

Enwave 2022 ESG Report



Rendition of The Well

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At Enwave we believe that transparency and accountability to our stakeholders is critical to ensuring that our ESG approach drives meaningful results, so we are proud to present our 2022 ESG Report.

The genesis of Enwave’s journey was the ambition to develop a world-class innovative renewable energy solution for the City of Toronto, namely Deep Lake Water Cooling (DLWC). With this ambition now a reality, we have not lost sight of the importance of continuous improvement in providing energy efficient, low-carbon heating and cooling solutions to our customers and communities. We recognize that our organization is uniquely positioned to create positive impact to the built environment through deploying low-carbon energy solutions. Our organization is committed to achieving our full potential for the benefit of our teammates, our customers, our communities and our stakeholders.

We believe that transparency and accountability to all of our stakeholders is critical to ensuring that our ESG approach drives meaningful results and to that end, we are proud to present our 2022 ESG Report. Over the past year we have undertaken significant work to enhance and develop our ESG strategy and roadmap, addressing governance, metrics and targets and risk management, while ensuring alignment with our broader corporate strategy.

In 2022 we completed an ESG Materiality Assessment to aid in the development of our ESG strategy and disclosures. By focusing on the ESG factors with the greatest potential to impact company performance and value, we will be able to allocate resources efficiently and effectively to address the most financially and operationally relevant ESG risks and opportunities.

Building on the pay equity study done for our salaried employees in 2021, in 2022 we conducted an equity, diversity and inclusion (EDI) survey to inform our approach to fostering a diverse, equitable and inclusive workforce through ongoing initiatives and enhancements to our policies and procedures.

We support the objectives of the Paris Agreement and Canada’s commitments under it, including our shared aspirational goal to achieve net-zero CO2 emissions by 2050. We recognize there is an innate challenge within the energy sector to address climate change and support decarbonization with significant investments required for electrification and upgrades to decades old infrastructure, including steam systems. As one of North America’s largest low-carbon district energy providers we believe that district energy is extremely well positioned to provide solutions to address these challenges. We are in the initial stage of defining our decarbonization journey that will achieve a commercially executable roadmap that is practical, realistic and provides a net benefit for the environment and our customers. To this end, beginning in 2020 we have embarked on a variety of low-carbon strategic initiatives and developed and integrated low-carbon assets into our networks that will ultimately reduce not only our own emissions profile but those of our customers as well.

- We approved a three-story addition to our Pearl Street Energy Centre in downtown Toronto, which will house a large-scale electric heat pump that will provide Enwave Green Heat, electrified low-carbon hot water from recycled waste heat.
- We completed construction and commissioned a Thermal Energy Storage (TES) system installed as part of The Well development in Toronto’s King West neighbourhood. The Well TES system acts as a dual use thermal battery (seasonally for heating or cooling), storing low-carbon thermal energy in water at night during off-peak times, not only reducing costs, but also displacing electricity production at peak times when fossil fuels are utilized. For our work on this first of its kind thermal battery, Enwave received the 2022 Ontario Concrete Award.

- We continued the expansion of our Deep Lake Water Cooling system in Toronto with the addition of a fourth intake pipe into Lake Ontario. The expansion is designed to increase our cooling capacity by 26,000 tons, the equivalent of the cooling demand of 40-50 additional office towers, which in turn displaces electricity that would otherwise be required to operate chiller plants. Furthermore, the expansion will reduce peak electricity generation displacing fossil fueled generation sources and enable water savings of 824,031 cubic meters per year, which is the equivalent of approximately 330 Olympic-size pools.
- We continued to finance projects through our Green Financing Framework, launched in 2020, under which we have committed \$425 million in green financing instruments. These investments fund green projects and are aligned with the Green Bond Principles developed by the International Capital Markets Association as of June 2018 and the Green Loan Principles developed by the Loan Market Association as of December 2018.
- We saw the first residents move into the 312 home Springwater community in Markham, which is the largest single-family home geoexchange district community in Canada. Enwave designed, built, owns and operates the ambient-loop system that has the benefit of sharing energy between homes and tapping into the Earth’s energy to provide heating and cooling from a low-carbon renewable source.
- We executed a long-term credit agreement with Canada Infrastructure Bank (CIB) to accelerate and advance district energy projects in Canada, with CIB committing loans up to \$600 million which will finance development projects in Ontario (Toronto and Mississauga) and Prince Edward Island (Charlottetown).



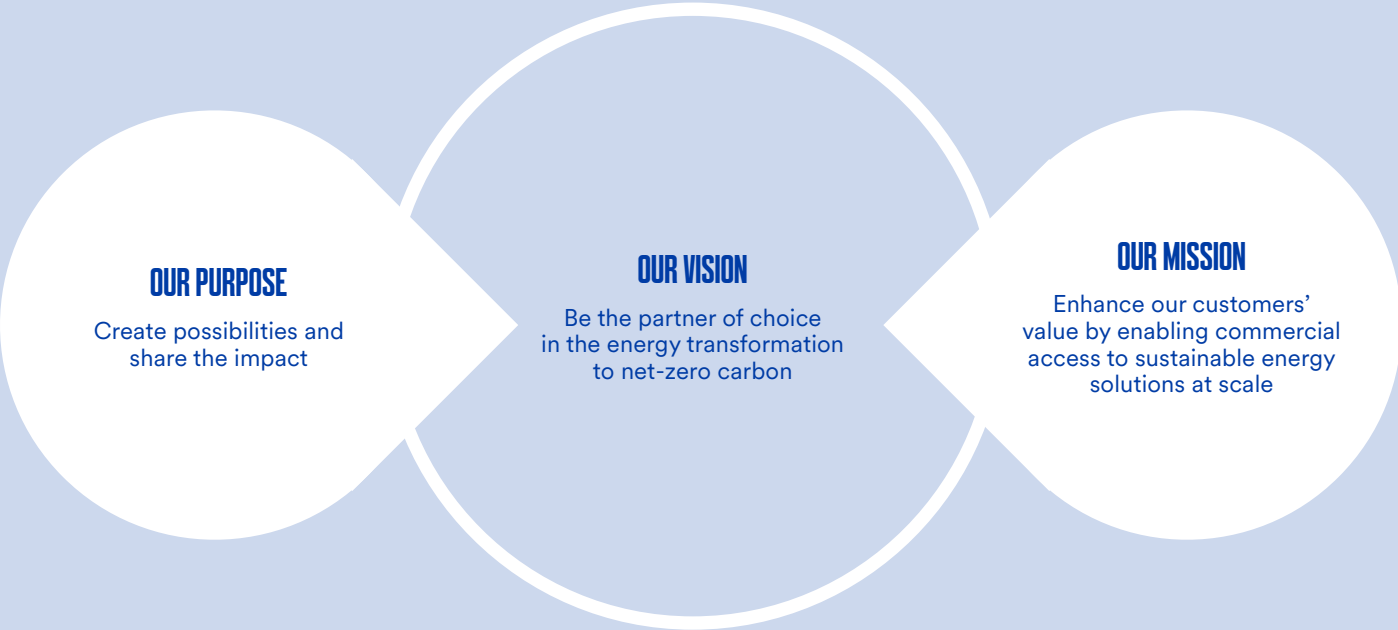
Looking forward to the year ahead, we will continue to strive to be the partner of choice in the energy transformation to net-zero carbon by developing energy transition strategies for each community in which we operate and by continuing to enable investment in low carbon transition.

Building on our commitment to ongoing transparency and disclosure, we have begun reporting in alignment with leading ESG disclosure frameworks from the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD). We remain committed to the continual improvement of our disclosure of decision-useful information important to our stakeholders as our practices continue to evolve and we strive to be the partner of choice in energy transition to net-zero carbon.

Carlyle Coutinho, Chief Executive Officer

About Enwave Energy Corporation

Enwave is a leading energy transition platform focused on decarbonizing energy for the built environment in North America. Through our ambition, size and scale, we enable low-carbon energy solutions which will create positive impact in our communities for generations to come. We operate one of North America’s largest low-carbon district energy systems, the Deep Lake Water Cooling system (DLWC), which is a highly efficient design to connect many buildings with different energy needs to a renewable energy source. Our district energy systems solve the cooling, heating and power needs of our customers using proven and sustainable technologies. Our intelligent energy systems generate, store and share the different forms of energy throughout the district, delivering benefits of scale, reliability and sustainability to individual buildings. With nearly 30% of the world’s emissions coming from buildings, we seek to maximize the role that district energy can play in the transition to net-zero. With our ability to deploy carbon mitigation strategies at scale, we are uniquely positioned to play a critical role in the decarbonization of the communities in which we operate.



Headquartered in Toronto, Ontario we currently serve customers in Toronto, London, Windsor and Markham, Ontario as well as Charlottetown, Prince Edward Island. Our customers include municipalities, educational campuses, residential buildings, hospitals and commercial buildings.



Pearl Street Energy Centre

OUR CORE VALUES

- Seek Inspiration**
We use imagination to create infinite possibilities.
- Solve Together**
We use our collective power to create scalable and replicable solutions to solve the biggest challenges in energy.
- Take the Long View**
We think about tomorrow with every decision we make today.
- Safety Matters**
We look after people, communities and protect our natural environment.
- Iterate Everyday**
We look at every project as if for the first time to iterate for continuous improvement.

OUR CRITICAL BEHAVIOURS

- Focus on People**
Acknowledge individual needs, build potential.
- Act with Ownership**
Take initiative and care about outcomes.
- Be Responsive and Agile**
Move quickly with intension and awareness of your impact.
- Think Critically and Creatively**
Approach work from a place of possibility.
- Work as a Team**
Show genuine willingness to partner.

Our Evolution

The origins of our business began in 1969 to serve Toronto’s hospital district and evolved to the creation of Enwave in 1999. Since then, Enwave has undergone a significant evolution in creating a scalable platform for growth and leadership in the energy transition.

