

# ESG Annual Sustainability Report 2023

Environmental, Social & Governance Report



**AUSTIN POWDER**

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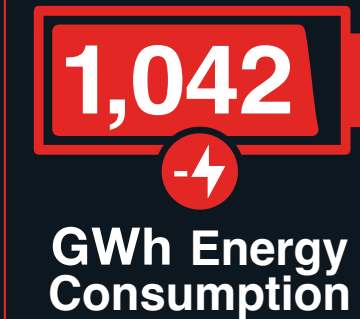
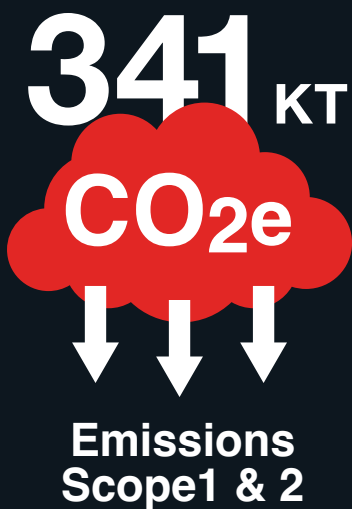
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## Austin Powder 2023 Highlights



## Austin Powder 2023 Highlights

# Environment

↓ **2.8%** tCO<sub>2</sub>e  
Emissions Scope 1 & Scope 2  
**341 kt CO<sub>2</sub>eq**

↓ **9%**  
Water Consumption  
**1,350 Million Liters**

↑ **4.73%**  
Energy Consumption  
**1,042 GWh**

**\$2.6M** USD  
Invested to prevent Environmental Hazards

**15%**  
Recycled & Reused of the Waste Generated  
**1,003 Mt**

↑ **13%**  
Waste Generation  
**6,622 Mt**

# Social

**4,724**  
Workforce in 2023

**18%**  
Workforce under age 30  
**870**

**26%**  
Women in Workforce  
**1,249**

**100%** Workers covered SHES  
Management System in 2023

**ISO45001**  
Certification in 2023  
**Austin Detonator, Austin  
Powder Mexico (APM) & Sweden**

**\$202K** USD  
Invested in Social Initiatives in 2023

↓ **38%**  
Employee's LTI (Lost Time Injury Rate)  
**0.47**

# Austin Powder

## 2023 Highlights



### Closure of Nitric Acid Plant in Mexico

In August 2023, Austin Powder Mexico closed the Nitric Acid Plant at Dinamita, significantly lowering NOx and other pollutants' emissions, improving air quality, and reducing health risks for nearby communities as part of their Net Zero strategy.



**10,733,892 Kw-h**  
Energy savings per year



**51,354 m3**  
Water savings per year



**Avoid 33,000 Mt**  
CO<sub>2</sub>eq per year

\*Approximate annual reduction following the closure of the Austin Powder Nitric Acid Plant.



### USN Plant: CO2 Decarbonization

The USN Plant of Austin Powder has made significant strides in reducing its carbon footprint. In 2023, the decarbonization process involved capturing **53,434 metric tons of CO2** equivalent to removing **11,616 cars** from the road.



### Austin Powder Argentina in Collaboration with NACAG

Austin Powder Argentina, with NACAG, is working to reduce nitrous oxide (N<sub>2</sub>O) emissions from its nitric acid facility in El Galpón, Salta. Supported by the German Federal Ministry, they are implementing technology to capture and neutralize N<sub>2</sub>O emissions, reducing environmental impact.



### Austin Powder Develops a Lead-Free Alternative for Detonators

Austin Powder is developing lead-free detonators ahead of regulations, with efforts starting in 2000 and 2007 at their respective locations. Over 65% of delay charges at Austin Detonator are now lead-free, and they aim for full conversion, demonstrating their commitment to environmental responsibility.



### Neutralization of Wastewater

Austin Detonator treats wastewater from metal washing and degreasing before discharging it into the public sewer system for further treatment at a municipal plant.



### Waste Minimization Project

Red Diamond has initiated a waste reduction project targeting the treatment and decomposition of explosive-contaminated waste.



### Hazardous Waste Reduction Plan

USN recycles and reuses resources while also implementing a hazardous waste reduction plan.



### Significant Reduction in CO2 Emissions

In 2023, Austin Powder achieved a remarkable 2.81% reduction in total emissions compared to 2022, primarily driven by the closure of the nitric acid plant in Mexico.



### Industrial Operator Course in Argentina

The first vocational training course for Industrial Operators trained 83 young people, enabling them to work in different companies in the region.



### Strategic Collaboration in Explosives Research

Austin Powder Malaysia and the University of Science Malaysia signed an agreement to develop joint projects, advancing more efficient and effective blasting techniques.



### Graduate Award in Canada

The Red Diamond Award at Sir Sandford Fleming College recognizes a Drilling and Blasting Technique student for academic excellence, supporting continued studies in resource drilling.



# Welcome

## Message from the President & CEO



**John D. Rathbun**  
President & CEO

Austin Powder  
Holding Company

Reflections of the company's performance in the past fiscal year and outlines its vision for the future, addressing the challenges and opportunities ahead.

Dear Stakeholders,

I am pleased to present our Sustainability Report for the year 2023. At Austin Powder, we are deeply committed to sustainable business practices and recognize their crucial role in our company's success, our planet's well-being, and future generations' prosperity.

In 2023, we made significant progress in our sustainability journey, showcasing resilience and innovation. Despite challenges such as geopolitical tensions and disruptions in global commodity markets, our unwavering commitment to safety, strong customer focus, and the "Power of Family" have been pivotal in meeting customer demands and securing supplies across our operations.

One of our notable achievements this year was the development of a lead-free primary explosive for detonators. This environmentally responsible innovation ensures the availability of raw materials and incorporates a safer manufacturing process, significantly reducing our environmental impact.

Following the closure of our AOP (Nitric Acid and ANSOL plant) in August 2023, we substantially reduced greenhouse gas and NOx emissions by over 60% in Mexico. This strategic move was part of our ongoing efforts to mitigate operational risks and minimize our environmental footprint.

Additionally, we have made significant strides in decarbonizing CO2 at our USN Plant, ensuring that the emissions meet beverage-grade purity specifications. By sending over 53,434 tons of CO2 annually to a liquefaction plant, we effectively reduce our emissions, equivalent to taking 11,616 cars off the road.

The Sustainability Report aims to communicate our performance in key areas and address ESG-related challenges and opportunities. Through this report, we align our values with sustainability, improve our financial performance, strengthen stakeholder confidence, and contribute to a sustainable development roadmap.

We are acutely aware of climate change and the explosives industry's evolving environmental and safety regulations. Austin Powder stays updated with relevant regulations and standards, ensuring that we meet the highest safety, quality, and compliance standards, which align with global and local expectations.

Our relationship with local communities and stakeholders is increasingly important at every site where we operate. We are committed to open and transparent communication with communities and seek to build strong, mutually beneficial relationships.

We have also strengthened our corporate social responsibility policies. We strive to be a responsible employer, ensuring safe and fair working conditions for our employees. Additionally, we promote diversity and inclusion in our work environment, fostering a culture that values and respects the diversity of our team members.

At Austin Powder, we aim to lead our industry in business performance and sustainability. We are committed to pursuing solutions that drive responsible and environmentally friendly economic growth. Our vision is based on collaboration with strategic customers and suppliers, commitment to talent and excellence, and anticipation of future market needs.

The sustainable and social results are the outcome of the work and commitment of the entire Austin Powder team. I am convinced this journey will lead us to improve our practices, seek new ways to innovate and lead in sustainability.

Sincerely,

John D. Rathbun  
President & CEO  
Austin Powder Holding Company

## A Word from the Global Director of Strategy, Sustainability & Innovation



**David Fernández**  
Global Director of  
Strategy, Sustainability  
& Innovation

Austin Powder  
Holding Company

I am pleased to share Austin Powder's 2023 Sustainability Report, highlighting a year of progress towards defining and implementing our sustainability strategy.

Austin Powder's mission is to improve the world we live in through the safe and responsible use of explosives. We fully understand our stakeholders' expectations for us to operate as a responsible business. Sustainability has been identified as one of Austin Powder's strategic goals, prompting us to incorporate the Corporate Sustainability function into our Global Leadership team.

In 2023, we made significant strides in developing our Sustainability Master Plan for 2023-2026, which includes:

- Re-measuring Austin Powder's impact on climate change, the environment, and key stakeholders.
- Gaining a deeper understanding of risks related to climate change, biodiversity loss, and community engagement.
- Integrating sustainability into our corporate strategy and decision-making processes.
- Conducting Life Cycle Assessments and obtaining Environmental Product Declarations for some of our most innovative product lines, such as E\*STAR, to understand their impact across various categories throughout their entire life cycle.
- Fostering innovation to develop sustainable products.

Our goal is to contribute to sustainable development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

At Austin Powder, we believe that through innovation, a carbon-neutral and zero-biodiversity loss economy is achievable.

Join us on this fantastic journey!

David Fernández  
Global Director  
Strategy, Sustainability and Innovation



# Creating Future Value





## Used in 1833 & Ever Since Austin Powder History

Austin Powder Company is the oldest manufacturing enterprise in the State of Ohio and one of the oldest manufacturers of explosives in the world. The company began in 1833 in Akron, Ohio by the five Austin brothers of Vermont to produce black powder which was used in blasting rock and the sporting arms of the day. The company acquired the Cleveland Powder Co. in 1867, at the 5 Mile Lock of the Ohio and Erie Canal. The facility later was lost when an explosion occurred in 1907.

Fortunately, before that, in 1891, Austin Powder moved the production 13 miles into the country and carved out a parcel of Solon Township southeast of downtown Cleveland and

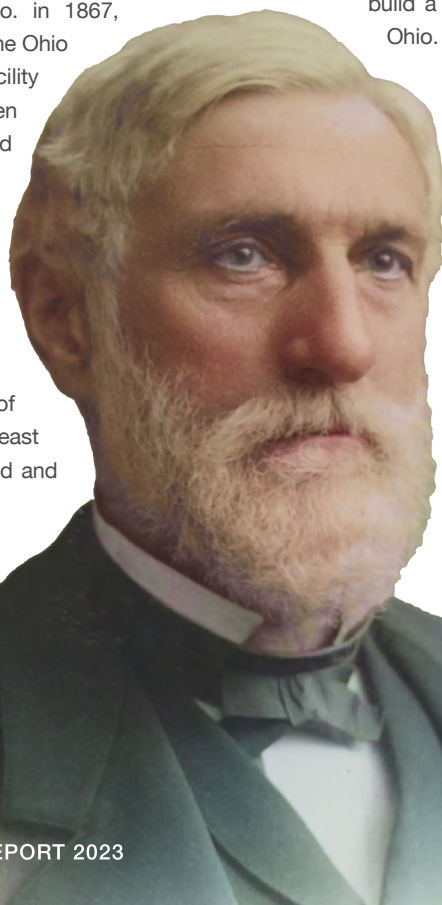
built the company town of Glenwillow. By 1892, Glenwillow was a rural community that included production facilities as well as employee homes, a town hall, a school, and a general store.

