributed through our hot water network and provided for the benefit of customers participating in the program. We also are making greater use of technology to optimize the deployment of our assets through our Digital Transformation project.

## APPROACH

Our DLWC system, which displaces the need for energy-intensive building cooling systems that often use towers to evaporate water in order to expel heat, draws cold water that is consistently around 4 degrees Celsius from 83 meters deep in Lake Ontario. Large heat exchangers, rather than energy-intensive air conditioners and chillers, then transfer thermal energy, or heating and cooling, into water loops serving our district customers. Cold water is circulated though building pipes as an alternative to traditional air conditioning. After the chilled water has circulated through and cooled the buildings, we recycle the heat, returning the warm water to the pumping station to repeat the process.

In PEI, we have recently signed an agreement with the province to expand our energy-from-waste operations in our Charlottetown district energy system. This expanded facility will allow us to not only continue reducing our oil consumption in PEI, but it is also anticipated that the facility will be capable of processing nearly 90% of the province's current total black cart residential waste, significantly diverting waste from landfill. This expansion will advance local energy resilience by enabling district heating powered primarily by regional sources.

We ensure completion of routine maintenance on all critical assets and make annual capital investments in infrastructure renewal to ensure long-term asset integrity. We additionally maintain monitoring of our district systems 24 hours a day, seven days a week, have dedicated maintenance crews, and strong partnerships with local contractors for asset maintenance and emergency response. We are dedicated to operational excellence in emergency preparedness where we complete both tabletop drills and procedural testing.



*Toronto system tunnel*

*Fourth intake shaft for DLWC*

## PERFORMANCE

The performance, efficiency, and deployment strategy of our assets directly contribute to performance metrics, and specifically to our decarbonization ambitions. Maintaining the integrity and performance of our assets is crucial to delivering reliable and energy-efficient service to our customers.

Throughout 2024, we constructed our heat pump plant at PSEC, which enable us to provide low-carbon hot water to customers through our Enwave Green Heat® program. This plant uses recycled heat from our DLWC system to produce hot water using the newly constructed heat pumps. At capacity the operation of the heat pump in this plant will be capable of displacing carbon emissions of up to 11,600 $tCO_2e$, as compared to traditional steam to hot water energy generation. Our offerings under the Enwave Green Heat® program enable those hot water customers to decarbonize their building heating in line with their net-zero transition strategies.

We recognize that our assets need to be continuously maintained, upgraded, or decommissioned when necessary. Proactively making the difficult decision to remove aging infrastructure from our system occasionally needs to be done, and when we do so, we take the utmost care to ensure that affected customers are provided with sufficient time to make alternate arrangements. While challenging for those affected, actions such as these serve to make our systems safer, more resilient, and more efficient.

In 2024, we implemented a comprehensive root cause analysis process to strengthen our operational response capabilities. This framework enhances our ability to systematically identify and address underlying issues in our systems, ensuring continuous improvement and resilience in our operations.

Looking ahead, we are focused on advancing these efforts through the development of standardized maintenance protocols for major asset types. These protocols will be the foundation of a comprehensive asset management policy reinforcing the safety, reliability, and sustainability of our infrastructure.

### Table 6: Asset Integrity, Resiliency, and End Use Efficiency

| METRIC | UNIT | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Total non-renewable energy (consumed) | Megawatt hours (MWh) | 1,718,947 | 1,718,434 | 1,907,123 |
| Total non-renewable energy (produced) | Megawatt hours (MWh) | 1,400,264 | 1,790,289 | 2,128,195 |
| Total renewable energy (consumed) | Megawatt hours (MWh) | 187,528 | 202,876 | 270,938 |
| Total renewable energy (produced) | Megawatt hours (MWh) | 670,615 | 763,463 | 812,709 |
| Customer electricity savings from efficiency measures | Megawatt hours (MWh) | 95,807 | 85,444 | 132,653 |
| Amount of defect- and safety-related rework costs[1] | Reporting currency ($) | 0 | 0 | 0 |
| Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents[2] | Reporting currency ($) | 0 | 0 | 0 |

[1] We have restated 2023 defect- and safety-related costs.
[2] All material costs related to any legal proceedings were covered by insurance and thus did not result in losses.

## SPOTLIGHT: DIGITAL TRANSFORMATION PROJECT

In 2024, Enwave launched the Digital Transformation project – a comprehensive energy management system designed to improve the efficiency of our district energy production. The first stage of the project included the implementation of a digital energy management platform that centralizes data and data analysis tools from across the organization.

As part of the first stage, we have built the data infrastructure for the new platform, including the transfer of time-series archived data. The new platform has been designed to empower decision making by enabling the user to quickly detect opportunities for operational improvements. The next phase of Digital Transformation includes building tools that will forthright recommend effective operational strategies. Some of these tools include creating dashboards for real-time asset health which will be tied to maintenance alerts. We will also launch KPI dashboards, automate our billing processes, and implement a cooling dispatch strategy tool that will inform the most optimal dispatch of our assets. Through these means, we are confident we can enhance our efficiency, and in turn, make huge strides towards our commitment to carbon reduction, innovation in district energy, and excellent customer experiences.

*Construction at a geoexchange site*

# Water Management

## WHY THIS MATTERS

Water management will become increasingly more important as climate change increases water-related risks. Our district energy systems depend on access to significant amounts of water for heating and cooling and as a result, we are focused on water conservation solutions and the integration of water management technologies to drive greater resource efficiencies and reduce water consumption. Water scarcity, water cost, wastewater regulations, growing regulations related to biodiversity impacts from water withdrawals, and competition for access to water from local communities and businesses are risks faced by district energy providers. Failure to effectively manage water can lead to higher costs, more liabilities, and reduced revenue. Effectively and responsibly managing water use within our operations remains an important priority for Enwave and we are aware that climate change may change the risk landscape as it pertains to water management.

## APPROACH *[SASB IF-EU-140a.3.]*

Efficient water management is crucial to our operations. Water conservation is an important part of many of our services, particularly the DLWC system, where we integrate water management technologies to ensure water resources are used efficiently. Our DLWC system shares infrastructure with the City of Toronto's water utility. The City of Toronto and Enwave operate under an Energy Transfer Agreement (ETA) that facilitates the transfer of cooling energy from the City of Toronto's drinking water infrastructure into Enwave's district energy supply through heat exchangers, ensuring that water drawn from Lake Ontario is used in a highly efficient manner. Additionally, mechanisms are in place to ensure that water from Enwave's cooling loop does not interact with the City's potable water supply such as barriers between the two systems as well as a pressure differential. Throughout the construction and commissioning of our expansion of our DLWC system, which involved constructing a fourth intake pipe and the use of raw water that is returned to the inner harbour, we have worked diligently in evaluating and minimizing and/or mitigating any adverse impacts on the environment and the marine ecosystem.