ENWAVE 1.0



Development

- Public-private partnership
- Facilitated Enwave’s creation and development of Deep Lake Water Cooling

1999

ENWAVE 2.0



Scale & Commercialization

- Commercialization of the utility
- Managed 12 different systems
- Industry leader
- Created platform for growth

2012

ENWAVE 3.0



Leverage & Lead the Energy Transformation

- Accelerated energy transition opportunity
- Expanded technology toolkit and capability
- Innovative partnerships
- Long-term aligned ownership

2021

2022 ACHIEVEMENT HIGHLIGHTS

At Enwave we are uniquely positioned to help our customers on their journey to net-zero. In 2022 we embarked on a variety of low-carbon strategies that will ultimately reduce not only our own emissions profile, but those of our customers as well. For example, in 2022 we:

- Launched our Enwave GeoCommunities platform, which provides off-district, low-carbon heating and cooling to single building customers using geexchange technology. To date, we have approximately 1,000 boreholes to be developed.
- Continued expanding our globally recognized DLWC system, adding a fourth intake to increase capacity by 26,000 tons (the equivalent of 40-50 large commercial buildings). DLWC provides comfortable air temperatures to many of Toronto’s hospitals, data centres, educational campuses, government buildings and commercial and residential buildings. DLWC works by using cold water sourced from deep in Lake Ontario instead of relying on energy-intensive compressors and chillers to dissipate heat from buildings.
- Progressed discussions with the government on our intent to expand our energy-from-waste facility in Prince Edward Island. Through conversion of municipal solid waste and biomass (scrap wood from local forestry operations) into heat for 145 buildings, this clean, low-carbon energy solution will dramatically reduce Prince Edward Island’s volume of waste reaching land-fills and reduce reliance on fossil fuels.
- Launched comprehensive ESG and net-zero planning including completion of an ESG Materiality Assessment and initial strategy development on decarbonization pathways.
- Continued to progress on our transformational, large-scale projects under development including our low-carbon community energy systems for Lakeview Village and Etobicoke Civic Centre.



East Bayfront tunnel

2022 Figures at a Glance

At Enwave we serve over 400 customers across Ontario and Prince Edward Island, representing close to 100 million square feet. Our major customer groups include hospitals, data centres, educational campuses, government buildings and commercial and residential buildings.

197

Total number of buildings served across Toronto, Ontario.

42

Total number of buildings served in London, Ontario.

10

Total number of buildings served in Windsor, Ontario.

197

Total number of buildings served in Markham, Ontario.

145

Total number of buildings serviced in Prince Edward Island.

113

Cooling customers, representing 61,576,288 square feet.

9

Cooling customers, representing 1,248,531 square feet.

09

Cooling customers, representing 2,976,178 square feet.

197

Single family homes served by geoeexchange.

02

Customers who generate cooling, representing 1,430,226 square feet.

186

Heating customers, representing 66,465,925 square feet.

42

Heating customers, representing 4,562,407 square feet.

10

Heating customers representing 2,976,178 square feet.

142

Heating customers, representing 8,557,959 square feet.

05

Geoeexchange customers, representing 1,916,764 square feet.

Total number of electricity customers served: 01

Enwave provides electricity to the Independent Electricity System Operator (IESO) under 3 separate long-term contracts as well as the Operating Reserve program.

Total number of full-time employees and contractors across our offices and plants: 188

Customer counts accurate as of June 30 2023.

PARTNERSHIPS, MEMBERSHIPS & REGISTRATIONS,
AWARDS AND CERTIFICATIONS

With our extensive partnership experience and proven track record of achieving demanding carbon reduction and resiliency goals, we have successfully entered several exclusive and strategic partnerships, including:

RioCan Real Estate Investment Trust (RioCan)

Exclusive partnership with RioCan to advance their low-carbon objectives by exploring sustainable energy solutions at certain RioCan developments. One of the first projects to be deployed is at the RioCan Leaside Centre development project, in Toronto, where a district scale and energy efficient geoexchange solution is being implemented for the 1.3 million square foot mixed-use development project. This solution will produce significantly fewer greenhouse gases than traditional HVAC systems and perfectly meets the high demand, green energy needs of this future community.

The Greater Toronto Airports Authority (GTAA)

Teaming up with AECOM and Alectra Energy Solutions, we are working on innovative and holistic solutions as part of a long-term decarbonization strategy. This program will lead to reduced energy consumption and greenhouse gas emissions by planning, designing and delivering decarbonization solutions at GTAA’s facilities including lighting systems, clean heat energy services at its central

utility plant and deployment of on-site solar photovoltaic and electric vehicle charging at Toronto Pearson International Airport.

Lakeview Community Partners

We recently entered into a partnership with Lakeview Community Partners Ltd., the development group behind Lakeview Village. The Lakeview Village site was once the home of a decommissioned coal-fired power plant. The project is dedicated to transforming Mississauga’s waterfront through the development of a sustainable mixed-use community. Our partnership with the development group will explore the potential for a low-carbon district energy system for Lakeview Village using effluent from the neighbouring wastewater treatment plant.

Etobicoke Civic Centre

We are also excited to partner with the City of Toronto on the Etobicoke Civic Centre development. The upcoming work will see Enwave build a geoexchange system to provide the community with net-zero heating and cooling in a cost-effective manner.

AWARDS & CERTIFICATIONS

June 2022: The System of the Year Award (SOYA)

This award is the highest and most prestigious award granted to IDEA members and Enwave is the only three-time winner. In addition, we received an honorary mention for the Innovation Award for our District Heat Recovery work in Toronto.

December 2022: Ontario Concrete Award

Presented each year in Toronto, the Ontario Concrete Award recognizes the best companies and thought leaders in the concrete industry. In 2022, we were named winner for our TES system installed as part of the Well development in Toronto. The Well TES stores thermal energy in water that is then pumped through our existing network of pipes. Thermal energy will be distributed and stored during off peak times (e.g., overnight) and conserved so it can be easily and quickly deployed when it is needed. This reduces the burden of heating and cooling on the energy grid, particularly during periods of peak demand.

Certifications: ISO 45001

SPOTLIGHT ON THE IDEA CONFERENCE, JUNE 2022

As a long-time member of the International District Energy Associations (IDEA), Enwave had the opportunity to host its annual conference in Toronto in June 2022. The conference hosted 850 participants from dozens of countries around the globe. Our CEO Carlyle Coutinho, who also sat on the Executive Committee as Vice Chair of IDEA, had the opportunity to open the conference with a welcome speech and our team of subject matter experts were represented throughout the conference in workshops, plenary panels and presentations.



Panel participation at IDEA conference



Enwave team members

MEMBERSHIPS & REGISTRATIONS

Enwave is a member of industry associations that represent the district energy industry as well as our business communities. Our memberships and registrations include:

- International District Energy Association (IDEA)
- QUEST Canada Network
- The Toronto 2030 District
- Toronto Region Board of Trade | Energy & Climate Committee Energy Policy Committee
- Ontario Geothermal Association
- CaGBC (Canada Green Building Council)

About this Report

The 2022 ESG Report (“the 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 stakeholders. We aim to report in alignment with the following ESG reporting frameworks and will use a phased approach to further enhancing our alignment to these frameworks over time:

The Sustainability Accounting Standards Board (SASB) Standards, referencing specifically the Electric Utilities and Power Generators Sustainability Accounting Standard and the Engineering and Construction Services Sustainability Accounting Standard. We selected the SASB standard, as it 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.

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

This report covers the period from January 1, 2022 to December 31, 2022. 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”, “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, all of which are the 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.

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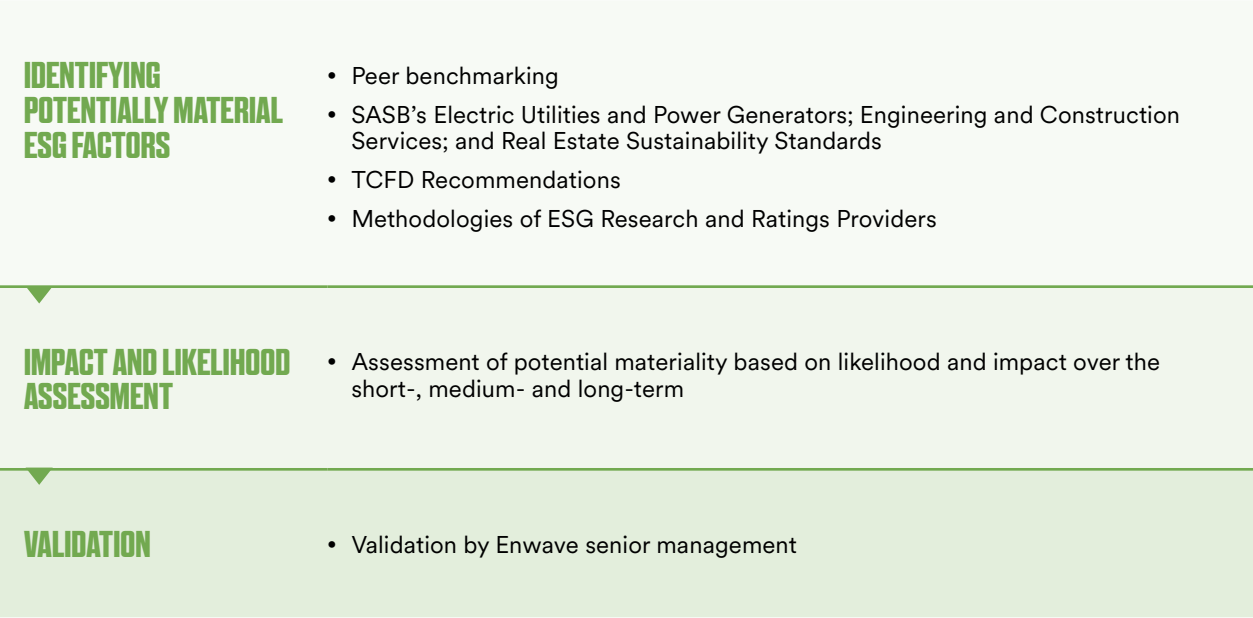


Transporting pipe for Deep Lake Water Cooling expansion project

ESG Materiality Assessment

In 2022, Enwave completed an Environmental, Social and Governance (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 Assessment identified ESG factors most likely to be material¹ 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.

Figure 1: ESG Materiality Assessment Process



We prioritized the identified ESG factors by considering potential impact and likelihood over the short-term (zero to one year), medium-term (one to five years) and long-term (greater than five years). The results of our 2022 ESG Materiality Assessment were validated by our senior management and are summarized below.

¹ Materiality threshold applied was aligned with the Canadian Securities Administrators (CSA) materiality definition, the U.S. Securities Law materiality definition and the International Financial Reporting Standards (IFRS) materiality definition.



Deep Lake Water Cooling infrastructure on Toronto Island

Our 2022 ESG Materiality Assessment reflects our current structure and operations and takes into account both investor and other stakeholder expectations. Further details on the ESG factors identified, including our approach and performance, are available in the Enwave’s Approach to ESG section below in this report.

We are committed to reviewing our ESG Materiality Assessment on an annual basis to ensure that the evolution of ESG risks continues to be effectively captured and managed over the varying time horizons.