In 1930, the company recognized the need to add to its product offering and decided to build a dynamite plant in McArthur, Ohio. This remote facility became known as Red Diamond, in recognition of the company's logo and has become the main production site of the company in the United States. In 1972, all of the remaining activities at Glenwillow were moved to Red Diamond and production ceased.

In the early part of the 20<sup>th</sup> century, company

headquarters were located in the Rockefeller Building in downtown Cleveland. During the 1960s, Austin moved its headquarters to the eastern suburbs, closer to Glenwillow and where they still reside today.

With the new ownership of W. Jack Davis, Austin began its journey of international expansion and acquisition of world-class technology. The first acquisitions were in Latin America, starting in Chile, Ecuador, Argentina, Costa Rica, Panama, and Mexico. Towards the end of the 1990s and early 2000s, Austin expanded in Europe by purchasing Zvobrovka Vsetin in the Czech Republic and Dynamit Nobel Wien (DNW) in Austria. During the mid-2010s, Austin expanded its production footprint with two new Ammonium Nitrate plants and added Tenaga Kimia in Malaysia. Most recently, Austin has expanded into southern Africa with operations in Tanzania and Zimbabwe. Today, Austin has operations in over 25 countries and over 4,700 employees worldwide.



*L. Austin*

## What Lies Ahead for Austin Powder

Austin Powder is committed to spreading its risks and expanding worldwide into all markets and territories. The company's growth in recent years is due to a wise approach of adopting best practices from each and every acquired company and then spreading that knowledge throughout the company.

The Power of Family philosophy, where we look after and take care of each other, is Austin Powder's greatest competitive advantage. Austin was a family name, and that family culture has continued for nearly two centuries.

Austin Powder continues to innovate through the work of its research and development teams across the globe and constantly seeks improvements that take quality and safety considerations to the next level. Most importantly, its success comes from listening to the needs of its loyal customer base and answering with solid, progressive solutions.

Heading into the next 190 years, the company is equipped to continue its successful growth into geographical territories worldwide while providing quality products and dependable services synonymous with the Austin brand.



1833

**Austin Powder Founded**

Austin Powder Company is founded in Akron, Ohio where the Austin brothers opened a black powder mill at the "Old Forge", located along the Little Cuyahoga River

**1833**



**1846**

**Austin & Carlton Powder Company**

Austin Carlton Plant is established in Xenia, OH



**1867**

**First Acquisition**

Austin Powder Company acquires Cleveland Powder Company in Newburgh Township, Ohio.

**Austin Powder Company is Incorporated**



**1872**

**Austin Powder Leaves Akron Site**

**1870**

**DuPont de Nemours**

DuPont de Nemours becomes a shareholder of Austin Powder






**1884**

**Chamberlin Cartridge Company**


Chamberlin Cartridge Company investment and sole powder supplier



**1887**

**Linus Austin Dies**


Linus Austin dies in Asheville, NC



**1891**

**Glenwillow Founded**

Glenwillow mill is built on 1000 acres to produce sporting powder




**1895**

**Austin Cartridge Company Founded**

Austin Cartridge Company was established at the Glenwillow plant

**St. Louis Sales Office Established By J. Lowe White**




**1900**

**Olin's Western Cartridge Company**

Austin Cartridge merged with F.W. Olin's Western Cartridge Company


**Illinois Powder Company Started**



**1910**

**Red Diamond Logo**


Austin Powder's Red Diamond logo was created and first used



**1914**

**Louisa Austin Dies**

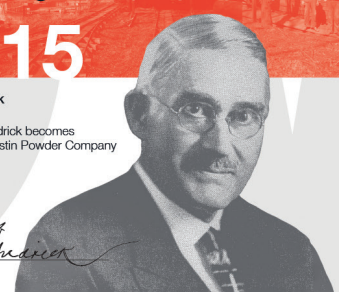
Louisa Austin (wife of Linus) was the last Austin to own shares in the company



**1915**

**J.K. Kendrick**

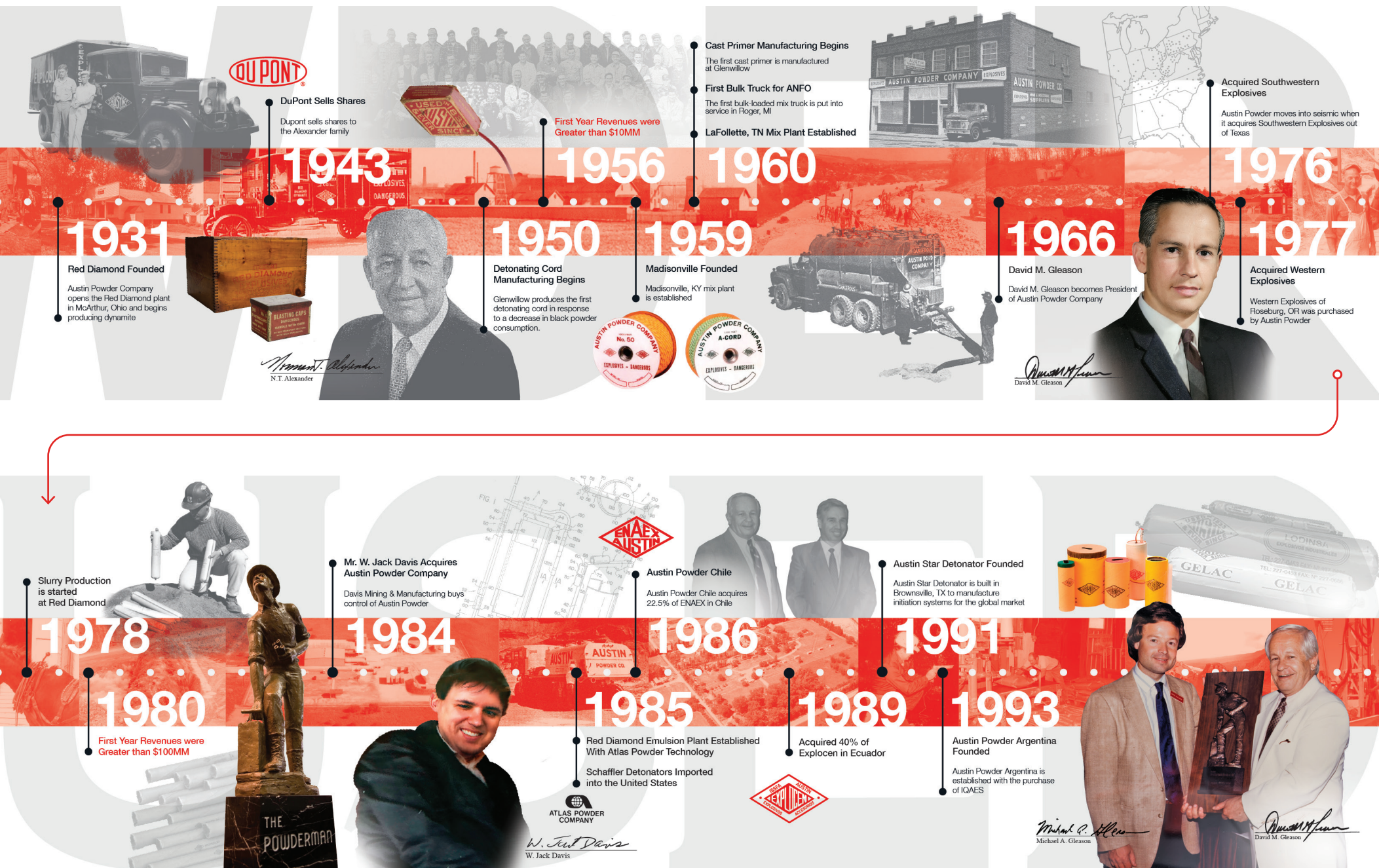
Joseph K. Kendrick becomes President of Austin Powder Company



**1917**

**First Year Revenues were Greater than \$1MM**











## Where We Operate Global Footprint



**Austin Powder, established in 1833, is a leading explosives and related blasting services company with an extensive global footprint, providing advanced blasting and rock fragmentation solutions across various industrial sectors.**

Headquartered in Cleveland, Ohio, Austin Powder operates through five primary business units/regions: United States and Canada, Latin America, Europe, Asia and Africa, and the Detonator companies, with strategic functional leaders overseeing areas like Safety and Environment, Finance, Human Resources, Field Operations, Emulsion Technologies, Ammonium Nitrate (AN) sourcing, Strategy and Sustainability, Innovation, Marketing and Engineering.

Austin Powder's extensive geographical reach underscores its commitment to providing customized advance blasting solutions globally, adapting to regional needs, and maintaining a strong presence in key markets.

### Americas

Austin Powder's largest presence is in the Americas, with significant operations in the United States, Mexico, Argentina, Panama, Brazil, Costa Rica, Canada, Chile, and Ecuador.

### Europe

The company is represented in nine European countries: Austria, Czechia, Germany, Hungary, Italy, Norway, Poland, Slovakia, and Sweden.