## PERFORMANCE

Our DLWC system in Toronto contains a closed loop system that uses water from the City of Toronto drinking water infrastructure for building cooling. Enwave 'borrows' this water and extracts heat energy from it using heat exchangers before returning it back to the City. Heat is transferred from Enwave's chilled water return loop to the City's cold drinking water, providing cooled water for Enwave's chilled water supply loop.

### Table 7: Water Management Metrics

| METRIC | UNIT | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Total water consumed | Thousand cubic metres ($m^3$) | 1,941,926 | 1,432,509 | 1,966,917 |
| Water consumption intensity | Thousand cubic metres ($m^3$)/GJ energy sold | 0.000261497 | 0.0000961403 | 0.00011103 |
| Percentage of water consumed in regions with High or Extremely High Baseline Water Stress | Percentage (%) | 0 | 0 | 0 |

*Pumps for DLWC*

# Biodiversity Impacts[1]

## WHY THIS MATTERS

Ensuring that Enwave does not have an adverse impact on biodiversity is critical. When constructing new projects or expanding our systems, we ensure that impacts on land use, ecosystems, and biodiversity are considered and understood. Our systems are in urban areas but do still interact with the natural environment in meaningful ways. We remain committed to supporting and participating in government consultations with potentially affected Indigenous communities as required, and to responsibly manage our impact on ecosystems. To this end, we note the recent developments of the Task Force on Nature-Related Financial Disclosures (TNFD) and will continue to monitor its potential relevance to our business over time.

## APPROACH *[SASB IF-EN-160a.2]*

The Community Energy Planning and Development teams have primary responsibility for activities related to biodiversity, land use and ecosystem impacts, and for ensuring that all development and construction activities are carried out in compliance with regulatory requirements. Our operations are subject to laws and regulations relating to the protection of endangered and threatened species, as well as emissions into the air, water discharges, natural resource consumption, waste generation, and the use of hazardous chemicals. During the project development process, we undertake thorough environmental impact assessments and throughout construction we continually evaluate and manage environmental risks to ensure that operations remain compliant with any regulatory requirements. This is implemented through Enwave's environmental management plans, which are created for all major construction projects. Biodiversity risks are captured through the environmental assessment process, and we take great care to ensure that we are operating responsibility in all geographical areas. We monitor biodiversity reporting standards, both voluntary and compliance, closely as this is an increasingly important ESG factor across multiple sectors.

## PERFORMANCE

At Enwave, we operate primarily in urban areas and thus our potential to impact very sensitive ecosystems is limited. We have also recently started reporting TNFD-aligned biodiversity metrics, particularly regarding proximity to biodiversity sensitive areas, for our shareholders in line with increased interest and expectation to measure and report on such metrics.

**Table 8: Land Use and Ecosystem Metrics**

| METRIC | UNIT | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Number of incidents of non-compliance with environmental permits, standards, and regulations | Number (#) | 0 | 0 | 0 |
| Habitats protected, restored, or rehabilitated | Acres | 0 | 0 | 0 |
| Percentage of business operations/activities that negatively affect those biodiversity sensitive areas to which they are located in or near | Percentage (%) | 0 | 0 | 0 |
| Operational sites owned, leased, managed in, or adjacent to (or within 100km), protected areas and areas of high biodiversity value outside protected areas | Number (#) | 0 | 0 | 0 |

[1] Previously categorized as 'Land Use and Ecosystem Impacts'.


*Transporting the fourth intake pipe*

*City of Toronto skyline*

# Air Quality

## WHY THIS MATTERS

Air quality is an important indicator for livable cities. Generating heating and cooling has the potential to improve or impact local air quality and we closely monitor our operations' impact on the environment. In Toronto, both DLWC and the Enwave Green Heat® program provide customers with thermal generation alternatives that can avoid in-building boilers and chillers resulting in a positive impact on air quality by reducing fossil fuels emissions. However, our energy-from-waste system in Charlottetown has the potential to release harmful air pollutants when municipal solid waste and biomass are used as sources of fuel. As such, complying with air emission regulations and efficiently managing air quality impacts across all our projects ensures we avoid regulatory compliance costs, limit liabilities, and reduce reputational impacts that come from emitting harmful air pollutants.

## APPROACH

Air quality is monitored regionally and is determined by local regulations. Our district energy systems can provide the opportunity to improve air quality for the surrounding neighbourhoods by reducing fossil fuel emissions and use of refrigerants, as compared to traditional boilers and chillers. The connected nature of district energy solutions can result in improved energy efficiency as compared to in-building heating and cooling systems. For example, our DLWC system uses sustainable cooling power from the bottom of Lake Ontario, and our large-scale electric heat pumps enable an alternative to fossil fuel consumption with low-carbon heating.

## PERFORMANCE

Enwave reports certain air quality metrics to the Government of Canada's National Pollutant Release Inventory as part of our compliance requirements. In PEI, we had one incident related to environmental air release. We will continue to track and monitor our emissions to air across all of our sites.

### Table 9: Air Quality Metrics

| METRIC | UNIT | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Air Emissions of $NO_x$ | Tonnes (t) | *Not reported* | 167.36 | 181.67 |
| Air emissions of $SO_x$ | Tonnes (t) | *Not reported* | 1.58 | 0.54 |
| Air emissions of volatile organic compounds (Ontario) | Tonnes (t) | *Not reported* | 15.77 | 16.24 |

# Social

*Enwave team member at PSEC plant*

# Workforce Health & Safety

## WHY THIS MATTERS

The health and safety of our workforce remain at the core of our ESG framework. Our teams operate in complex environments, managing hazards such as confined spaces, hazardous substances, and high-temperature and high-voltage systems. Safeguarding the well-being of our employees and contractors is not just a compliance requirement, it reflects our commitment to community and operational excellence. A strong safety culture minimizes risks, supports operational performance, and builds trust with stakeholders. Our focus on proactive safety management has strengthened our operations and reinforced our reputation as a responsible organization.