Tunnel connecting 4th intake (DLWC expansion)

Figure 2: Enwave’s Material ESG Factors





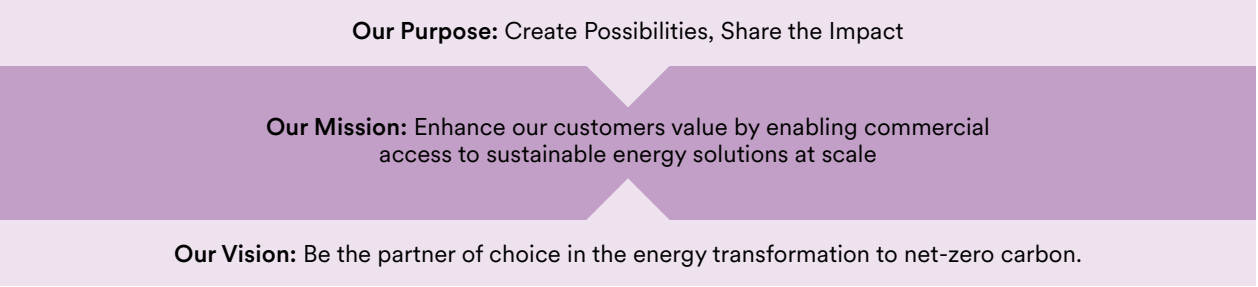
The Well under construction

Enwave's Approach To ESG

STRATEGY

Our company's Purpose, Mission and Vision are deeply connected with and reinforce our commitment and approach to, ESG. Consideration of ESG issues forms an important part of our long-term strategic planning and has been identified as a key driver in achieving our broader objectives and delivering lasting value to our customers, employees and investors. We take a customer-centric approach, collaborating with our customers to develop solutions which align to both organizations' environmental goals. Through every aspect of our ESG strategy development, we seek to understand and meet the needs of our customers, particularly with respect to the transition to net-zero. Our ESG Framework identifies environmental, social and governance guiding principles and priorities that enable and further bolster our core business commitment to a sustainable energy transformation. We expect all employees, officers, directors and, to the extent feasible, consultants, contractors and representatives, of Enwave to support our objective to be an ESG leader over time.

Figure 3: Our Strategy



OUR ESG FRAMEWORK Environment, Social and Governance Priorities		
<p>ENVIRONMENT</p> <p>Under the Environmental pillar, our goal is to accelerate the low-carbon energy transition, helping communities keep global temperature increases below 1.5°C.</p>	<p>SOCIAL</p> <p>Under the Social pillar, our goal is to create shared value for our employees, customers, communities and other stakeholders by empowering innovation and operational excellence within our team.</p>	<p>GOVERNANCE</p> <p>Under the Governance pillar, our goal is to ensure responsible and proactive risk management to anchor how we do business, including providing strong oversight of material ESG issues such as cybersecurity and business ethics.</p>
<p>MATERIAL TOPICS</p> <ul style="list-style-type: none">• Climate Change – Transition & Physical• Greenhouse Gas (GHG) Emissions• Energy Management and End-Use Efficiency• Water Management• Land Use and Ecosystem Impacts• Air Quality	<p>MATERIAL TOPICS</p> <ul style="list-style-type: none">• Workforce Health and Safety• Human Capital Management• Asset Integrity and Resiliency• Community Relations• Labour Relations• Supply Chain Management• Rights of Indigenous Peoples	<p>MATERIAL TOPICS</p> <ul style="list-style-type: none">• Cybersecurity• ESG Governance• Business Ethics

RISK MANAGEMENT

At Enwave, we are committed to integrating ESG risks into our firm-wide risk management policies and processes to ensure 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. We are utilizing the results from our 2022 ESG Materiality Assessment, which identified and prioritized the ESG factors most likely to be associated with material risk or opportunity, to enhance our management of ESG risks. The ESG Materiality Assessment will be reviewed on an annual basis to ensure ESG risks continue to be effectively understood and managed over the short, medium and long term.

METRICS & TARGETS

We are committed to measuring 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. 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 addition to our net-zero commitment, we are also looking to develop interim targets that are reflective of our existing operations and growth plans. Work is also underway to enhance our targets related to health and safety, supply chain and diversity, equity and inclusion and to evaluate the feasibility and relevance of setting additional ESG targets to ensure increased accountability and transparency over time.



Bay Adelaide Centre North plant

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”) respectively provide oversight of the implementation of Enwave’s ESG Framework, including climate change, by providing guidance on ESG including climate-related risks and opportunities, diversity and inclusion and health and safety matters, policy and strategy.



Kevin Kerr
OTPP



Dan Rossetti
OTPP



Andrea Stephen
Independent



Jim Wierstra
IFM



Ashish Thomas
IFM



Lois Scott
Independent



Enwave team members in the office

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. We will also continue to incentivize the achievement of ESG-related goals through linkage to executive compensation over time.

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. The Director, Energy Evolution, provides updates to the Senior Vice-President, Commercial Operations on a weekly basis and to the Chief Executive Officer (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.

To aid in the implementation of our ESG Framework, we have established an ESG Working Group, which includes cross-functional representation from Enwave management and operations. This ESG Working Group participates in our ESG-related activities, including leading the development and implementation of Enwave’s ESG strategy, net-zero planning and ongoing ESG-related reporting and disclosure. The ESG Working Group reports up to the Executive ESG Steering Committee, led by Enwave’s CEO and the Audit and Risk Committee has ultimate responsibility for Enwave’s ESG strategy, reporting and disclosure. Notable initiatives undertaken in 2022 by the ESG Working Group include:

- Completion of an ESG Materiality Assessment to aid in the development of our ESG strategy and disclosures.
- Creation of an ESG Position Statement to establish a strong foundation for ESG progress and communicate our ESG priorities and commitments to stakeholders.
- Launch of a project to quantify and disclose our Scope 3 GHG emissions.

Table 1: ESG-Related Policies

POLICY	DESCRIPTION	DATE OF APPROVAL/ LAST UPDATE
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.	August 2022
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.	August 2022
Violence, Harassment and Discrimination Policy	Establishes our approach to maintaining a workplace free of violence, harassment and discrimination.	August 2022
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.	August 2022
Accessible Employment Policy	Establishes our approach to ensuring accessibility for our employees and prospective employees.	August 2022
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.	August 2022
Delegation of Authority Policy	Establishes strong internal controls for the delegation of authority in order to promote efficient operations.	August 2022
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.	October 2021
Supplier Standards of Conduct	Establishes a set of minimum standards of conduct for suppliers of good and services to Enwave.	August 2022
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).	August 2022



Deep Lake Water Cooling infrastructure

BUSINESS ETHICS

Why This Matters

Integrity underlies our core values and our critical behaviours and is a guiding principle at Enwave. We are committed to conducting our business in a lawful, fair and honest way and expect the same from our business partners. As an essential service provider, we often have close relationships with governments and local officials, so it is important that we maintain robust policies and procedures for 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 2022 Corruption Perception Index, Canada scored 74/100 ranking 14th overall in the index [SASB IF-EN-510a.1].

Approach
Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics serves as a common reference document that reflects our values and sets out our fundamental principles and guidelines for doing business. 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, 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 2022, 100% of our directors, officers and employees attested confirmation of understanding our Code of Business Conduct and Ethics. 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].

Table 2: Business Ethics Metrics

METRIC	UNIT	2022
Number of active projects in countries that have the 20 lowest ranking in Transparency International’s Corruption Perception Index [IF-EN-510a.1]	Number (#)	0
Number of backlogs in countries that have the 20 lowest ranking in Transparency International’s Corruption Perception Index [IF-EN-510a.1]	Number (#)	0
Total amount of monetary losses as a result of legal proceedings associated with bribery, corruption and other related issues [IF-EN-510a.2]	Reporting Currency (\$)	0
Percentage of employees who completed code of conduct or business ethics related training	Percentage (%)	100

CYBERSECURITY

Why This Matters

As a provider of essential services to customers including municipalities, hospitals, data centres and educational campuses, we have identified cyber-security as a key ESG factor with significant potential to impact stakeholders and company performance. As a provider of district energy, we may face cybersecurity threats not only related to information technology but also related to operational technology, where cyber-attacks could result in loss of important services to customers.

Approach

Our Board provides core oversight of our approach to cybersecurity, ensuring that management is taking appropriate steps to protect the organization from cyber threats. This includes setting cybersecurity policies and standards, as well as monitoring and reviewing the organization’s cyber risk management practices on an ongoing basis. Management’s responsibility for cybersecurity involves implementing the Board’s policies and standards and overseeing the day-to-day management of cyber risks. This includes ensuring that the organization’s cybersecurity practices are aligned with the overall ESG strategy and values, as well as providing ongoing training and support to employees to help them understand their roles and responsibilities in protecting the organization from cyber threats.

Our security policy framework is based on ISO 27001. We regularly perform intrusion, penetration and vulnerability testing and use the results to further inform our cybersecurity strategy based on the National Institute of Standards and Technology (NIST) Cybersecurity Framework. Security sensors and other threat-monitoring systems are further used to prevent intrusions as per our Electronic Monitoring Policy. We also provide a cybersecurity training and awareness program for employees covering safer collection, use, transfer and storage of data in line with our data retention policy, as well as risks, controls and monitoring.

As an essential service provider, our core focus is the cybersecurity of our operations to ensure reliable service to customers. Policies and practices relating to the collection, usage and retention of customer information are also critical components of our company’s overall information security strategy. By implementing these policies and practices, we can ensure that we are collecting, using and retaining customer information in a way that is transparent, secure and compliant with all applicable data protection laws. As a result, we build trust with our customers and demonstrate the commitment to protecting their information security.

Performance

In September 2022 we concluded a fulsome cybersecurity assessment. The assessment was based on the NIST Cybersecurity Framework, which is a widely recognized framework for improving cybersecurity practices. This framework provides guidelines for organizations to manage and reduce cybersecurity risks and includes a set of best practices for identifying, protecting against, detecting, responding to and recovering from cybersecurity threats. Following up on this assessment, we are seeking continuous improvement, including improvement of controls and increased security awareness training for staff.