### Asia Pacific & Africa

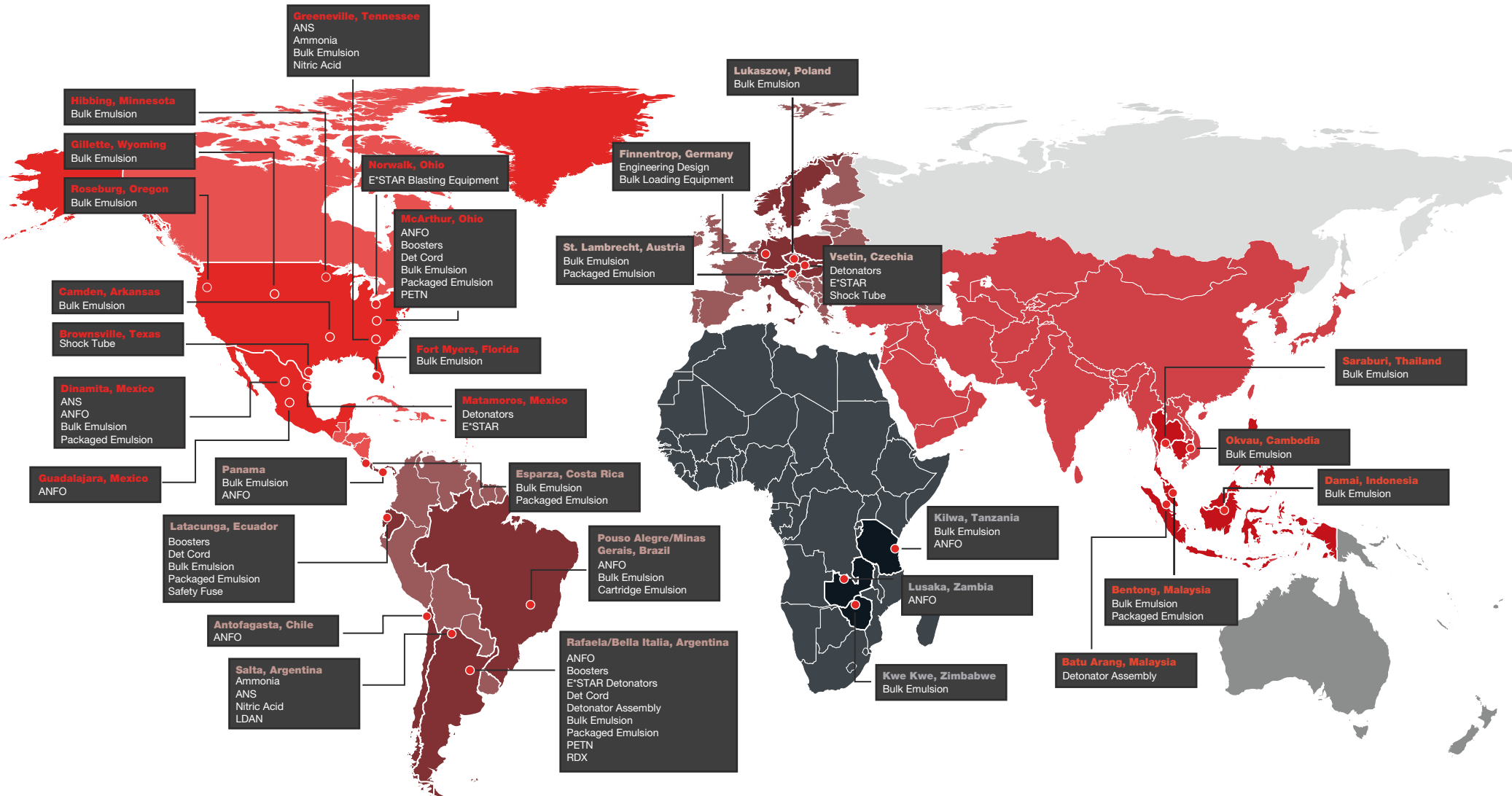
Austin Powder operates in Asia Pacific and Africa. The regional office for Asia Pacific is in Kuala Lumpur, Malaysia. The company has a presence in Malaysia, Indonesia, Thailand, Cambodia, Taiwan, and the Philippines. In Africa, Austin Powder operates in Zimbabwe and Tanzania and recently incorporated a company in Australia.

### Austin Detonators

Austin Detonator operates detonators factories in Czech Republic, US and Mexico.

# Providing Blasting Solutions Worldwide

## Global Manufacturing Footprint





# Who We Are

## Mission, Vision & Values



### Our Mission

To improve the world we live in through the safe and responsible use of explosives.

**Safety is the First Priority:** Safety is the cornerstone of everything done at Austin Powder. The company is dedicated to ensuring that every employee returns home safely each day. Comprehensive safety protocols, rigorous training programs, and a commitment to continuous improvement create a work environment where safety is ingrained in every action. By prioritizing safety, Austin Powder protects its people, operations, and the communities it serves.



### Our Vision

We will be the global leader of explosive products, services and technologies as defined by our Customers, our Family and our Communities.

**Customer Focused:** Customers are at the heart of Austin Powder's business. Every employee is dedicated to delivering exceptional service and demonstrating genuine care for customers' needs. The company listens, understands, and responds to their requirements, building lasting relationships based on trust and reliability. This customer-centric approach drives Austin Powder to exceed expectations and deliver unparalleled value.



### Our Values

**Safety is Our 1st Priority. We are Customer Focused. We Leverage the Power of Family. We Treat Everyone with Respect.**

**Leveraging the Power of Family:** At Austin Powder, employees see each other as family. This familial bond translates into a supportive and collaborative work environment where everyone looks out for one another. By leveraging the power of family, the company fosters a culture of mutual respect, care, and teamwork. This unity strengthens the organization and enables collective success.

**Treating Everyone With Respect:** Respect is fundamental to Austin Powder's interactions with employees, customers, and the communities around it. The company honors diverse opinions, values, and beliefs, creating an inclusive environment where everyone feels valued. This respect fosters open communication, collaboration, and a positive work atmosphere, enhancing Austin Powder's ability to innovate and excel.

# One Austin

## United by Purpose & Values



Every day, Austin Powder embraces the challenges of running a global enterprise in a fast-paced, ever-evolving world. The essence of “One Austin” lies in the unity and shared commitment to their foundational values, which drive actions and decisions across all levels of the company. This collective ethos reinforces the power of family and emphasizes the importance of attention to detail in everything they do.

The **ONE**AUSTIN philosophy centers around several core principles:



### Safety, Compliance, & Environmental Responsibility

Ensuring operations are safe, compliant, and environmentally responsible is paramount. The company prioritizes the well-being of employees and the communities they serve, maintaining strict adherence to regulations and best practices.



### Profitable Growth

Austin Powder is committed to growing its business sustainably and profitably. This involves strategic planning, efficient operations, and innovative solutions that drive success and expansion.



### Attention to Detail

In every aspect of work, attention to detail is critical. This meticulous approach ensures precision, quality, and reliability in products and services.



### Strong Relationships

Developing and maintaining robust relationships with stakeholders is crucial. The company values collaboration and mutual respect, which strengthens partnerships and drives collective success.



### Continuous Improvement & Innovation

The company fosters a culture of continuous improvement and innovation. By constantly seeking better ways to operate, they enhance capabilities, streamline processes, and deliver superior value to customers.



### Family & Teamwork

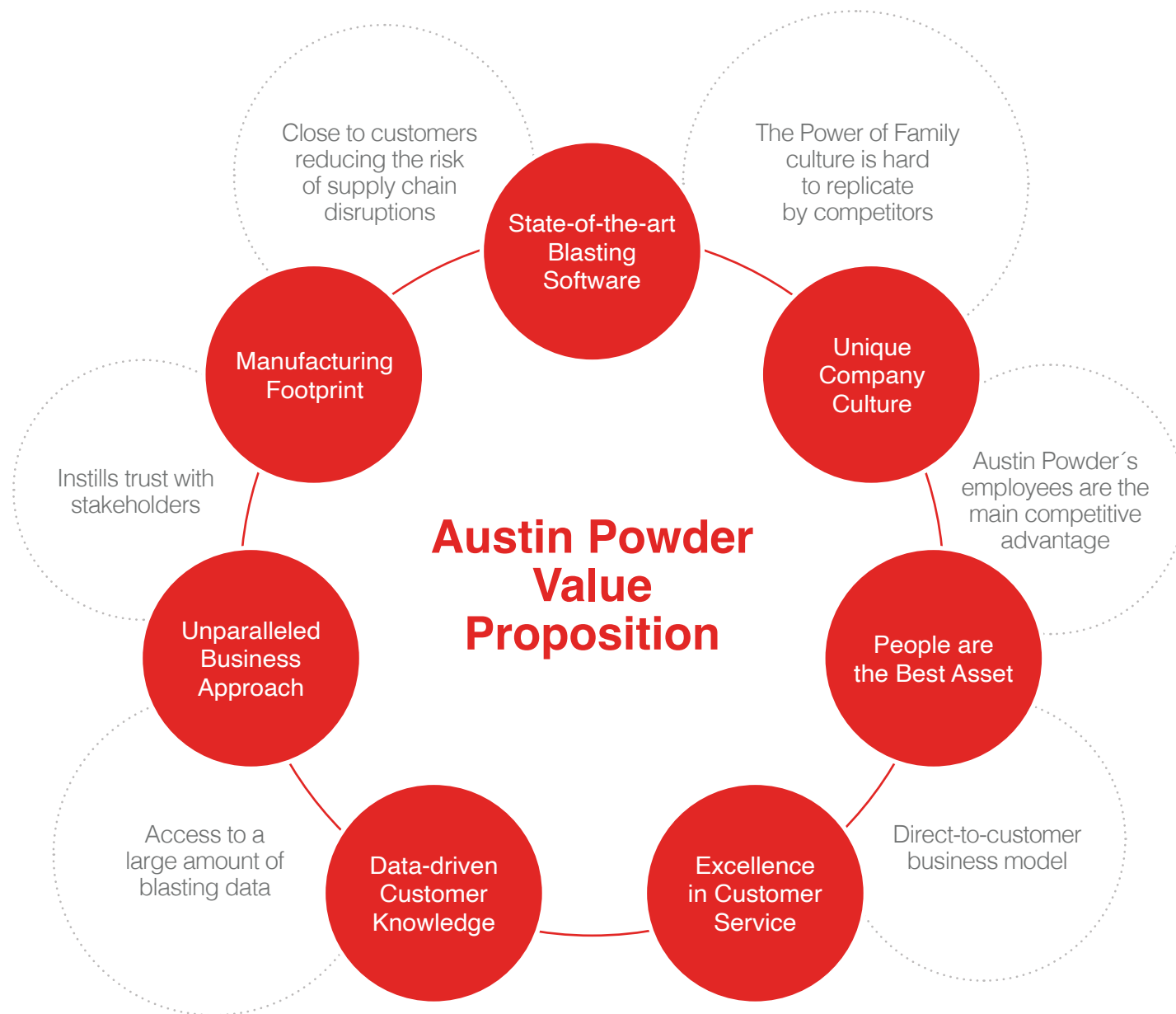
The greatest strength of Austin Powder is its people. The company cultivates a supportive, family-like environment where teamwork and mutual care are at the forefront. This unity enables them to overcome challenges and achieve goals.

## What Makes Austin Powder Unique Value Proposition

Austin Powder's value proposition is built on a unique combination of technological innovation, a distinctive company culture, and a customer-centric approach. The company stands out with its state-of-the-art blasting software, which optimizes precision and safety in blasting operations. Additionally, the family-oriented culture cultivated within the organization is challenging for competitors to replicate, enabling Austin Powder to maintain a cohesive and collaborative work environment.

**The company firmly believes that its employees are the main competitive advantage, and their expertise and dedication are crucial to its ongoing success.**

Austin Powder is committed to providing exceptional customer service, maintaining direct relationships with clients to ensure their specific needs are efficiently met. The vast amount of blasting data managed allows the company to provide data-driven insights, especially in the quarry industry. The strategic manufacturing footprint close to customers significantly reduces the risk of supply chain disruptions, ensuring constant product availability. Together, these elements form the foundation of Austin Powder's value proposition, demonstrating a commitment to innovation, customer satisfaction, and industry leadership.





# Our Strategic Vision

## Corporate Strategy & Goals

Austin Powder has established a set of strategic goals aligned with its Mission, Vision and Values.