## APPROACH

In 2024, we continued to build on the foundation laid in previous years, refining our safety management systems and practices. A major milestone was the company-wide rollout of the SALUS digital health and safety management platform. SALUS has transformed our approach by streamlining reporting of incidents, hazard identifications, positive observations, and near misses, while also enabling the tracking of training records and corrective actions. The platform provides real-time visibility into safety trends and has enhanced our ability to address hazards proactively and drive continuous improvement. Our contractor safety management process, supported by ISNetworld (ISN), has also remained a priority tool for the Company. Through careful contractor evaluation, onboarding, and performance reviews, we ensured that all contractors meet Enwave's health, safety, and operational standards. The Operations and Development teams worked closely with contractors to ensure safety requirements are communicated and enforced.

We also introduced standardized safety protocols across plants, enhancing training effectiveness and improving consistency in our programs such as confined space entry, permit to work and working at heights. Our leadership teams actively reinforced safety culture by integrating discussions into daily job planning, toolbox talks, and operational meetings.

## PERFORMANCE

We recorded one lost time injury and no fatalities across our operations. While we did not achieve a zero-injury year, we remained committed to improving safety systems and practices, continuing to focus on proactive risk identification and management.

Employee engagement in safety programs continued to grow, with over 365 Hazard Identifications[1] and 449 Positive Observations[2] submitted throughout the year. These contributions reflect an increasingly proactive culture of hazard identification and risk reduction. Approximately 30 in-person training sessions were delivered, covering key topics such as confined space entry, fall protection, first aid, emergency response, and violence prevention and de-escalation skills.

Our Total Recordable Incident Rate (TRIR), a safety metric used to measure workplace injuries over a one-year period, did not decline in 2024, but our teams maintained a strong commitment to reporting and responding to incidents. Importantly, our Near Miss Frequency Rate, a metric used to measure frequency of near misses, remained high, which is an encouraging indicator of a reporting culture that values learning from close calls and addressing hazards before they result in incidents. This level of reporting highlights our proactive approach to safety management and our focus on creating a culture of openness and continuous improvement.

[1] Hazard Identification is the reporting of a condition or behaviour that has the potential to cause harm to people, equipment or the environment. Submitting Hazard IDs is a key part of our safety program and supports our commitment to preventing incidents.
[2] Positive Observation is the reporting of a safe condition or behaviour that aligns with our safety expectations and standards. By recognizing what's working well, we reinforce safe habits and promote learning. Positive Observations help shift the focus from only what's wrong to also recognizing and building on what's right.

### Table 10: Workforce Health and Safety Metrics

| METRIC | UNIT | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Total recordable incident rate (TRIR) - Full-time and contract employees (per 200,000 hours worked) | Number (#) | 0.76 | 0.71 | 1.61 |
| Fatality rate - Full-time employees | Number (#) | 0 | 0 | 0 |
| Fatality rate - Contract employees | Number (#) | 0 | 0 | 0 |
| Near miss frequency rate (NMFR) - Full-time employees (per 200,000 hours worked) | Number (#) | 5.62 | 4.31 | 6.84 |
| Total Lost Time Incident Rate (LTIR) - Full-time and contract employees (per 200,000 hours worked) | Number (#) | 0 | 0 | 0.4 |
| Percentage of health, safety, and emergency response training completed - Full-time employees | Percentage (%) | 70 | 80 | 82 |
| Total hours worked by full-time employees[1] | Number (#) | 317,988 | 365,840 | 389,292 |
| Total hours worked by contract employees | Number (#) | 3,299 | 8,346 | 9,929 |

[1] Total hours worked by full-time and contract employees has been restated for previous years due to updated tracking methodology.

## SPOTLIGHT: SALUS ROLLOUT

A standout achievement was the successful rollout of SALUS, which has significantly enhanced our ability to track and manage health and safety data. Since implementation in July 2024, Hazard Identification and Positive Observation submissions increased by 14% compared to the same period in 2023, reflecting stronger engagement and risk awareness across the organization. SALUS has also enabled the creation of compliance dashboards, providing real-time visibility into incident trends, hazard identification and inspection trends, and corrective action tracking.

We further standardized safety protocols across plants, ensuring consistency in procedures and training for confined space entry and other high-risk activities. Leadership involvement in reinforcing safety culture was evident through regular site visits, integrated safety discussions, and active participation in safety meetings and job planning sessions. We are committed to continuously improving safety metrics within our sites and communities and strive to reduce our incident rate going forward.

Looking ahead, we are committed to expanding contractor engagement by integrating additional safety KPIs, strengthening our management of change processes, and continuing to improve compliance through regular audits and site-specific risk reviews.

*PSEC contruction*

# Employee Engagement, People & Culture

## WHY THIS MATTERS

Employee engagement, people and culture remain critical to Enwave's success. The risks and opportunities for Enwave centre on our ability to recruit, develop, engage, and retain a sufficiently skilled and diverse workforce. This is a particularly important issue for district energy providers because the industry requires a significant number of technical experts, and there is high competition for these types of skilled employees. Building an inclusive, collaborative, and growth-focused culture will help to differentiate us as an employer of choice.

## APPROACH

Policies that support our culture and our approach to employee engagement, people and culture are documented in our Employee Handbook. Senior management has responsibility for matters related to human capital management and labour relations, with the Board and the Human Resources Committee providing critical oversight. In 2024, we further enhanced our Employee Handbook to include a 'Work From Away' policy, providing employees an opportunity to work from locations outside of their typical workplace for a specified time period.


*Enwave team members at the DLWC 20th anniversary event*

*Enwave team members*

# Diversity, Equity & Inclusion (DEI)

Enwave's inclusivity strategy continues to progress from initial awareness to full integration. Our approach is intricately linked to our organizational ethos, embodying our commitment to do things differently and achieve big goals through transformative practices. This philosophy aims to foster a culture where diversity is valued, equity is sought, and inclusion is practiced.

**In 2024, we officially rolled out our C.I.N.D. framework. C.I.N.D represents:**

- **C** Champion Inclusive Culture
- **I** Ignite Unique Talents
- **N** Nurture Diverse Perspectives
- **D** Drive Equity Forward

C.I.N.D aims to create a culture of belonging, unity, and shared purpose, which is essential to driving innovation, achieving our goals, and creating a sustainable future. We strive to create possibilities not just for our customers, but for all members of our community, sharing the impact of our efforts across every touchpoint of our operations. By focusing on belonging, unity, and shared purpose, we are dedicated to creating a workplace that not only values everyone's unique contributions but also drives forward our mission to enhance customer value through sustainable energy solutions – It is a core element of our identity and a key driver of our success.