Table 3: Cybersecurity Metrics

METRIC	UNIT	2022
Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations <i>[IF-EU-510a.1]</i>	Number (#)	0



Enwave team members at Bay Adelaide Centre North plant

SPOTLIGHT ON DIGITAL TRANSFORMATION

In 2022, Enwave embarked on an ambitious, multi-year project to enhance the resiliency and reliability of our systems by implementing advanced digital technologies and best practices. This initiative aims to optimize our operations, increase efficiency and better protect our critical assets, ensuring a sustainable and secure future for our organization

Environment

CLIMATE CHANGE²

Why This Matters

As operators of one of North America’s largest low-carbon district energy systems, we envision being the partner of choice in the energy transition to net-zero. Failure to address climate change could exacerbate physical impacts on infrastructure from severe weather events and shifts in weather patterns. Additionally, companies that fail to decarbonize can face lost revenue and increased costs from capital expenditures, compliance and operational issues, as well as difficulties with access to capital. Lack of climate action can impact the ability of companies to attract and retain talent and may influence community relations. Enwave is well-positioned to support the transition to a low-carbon economy, as district energy systems play an important role in mitigating the risks of climate change by decarbonizing building operations at scale, by providing not only low-carbon heating and cooling, but also alleviating strain on existing energy infrastructure. By supporting the objectives of the Paris Agreement and aspiring for net-zero carbon emissions by 2050, we recognize our role in shaping the energy transition. Beginning with this 2022 report, as we continue working towards our net-zero goals, we are committed to further enhancing our future climate-related disclosures in alignment with the TCFD recommendations.

Approach Climate Change Governance

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 change, are reported to the Board and its committees by the CEO on a quarterly basis.

Management Accountability [TCFD: Governance (b)]
The CEO is supported by both the Leadership Team and by the ESG Working Group. Strategy development lies with the Director, Energy Evolution who reports into the Senior Vice-President, Commercial Operations, while our Sustainability Operations Manager maintains our GHG inventory and our Solutions & Innovations and Community Energy Planning Teams develop low-carbon solutions for customers. Additionally, the ESG Working Group includes cross-functional representation from Enwave’s management and operations and participates in activities such as strategy development, data gathering & collection and reporting & disclosure relating to climate-related risks and opportunities.

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.

Energy transition also yields significant opportunities for Enwave, given our goal to take a leadership role in accelerating the low-carbon energy transition. To better manage risks and opportunities, we are developing energy transition strategies for each city in which we operate. We are engaging with external firms to develop our GHG reduction strategy and setting interim net-zero targets. Under our Green Financing Framework, we are making significant investments to lower our emissions, enable transition and thus improve our resilience to both transition & physical climate-related risks. Assessment of climate-related risks is an inherent part of Enwave’s organizational decision-making process. Carbon intensity and emissions impacts are presented to the Board prior to approval of major capital projects and investment decisions.

NEXT STEPS FOR OUR CLIMATE STRATEGY

In addition to our commitment to reaching net-zero emissions and current work on target setting, we are also currently undertaking qualitative scenario analysis and developing a roadmap to quantify and disclose our Scope 3 emissions to enhance our GHG Inventory Management Plan.



The Well storage tank under construction

² This section is organized to align with the pillars of the TCFD recommendations (Governance, Strategy, Risk Management and Metrics & Targets) and consolidates disclosures of the following ESG factors: (i) Greenhouse Gas (GHG) Emissions (ii) Climate Change – Physical, (iii) Climate Change – Transition.

GREEN FINANCING FRAMEWORK

We have developed a Green Financing Framework under which Enwave, or any of its subsidiaries, may issue Green Financial Instruments including Green Bonds, Green Loans or other financial instruments. Net proceeds from our Green Financing Instruments will be used to finance and/or refinance district energy supply projects and to support the development of clean technologies.

Enwave’s Green Financing Framework complies with the Green Bond Principles 2018 developed by the International Capital Markets Association and the Green Loan Principles 2018 developed by the Loan Market Association. Sustainalytics has provided an independent opinion on Enwave’s Green Financing Framework indicating alignment with the Green Bond Principles and Green Loan Principles. This opinion is available on Sustainalytics’ website.

- The Framework outlines:
- Use of Proceeds
 - Process for Project Evaluation and Selection
 - Management of Proceeds
 - Reporting

Categories of eligible projects include Energy Efficiency & Energy Management, Renewable Energy, Pollution Prevention & Control and Sustainable Water & Wastewater Management.

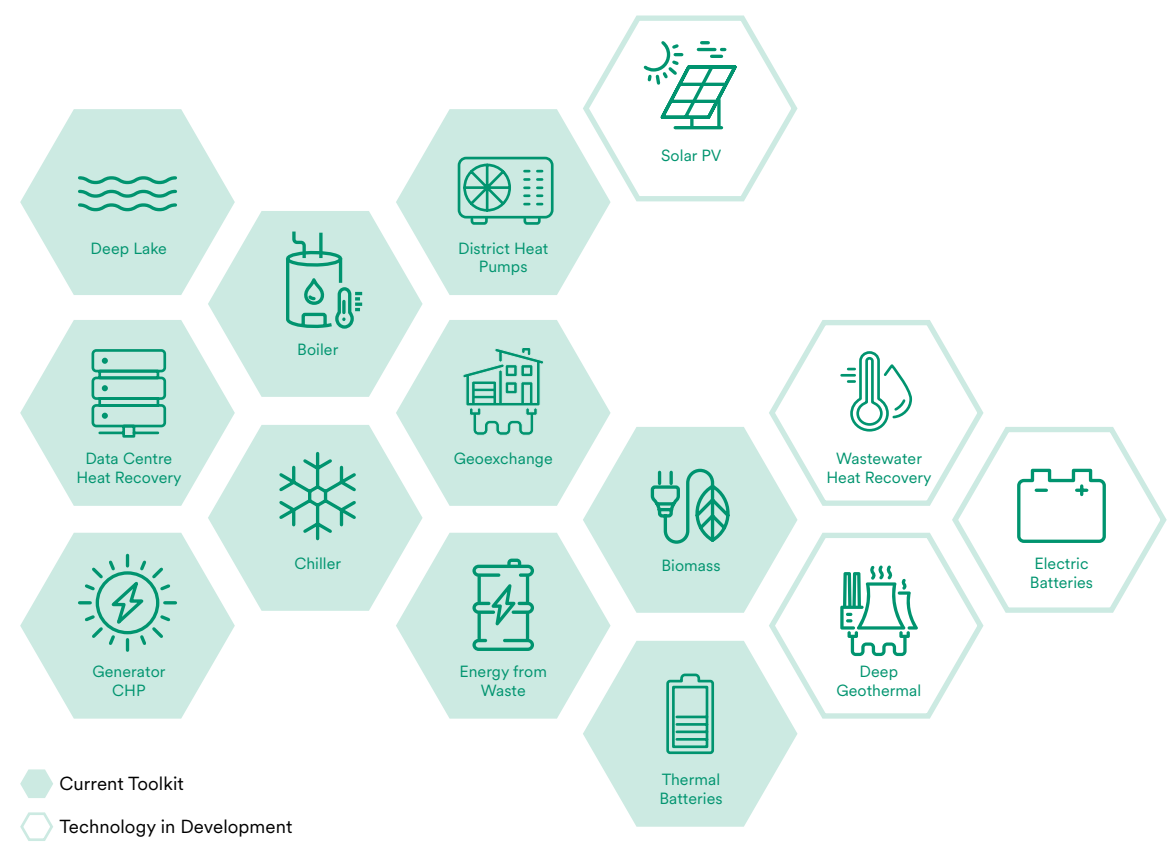
In 2022, \$73.5 million of Green Financing was allocated towards green projects that have current and future environmental benefits including reductions in electricity and water consumption, lower carbon waste, pollution prevention and geoexchange heating and cooling. To date, \$359.5 million has been allocated to support eligible green projects and the impact of projects commissioned under the Green Financing Framework in 2022 includes a total GHG reduction of 104 tonnes of CO₂ equivalents (tCO₂e) for the year.

Table 4: Climate-related Risks and Opportunities

Climate Change Factor	Description of Potential Impact	Initiatives to Mitigate Risk or Capture Opportunity
Climate-related Risks		
Acute Physical	In the locations where we operate in Ontario we face risks from heatwaves, blizzards, cold snaps, power outages. In Prince Edward Island we may experience risks related to hurricanes, tornados and floods.	Under our Green Financing Framework we are making significant investments to lower emissions and improve the resilience of our physical assets.
Chronic Physical	Sustained higher temperatures may lead to higher lake temperature requiring further mechanical chilling to reach adequate temperatures for cooling. Sustained higher temperature may also impact our ability to meet customer demand for cooling.	We are expanding our Deep Lake Water Cooling capacity by adding a fourth and future-proofing for the possibility of a fifth intake to ensure we are able to meet growing customer demand for cooling.
Policy and Legal	We are likely to be affected by increasingly stringent regulations related to GHG emissions.	We are actively pursuing decarbonization at scale and have set a target to achieve net-zero emissions by 2050.
Market	As a provider of low-carbon energy solutions, we may face an increasingly competitive market landscape.	Our vision is to be the partner of choice in energy transition. We are thus developing strategies to implement low-carbon technologies in our central plants that will facilitate significant carbon reductions in our district energy networks helping us to remain competitive; as well as develop customer-specific, in-building solutions that provide low-carbon heating and cooling.
Climate-related Opportunities		
Resource Efficiency	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 provides significant opportunities for increased energy efficiency.	We are making investments to expand our highly efficient services including DLWC and waste heat recovery.
Energy Source	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.	<div>We are making significant investments in expansion of our low-carbon services, including in the following areas:</div> <ul style="list-style-type: none">• Expansion of our DLWC to include a new fourth intake pipe into Lake Ontario and future-proofing for a fifth intake.• Launch of our Enwave GeoCommunities service line.• Commencement of expansion of our waste to energy facility in Prince Edward Island, which will result in less fuel oil usage.

OUR LOW-CARBON TECHNOLOGIES

At Enwave we utilize a significant number of low-carbon technologies to address climate-related risk and meet the needs of our customers. We integrate these technologies to provide innovative decarbonized solutions at scale and make use of waste heat resources wherever possible in our network. We are continually expanding our array of technologies and are exploring solutions that include wastewater heat recovery, solar photovoltaic (PV) and deep geothermal.



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 cooling, heating and humidification for hospitals, data centers, educational campuses, government buildings and commercial and residential buildings. Moving forward, we are focused on improving resiliency against climate-related risks. 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. For a summary of these risks and opportunities, please refer to Table 4 above. 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 committed to measuring 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 and 2 GHG emissions, energy usage and megawatt (MW) capacity pipelines.