### SHES

Zero-incidents. Inter-dependent safety culture.



### Employees

Employer of choice in the explosives industry.



### Customers

Industry leader in all core markets.



### Finance

Profitable growth.



### Sustainability

Carbon Neutral 2050; circular economy; sustainable management of natural capital; positive impact on local communities.



### Innovation

Recognized in the industry by stakeholders as an innovation company.



# Highlights of 2023 Sustainability Strategy

## USN Plant: CO<sub>2</sub> Decarbonization

The USN Plant of Austin Powder has made significant strides in reducing its carbon footprint by decarbonizing CO<sub>2</sub> emissions to meet beverage-grade purity specifications.

The production of anhydrous ammonia at the plant involves the reforming of natural gas, which generates CO<sub>2</sub> as a byproduct. Traditionally, this CO<sub>2</sub> would be vented into the atmosphere, contributing to greenhouse gas emissions. However, the USN Plant has implemented a system to capture and purify this CO<sub>2</sub>, converting it into a commercially viable product.

In 2023, the decarbonization process involved capturing 53,434 metric tons of CO<sub>2</sub>, which is equivalent to removing approximately 11,616 cars from the road. Afterwards it is sent to a third-party liquefaction facility, where it is purified to meet the stringent specifications required for beverage-grade CO<sub>2</sub>. Impurities are meticulously removed to ensure that the final product is of the highest quality. The purified CO<sub>2</sub> is then stored in two 450-Mt liquid storage tanks before being shipped offsite for use in beverage production or as a commercial coolant.

This initiative not only helps in reducing the plant's carbon emissions but also creates a valuable product from what was once considered waste. It demonstrates a commitment to sustainability and innovation, aligning with global efforts to mitigate

climate change. By turning a waste product into a resource, Austin Powder is contributing to a circular economy, reducing its environmental impact, and supporting the sustainability goals of its clients in the beverage industry.

## Austin Powder Argentina in Collaboration with Nitric Acid Climate Action Group

Austin Powder Argentina has undertaken a significant environmental initiative in collaboration with the Nitric Acid Climate Action Group (NACAG). This project, supported by the German Federal Ministry for Economic Affairs and Climate Action, aims to mitigate emissions of nitrous oxide (N<sub>2</sub>O) from the nitric acid production facility located in El Galpón, Salta. N<sub>2</sub>O is a potent greenhouse gas, and its reduction is crucial for global climate efforts.

The collaboration involves a comprehensive market study to assess the feasibility of implementing tertiary abatement technology for N<sub>2</sub>O emissions. This technology is designed to capture and neutralize N<sub>2</sub>O emissions, significantly reducing the environmental impact of nitric acid production. NACAG provides not only technological and regulatory support but also financial assistance for the purchase and installation of the necessary equipment.

This project highlights Austin Powder Argentina's

commitment to sustainability and environmental stewardship. By addressing one of the most significant sources of greenhouse gas emissions in its production process, the company is taking proactive steps to align with global climate targets. The initiative also has positive economic implications, as it may lead to lower regulatory compliance costs and enhance the company's reputation as a leader in sustainable industrial practices.

## Closure of Nitric Acid Plant in Mexico



In 2023, Austin Powder Mexico achieved a significant milestone with the closure of the Nitric Acid Plant at Dinamita (Mexico). This

initiative is part of a broader Net Zero strategy as the plant's closure in August 2023 has lowered the emission of nitrogen oxides (NO<sub>x</sub>) and other pollutants, resulting in less GHG emissions, thereby improving air quality and reducing the health risks for the surrounding communities.

With this sustainable strategic move, The plant receives rail shipments of Ammonium Nitrate Solution (ANSOL), instead of relying on road transport for raw materials, which had higher environmental and logistical costs. By shifting to rail transport for ANSOL, the plant has reduced its carbon footprint considerably, as rail transport is more energy-efficient and less carbon intensive than road transport.

“With this transition, we are not only enhancing our operational efficiency but also significantly reducing our environmental impact.”

– Ignacio Rigou, Regional Director LATAM



**10,733,892 Kw-h**  
Energy savings per year



**51,354 m3**  
Water savings per year



**Avoid 33,000 Mt**  
CO<sub>2</sub>eq per year

\*Approximate annual reduction following the closure of the Austin Powder Nitric Acid Plant.



# Context

## Sustainability Strategy

In recent years, sustainability has emerged as a crucial concern for businesses worldwide, with significant implications for Austin Powder's operations and strategic planning. Notably, five out of the ten major global risks identified by experts<sup>1</sup> are linked to sustainability, highlighting the urgent need for action in the following areas:



### Extreme Weather Events

Climate change has increased the frequency and intensity of extreme weather events, such as hurricanes, storms, floods, and droughts. These events pose significant risks to the infrastructure and operations of Austin Powder, as well as having a devastating impact on local communities and ecosystems.

In our commitment to sustainability, we implement mitigation and adaptation strategies, such as resilient technologies, to minimize the adverse effects of these events on our activities and the environment.



### Critical Changes to Earth Systems

Alterations in Earth systems, such as glacier melt, desertification, and changes in precipitation patterns, present a significant challenge to global sustainability. These changes affect the availability of essential natural resources and alter ecosystems irreversibly.

Austin Powder recognizes the need to address these issues through responsible operational practices, reducing our carbon footprint, and supporting conservation and ecosystem restoration initiatives.



### Biodiversity Loss & Ecosystem Collapse

Biodiversity is crucial for ecosystem stability and the provision of essential services such as pollination, climate regulation, and water purification. The loss of biodiversity and ecosystem collapse due to human activities and climate change is a critical concern.

At Austin Powder, we strive to minimize our environmental impact by implementing sustainable practices that protect and foster biodiversity across all our operations and projects.



### Natural Resource Shortages

The growing demand for natural resources, coupled with overexploitation and climate change, is leading to shortages of essential resources such as water, minerals, and fossil fuels. This scarcity can significantly impact production and the global economy.

Austin Powder is committed to managing natural resources responsibly, promoting efficiency, innovation, and the adoption of sustainable alternatives to ensure the long-term availability of these resources for future generations.



### Pollution

Pollution of air, water, and soil is one of the greatest threats to public health and the environment. Industrial activities and the use of chemicals can significantly contribute to pollution if not managed properly.

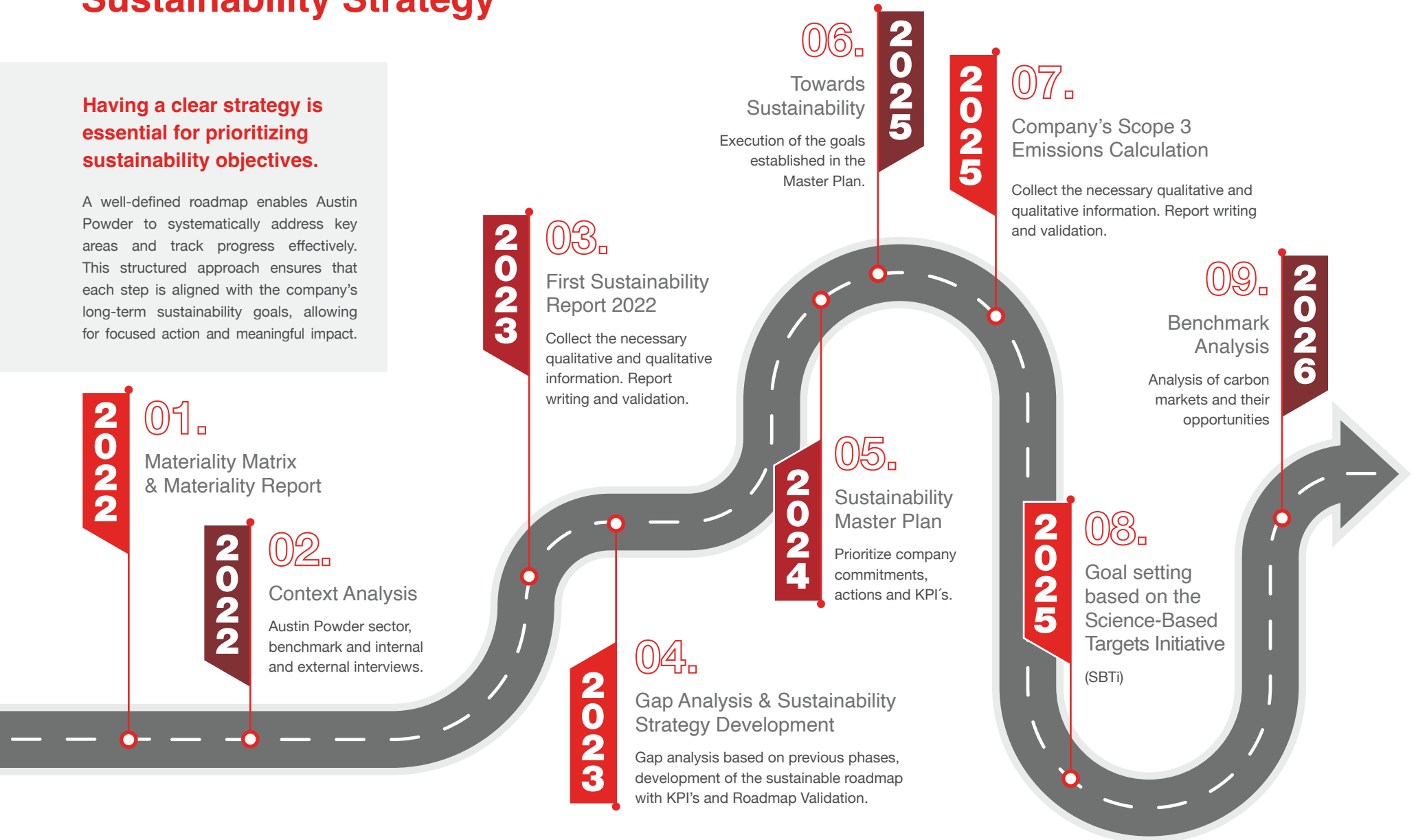
Austin Powder is dedicated to reducing emissions and implementing clean technologies and more efficient processes that minimize our environmental footprint. Additionally, we promote waste management and recycling practices to reduce pollution and protect natural resources and communities.

<sup>1</sup>Source Global Risk Report 2024

# Roadmap Sustainability Strategy

**Having a clear strategy is essential for prioritizing sustainability objectives.**

A well-defined roadmap enables Austin Powder to systematically address key areas and track progress effectively. This structured approach ensures that each step is aligned with the company's long-term sustainability goals, allowing for focused action and meaningful impact.



# Materiality Analysis: Methodology, Materiality Matrix & Prioritization

## Sustainability Strategy

In order to identify and prioritize the most relevant issues for the company, Austin Powder has a materiality analysis that reflects the aspects that affect the creation of value and the good performance of its operations.