## SPOTLIGHT: CULTURE CLUB CHARTER

In September 2024, we officially rolled out the Enwave Culture Club charter. The charter is a detailed document outlining the committee's purpose, objectives, roles, and responsibilities and aligns to our values and C.I.N.D. initiatives. The Culture Club is a strong, diverse, cross-functional team that leverages different perspectives and ideas to build our culture where we concentrate our efforts to influence the C.I.N.D. strategic pillars. We continue to foster belonging and inclusion through cultural celebrations, leadership workshops, and mentorship under our Learning & Education Series to ensure our engagement initiatives remain relevant and impactful, we actively gather feedback from Culture Club members, who represent diverse perspectives across the organization.

### The Culture Club continues to:

- Act as a conduit to gather input, suggestions, feedback, and ideas and provide a platform for open communication
- Create greater consistency of programs and events across Enwave and alignment with Enwave's values
- Plan, organize, and execute social events, culture-building activities, and green initiatives
- Ensure that the interests and preferences of all employees are considered

As we continue to foster a culture of inclusion, learning and education are a large component to ensure we foster a culture of belonging, unity, and inclusion. The following sessions were held in 2024:

**January 2024:** For Bell Let's Talk Day we had a Mental Health Advocate and Strategist lead a session on the topic of "Mentally Healthy Habits: The Protective Power of Refining your Routines."

**February 2024:** During Black History Month, CultureAlly provided a session exploring the impacts of enslavement and segregation on present day.

**May 2024:** During Asian Heritage Month, CultureAlly led a session on the significance of Asian Heritage Month, with a focus on stereotypes experienced in the workplace.

**September 2024:** Enwave led a session on neurodiversity at work, where employees had the opportunity to learn about what it means to be neurodivergent and why neurodiversity in the workplace is important.


*PEI team members recognizing Orange Shirt Day*

# Truth & Reconciliation: September 2024

To increase dialogue about our Canadian history and the path to reconciliation, Enwave arranges annual education sessions for all employees in recognition of the National Day for Truth and Reconciliation. In 2024, the National Day for Truth and Reconciliation training focused on legacy and change. Participants explored the significance of Truth and Reconciliation Day and its role in addressing historical injustices against Indigenous peoples.

Enwave also provided employees with an orange shirt, in recognition of Orange Shirt Day to demonstrate support for our Indigenous communities and share the message that Every Child Matters.

# Employee Engagement

The summer of 2024 saw the administration of Enwave's annual employee engagement survey, aimed at assessing various dimensions of employee satisfaction and engagement. The survey results provide valuable insights into areas of strength and opportunities for improvement within the organization.

The overall engagement score was 79%, and our participation score was 90%. This survey provides an opportunity for employees to express what they feel is working well and where Enwave can improve. An in-depth review of results, including year-over-year analysis, is presented to all teams and sites and we engage in constructive dialogue, including developing action items, pertaining to the survey results.

In 2025, we have started incorporating pulse surveys through our new Human Resources Information System, to quickly capture employee feedback on key topics such as engagement, morale, and inclusion.

Other notable employee engagement initiatives through 2024 included:

### Learning & Education Series:

Our learning and education series gained momentum in 2024. The objective of ensuring that learning and education is an ongoing process that contributes to employee growth and development, builds knowledge of our business, and provides opportunities for greater efficiency, optimization, and effectiveness. Topics covered in 2024 included the following:

- **Exciting projects at Liberty Village:** We discussed our Liberty Village geothermal operations, lesson learned, and AI integration in geothermal operations.
- **Renewables 101:** In honour of Earth Day, one of Enwave's vendor partners provided a session on renewable energy technologies that deliver low and zero carbon emission outcomes for buildings and systems.
- **Grid Solutions:** Led by our Vice-President, Grid Solutions, employees learned how bulk electricity systems (such as Ontario's system) work and how electricity is procured to meet the needs of these systems.
- **Anti-greenwashing legislation:** Led by an external law firm, we learned about the provisions in Bill C-59 that pertain to environmental performance claims.

## PERFORMANCE

In 2024, we maintained a robust performance monitoring system that encompasses a wide array of metrics aimed at gauging employee engagement and fostering diversity, equity, and inclusion within our organization. These metrics include the representation of women across various levels, the voluntary turnover rate, and our progress towards short-term DEI objectives. Our female representation on the executive team remained consistent with previous years, at 43% 2024. Female representation on the Board was 29% in 2024, dropping from previous years due to the addition of a seventh member.

Additionally, we continued building our Enwave Student Experience Program to provide summer work term opportunities to several students, helping them gain valuable industry experience. While we help these students develop their skillset and complement their academic studies, we are also promoting the district energy industry amongst university students and building a pipeline of talent within the industry.

*Enwave team members*


*PSEC construction*

# Labour Relations

In district energy, effective management of human capital and labour relations is critical for maintaining safe working conditions and provision of essential services. At Enwave, our workforce includes both unionized and non-unionized employees. Our unionized employees are represented by different unions across the jurisdictions in which we operate. The majority of our unionized workforce are based in our Toronto plants where work stoppages are restricted because of the essential services we are providing. Overall, we are proud to maintain positive labour relations. Throughout 2024 we did not experience any work stoppages due to strikes or lockouts.

In 2024, we settled on a new bargaining agreement in our London Agreement. In summer 2025, we settled on a bargaining agreement in our Windsor district, and are currently preparing for bargaining in our Toronto district.

**Table 11: Employee Engagement, People & Culture Metrics**

| METRIC | UNIT | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Number of employees across offices and plants | Number (#) | 188 | 197 | 201 |
| Employee engagement score | Percentage (%) | 74 | 82 | 79 |
| Percentage of female representation of Board | Percentage (%) | 33 | 33 | 29 |
| Percentage of female representation of Leadership team | Percentage (%) | 43 | 43 | 43 |
| Percentage of female representation on Senior Management team | Percentage (%) | *Not reported* | 46 | 38 |

# Community Engagement

## WHY THIS MATTERS

As an essential service provider, Enwave strives to positively impact the communities in which we operate by providing access to reliable and resilient energy services, as well as local employment opportunities. District energy providers frequently need support from local communities in order to obtain permits and conduct business without disruptions. As such, we aim to develop strong relationships with our community stakeholders so that we can mitigate and address any community-related risks, should they arise.