SPOTLIGHT ON ENWAVE GEOCOMMUNITIES

In 2022 we launched our Enwave GeoCommunities platform, which provides off-district, low-carbon heating and cooling to single building customers using geoexchange technology. Geoexchange technology uses the relatively stable temperatures below ground to generate heat and cooling for buildings. At present we have more than 70 customers in development and have a borehole count of over 1000 to be developed, with 450 already in operation and another 175 boreholes constructed and ready for service. The carbon reduced by our boreholes in service represent the equivalent of nearly 400 homes’ annual energy use.

We are committed to reaching net-zero emissions by 2050 and have recently launched the development of our decarbonization strategy, which will focus on the reduction of our Scope 1 emissions. Over the last five years, we have been actively expanding our low-carbon hot water distribution network with the construction of our eastern and western hot water loops, and heat pumps are being constructed at our central plants to generate low-carbon hot water. As part of our commitment to decarbonization, we also recently undertook an extensive energy transition study of our Toronto system that included a steam to hot water conversion study, technology assessment and indicative transition path to net-zero. Over the last five years, we have been actively expanding our low-carbon hot water distribution network with the construction of our eastern and western hot water loops, and heat pumps are being constructed at our central plants to generate low-carbon hot water. [IF-EU-110a.3]

Performance

Similar to previous years, our operations experienced fluctuations due to weather conditions, changes in customer demand, peak demand and the growth of our district systems. This past year we saw a greater presence in the downtown core as employees started returning to work with more frequency. This resulted in Enwave delivering greater load. We are pleased to report that GHG emissions associated with our steam and chilled water production were largely flat between 2021 and 2022 despite this increase in production due to workers returning to offices post-pandemic. The improved efficiency was the result of better maintenance, better metering and better access to new equipment following the supply chain challenges associated with the pandemic. We remain committed to monitoring and adjusting our approach to maximize efficiency while providing reliable service to our customers.

Table 5: Climate-related Metrics

METRIC	TCFD REFERENCE	UNIT	2022
Gross global Scope 1 emissions [IF-EU-110a.1]	Metrics and Targets b)	Metric tonnes (t) CO ₂ -e	315,024
Gross global Scope 2 emissions	Metrics and Targets b)	Metric tonnes (t) CO ₂ -e	2,246
Percentage of gross global Scope 1 emissions that are covered under emissions-limiting regulations and emissions-reporting regulations [IF-EU-110a.1]	Metrics and Targets a)	Percentage (%)	0
Number of customers served in markets subject to renewable portfolio standards (RPS) [IF-EU-110a.4]	Metrics and Targets b)	Number (#)	145
Scope 1 GHG emissions intensity	Metrics and Targets b)	Metric tonnes (t) CO ₂ -e per unit of output (MWhe)	0.20
Scope 1 and 2 GHG emissions intensity	Metrics and Targets b)	Metric tonnes (t) CO ₂ -e per unit of output (MWhe)	0.13



Drilling a geoexchange borefield in Brampton

ENERGY MANAGEMENT & END USE EFFICIENCY

Why This Matters

A district energy system is a highly efficient design to connect many buildings with differing energy profiles to a central energy source. Providing heating and cooling from a central plant usually requires less fuel and displaces the need to install individual space heating, hot water, and cooling systems in each building, meaning that district energy provides significant opportunities for increased energy efficiency and makes space available for other purposes. At Enwave we seek even greater efficiencies by making use of sources of waste heat, deploying district-scale heat pumps to capture & upgrade waste heat from customers such as data centres.

Approach

We are actively working toward implementing the ISO 50001 standards for energy management systems. At Enwave, optimizing energy efficiency is one of our five low-carbon focus areas. Under our Green Financing Framework, we are making significant investments to improve our energy efficiency and energy management, such as our recent expansion of the DLWC system. This system works by displacing the need for energy-intensive water cooling systems that often use towers to evaporate water in order to expel heat. Large heat exchangers, rather than energy-intensive air conditioners and chillers, then transfer the thermal energy, or heat and coolness, in water loops serving customers. Cold water is circulated through 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.

Performance

Our DLWC saves 108 customers in the City of Toronto 92,000 mega-watt hours of electricity use each year as a result of not running their own boilers and chillers, which can be equated to the energy needed to power a town of 25,000 people. Our expansion of DLWC currently taking place will increase the chilled water capacity of our district system by 40%, which can serve an additional 1.86 million square metres of floor space (the equivalent to 40-50 residential condo buildings).

In partnership with the City of Markham and Mattamy Homes, in 2022 we also committed to the addition of 312 low-carbon homes using geexchange technology, with the construction of the Springwater community.

Table 6: Energy Management Metrics

METRIC	UNIT	2022
Total non-renewable energy (consumed)	Megawatt hours (MWh)	1,718,947
Total non-renewable energy (produced)	Megawatt hours (MWh)	1,400,264
Total renewable energy (consumed)	Megawatt hours (MWh)	187,528
Total renewable energy (produced)	Megawatt hours (MWh)	670,615
Customer electricity savings from efficiency measures, by [IIF-EU-420a.3]	Megawatt hours (MWh)	95,807



SPOTLIGHT ON SPRINGWATER MARKHAM

The Markham Springwater geexchange community project is the first of its kind in Canada and an innovative solution that aims to address the challenges of providing sustainable, energy-efficient heating and cooling to urban communities. This project was developed collaboratively between Enwave, the City of Markham and Mattamy Homes Canada to leverage the Earth’s natural energy to serve as both a heat source and a heat sink for 312 homes. Geexchange technology is four times more efficient than natural gas furnaces, requires no direct fossil fuels and can improve a home’s carbon emissions by 75% when compared to an Ontario Building Code home with a traditional furnace.

WATER MANAGEMENT

Why This Matters

Our district energy systems depend on access to significant amounts of water for heating and cooling. 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. Our reliance on water for operations has resulted in water management being identified as an important ESG factor under the ESG Materiality Assessment completed in 2022.

Approach

[SASB IF-EU-140a.3.] 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. As a participant in the Toronto 2030 Districts Network, a private-public initiative focused on reducing building-related energy and water use, we support the initiative’s goal in reducing water consumption.

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 as efficiently as possible. Additionally, our water recovery and recycling solutions ensure wastewater does not touch clean water which enables us to conserve water while offering a sustainable alternative to conventional air conditioning. Our cooling systems use Ecolab technology for real-time monitoring and adjustments which enables the system to work at optimal levels to use the least amount of water and energy. We are also financing investments in solutions for sustainable water and wastewater management under our Green Financing Framework.

Performance

- In 2022, water consumption was 1,941,926 cubic meters.
- Our water intensity in 2022 was 0.261497 cubic meters of water per gigajoule of energy sold.
- In 2022 we had no incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations.
- We do not operate in regions with High or Extremely High Baseline Water Stress.

Table 7: Water Management Metrics

METRIC	UNIT	2022
Total water consumed [IF-EU-140a.1]	Thousand cubic meters (m³)	1,941,926
Water consumption intensity	Thousand cubic meters (m³) / GJ of energy sold	0.000261497
Percentage of water consumed in regions with High or Extremely High Baseline Water Stress [IF-EU-140a.1]	Percentage (%)	0



CASE STUDY OF THE ENERGY TRANSFER AGREEMENT BETWEEN ENWAVE AND THE CITY OF TORONTO

Compared to in-building cooling systems, our DLWC system saved 1.4 billion litres of water in 2021. To operate the DLWC system, we have an Energy Transfer Agreement with the City of Toronto which, in exchange for access to the thermal cooling capacity of cold water drawn from Lake Ontario, we must provide capital improvements to the City of Toronto water system. Sharing the water utility infrastructure with the City of Toronto reduces our water consumption and saves an estimated 220 million gallons (832 million liters) of water annually; equivalent to approximately 350 Olympic size swimming pools.

LAND USE AND ECOSYSTEM IMPACTS

Why This Matters

The construction and expansion of our projects require careful consideration of the potential impacts on the surrounding land and ecosystems. Projects such as the DLWC system expansion, which includes installation of a new intake pipe into Lake Ontario, has the potential to impact the land, shoreline and lake ecosystems. Failure to meet environmental laws and regulations can lead to unforeseen costs and project delays or cancellations, which can hinder project profitability and limit securing future opportunities. Additionally, where the duty to consult with Indigenous communities arose in connection with Enwave’s projects, such as with the DLWC project, we did so with potentially-affected Indigenous communities and no issues were raised. Where the duty to consult arises, Enwave participates in and supports government consultations with, potentially-affected Indigenous Communities. Land use and ecosystem impact was identified as a material ESG factor during the 2022 ESG Materiality Assessment with the potential to increase further in importance over the long term.

Approach

[SASB IF-EN-160a.2] The Energy Planning and Development team has primary responsibility for activities related to land use and ecosystem impacts and for ensuring that all development and construction activities are in full compliance with regulatory requirements. Our operations are subject to laws and regulations relating to the protection of endangered and threatened species and biodiversity, 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 operations remain compliant. This is implemented through Enwave’s environmental management plans, which are created for all major projects.

Performance

At Enwave, we operate primarily in urban areas and thus our potential to impact very sensitive ecosystems is fairly limited. However, our DLWC system has the potential to impact ecosystems within Lake Ontario. Our associated water recovery and recycling solutions, part of our partnership with the City of Toronto water utility, ensure wastewater does not touch clean water. Our cooling systems also use Ecolab technology for real-time monitoring and adjustments which enables the system to work at optimal levels to minimize the amount of water withdrawn from the lake.

Table 8: Land Use and Ecosystem Metrics

METRIC	UNIT	2022
Number of incidents of non-compliance with environmental permits, standards and regulations [IF-EN-160A.1]	Number (#)	0
Habitats protected, restored, or rehabilitated	Acres	0
Percentage of business operations/activities that negatively affect those biodiversity sensitive areas to which they are located in or near?	Percentage (%)	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



Enwave team members in a hand-mined tunnel connecting a customer to the district

AIR QUALITY

Why This Matters

Depending on the project, our operations have the potential to improve or impact air quality. Our Toronto DLWC system enables a low-carbon alternative for cooling that promotes better indoor and outdoor air quality by reducing fossil fuels emissions. Our waste-to-energy system in Charlottetown has the potential to release harmful air pollutants when municipal solid waste and biomass are used as sources of fuel. 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. Air quality was identified as a material ESG factor during the 2022 ESG Materiality Assessment with the potential to further increase in importance to stakeholders over the long term.