**This analysis is carried out taking into account a dual perspective, a view of the company from an external point of view, valuing the perception of stakeholders, and an internal view determined by the criteria of the internal managers of the different areas of responsibility of Austin Powder.**

Thanks to this identification of material aspects, the company is able to align its corporate sustainability strategy with stakeholder expectations, regulatory requirements and industry trends.

Austin Powder's materiality analysis followed a structured methodology comprising three key steps:

### 01. Establishment of an Initial List of Potentially Material ESG Issues

The process started by creating a comprehensive list of potential ESG issues relevant to Austin Powder and its stakeholders. This initial list was informed by materiality analyses of peers, clients, and suppliers; international sector-based analyses; insights from influential sustainability bodies and ESG investors; various reporting frameworks; and both binding and non-binding regulatory requirements.

### 02. Prioritization of Issues

The identified issues were ranked based on their relevance to stakeholders and business operations, following GRI criteria and the European Union's principle of double materiality. External prioritization involved analyzing information sources, benchmarking peers, and interviewing external stakeholders, while internal prioritization was achieved through focus groups and surveys with internal stakeholders, including employees and the Global Sustainability - ESG Project Group.

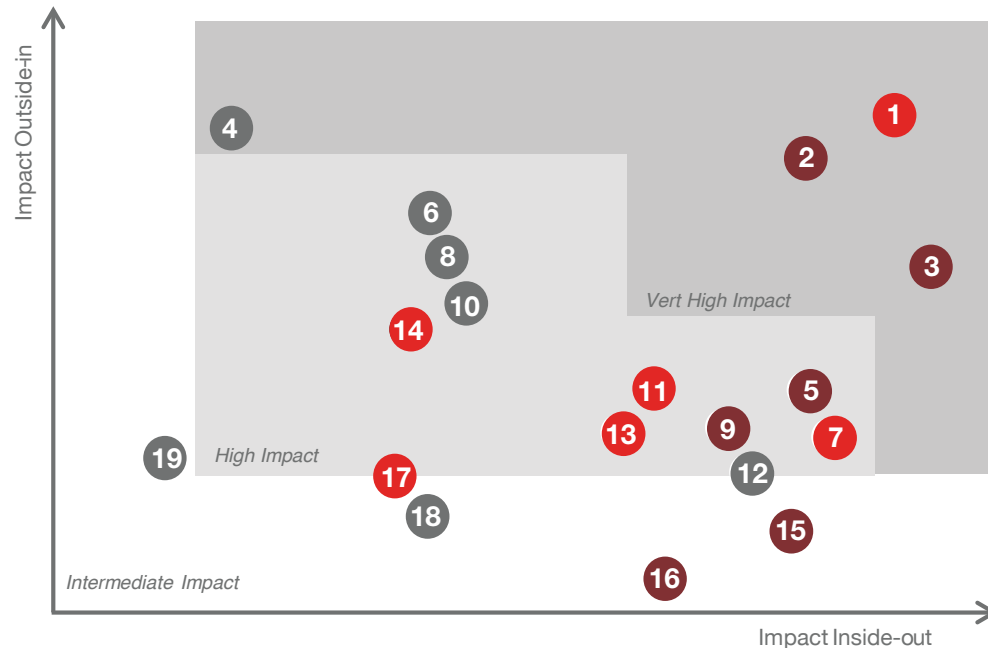
### 03. Validation of the Materiality Matrix

The materiality matrix, reflecting the prioritized ESG issues, was validated by Austin Powder to ensure it accurately represents the concerns and priorities of all stakeholders.



# Materiality Analysis: Methodology, Materiality Matrix & Prioritization

## Sustainability Strategy



### Important Issues

Austin Powder's double materiality analysis provides a comprehensive overview of the most critical issues affecting the company's value creation and operational performance. By considering both external stakeholder perceptions and internal managerial insights, the analysis identifies and prioritizes key environmental, social, and governance (ESG) factors that are pivotal to the company's sustainability strategy. This thorough evaluation enables Austin Powder to align its corporate goals with regulatory requirements, industry trends, and stakeholder expectations. The resulting insights guide the company in addressing the most pressing challenges and opportunities, ensuring that it remains responsive and resilient in a rapidly evolving industry landscape.



### Social

- 1 Health, Safety & Security
- 7 Community Relations
- 11 Work-Life Balance
- 13 Human Rights
- 14 Talent & Business Excellence
- 17 Diversity, Equity & Inclusion



### Governance

- 2 Technology & Innovation Approach
- 3 Risk Management
- 5 Ethics & Transparency
- 9 Stakeholders' Relationships & Engagement
- 15 Speak Up Culture
- 16 Cybersecurity & Data Protection



### Environmental

- 4 Climate Change
- 6 Responsible Use of Natural Resources
- 8 Sustainability Supply Chain
- 10 Circular Economy
- 12 Energy Management and Eco-Efficiency
- 18 Air Quality
- 19 Biodiversity



# Strategic Goals

## Sustainability Strategy

In alignment with Austin Powder's Corporate Strategic goals, a series of Sustainability Strategic goals have been established.

### Environment

- Carbon Neutral in 2050
- Reinforce the environmental management system throughout Austin Powder.
- Prioritize the development of sustainable products and processes to minimize environmental impacts and improve worker safety.

### Stakeholder Management

- To be a positive impact agent for local communities
- Global reinforcement of the corporate health and safety management system
- Foundation on great place to work pillars

### Governance, Ethics & Reporting

- Reinforce Corporate Sustainability standards and Corporate governance
- Promoting accountability and social responsibility among all supply chain partners
- Be ready for green finance

Sustainability strategy contributes to sustainable growth and long-term shareholder value!



# Sustainable Development Goals

## Sustainability Strategy

Austin Powder's business practices align with several United Nations Sustainable Development Goals (SDGs), demonstrating a significant commitment to sustainability and corporate responsibility.



### ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES.

Austin Powder prioritizes the health and safety of its employees and the communities in which it operates. The company has established a robust safety culture with a zero-incident safety goal. Key initiatives include:

- **Investment in Training & Education:** Significant resources are allocated to train employees on workplace risks and effective mitigation strategies.
- **Safety Protocols:** Specific protocols have been developed to protect workers from the hazards associated with explosives.
- **Community Health Initiatives:** Austin Powder supports health and well-being initiatives in local communities, including providing access to clean water and sanitation.



### BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION

As a leading provider of industrial explosives and engineered blasting solutions, Austin Powder plays a crucial role in supporting various industries. Contributions to this SDG include:

- **Development of Innovative Products:** The company has developed electronic detonators that enhance safety and efficiency.
- **Research & Development:** Investments in R&D support new infrastructure projects and provide customized blasting solutions.
- **Customer Collaboration:** Austin Powder works closely with customers to ensure its products contribute to the sustainable construction of critical infrastructure.



### MAKE CITIES & HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

Austin Powder is committed to fostering strong, sustainable communities through various initiatives:

- **Community Engagement:** The company actively engages with local communities to understand their needs and collaborate on sustainable development projects.
- **Urban Development Support:** Providing blasting solutions for urban infrastructure projects, ensuring safety and minimizing disruption to surrounding communities.
- **Local Economic Support:** By sourcing materials locally and creating job opportunities, Austin Powder contributes to the economic growth and resilience of the communities it serves.



# Sustainable Development Goals

## Sustainability Strategy



### ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

Austin Powder strives to minimize its environmental footprint through several sustainable initiatives:

- **Reduction of Energy and Water Consumption:** Implementation of energy-efficient lighting and water-saving technologies.
- **Waste Management:** The company aims for zero landfill waste, recycling or reusing over 90% of its waste.
- **Supplier Collaboration:** Working with suppliers to ensure high environmental standards, promoting responsible consumption and production practices throughout its supply chain.



### TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

Austin Powder is committed to combat climate change setting a target to be carbon neutral by 2050. Net Zero strategies include:

- **Investment in Renewable Energy:** Adoption of solar power sources
- **Development of new technologies:** Explore abatement technologies to reduce greenhouse gas emissions in the nitric acid production.



“Austin Powder has a unique opportunity to leverage its expertise, resources, and innovation to drive positive change. From reducing environmental impacts and promoting safe product usage to supporting community development programs and advancing social causes, we make a significant difference in the world that extends far beyond our core operations.”

– Clemens Hüttner, Managing Director of Europe



<sup>1</sup>Source United Nations: The Sustainable Development Goals Report

02.

# Our First Priority





## Safety is our First Priority SHES Strategy & Goals

Austin Powder is very proud of its long-standing Safety Culture. Safety is in its Mission Statement, in its core Values, but more importantly, it is in all it does and everywhere it operates. The company's commitment to safety has evolved since it began in 1833 to include its blasting services in the field in addition to the requirements at its manufacturing and storage facilities.

Austin Powder brings the same level of safety care to how it drives and maintains its fleet of vehicles and how it manages its equipment underground.

**Its corporate goal is to be recognized as the safest explosives manufacturer, supplier, and blasting company in the world.**

Since the beginning of the company, the safety of its operations and the well-being of its collaborators have been fundamental pillars for decision-making and have given rise to the establishment of Safety as the company's first value.

The company strives to implement the Basis of Safety (BOS) in all its operations to prevent catastrophic events as well as to minimize their consequences. BOS is a set of good practices that the industry has developed throughout its existence. This topic is so crucial to Austin Powder that its President and CEO, John Rathbun, is the chairman of SAFEX International, an international organization established in 1954, composed of the most significant civil explosives companies with the purpose of "eliminating worldwide the harmful effects of explosives on People, Property, and the Planet (Environment) by encouraging members to learn from each other's experiences.

**Austin Powder's Corporate goals for SHES in 2023 were:**

01. Continuous improvement of the Safety Culture in every process.
02. Land each mandate of the new SHES Policy (issued in 2022).
03. Implement the Safety Management Systems in new businesses (STV, Intrachem and Nitrosul).
04. Identify, prevent, and reduce Significant High Potential Near Misses: "Zero" Major incidents and fatalities or severe injuries.
05. Execute projects following the procedures preventing hidden risks. Improve the discipline in the execution of the Hazard Studies.

# SHES

**Corporate goals aligned to the long-term vision for SHES:**

01. Continuous improvement of the Safety Culture in every process.
02. No major incidents including environmental releases.
03. Customers choose to do business with Austin because of the safety record and safety culture.

# Safety is our First Priority

## SHES Management System



The roots of the Austin Powder's Safety, Health, Environment & Security (SHES) Management System are in our Mission, Vision, and Values.

**Our Mission:** To improve the world we live in through the safe and responsible use of explosives.

**Our Vision:** We will be the global leader of explosive products, services and technologies as defined by our Customers, our Family and our Communities

**Our Values:** Safety is Our 1st Priority. We are Customer Focused. We Leverage the Power of Family. We Treat Everyone with Respect.