## APPROACH

We continually invest in our systems, our people, and our communities, and we strive to play an important role in the transition to net-zero carbon. As Enwave grows as an organization, we inevitably and intentionally seek to expand into, and occasionally exit, communities. With growth comes responsibility to do right by our communities, and we always seek to have a positive impact in areas in which we operate through not only the provision of employment, but also through our Enwave Community Outreach Program (ECOP). ECOP aims to recognize the causes and charities that matter most to our team by fostering and enabling engagement for the Enwave community in which we operate while creating a positive impact throughout our network. We are always excited to learn about what organizations are of importance to our employees.

## PERFORMANCE

In 2024, Enwave and its employees participated in numerous community engagement initiatives. Below are some of the local initiatives that we supported:

- Contribution to Toronto Council Fire Native Cultural Centre, and organization that serves members of many diverse First Nations, Inuit and Metis communities who live in Toronto
- Raptors for Research, a corporate fundraiser in support of Sinai Health and the Lunenfeld-Tanenbaum Research Institute (LTRI) where Enwave participated in 3 on 3 basketball games in support of LTRI
- Twenty Enwave employees volunteered at Santa's Workshop where they sorted, wrapped, and packaged gifts for families in need and made a contribution to fund the Holiday Helpers program in providing poverty relief packages to over 1,150 families
- Queen Elizabeth Hospital Foundation, PEI, which raises funds for medical equipment and healthcare priorities at the Queen Elizabeth Hospital, the largest healthcare provider in Prince Edward Island
- Various community programs through our ECOP – contributions go toward organizations and causes selected by Enwave employees


*Enwave employee volunteering at Santa's Workshop*

## SPOTLIGHT: ENHANCEMENTS TO OUR OFFICE

In late 2023, we relocated our corporate headquarters to 16 York Street in the heart of downtown Toronto. During our first year in our brand-new space, we made enhancements to our office so that we could take full advantage of being together in person. Some enhancements that we took, based on employee feedback:

### Wellness Room Improvements

We repainted our wellness room to provide a more soothing ambience, incorporated an improved room booking mechanism, and provided wellness tools to encourage mindfulness, such as weighted blankets and fidget toys.

### Mini Employees Resources Centre

We added a small library to support employee growth, foster an inclusive workplace culture and encourage continuous learning and professional development.

### Increased Communications Tools

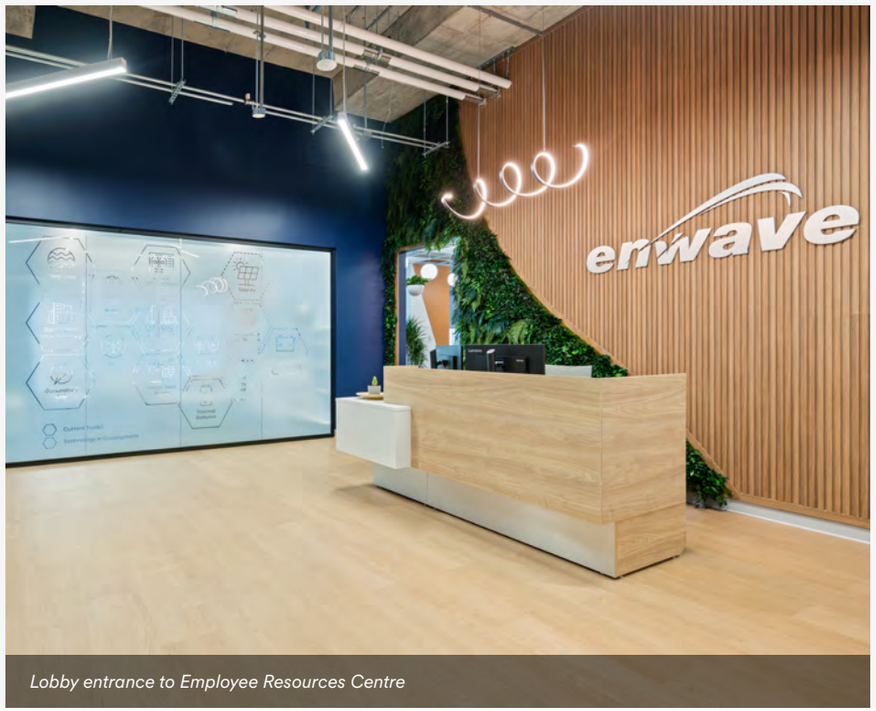
We advanced plans for better communications platforms throughout the office, such as digital bulletin boards and information-sharing screens; and bi-monthly meetings between People & Culture and our Plant Chiefs to enhance bilateral communication, discuss HR topics, and improve engagement.

### Employee Plant Tours

We provided organized plant tours for new and existing employees to provide learning opportunities to staff to better understand our plant operations.

*Employee Wellness Room*

*Communications tools*




*Lobby entrance to Employee Resources Centre*

*New employees plant tour*

*Bringing the 4th intake pipe into place*

# Supply Chain Management

## WHY THIS MATTERS

As a leading operator of energy infrastructure in North America, Enwave relies on a robust, ethical, and resilient supply chain. Our operations depend on critical inputs—such as water, electricity, natural gas, waste, and wood—as well as a trusted network of suppliers and contractors who support equipment, services, and materials essential to plant performance and customer delivery.

With growing expectations for transparency and accountability, supply chain responsibility is no longer optional—it is a key pillar of competitive advantage, risk management, and brand integrity. Enwave is committed to fostering supplier partnerships that align with our business needs and ESG values. We focus on building shared understanding with our vendors, ensuring timely, high-quality delivery while minimizing risks related to human rights, environmental damage, or ethical lapses. A mature, values-driven supply chain supports not only operational resilience but also our broader decarbonization goals.

## APPROACH

Our supply chain organization reports directly to the Executive Vice President of Operations, underscoring its strategic role in our performance and sustainability efforts.

We adopt a partnership-based approach—recognizing that our success depends on the strength and reliability of our suppliers. To that end, we have:

- Developed Supplier Standards of Conduct outlining expectations around health and safety, labour standards, environmental responsibility, and ethical behaviour.
- Standardized sourcing processes to enhance transparency, cost-efficiency, and compliance across all locations.
- Prioritized responsible sourcing, with a focus on long-term relationships with vendors that understand the criticality of our work and support our climate goals.
- Initiated deeper engagement, encouraging vendors to align with our mission for operational excellence.