Approach

Air quality is monitored regionally and is determined by local regulations. Our low-carbon district energy systems provide the opportunity to improve air quality for the surrounding neighbourhoods by reducing fossil fuel emissions and use of refrigerants. District energy solutions improve energy efficiency compared to every building having their own respective heating and cooling systems and offers sustainable strategies for heating and cooling. For example, our Enwave GeoCommunities service line harnesses geexchange energy from the ground for heating and cooling and large-scale electric heat pumps, installed in two of our plants and with construction beginning on our Pearl Street Energy Centre heat pump plant, offer an alternative to fossil fuel consumption for low-carbon heating. While the waste-to-energy process used in our Charlottetown facility has the potential to negatively affect air quality, we continue making efforts to control and reduce our emissions by including pollution prevention and control in our Green Financing Framework which enables the financing of investments in equipment, technologies and processes or systems that help with eliminating pollution.

Performance

In 2022, Enwave had five incidents related to environmental air release that we reported to Prince Edward Island’s Department of Environment, Energy and Climate Action. While data regarding air emissions, such as carbon monoxide, are tracked at some of our sites, including those in Prince Edward Island, we are currently implementing tracking for all of our operations. As such, we will be able to report complete data, aligned with SASB standards, for 2023 onwards.



Tunnel boring equipment used in East Bayfront expansion

Social

WORKFORCE HEALTH & SAFETY

Why This Matters

While operating and maintaining our district energy systems, our employees encounter a wide range of safety hazards such as confined spaces, contact with steam, use of hazardous chemicals, and exposure to high temperature environments and high voltage systems. Our operations are subject to OHS regulations which are in place to safeguard the well-being of workers. Sustaining a culture of safety beyond compliance helps protect our employees from harm, ensures our operations run efficiently and protects our reputation with our customers and the community.

Approach

Workforce health and safety is one of our most important core values and as such, is included as a performance metric in our executive incentive compensation program. Our reporting metrics align to the applicable region’s OHS and worker’s compensation legislation. Our dedication to workforce health and safety is guided by our Health, Safety and Environmental Policy Statement, which our Board provides oversight on. The policy statement commits us to ensuring a safe and healthy work environment by achieving an industry-leading safety culture for our employees.

In 2022 we implemented various initiatives that highlight how Enwave prioritizes the continuous improvement of our health and safety practices. Our health and safety initiatives included:

- Formalizing our Health, Safety & Environmental (HSE) Management System to meet the intent of ISO 45001 & 14001. Our 2023 HSE objectives include targeting zero injuries, ensuring our employees are set up for success and clearly understand safety expectations at all levels of the organization and aligning HSE goals and motivations between Enwave and our contractors.
- Re-instating incident reporting software which enables employees to report hazard identifications, incidents, near misses and positive observations. The hazard identification program allows for prompt reporting and tracking of corrective actions to completion. Our positive observation program provides employees & supervisors the opportunity to give and receive positive feedback and celebrate health and safety successes. Since re-instating the program in 2022, we have received over 355 submissions across our locations.
- Providing health and safety updates and tips in the quarterly company newsletter, ‘The Exchanger’, which is circulated to all employees. For example, the May 2022 edition contained advice on avoiding eye strain while at work and our October 2022 edition highlighted the increase in safety risk during daylight savings.
- Evaluating suitability and eligibility of projects in our Green Financing Framework with health and safety as a key criterion.

Performance

In 2022, Enwave achieved zero lost time incidents and zero fatalities for both contractors and employees. The occupational health and safety training hours provided to our workforce was 1,151.

Table 9: Workforce Health and Safety Metrics

METRIC	UNIT	2022
Total recordable incident rate (TRIR) – Full-time employees ³ <i>[IF-EN-320a.1]</i>	Number (#)	0.76
Fatality rate – Full-time employees <i>[IF-EN-320a.1]</i>	Number (#)	0
Fatality rate – Contract employees <i>[IF-EN-320a.1]</i>	Number (#)	0
Near miss frequency rate (NMFR) – Full-time employees ⁴	Number (#)	5.62
Total Lost Time Incident Rate (LTIR)- Full-Time employees	Number (#)	0
Total Lost Time Incident Rate (LTIR) – Contract employees	Number (#)	0
Percentage of health, safety and emergency response training completed – Full-time employees ⁵	Percentage (%)	70
Total hours worked by full-time employees	Number (#)	497,763
Total hours worked by contract employees	Number (#)	159,462



SPOTLIGHT ON HEALTH @ ENWAVE

During the month of May, Enwave focused on the health, safety and wellness of our people. As part of our ‘Healthy @ Enwave Month’ we dedicated the week of May 1st to the 7th, 2022 to Safety and Health. The week focused on the importance of preventing injury and illness in the workplace, at home and in the community. Throughout the week employees were given the opportunity to participate in sessions on guided meditation and improving workplace health and safety culture.

³ Our tracking of recordable incidents does not differentiate between full-time and contract employees. As such, this figure represents the rate for all employees at Enwave.
⁴ Our tracking of near miss frequency does not differentiate between full-time and contract employees. As such, this figure represents the rate for all employees at Enwave.
⁵ Due to rolling deadlines and weekly measurement this figure represents the average completion rate at a given point in time. The overall completion rate by the applicable deadline is significantly higher.

EMPLOYEE ENGAGEMENT, PEOPLE AND CULTURE

Why This Matters

Employee engagement, people and culture were identified as important ESG factors in our recently completed ESG Materiality Assessment. 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

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 2022 we updated our Employee Handbook to include a “Right to Disconnect” policy, in order to help protect our team members’ right to disconnect from work-related communications, including emails, telephone or video calls and other work-related messages outside of working hours. Additionally, our Accessible Employment Policy and our Multi-year Accessibility Plan, which lay out our policies and procedures to ensure accessibility for our employees and prospective employees, were also updated.

Diversity & Inclusion

To ensure that we are able to continue to recruit, develop and retain employees we are focused on activities such as employee engagement, equity, diversity and inclusion (EDI), pay equity, leadership development and talent management.

In the Spring of 2022, Enwave embarked on a DEI survey with Diversio, a company that helps organizations measure, track and improve diversity & inclusion. The survey allowed Enwave to gather baseline diversity information. We achieved an Inclusion Score of 69 which was 8 points higher than the industry average, which is comprised of North American Energy companies in the Diversio database.

Diversio recommended prioritizing improvement in three key areas: Career Development, Workplace Flexibility and Fair Management.

- In 2021, we undertook a pay equity analysis for non-unionized salaried employees.
- In 2021, we undertook a job levelling exercise for all non-union salaried roles.
- In 2022, we conducted a comprehensive employee engagement survey to help us measure critical elements such as leadership, culture and development.
- Commencing in 2022, we began integrating best-in-class management training for all people managers, to ensure that our team is building core management skills necessary for unbiased and fair management practices.

- At present we are developing formal people strategies and engagement plans that will ensure that we are continuing to build a diverse, equitable and inclusive culture for both office and plant employees.

Truth & Reconciliation

To increase dialogue about our Canadian history and the path to reconciliation, Enwave arranged annual training talks to all employees on September 30th, the National Day for Truth and Reconciliation. The focus of the training is to encourage cultural introspection, self-awareness, knowledge acquisition and practices at the individual and organizational levels. The sessions have been told through an Indigenous lens by an Indigenous team. We also encourage all employees to wear an orange shirt, in recognition of Orange Shirt Day to demonstrate support for our Indigenous communities and share the message that Every Child Matters. Enwave will continue to educate and engage employees on this topic on an annual basis.

Employee Engagement

In the Fall of 2022, Enwave partnered with Mercer to conduct a comprehensive Employee Engagement Survey. The survey consisted of 58 questions and measured various elements, including the employee experience, leadership effectiveness, safety and strategic focus. Commencing in 2022, we began integrating best-in-class management training for all people managers, to ensure that our team is building core management skills necessary for unbiased and fair management practices. Manager effectiveness and confidence in the company were additional topics with high-scoring results and both were well above industry averages. The following results, which reflect a combination of *Agree* and *Strongly Agree* responses, highlight some of the highest survey scores:

- 94% of employees would feel comfortable reporting a safety incident or near miss.
- 91% of employees have confidence in the future of the company.
- 86% of employees said that their immediate manager treats them with respect and dignity.
- 84% of employees also said that they were proud to work for Enwave.

Action plans will be executed throughout 2023 to address the biggest gaps and opportunities. The survey will be conducted annually to ensure we continue to engage employees, gather input and ideas and find opportunities for positive change.



Enwave team members at the IDEA golf tournament

WELLNESS

The COVID-19 pandemic has made the importance of mental health and wellness all the more clear. In response, in 2022 we increased our budget for mental health-related employee benefits by \$3,000 per person. Additionally, we are doing significant work to understand our team members’ wants and needs regarding office space in the post-COVID environment as part of our office move scheduled for November 2023, when we will be moving our head office to a more public transit-friendly, Enwave-connected space, designed to foster greater collaboration.

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 2020-2022 we did not experience any work stoppages due to strikes or lockouts.

Employee Communications

Enwave has focused on building comprehensive communications to inform, connect with and engage employees. WaveLink is Enwave’s employee Intranet, a key communication tool and central hub for company information and quick access to: an employee directory, corporate policies and forms, community outreach information, health & safety information, The Exchange-er quarterly newsletter, benefits information and mental health resources, important links and open positions we are actively recruiting for.

Talent Development

- We are currently evolving and enhancing our performance review process to ensure that employees have clear goals, demonstrate our values and critical behaviours, build robust growth and development plans and receive feedback.
- We conduct best-in-class management training for all people managers through Raw Signal Group. The training focuses on building core management skills such as team development, coaching, feedback and managing performance. This program is a foundational component of our broader leadership development strategy.
- Enwave introduced an Education Assistance Program that supports employees financially for enrolling in formal training, development and education programs.
- We also recently launched a Learning & Education Series to ensure 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.
- The Leadership Team meets several times each year to engage in a structured talent review process to ensure that development needs and opportunities are discussed and that Enwave is building a strong talent pipeline. Succession planning will be incorporated into this process this year.

Student Development

Mentoring and investing in the next generation is a priority for Enwave. Our Enwave Student Experience Program (ESEP) provides opportunities for all full-time secondary and post-secondary school students at all levels and in all programs of study to gain experience in the district energy sector. Students can be hired through ESEP to work at any of Enwave’s worksites.

All Enwave summer student, co-op student and student internship positions fall under the ESEP.

Students hired under ESEP have the opportunity to:

- Enrich their academic program;
- Develop their skills and enhance their employability; and
- Gain insights into potential future career options within the energy sector.