Austin Powder has issued a SHES Policy that defines a set of mandatory requirements that apply to all Company locations, personnel, and activities under the following values:

- At Austin Powder, we all work together to ensure that each and every one of us leaves work every day to go home and enjoy time with our family and friends.
- We have many competing priorities, but Safety is our 1st Priority and is one of our fundamental core values.
- We will encourage employee initiatives that contribute to a safer and improved environment at work, at home, and in the community.

- We expect all employees, regardless of position, to stop any activity or process if they think something unsafe could happen.

The way we conduct ourselves with respect to SHES will follow Austin's requirements as established in the SHES Policy document, which describes the requirements for each of the areas Safety & Health, Environmental, and Security.

Our SHES policies have been expanded to address each of the pillars of our SHES management system in more detail, incorporating clearer guidelines in each of the aspects that make it up.

**Safety and Health Policy:** We believe that all work-related injuries and illnesses can be avoided, and we will achieve this by implementing systems to ensure that the safety and health of employees and contractors is never compromised.

**Environmental Policy:** In accordance with our Mission Statement, we will conduct all operations in a socially responsible manner and with minimum impact on the environment.

**Security Policy:** We will provide robust protection for the well-being of all our employees, our communities, and the physical integrity of our products and services.



# Safety is our First Priority

## SHES Management System

The SHES Management System is a set of standards and procedures (contained in the SHES Manual) developed to assist all personnel in meeting the requirements of this Policy.

This set of standards is expanded as deemed necessary by the Management Team according to the needs. Compliance with these requirements is measured through an auditing plan that include local and corporate audits. The results of these audits are used to:

01. Identify local areas of exposure to personnel, assets, business and third parties.

02. Identify common areas of concern and develop the appropriate improvement plans and safety programs to address these issues.

03. Support the Letter of Assurance (LOA) and for the License to Operate (LTO).

The audit process can be divided into two categories: local or corporate.

Local audits are conducted by auditors from various organizational levels who are trained to evaluate practices and procedures to ensure compliance with the SHES Manual. This ongoing process is performed according to a year-round program, leading to the identification of improvement opportunities. These opportunities are addressed through an interdisciplinary approach aimed at continuous improvement.

The global SHES team carries out Basis of Safety audits, as a key step for the License to Operate (LTO) process. The LTO is reviewed and renewed annually and is subject to the completion of the identified actions.

If the audit findings require specialized technical services, external providers and auditors may assist with these processes. The results of both local and global audit processes are essential inputs for the preparation of the Letter of Assurance. This fundamental document, prepared annually, reflects the results of the previous year, the challenges faced, and those that still lie ahead. It also demonstrates the management's commitment to continuous improvement in SHES aspects of our operations. To support the identified improvements, it is accompanied by an action plan, the SHES Improvement Plan.



Austin Detonator  
and Austin Powder  
Mexico (APM)  
Certified by ISO 45.001



Process Safety  
Management (PSM) in the  
USA Manufacturing  
Red Diamond and USN

Employees Covered:	N°	%
Employees	4,724	100%
Other Workers	823	100%

All employees and contractors are covered by the Austin Powder SHES Management System.





# Hazard Identification

## Risk Assessment & Incident Investigation

Austin Powder's SHES framework is comprehensive in its approach to identifying work-related hazards and assessing risks on both routine and non-routine bases. The processes are meticulously detailed in various sections of the SHES Manual, ensuring that all operations and installations meet high standards of safety, health, and environmental protection.

Key components of these processes include:

### Hazard Studies

The objective is to proactively identify and manage foreseeable risks in all company operations and installations. This involves rigorous studies to ensure adherence to acceptable safety, health, and environmental standards.

### Permit to Work

Non-routine work or tasks not covered by existing procedures require a Permit to Work authorization. Personnel involved in these tasks are formally trained in the permit procedures to ensure safety.

### Control of Modifications

All changes to processes, equipment, products, and operations undergo a thorough review to assess potential impacts on safety, health, environment, and security. These changes are approved by management and formally recorded.

### Risk Assessment

Comprehensive risk assessments are conducted for all activities with potential risks, including injury, ill health, asset damage, or adverse environmental and security impacts. These assessments are meticulously documented and stored.

Employees are empowered to halt work if they believe it poses a safety risk, an approach that is strongly endorsed and protected by top management through SHES policies.

### Reporting Work-Related Hazards

Austin Powder encourages and facilitates the reporting of work-related hazards through established systems. Monthly reports compiled by Corporate SHES incorporate inputs from each regional business, ensuring a holistic view of potential hazards. Additionally, specialized SHES software such as INTELEX, Kahuna and Redmine are employed to streamline and enhance hazard reporting. Protection against reprisals is a fundamental aspect of these processes. The company's SHES Policy explicitly supports employees' rights to report hazards without fear of retaliation, ensuring a safe and open reporting environment.

### Authority to Cease Unsafe Work

The company's commitment to safety is reflected in its policy that empowers all employees to stop any activity they consider unsafe. This is clearly outlined in the Safety and Health Policy, which emphasizes that safety and health are never to be compromised. The policy includes proactive management of safety risks, continuous training, provision of personal protective equipment, and regular consultations with employees on health and safety matters. The policy underscores that line management is accountable for the safety and health of their teams, reinforcing a culture of safety and accountability.

### Incident Investigation

In the event of a safety, health, environmental, or security incident, Austin Powder has a robust process in place as outlined in Chapter 17 of the SHES Manual: Incident Investigation. All incidents are reported and thoroughly investigated to identify root causes and prevent recurrence. Corrective actions are implemented, and key findings are communicated across the company to foster organizational learning and improvement. Detailed records of incidents and investigations are maintained, and SHES information is reported to the corporate level as required. Through these structured processes, Austin Powder ensures a proactive and responsive approach to hazard identification, risk assessment, and incident investigation, reinforcing their commitment to maintaining a safe and healthy working environment.

# How It's Implemented

## SHES Functionality

At Austin Powder, SHES (Safety, Health, Environment, and Security) is a line management responsibility. However, dedicated SHES teams provide the necessary technical support to ensure adherence to the SHES Management System and drive the continuous improvement of operations.



### Global SHES

This team develops, maintains, guides, and audits the implementation of the Corporate SHES Management System. It is composed of a Director and a Manager who ensure that global standards are upheld across all regions.



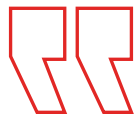
### Regional SHES

These teams oversee the transversality and standardization of SHES practices within specific geographic regions. Each region—North America, Latin America, Europe, and Asia—is managed by one of four regional managers, who ensure that regional operations align with corporate SHES policies and objectives.



### Local SHES

At the local level, SHES teams manage the implementation of the system within specific operations, plants, or locations. These teams ensure that the day-to-day activities are conducted in compliance with SHES standards and contribute to the overall safety and efficiency of the operations.



“We believe that all work-related injuries and illnesses can be avoided, and we will achieve this by implementing systems to ensure that the safety and health of employees and contractors is never compromised.”

– Antonio Mendez, Global Director SHES



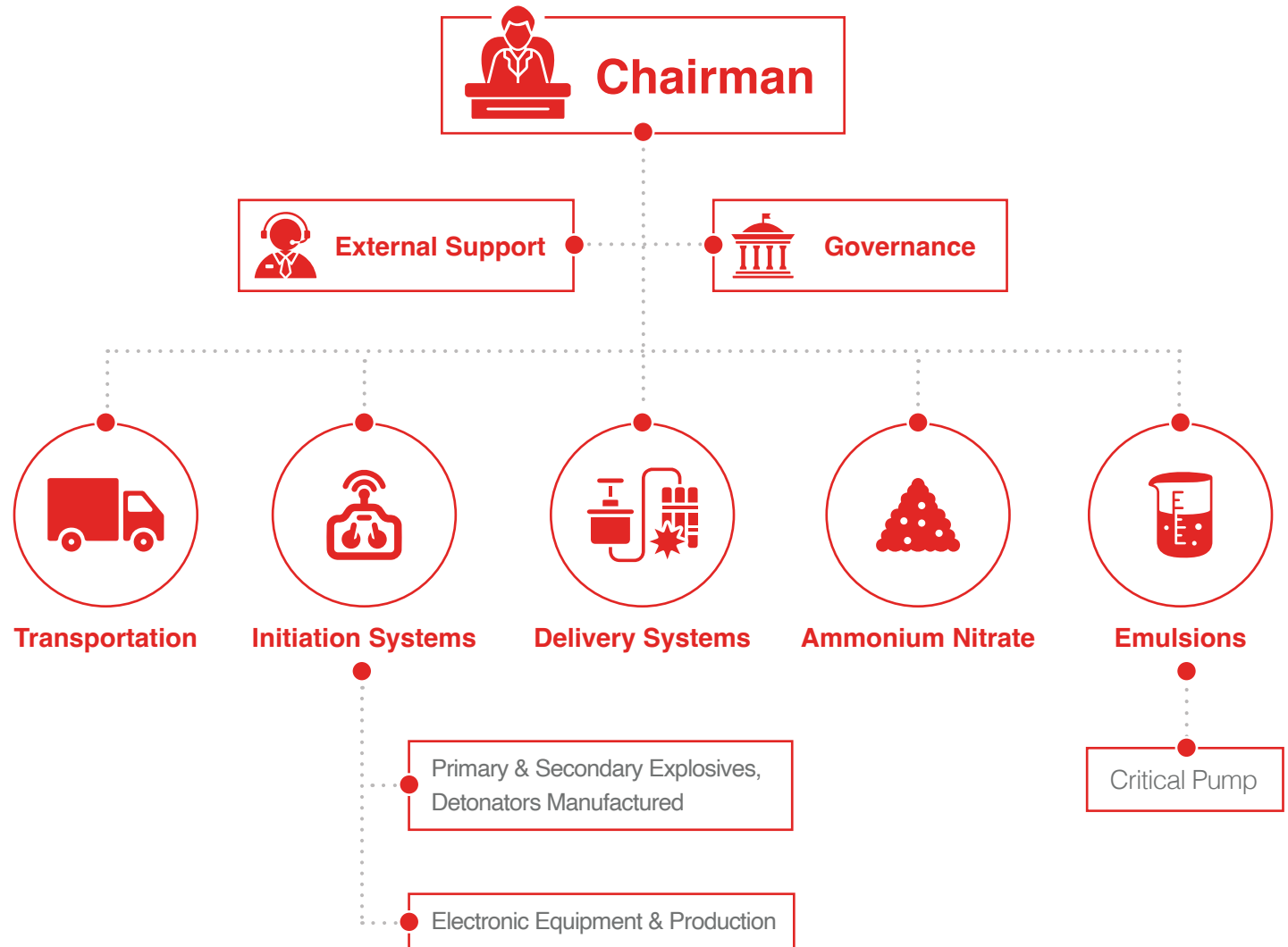
## Worker Participation, Consultation & Communication

In 2023, Austin Powder formalized the creation of specialized Technical Panel Teams that are consulted in complex projects, new technologies, incident investigations and analysis.