## PERFORMANCE

In 2024, Enwave made efforts in building out a formal Supplier Relationship Management (SRM) framework focused on performance transparency, risk mitigation, and continuous improvement.

### Key actions include:

- Quarterly business reviews with critical suppliers, creating a structured forum to track performance, share priorities, and resolve challenges collaboratively.
- Implementation of supplier scorecards that assess delivery timelines, safety performance, responsiveness, and alignment with ESG values.
- Improved category management, forecasting, and inventory planning processes to ensure supply continuity across multiple facilities.

### Core KPIs now tracked include:

- On-time delivery rates
- Supplier safety incidents
- Cost avoidance/savings
- Risk mitigation and business continuity
- Quality of supplier engagement

Through these initiatives, we are ensuring a supply chain that is not only dependable but future-ready—able to support Enwave's growth and innovation.

### Table 13: Supply Chain Management

| METRIC | UNIT | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Number of Indigenous suppliers | Number (#) | *Not Reported* | 1 | 1 |

*Bringing the 4th intake pipe into place*

*Construction at Lakeview*

# Rights of Indigenous Peoples

## WHY THIS MATTERS

Enwave's operations intersect with lands and jurisdictions of significance to Indigenous communities. Like many businesses operating in Canada, Enwave has a responsibility to respect Indigenous rights and advance reconciliation in meaningful and transparent ways. As the Company grows and explores new development opportunities, ensuring early and sustained engagement with Indigenous communities is essential to building trusted relationships and supporting shared outcomes.

Policy developments, including the adoption of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) into Canadian law, reinforce the importance of aligning business practices with the principles of Free, Prior, and Informed Consent. In parallel, investors, governments, and other stakeholders are placing increasing emphasis on Indigenous economic inclusion through employment, procurement, and partnership models. New financing mechanisms are also creating opportunities to support Indigenous-led participation in infrastructure development. Enwave recognizes the importance of contributing to reconciliation, responding to evolving expectations, and identifying opportunities for long-term collaboration with Indigenous communities.

## APPROACH

Enwave is in the early stages of formalizing its approach to Indigenous rights and reconciliation. Internal awareness-building efforts have begun through employee engagement sessions focused on Truth and Reconciliation, as delivered as part of Enwave's C.I.N.D. framework.

Where Enwave is the lead developer on new or expanded infrastructure projects, Indigenous engagement is considered a priority.

## PERFORMANCE

While Enwave's program is still developing, several foundational actions have been taken:

- Implemented tracking for Indigenous procurement activity
- Responded to new investor expectations by beginning to collect data on Indigenous-related metrics across workforce, partnerships, and procurement

As expectations continue to evolve, Enwave remains committed to strengthening its approach and increasing transparency on its engagement with Indigenous communities.

# Indexes

# ESG Performance Metrics

Forward-looking statements are based on our beliefs, assumptions and expectations of future performance, taking into account the information currently available to us. These statements are only predictions based upon our current expectations and projections about future events. The inclusion of any forward-looking information in this report should not be regarded as a representation by us that the future plans, estimates, or expectations contemplated by us will be achieved.

| ESG FACTOR | ACCOUNTING METRIC | UNIT | 2022 PERFORMANCE | 2023 PERFORMANCE | 2024 PERFORMANCE |
|---|---|---|---|---|---|
| **Business Ethics** | Number of active projects in countries that have the 20 lowest ranking in transparency international's corruption perception index | Number (#) | 0 | 0 | 0 |
| | Number of backlogs in countries that have the 20 lowest ranking in transparency international's corruption perception index | Number (#) | 0 | 0 | 0 |
| | Total amount of monetary losses as a result of legal proceedings associated with bribery, corruption and other related issues | Reporting currency ($) | 0 | 0 | 0 |
| | Percentage of employees who completed code of conduct or business ethics related training | Percentage | 100 | 100 | 100 |
| **Cybersecurity** | Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations | Number (#) | 0 | 0 | 0 |
| | Number of data breaches[1] | Number (#) | 0 | 0 | 0 |
| **Climate Change** | Gross global Scope 1 emissions | Metric tonnes (t) $CO_2e$ | 315,024 | 299,548 | 294,222 |
| | Gross global Scope 2 emissions | Metric tonnes (t) $CO_2e$ | 2,246 | 2,536 | 3,344 |
| | Percentage of gross global Scope 1 emissions that are covered under emissions-limiting regulations and emissions-reporting regulations | Percentage (%) | 0 | 0 | 0 |
| | Scope 1 GHG emissions intensity | Metric tonnes (t) $CO_2e$ per unit of output | 0.20 | 0.20 | 0.19 |
| | Scope 1 and 2 GHG emissions intensity | Metric tonnes (t) $CO_2e$ per unit of output | 0.13 | 0.12 | 0.12 |
| | Scope 3 emissions[2] | Metric tonne (t) $CO_2e$ | *Not reported* | 83,684 | 77,728 |

[1] As of 2024, metric reported on by Enwave to enhance SASB alignment (including historical 2022 and 2023 data).
[2] As of 2023, Enwave began tracking and reporting on Scope 3 emissions.

## ESG PERFORMANCE METRICS CONT'D

| ESG FACTOR | ACCOUNTING METRIC | UNIT | 2022 PERFORMANCE | 2023 PERFORMANCE | 2024 PERFORMANCE |
|---|---|---|---|---|---|
| **Energy Management Metrics** | Total non-renewable energy (consumed) | Megawatt hours (MWh) | 1,718,947 | 1,718,434 | 1,907,123 |
| | Total non-renewable energy (produced) | Megawatt hours (MWh) | 1,400,264 | 1,790,289 | 2,128,195 |
| | Total renewable energy (consumed)[3] | Megawatt hours (MWh) | 187,528 | 202,876 | 270,938 |
| | Total renewable energy (produced) | Megawatt hours (MWh) | 670,615 | 763,463 | 812,709 |
| | Customer electricity savings from efficiency measures | Megawatt hours (MWh) | 95,807 | 85,444 | 132,653 |
| **Water Management** | Total water consumed | Thousand cubic metres ($m^3$) | 1,941,926 | 1,432,509 | 1,966,917 |
| | Water consumption intensity | Thousand cubic metres ($m^3$) /GJ energy sold | 0.000261497 | 0.0000961403 | 0.00011103 |
| | Percentage of water consumed in regions with High or Extremely High Baseline Water Stress | Percentage (%) | 0 | 0 | 0 |
| | Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations | Discussion and analysis | Refer to page 29 of 2022 ESG Report | Refer to page 30 of 2023 ESG Report | Page 27 |

[3] As of 2024, metric reported on by Enwave to enhance SASB alignment (including historical 2022 and 2023 data).