Recognition

In order to foster engagement we seek to publicly recognize our team members’ successes, including through our formal recognition programs, ‘Your Energy Inspires Us’ and the more recently implemented ‘Unconventional Thinker Award’. The monthly ‘Your Energy Inspires Us’ award recognizes a team member who demonstrates a commitment to health and safety that is proactive and preventative and whose positive spirit lifts those around them. The ‘Unconventional Thinker Award’ recognizes a team member who can see things in a new way and is always looking for innovative ways to find creative solutions to solve problems. This annual award was launched in 2023.

Performance

In order to monitor our performance over time, we track a significant number of metrics related to employee engagement and diversity such as percentage of female representation for employees, percentage of female representation in executive management, the voluntary turnover rate for all employees and progress towards our short-term goals and priorities on EDI. At present, females represent 43% of the executive team and 33% of the Board. In the Spring of 2022, Enwave embarked on an EDI survey with Diversio, a company that helps organizations measure, track and improve diversity, equity and inclusion. Conducting this survey helped us to understand our baseline. Since receiving the results, we have put in place several improvements, including updating our job leveling tool to further achieve greater equity, continuing with the hybrid work model for greater flexibility and formal people management training to enhance management skills.

ASSET INTEGRITY & RESILIENCY

Why This Matters

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 where 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. It is thus crucial that we maintain the structural integrity and safety of our assets and facilities, including ensuring that our operational technology is safe from cyber-attacks.

Approach

Our approach to asset integrity and resiliency is grounded in our HSE programs, which meet the intent of ISO 45001 & 14001. 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 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.



Pearl Street Energy Centre

Performance

The integrity of our assets and safe operation of our systems are the top priority of our organization. We investigate all incidents with rigor and apply our learnings across our full fleet of assets. In October 2021, an incident occurred involving our steam lines located in London, Ontario. No injuries were associated with this event and our system was affected for about six hours. The infrastructure in question had been purchased five years earlier. During the thorough incident investigation conducted by Enwave, we uncovered two incorrect piping configurations which resulted in the energy release; (i) a faulty end cap which was installed using best practices and (ii) a pipe termination at the low point in the system that led to the build up of condensation and pressure. These anomalies resulted in a pipe bursting that caused a two-metre hole in the sidewalk. Both anomalies in the system that led to the failure were installed prior to our acquisition of the pipe and were never properly documented by the system’s former owner. In response to the incident, we undertook a significant third-party review to uncover the cause and ensure no similar faults remained.

Table 10: Asset Integrity and Resiliency Metrics

METRIC	UNIT	2022
Amount of defect- and safety-related rework costs. ⁶ [IF-EN-250a.1]	Reporting Currency (\$)	0
Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents [IF-EN-250a.2]	Reporting Currency (\$)	n/a

⁶ All material costs related to any legal proceedings were covered by insurance and thus did not result in losses.

COMMUNITY ENGAGEMENT

Why This Matters

District energy providers such as Enwave can face exposure to community-related risks as communities may be affected by environmental and social impacts of operations, such as competition for access to local resources, air emissions, waste from operations and impacts to biodiversity. District energy providers frequently need support from local communities in order to obtain permits and conduct business without disruptions. As an essential service provider, we can also positively impact the communities in which we operate by providing access to reliable, efficient and low-carbon energy services, as well as local employment opportunities.

Approach

The effects of climate change and water scarcity are among the most significant threats facing communities, today and in the future. As a leader in sustainability and at the forefront of the energy transition, we believe we can do more to meet these challenges. By continuing to invest and modernizing our systems with fourth-generation district energy technologies, we play an important role in helping communities to transition to the low-carbon economy. We also seek to have a positive impact on the communities in which we operate through provision of employment. For this reason, we track the percentage of our workforce who live in the local regions of our operations.

Performance

In order to maintain positive community relations we have participated in community engagement consultations related to the DLWC expansion project with the City of Toronto. We have also recently re-launched the ‘Enwave Community Outreach Program’, where we have distributed over \$75,000 in community and charitable contributions throughout 2022. Some local initiatives taking place in our communities that we have supported recently include:

- Participation in the Holland Bloorview Corporate Fundraiser, raising money for Canada’s largest children’s rehabilitation centre;
- Enwave matched fundraising for employees raising money for Foodbanks Canada;
- Participation and support of Women’s College Hospital Foundation, which focuses on breaking down barriers for women to receive health care;
- Supporting local shelters, missions and foodbanks to support newcomers from Ukraine.

As a partner of many communities and governments, the rights of Indigenous peoples and our relationship with Indigenous communities is a matter of significant importance for Enwave. For this reason, we are actively seeking opportunities to partner with Indigenous communities on projects in future.



PEI district energy plant

HURRICANE FIONA

On September 23, 2022 Hurricane Fiona made landfall in Prince Edward Island, affecting many of our team members and communities. The storm left approximately 95% of residents without power for two days. In response to the approaching storm, we ensured fuel supplies were fully restocked, including back-up diesel, inspected the outside of the plant, including the roof, to remove and/or secure any potentially loose objects, braced doors and used sand bags to prevent water from entering the control room. While we were able to keep our waste-to-energy plant running to serve our customers many of our team members experienced severe damage to their homes, vehicles and properties. Our response included providing temporary shelter to those who lost power or experienced damage to their homes. Enwave is proud of the hurricane response by our team in Charlottetown, not only were we able to protect our plant infrastructure and continue to serve our customers, but the Enwave team also served as a key support for the community in a time of crisis.

SUPPLY CHAIN MANAGEMENT

Why This Matters

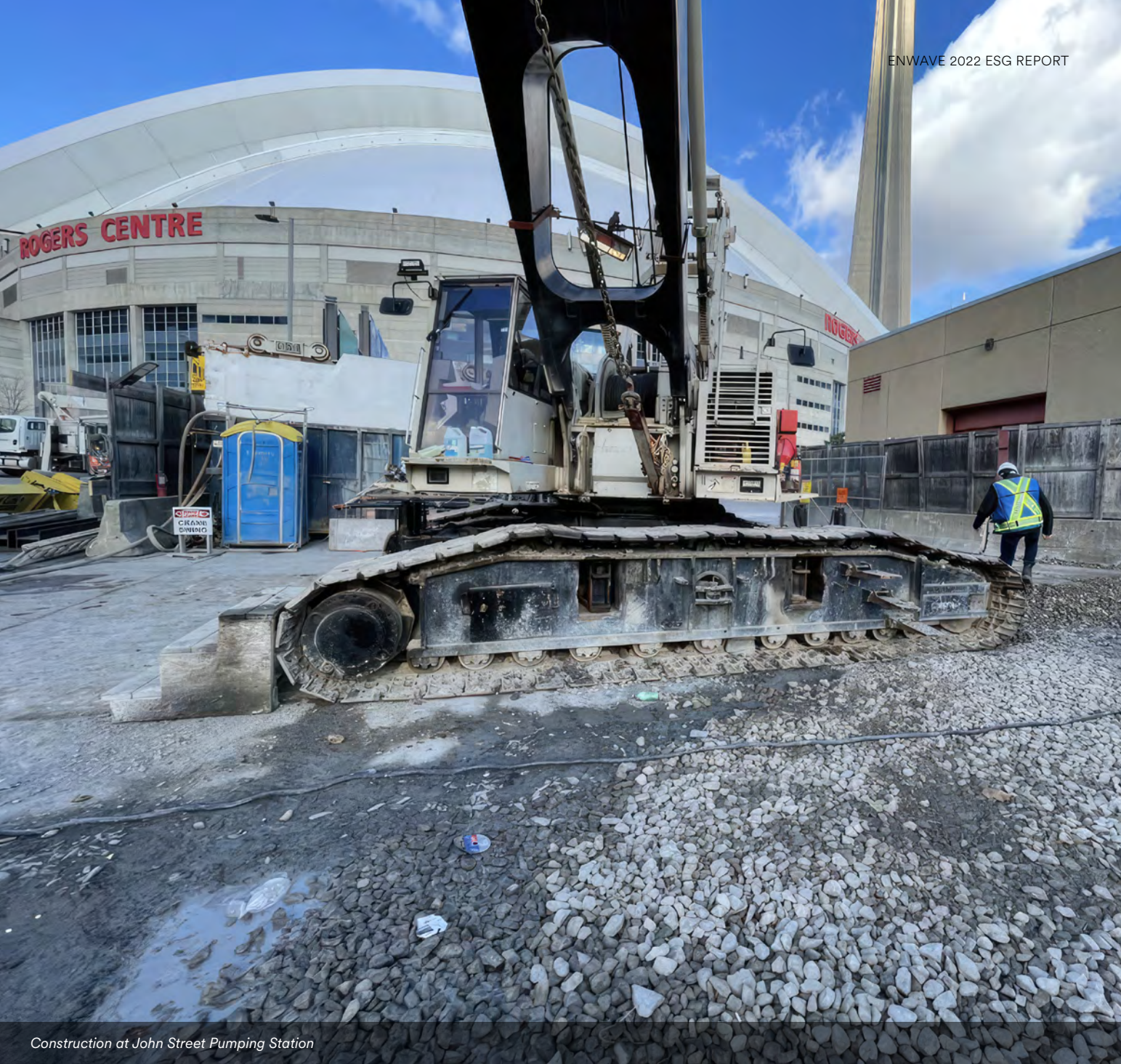
District energy systems rely on critical inputs such as natural gas, water and electricity for their operations and use third party contractors to provide goods, products and services. Increasingly, companies are being expected to manage and monitor their supply chain, including conducting appropriate screening, monitoring and engagement with suppliers to ensure practices in their supply chain are legal, respect human rights and limit environmental impacts. Careful management of supply chain risks can provide a competitive advantage and enhance reputation while also limiting costs associated with human rights violations, environmental damage and issues sourcing required materials. We recognize the importance of supply chain management in achieving enhanced ESG risk management.

Approach

Our relationships with suppliers are the responsibility of the Supply Chain team, which reports up to the Chief Financial Officer. To manage supply chain risk, Enwave sources materials responsibly, standardizes processes across our supply chain and does business with suppliers that share our commitment to responsible corporate standards. Our Supplier Standards of Conduct sets out standards of conduct for suppliers of goods and services to Enwave covering topics such as safety culture, human rights, labour standards, the environment and business ethics. For example, our Supplier Standards of Conduct stipulates that suppliers must establish and maintain standards, procedures and management controls to ensure compliance with applicable health and safety standards. The Supplier Standards of Conduct also requires that suppliers ensure they support and respect the protection of internally proclaimed human rights, and not engage directly or indirectly in any form of forced or compulsory labour or child labour practices. Additionally, we will continue to monitor any reporting requirements that may arise out of the recently enacted Canadian legislation to fight modern slavery, including both forced labour and child labour, in supply chains.