The majority of projects and Management of Change involves development or modification of existing technologies or operations. These are managed through the Project Management system and assessed through the Hazard Study system.

**The integrity of this approach relies on the personnel involved in the studies having experience in the relevant technologies, giving a high level of assurance to the safety of the project.**

The Panels are integrated by selected employees from different areas with extensive experience in manufacturing, development, application, engineering, ability to question and analyze.





# Worker Participation, Consultation & Communication



Austin Powder fosters a culture of worker participation and consultation in safety, health, environment, and sustainability (SHES) initiatives across its global operations:



## Safety Committees & Suggestion Programs

Worker-led committees gather feedback on safety improvements, operational efficiency, and environmental practices.



## Open Communication & Dialogue

Regular meetings and open communication channels encourage workers to voice concerns and participate in discussions.



## Internal Reporting Systems

Platforms empower employees to report safety hazards and environmental concerns directly.



## Incentive Programs

Reward employees for actively participating in SHES initiatives, accident prevention, and contributing valuable suggestions.



## Data Sharing & Transparency

Provide employees with access to data on company-wide SHES performance.



## Employee Representation

Designated employee representatives consult with management on all SHES matters.



## Collaborative Planning

Reward employees for actively participating in SHES initiatives, accident prevention, and contributing valuable suggestions.



## Emergency Preparedness Drills

Provide employees with access to data on company-wide SHES performance.



## Self-Assessment & Continuous Improvement

Designated employee representatives consult with management on all SHES matters.

# SHES

## Worker Training

Training is a central focus of the Austin Powder SHES Management System, ensuring that personnel are well-prepared for all tasks, familiar with plant SHES rules, and proficient in emergency procedures. The company manages all legally required training through each location's training matrixes, maintaining formal records that confirm the competencies of operators, supervisors, and managers.



## Basis of Safety

Another vital training initiative at Austin Powder is the “Basis of Safety” (BOS) program. This program comprises a set of protocols, procedures, and behaviors derived from the accumulated knowledge and experiences of the explosives industry. **Its primary objectives are to prevent catastrophic incidents and minimize their consequences.** Each plant and operation includes BOS training in its matrix, with content tailored to the specific operations and materials handled.

High-potential risk manufacturing plants undergo an annual corporate BOS audit, culminating in an internal License to Operate. These audits rigorously verify that all personnel are trained in BOS and can demonstrate their competency through written tests. The audits also assess specific training content, the level of tests administered, and the operators' knowledge through interviews. This comprehensive approach ensures that Austin Powder maintains the highest standards of safety and competency across all its operations.

## License to Supervise

In 2023, Austin Powder made significant strides in expanding the “License to Supervise” initiative across the LATAM region. **This initiative encompasses specific SHES training programs designed to ensure that plant supervisors and leaders fully comprehend their roles and responsibilities in SHES competencies.** The program aims to establish a robust authorization and control system, certifying that only qualified and trained individuals can assume supervisory roles in various plants and operations. Upon completing the training and passing a final test, participants receive certificates, with more than 120 supervisors in LATAM certified during 2023.

# KPI's

## Key Performance Indicators

In line with the strategic direction, objectives, and priorities of Austin Powder, the company remains steadfast in its commitment to maintaining and enhancing its Health and Safety standards. Key Performance Indicators (KPIs) play a crucial role in this endeavor, providing measurable benchmarks that assess the effectiveness of the company's safety protocols and initiatives.

By systematically tracking and analyzing these indicators, Austin Powder ensures continuous improvement and alignment with its overarching goal of achieving the highest standards of workplace safety and health. The following tables present a detailed overview of the KPIs for this reporting period, underscoring the company's proactive approach to health and safety management.

### Work Related Injuries 2023

	EMPLOYEES	CONTRACTORS
Fatalities as a result of work-related injury*	0	0
Lost Time Injuries**	22	2
Lost Time Injury Rate***	0.47	0.49
Hours worked****	9,863,756	809,021

\*One fatality of an Austin Powder employee occurred. However, the circumstances remain under investigation as to the determination of whether the fatality was caused by a work-related injury. \*\*Including Lost Time Injuries (LTIs). \*\*\*Including Medical Treatment Cases (MTC). \*\*\*\*The rates have been calculated based on 200,000 hours worked.

### Main Types of Work-Related Injury

	EMPLOYEES		CONTRACTORS	
INJURY TYPE:	2023	%	2023	%
Burn	17	10%	0	0%
Chemical burn or adverse response to substance	10	6%	0	0%
Crush	10	6%	0	0%
Energetic event	1	1%	0	0%
Laceration, graze, or puncture/wound	46	26%	2	15%
Repetitive strain	1	1%	1	8%
Slip, trip, or fall	26	15%	4	31%
Strain or sprain	30	17%	0	0%
Heat Stress	5	3%	0	0%
Struck against object	17	10%	2	15%
Struck by object	14	8%	4	31%



# Our People



# Austin Powder

## Workforce

Austin Powder places immense value on its people, recognizing them as the essential foundation of its success. Understanding their significance, the company is steadfast in promoting the growth and personal development of each employee. Austin Powder is equally committed to ensuring safe, healthy, and fulfilling working conditions for all.

**The corporate culture at Austin Powder is underpinned by strong values, which foster an inspiring and collaborative work environment. Respect and safety are integral to the family-like atmosphere, creating a setting that supports both individual and collective success.**

Austin Powder’s strategy focuses on attracting, developing and retaining top talent. Each professional brings a wealth of unique experiences, knowledge, and skills that enrich the company’s business model. Valuing and nurturing this talent is critical to achieving organizational goals and maintaining industry leadership.

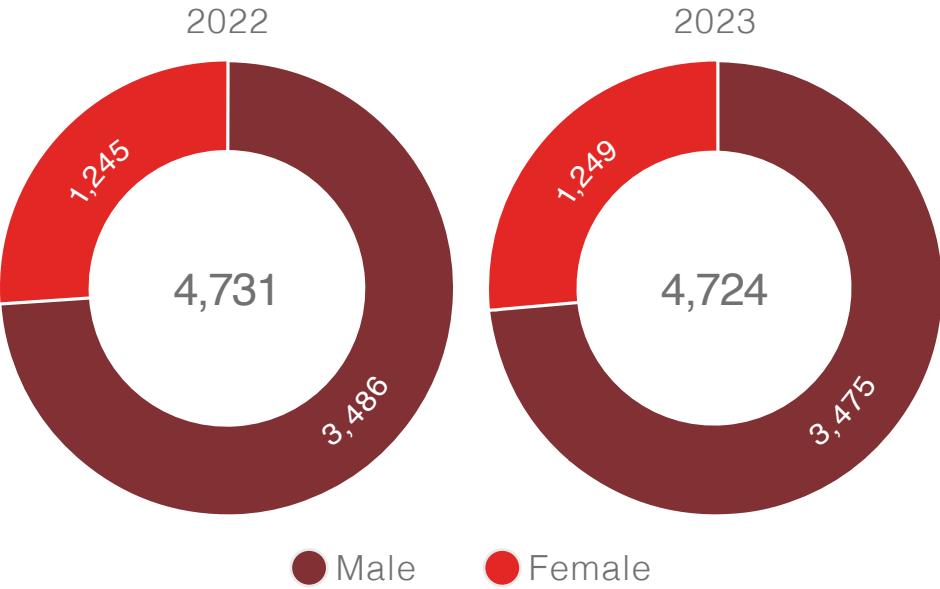
Investing in people is seen as a way to generate positive impacts across all company facets. It goes beyond financial outcomes to create a rewarding work environment where each employee feels valued and motivated. This commitment is reflected in the high quality of services provided and the satisfaction of Austin Powder’s customers.

“Our people are our success. Austin Powder is focused on continuing to create an environment that, at its core, is focused on safety and the well-being of people. Collectively, we are focused on attracting and retaining top talent by creating a learning environment supportive of career development and inclusiveness and providing a fulfilling work environment that creates meaningful connections and outcomes.”

Andrea Singer, Global Director HR

### Gender Distribution Of Employees

In 2023, with a total full-time workforce of 4,724 employees, 26% of whom are women, Austin Powder stands out for its commitment to gender diversity, maintaining the same percentage as in 2022.



Workers	2022		2023	
Male	3,486	74%	3,475	74%
Female	1,245	26%	1,249	26%
TOTAL	4,731		4,724	



## Austin Powder Talent Acquisition & Professionalism



**Austin Powder believes that its people are fundamental to its success and form the basis of its competitive advantage. The expertise of Austin Powder's employees drives the company's ability to consistently achieve exceptional results. The culture of professionalism at Austin Powder is rooted in safety, innovation, creativity, knowledge, and precision. These values propel the organization forward, ensuring the success of clients and driving continuous improvement.**

Austin Powder adopts a meticulous and strategic approach to talent acquisition and internal promotion, aiming to attract and retain individuals who not only possess high levels of skill but also align closely with its core values. The company continually refines its processes and strives to implement a rigorous, globally standardized recruitment, selection, and internal promotion process that identifies and secures top talent. This commitment ensures a diverse and capable workforce that is well-prepared to tackle challenges and seize new opportunities. By actively seeking out the best talent, Austin Powder maintains its industry-leading position and fosters a culture of excellence that stimulates innovation and delivers outstanding performance.

Austin Powder strives to ensure a robust recruitment process that is geared to both promotion of internal talent and attraction of external. This formula allows for continued internal development of people coupled with the ability to bring in fresh perspectives and diversity of thought. This platform allows for best practice sharing and career opportunity for many. Austin Powder strives to showcase open positions within our locations and globally to ensure transparency across the process.



# Austin Powder

## Our Team

Austin Powder recognizes the vital importance of having a workforce that embraces diverse professional categories and age groups. Diversity within our teams is a major element of our success, enriching our organizational culture and driving innovation.

Approximately half of our employees are between the ages of 30 and 50, showcasing a balanced representation of both men and women within this age group. The presence of employees from different professional backgrounds and age groups brings a wealth of perspectives and experiences to our teams. This diversity fosters creativity, enhances problem-solving capabilities, and contributes to a more dynamic and inclusive workplace. Our teams benefit immensely from the varied insights and skills that each member brings, making Austin Powder’s work environment vibrant and adaptive.

By embracing diversity across professional categories, age groups, and geographical locations, Austin Powder ensures that its teams are well-equipped to meet the challenges of a dynamic and ever-evolving industry. This strategic focus on diversity not only strengthens our operational capabilities but also underscores our commitment to creating an inclusive and enriching work environment for all employees.