## ESG PERFORMANCE METRICS CONT'D

| ESG FACTOR | ACCOUNTING METRIC | UNIT | 2022 PERFORMANCE | 2023 PERFORMANCE | 2024 PERFORMANCE |
|---|---|---|---|---|---|
| **Land Use and Ecosystem Impacts** | Number of incidents of non-compliance with environmental permits, standards, and regulations | Number (#) | 0 | 0 | 0 |
| | Habitats protected, restored, or rehabilitated | Acres | 0 | 0 | 0 |
| | Percentage of business operations/activities that negatively affect those biodiversity sensitive areas to which they are located in or near | Percentage (%) | 0 | 0 | 0 |
| | Operational sites owned, leased, managed in, or adjacent to (or within 100kms), protected areas and areas of high biodiversity value outside protected areas | Number (#) | 0 | 0 | 0 |
| **Air Quality Metrics** | Air Emissions of $NO_x$[4] | Tonnes (t) | *Not reported* | 207.77 | 181.67 |
| | Air Emissions of $SO_x$[4] | Tonnes (t) | *Not reported* | 1.58 | 0.54 |
| | Air Emissions of volatile organic compounds[5] | Tonnes (t) | *Not reported* | 15.77 | 16.24 |
| | Number of reported incidents related to environmental air release | Number (#) | 5 | 4 | 1 |
| **Workforce Health & Safety Metrics** | Total recordable incident rate (TRIR) - Full-time employees and Contract employees[6] | Number (#) | 0.76 | 0.71 | 1.61 |
| | Fatality rate - Full-time employees | Number (#) | 0 | 0 | 0 |
| | Fatality rate - Contract employees | Number (#) | 0 | 0 | 0 |
| | Near miss frequency rate (NMFR) - Full-time employees | Number (#) | 5.62 | 4.31 | 6.84 |
| | Total Lost Time Incident Rate (LTIR) - Full-time and Contract employees | Number (#) | 0 | 0 | 0.4 |
| | Percentage of health, safety, and emergency response training completed - Full-time employees | Percentage (%) | 70 | 80 | 82 |
| | Total hours worked by full-time employees[7] | Number (#) | 317,988 | 365,840 | 389,292 |
| | Total hours worked by contract employees | Number (#) | 3,299 | 8,346 | 9,929 |

[4] As of 2024, metric reported on by Enwave to enhance SASB alignment. The scope of reporting currently includes only Ontario operations and reportable PEI emissions.
[5] As of 2024, metric reported on by Enwave to enhance SASB alignment. The scope of reporting currently includes only Ontario operations.
[6] As of 2024, metric reported on by Enwave to enhance SASB alignment (including historical 2022 and 2023 data).
[7] Restating previous years' numbers due to updated methodology

## ESG PERFORMANCE METRICS CONT'D

| ESG FACTOR | ACCOUNTING METRIC | UNIT | 2022 PERFORMANCE | 2023 PERFORMANCE | 2024 PERFORMANCE |
|---|---|---|---|---|---|
| **Employee Engagement, People & Culture** | Number of employees across offices and plants | Number (#) | 188 | 197 | 201 |
| | Employee engagement score | Percentage (%) | 74 | 82 | 79 |
| | Percentage of female representation of Board | Percentage (%) | 33 | 33 | 29 |
| | Percentage of female representation of Leadership team | Percentage (%) | 43 | 43 | 43 |
| | Percentage of female representation on Senior Management team[8] | Percentage (%) | *Not reported* | 46 | 38 |
| **Asset Integrity & Resiliency Metrics** | Amount of defect- and safety-related rework costs | Reporting currency ($) | 0 | 0 | 0 |
| | Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents | Reporting currency ($) | 0 | 0 | 0 |
| **Community Engagement** | Total community and charitable contributions | Reporting currency ($) | 75,000 | 75,000 | 75,000 |
| **Supply Chain Management** | Number of Indigenous suppliers[8] | Number (#) | *Not Reported* | 1 | 1 |

[8] As of 2024, metric reported on by Enwave to enhance alignment with best practice.

# SASB Index

The Sustainability Accounting Standards Board (SASB) publishes industry-specific sustainability accounting Standards, intended to help companies disclose financially material, decision-useful ESG information to investors in a cost-effective and comparable way. We have reported against metrics from the SASB Standard that are applicable to our business.

| ESG TOPIC | SASB CODE | ACCOUNTING METRIC | UNIT | 2022 PERFORMANCE | 2023 PERFORMANCE | 2024 PERFORMANCE |
|---|---|---|---|---|---|---|
| **SASB ELECTRIC UTILITIES AND POWER GENERATORS** | | | | | | |
| **Greenhouse Gas Emissions and Energy Resource Planning** | IF-EU-110a.1 | Gross global Scope 1 emissions | Metric tonnes (t) $CO_2e$ | 315,024 | 299,548 | 294,222 |
| | | Percentage covered under emissions-limiting regulations, and emissions-reporting regulations | N/A - Discussion and analysis | 0 | 0 | 0 |
| | IF-EU-110a.3 | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | Discussion and analysis | Refer to page 22 of 2022 ESG Report | Refer to page 25 of 2023 ESG Report | Page 24 |
| | IF-EU-110a.4 | Number of customers served in markets subject to renewable portfolio standards (RPS)[9] | Number (#) | 145 | *Not applicable* | *Not applicable* |
| **Air Quality** | IF-EU-120a.1 | Air emissions of the following pollutants: (1) $NO_x$ (excluding $N_2O$), (2) $SO_x$, (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population[10] | Number (#) | *Not reported* | 167.36 | 181.67 |
| | | Air emissions of $SO_x$ | Number (#) | *Not reported* | 1.58 | 0.54 |
| | | Air emissions of volatile organic compounds | Number (#) | *Not reported* | 15.77 | 16.24 |
| | | Air emissions of lead (Pb) | Number (#) | *Not reported* | *Not reported* | *Not reported* |
| | | Air emissions of mercury (Hg) | Number (#) | *Not reported* | *Not reported* | *Not reported* |

[9] As of 2023, no longer applicable given removal of metric from SASB Electric Utilities and Power Generators Standard.
[10] As of 2024, metric reported on by Enwave to enhance SASB alignment. Air emissions for $NO_x$ and $SO_x$ include Ontario emissions and PEI reportable emissions.