Performance

Our Supply Chain team will be implementing a formal Supplier Relationship Management process that will monitor the performance of our key suppliers. This will allow us to mitigate risk, enable process excellence and identify and execute against our strategic vision. Once our new Supplier Relationship Management process is implemented, key performance indicators will be included in future reporting.



Construction at John Street Pumping Station

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 applicable metrics from the SASB Standard applicable to our business. Any omissions or deviations from the Standard are explained.

ESG Topic	SASB Code	Accounting Metric	Unit	2022 Performance	Notes
SASB ELECTRIC UTILITIES AND POWER GENERATORS					
Greenhouse Gas Emissions and Energy Resource Planning	IF-EU-110a.1	Gross global Scope 1 emissions	tCO2e	315,024	
		Percentage of gross global Scope 1 emissions that are covered under emissions-limiting regulations and emissions-reporting regulations	n/a - discussion and analysis	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	n/a - discussion and analysis	Refer to page 22	
	IF-EU-110a.4	Number of customers served in markets subject to renewable portfolio standards (RPS)	Number (#)	145	
		Percentage fulfillment of RPS target by market	Percentage (%)	Not Reported	For 2022, we are not reporting on the percentage fulfillment of RPS target by market. We have focused our efforts on our commitment to reaching net-zero emissions and current work on consideration of interim target setting, conducting a qualitative scenario analysis and developing a roadmap to quantify and disclose our Scope 3 emissions to enhance our GHG Inventory Management Plan.
Water Management	IF-EU-140a.1	Total water withdrawn	Thousand cubic meters (m³)	Not Reported	For 2022, we are not reporting the total water withdrawn as Enwave prioritized tracking data on water consumption.
		Total water consumed	Thousand cubic meters (m³)	1,941,926	
		Percentage of each in regions with High or Extremely High Baseline Water Stress	Percentage (%)	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	

ESG Topic	SASB Code	Accounting Metric	Unit	2022 Performance	Notes
Workforce Health & Safety	IF-EU-320a.1	Total recordable incident rate (TRIR) - Full-time employees	Number (#)	0.76	Our tracking of recordable incidents does not differentiate between full-time and contract employees. As such, this figure represents the rate for all employees at Enwave.
		Fatality rate - Full-time employees	Number (#)	0	
		Fatality rate - Contract employees	Number (#)	0	
		Near miss frequency rate (NMFR) - Full-time employees	Number (#)	5.62	Our tracking of near miss frequency does not differentiate between full-time and contract employees. As such, this figure represents the rate for all employees at Enwave.
End-Use Efficiency & Demand	IF-EU-420a.3	Customer electricity savings from efficiency measures, by market	Megawatt hours (MWh)	95,807	We have reported customer electricity savings from efficiency measures in aggregate as Enwave operates only in the Canadian market.
Grid Resiliency	IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	Number (#)	0	
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	
	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	
Structural Integrity & Safety	IF-EN-250a.1	Amount of defect- and safety-related rework costs	Reporting Currency (\$)	0	
	IF-EN-250a.2	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	Reporting Currency (\$)	Not Applicable	All material costs related to any legal proceedings were covered by insurance and thus did not result in losses.
Workforce Health & Safety	IF-EN-320a.1	Total recordable incident rate (TRIR) - Full-time employees	Number (#)	0.76	Our tracking of recordable incidents does not differentiate between full-time and contract employees. As such, this figure represents the rate for all employees at Enwave.

ESG Topic	SASB Code	Accounting Metric	Unit	2022 Performance	Notes
Workforce Health & Safety	IF-EN-320a.1	Fatality rate - Full-time employees	Number (#)	0	
		Fatality rate - Full-time employees	Number (#)	0	
Business Ethics	IF-EN-510a.1	Number of active projects in countries that have the 20 lowest ranking in transparency international's corruption perception index	Number (#)	0	
		Number of backlogs in countries that have the 20 lowest ranking in transparency international's corruption perception index	Number (#)	0	
	IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery, corruption and other related issues	Reporting Currency (\$)	0	
	IF-EN-510a.3	Description of policies and practices for prevention of (1) bribery and corruption and (2) anti-competitive behavior in the project bidding processes	n/a - discussion and analysis	<u>Refer to page 20</u>	

ESG PERFORMANCE DATA

ESG Factor	Accounting Metric	Unit	SASB Oil & Gas Services Standard	2022	Notes
Business Ethics	Number of active projects in countries that have the 20 lowest ranking in transparency international’s corruption perception index	Number (#)	IF-EN-510a.1	0	
	Number of backlogs in countries that have the 20 lowest ranking in transparency international’s corruption perception index	Number (#)	IF-EN-510a.1	0	
	Total amount of monetary losses as a result of legal proceedings associated with bribery, corruption and other related issues	Reporting Currency (\$)	IF-EN-510a.2	0	
	Percentage of employees who completed code of conduct or business ethics related training	Percentage (%)		100	
Cybersecurity	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	Number (#)	IF-EU-550a.1	0	
Climate Change	Gross global Scope 1 emissions	Metric tonnes (t) CO ₂ -e	IF-EU-110a.1	315,024	
	Gross global Scope 2 emissions	Metric tonnes (t) CO ₂ -e		2,246	
	Percentage of gross global Scope 1 emissions that are covered under emissions-limiting regulations and emissions-reporting regulations	Percentage (%)	IF-EU-110a.1	0	
	Number of customers served in markets subject to renewable portfolio standards (RPS)	Number (#)	IF-EU-110a.4	145	
	Scope 1 GHG emissions intensity	Metric tonnes (t) CO ₂ -e per unit of output		0.2	
	Scope 1 and 2 GHG emissions intensity	Metric tonnes (t) CO ₂ -e per unit of output		0.13	
Energy Management & End Use Efficiency	Total non-renewable energy (consumed)	Megawatt hours (MWh)		1,718,947	

ESG Factor	Accounting Metric	Unit	SASB Oil & Gas Services Standard	2022	Notes
Energy Management & End Use Efficiency	Total non-renewable energy (produced)	Megawatt hours (MWh)		1,400,264	
	Total renewable energy (consumed)	Megawatt hours (MWh)		187,528	
	Total renewable energy (produced)	Megawatt hours (MWh)		670,615	
	Customer electricity savings from efficiency measures	Megawatt hours (MWh)	IF-EU-420a.3	95,807	
Water Management	Total water consumed	Thousand cubic meters (m³)	IF-EU-140a.1	1,941,926	
	Water consumption intensity	Thousand cubic meters (m³) / GJ of energy sold		0.000261497	
	Percentage of water consumed in regions with High or Extremely High Baseline Water Stress	Percentage (%)	IF-EU-140a.1	0	
Land Use and Ecosystem Impacts	Number of incidents of non-compliance with environmental permits, standards and regulations	Number (#)	IF-EN-160a.1	0	
	Habitats protected, restored, or rehabilitated	Acres		0	
	Percentage of business operations/activities that negatively affect those biodiversity sensitive areas to which they are located in or near	Percentage (%)		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	
Air Quality	Number of reported incidents related to environmental air release	Number (#)		5	Enwave had five incidents related to environmental air release that we reported to Prince Edward Island’s Department of Environment, Energy and Climate Action. While data regarding air emissions, such as carbon monoxide, are tracked at some our sites, including those in Prince Edward Island, we are currently implementing tracking for all of our operations.

ESG Factor	Accounting Metric	Unit	SASB Oil & Gas Services Standard	2022	Notes
Workforce Health and Safety	Total recordable incident rate (TRIR) – Full-time employees	Number (#)	IF-EU-320a.1 IF-EN-320a.1	0.76	Our tracking of recordable incidents does not differentiate between full-time and contract employees. As such, this figure represents the rate for all employees at Enwave
	Fatality rate – Full-time employees	Number (#)	IF-EU-320a.1 IF-EN-320a.1	0	
	Fatality rate – Contract employees	Number (#)	IF-EU-320a.1 IF-EN-320a.1	0	
	Near miss frequency rate (NMFR) – Full-time employees	Number (#)	IF-EU-320a.1	5.62	Our tracking of near miss frequency does not differentiate between full-time and contract employees. As such, this figure represents the rate for all employees at Enwave.
	Total Lost Time Incident Rate (LTIR)- Full-Time employees	Number (#)		0	
	Total Lost Time Incident Rate (LTIR) – Contract employees	Number (#)		0	
	Percentage of health, safety and emergency response training completed – Full-time employees	Percentage (%)		70	Due to rolling deadlines and weekly measurement this figure represents the average completion rate at a given point in time. The overall completion rate by the applicable deadline is significantly higher.
	Total hours worked by full-time employees	Number (#)		497,763	
	Total hours worked by contract employees	Number (#)		159,462	
Employee Engagement, People and Culture	Number of employees across offices and plants	Number (#)		188	This figure represents full-time employees.
	Employee Engagement Score	Percentage (%)		74	
	Percentage of Female representation of Board	Percentage (%)		33	
	Percentage of Female representation of Leadership team	Percentage (%)		43	

ESG Factor	Accounting Metric	Unit	SASB Oil & Gas Services Standard	2022	Notes
Asset Integrity and Resiliency Metrics	Amount of defect- and safety-related rework costs.	Reporting Currency (\$)	IF-EN-250a.1	0	
	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	Reporting Currency (\$)	IF-EN-250a.2	n/a	All material costs related to any legal proceedings were covered by insurance and thus did not result in losses.
Community Engagement	Total community and charitable contributions	Reporting Currency (\$)		75,000	

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	Notes
Governance	Disclose the organization’s governance around climate-related risks and opportunities.	(a) Describe the board’s oversight of climate-related risks and opportunities.	Refer to page 17	
		(b) Describe management’s role in assessing and managing climate-related risks and opportunities.	Refer to page 17	
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.	Refer to page 17	For 2022, we did not conduct a scenario analysis. We are, however, currently undertaking qualitative scenario analysis as we are committed to continuing our understanding of climate-related risks and opportunities. See the Climate Change – Strategy section of the ESG report.
		(b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.	Refer to page 18	
		(c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Not Disclosed	
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.	Refer to page 19	
		(b) Describe the organization’s processes for managing climate-related risks.	Refer to page 19	
		(c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management.	Refer to page 19	
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.	Refer to page 20	
		b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Refer to page 20	
		c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Refer to page 20	



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