## SASB INDEX CONT'D

| ESG TOPIC | SASB CODE | ACCOUNTING METRIC | UNIT | 2022 PERFORMANCE | 2023 PERFORMANCE | 2024 PERFORMANCE |
|---|---|---|---|---|---|---|
| **Water Management** | IF-EU-140a.1 | Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | Thousand cubic meters ($m^3$) | 1,941,926 | 1,432,509 | 1,966,917 |
| | | | Percentage (%) | 0 | 0 | 0 |
| | IF-EU-140a.2 | Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations[11] | | 0 | 0 | 0 |
| | IF-EU-140a.3 | Description of water management risks and discussion of strategies and practices to mitigate those risks | N/A - Discussion and analysis | Refer to page 29 of 2022 ESG Report | Refer to page 29 of 2023 ESG Report | Page 26 |
| **Workforce Health & Safety** | IF-EU-320a.1 | Total recordable incident rate (TRIR) - Full-time and contract employees | Number (#) | 0.76 | 0.71 | 1.61 |
| | | Fatality rate - Full-time employees | Number (#) | 0 | 0 | 0 |
| | | Fatality rate - Contract employees | Number (#) | 0 | 0 | 0 |
| | | Near miss frequency rate (NMFR) - Full-time employees | Number (#) | 5.62 | 4.31 | 6.84 |
| | | Total Lost Time Incident Rate (LTIR) - Full-time and contract employees | Number (#) | 0 | 0 | 0.4 |
| **End-Use Efficiency & Demand** | IF-EU-420a.3 | Customer electricity savings from efficiency measures, by market[12] | Megawatt hours (MWh) | 95,807 | 85,444 | 132,653 |
| **Grid Resiliency** | IF-EU-550a.1 | Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations | Number (#) | 0 | 0 | 0 |

[11] As of 2024, metric reported on by Enwave to enhance SASB alignment.
[12] We have reported customer electricity savings from efficiency measures in aggregate as Enwave operates only in the Canadian market.

## SASB INDEX CONT'D

| ESG TOPIC | SASB CODE | ACCOUNTING METRIC | UNIT | 2022 PERFORMANCE | 2023 PERFORMANCE | 2024 PERFORMANCE |
|---|---|---|---|---|---|---|
| **SASB ENGINEERING AND CONSTRUCTION SERVICES** | | | | | | |
| **Environmental Impacts of Project Development** | IF-EN-160a.1 | Number of incidents of non-compliance with environmental permits, standards, and regulations | Number (#) | 0 | 0 | 0 |
| | IF-EN-160a.2 | Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction | N/A - Discussion and analysis | Refer to page 29 of 2022 ESG Report | Refer to page 31 of 2023 ESG Report | Refer to page 27 |
| **Structural Integrity & Safety** | IF-EN-250a.1 | Amount of defect- and safety-related rework costs | Reporting currency ($) | 0 | 0 | 0 |
| | IF-EN-250a.2 | Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents[13] | Reporting currency ($) | 0 | 0 | 0 |
| **Workforce Health & Safety** | IF-EN-320a.1 | Total recordable incident rate (TRIR) - Full-time and contract employees[14] | Number (#) | 0.76 | 0.71 | 1.61 |
| | | Fatality rate - Full-time employees | Number (#) | 0 | 0 | 0 |
| | | Fatality rate - Contract employees | Number (#) | 0 | 0 | 0 |
| | | Near miss frequency rate (NMFR) - Full-time employees | Number (#) | 5.62 | 4.31 | 6.84 |
| | | Total Lost Time Incident Rate (LTIR) - Full-time employees | Number (#) | 0 | 0 | 0.4 |

[13] All material costs related to any legal proceedings were covered by insurance and thus did not result in losses.
[14] Inclusion of contract employees is new in 2024 standard, full time only included in 2022.

## SASB INDEX CONT'D

| ESG TOPIC | SASB CODE | ACCOUNTING METRIC | UNIT | 2022 PERFORMANCE | 2023 PERFORMANCE | 2024 PERFORMANCE |
|---|---|---|---|---|---|---|
| **Business Ethics** | IF-EN-510a.1 | Number of active projects | Number (#) | 0 | 0 | 0 |
| | | Backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index | Number (#) | 0 | 0 | 0 |
| | IF-EN-510a.2 | Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption, and (2) anti-competitive practices | Reporting currency ($) | 0 | 0 | 0 |
| | IF-EN-510a.3 | Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes | N/A - Discussion and analysis | Refer to page 20 of 2022 ESG Report | Refer to page 19 of 2023 ESG Report | Page 14 |

# TCFD Index

The Taskforce on Climate-related Financial Disclosures (TCFD) developed a framework to help companies and investors disclose decision-useful, forward-looking information on climate-related risks and opportunities. We are beginning to align our ESG Report with the TCFD recommendations from the start as this framework has emerged as the leading investor-preferred framework for climate-related disclosure, and plan to enhance our disclosure in future reports.

| CATEGORY | RECOMMENDATION | RECOMMENDED DISCLOSURES | REFERENCE |
|---|---|---|---|
| **Governance** | Disclose the organization's governance around climate-related risks and opportunities. | (a) Describe the board's oversight of climate-related risks and opportunities. | Page 14 |
| | | (b) Describe management's role in assessing and managing climate-related risks and opportunities. | |
| **Strategy** | Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material. | (a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. | Page 20 |
| | | (b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. | |
| | | (c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | |
| **Risk Management** | Disclose how the organization identifies, assesses, and manages climate-related risks. | (a) Describe the organization's processes for identifying and assessing climate-related risks. | Page 21 |
| | | (b) Describe the organization's processes for managing climate-related risks. | |
| | | (c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. | |
| **Metrics & Targets** | Disclose the metrics and targets used to assess and manage relevant. | (a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | Page 21 |
| | | (b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. | |
| | | (c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. | |

**Head Office – Toronto, Ontario**

*16 York St, Suite 2200,*
*Toronto ON, M5J 0E6*
*416-392-6838*

**WWW.ENWAVE.COM**

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