Distribution of Employees by Age Group & Gender		2022	2023
AGE GROUP	GENDER	#	#
< 30 Years	Male	672	678
	Female	211	192
	TOTAL	883	870
Between 30 & 50 Years	Male	1978	1945
	Female	677	680
	TOTAL	2655	2625
> 50 Years	Male	836	833
	Female	357	396
	TOTAL	1193	1229
		4731	4724

### Distribution of Employees by Reporting Unit

Austin Powder’s global footprint significantly amplifies this enrichment. Being present in numerous countries around the world allows our teams to integrate diverse cultural perspectives, enhancing collaboration and broadening our collective understanding.

The interactions between employees from different regions foster a unique exchange of ideas and practices, setting Austin Powder apart as a truly global and inclusive organization.

LOCATION	2023	
	#	%
LATAM	1,170	25%
Europe	416	9%
Asia & Africa	577	12%
USA & Canada	1,204	25%
Detonators	1,357	29%

# Austin Powder

## Professional Growth

The categorization of professionals within a company like Austin Powder holds significant importance, delineating roles and responsibilities across various levels of expertise and leadership. With a substantial majority of professionals belonging to Group D, comprising 2,872 individuals out of a total workforce of 4,724, these operatives and administrative support workers play a crucial role in executing daily operational tasks and maintaining organizational efficiency.

Clear categorization not only facilitates streamlined management and supervision but also ensures that each role contributes effectively to the company's overall objectives and operational success. This structured approach to categorization enables Austin Powder to allocate resources efficiently, optimize workflow processes, and foster a cohesive work environment where each category's contributions are recognized and valued.

The definitions of professionals corresponding to each professional category have changed compared to 2022. Starting in 2023, the professional categories are defined as follows\*:

### Distribution of Employees by Professional Category & Gender 2023

CATEGORY	GENDER	#
<b>Group A</b> <b>GLT (Global Leadership Team):</b> This includes L0 and L1 reports, where the CEO is L0 and his direct reports are L1. This corresponds to the EEO category "Executive/Senior Officials and Managers."	Male	10
	Male Non-White	0
	Female	1
	Female Non-White	0
	<b>TOTAL</b>	<b>11</b>
<b>Group B</b> <b>First Level and Mid-Level Officials and Managers:</b> This category includes those who report directly to an L1 Leader, as well as other managers and supervisors not captured in the above category. It is similar to the EEO category, excluding "Team Leaders."	Male	298
	Male Non-White	61
	Female	56
	Female Non-White	13
	<b>TOTAL</b>	<b>428</b>
<b>Group C</b> <b>Professional Category:</b> This includes technicians and skilled trades (craft workers) such as analysts, engineers, accountants, researchers, recruiters, programmers, buyers, specialists, logistics personnel, auditors, clerks, geologists, technicians, electricians, and blasters.	Male	1,025
	Male Non-White	105
	Female	244
	Female Non-White	39
	<b>TOTAL</b>	<b>1,413</b>
<b>Group D</b> <b>Operatives:</b> This includes operators, administrative support workers, utility operators, mixers, blenders, security guards, etc.	Male	1,324
	Male Non-White	652
	Female	318
	Female Non-White	578
	<b>TOTAL</b>	<b>2,872</b>
		<b>4,724</b>

\* As we move towards a more standardized global reporting methodology same future years reporting per group may change.

# Open Communication

## Speak-Up Culture

Austin Powder is deeply committed to nurturing a culture where every employee feels empowered to speak up. This commitment is rooted in an unwavering dedication to safety, believing that every team member has the right and responsibility to halt any task if perceived to be unsafe. The goal is to create an environment where open communication is not just encouraged but celebrated.



### Empowerment Through Safety

Safety is at the core of Austin Powder's operations. Ensuring that all employees have the authority to intervene and voice their concerns about any safety issue is crucial in maintaining a workplace where safety is paramount.



### Inclusive & Respectful Environment

Building an inclusive work environment where respect is a fundamental value and a priority. Every employee's opinion is valued, and the free exchange of ideas and perspectives is encouraged. This inclusivity fosters a sense of belonging and purpose, making each individual feel integral to the company's success.



### Transparent Communication Channels

Austin Powder has established robust communication channels that are built on trust, transparency, and accountability. These channels ensure that teams can freely share their concerns, suggestions, and feedback. This continuous dialogue between the workforce and management helps align the organization's goals with employee needs and insights.



### Leadership's Role

Recognizing that effective leadership is key to fostering a speak-up culture, leaders are committed to creating a receptive and safe working environment where employees feel heard and respected. By actively listening and responding to concerns, leadership helps resolve conflicts, enhance problem-solving, and build a cohesive team.



### Continuous Improvement

A culture of open communication not only boosts employee engagement but also drives continuous improvement across the organization. When employees feel confident in sharing their ideas and concerns, it leads to innovative solutions and a more agile response to challenges.



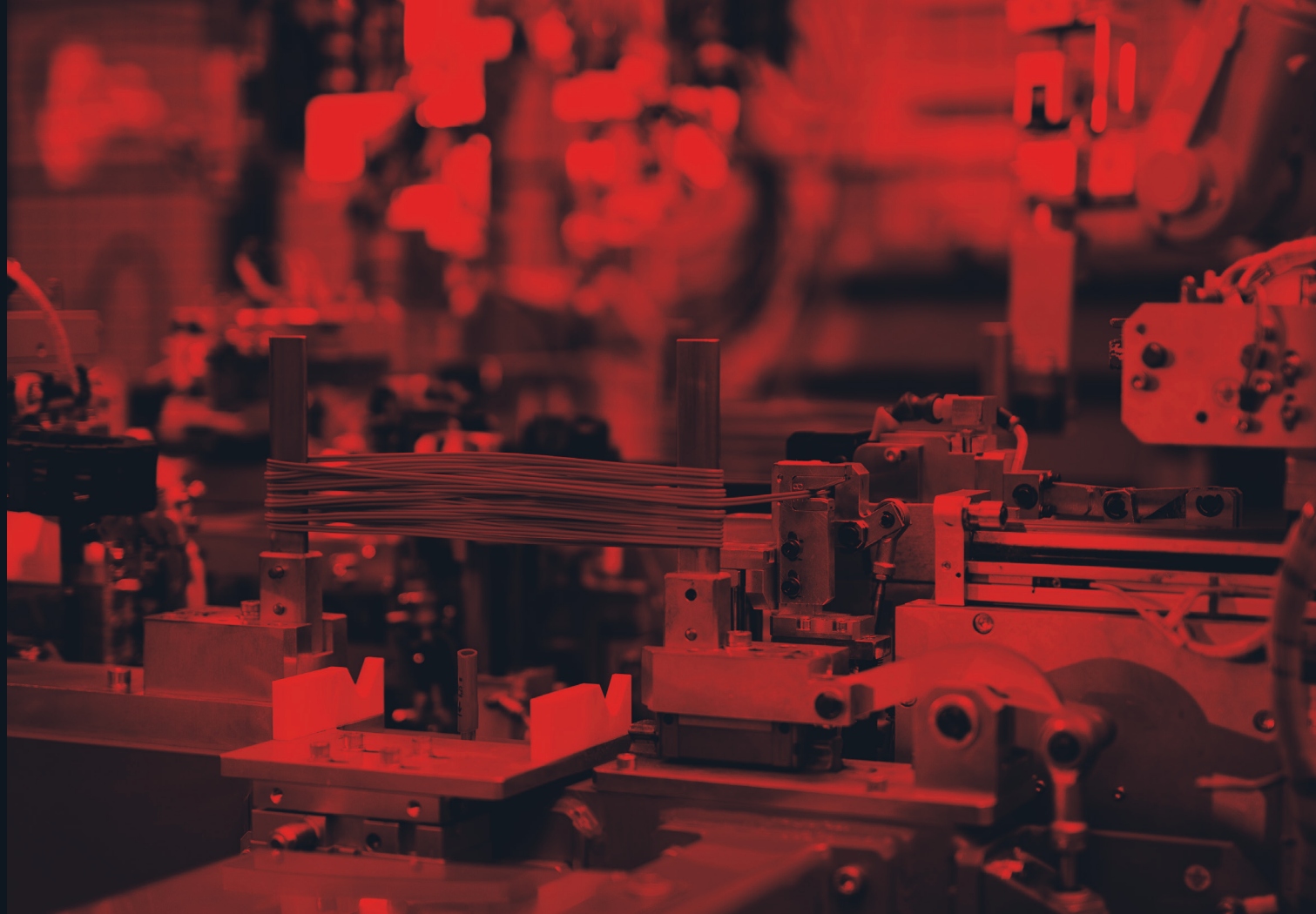
### Contributing to Success

Ultimately, a speak-up culture is integral to Austin Powder's overall success. It ensures that all voices contribute to the company's growth and sustainability, fostering an environment where safety, respect, and collaboration thrive.

By embracing these principles, Austin Powder continues to cultivate a workplace where every voice matters, driving the company towards a safer, more innovative, and successful future.



# Technology & Innovation

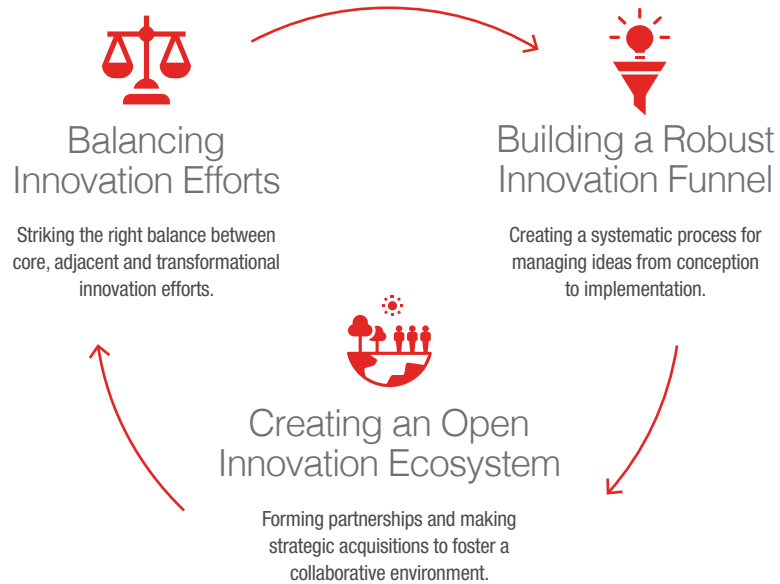


# Leading the Industry Innovation Strategy

**One of Austin's Powder strategic goals is to be recognized by our stakeholders as a leading innovation company in our industry.**

In 2023, Austin Powder established a strategically focused corporate innovation function to ensure that good ideas are encouraged, identified, shared, reviewed, prioritized, resourced, developed rewarded and implemented to generate value.

Our innovation strategy relies on three pillars:





## Leading the Industry Robotics & Automation

### First Mini Booster Produced in Austin Powder Austria

At Austin Powder Austria in St. Lambrecht, the first Austin-wide plant that uses plasticized explosives as a charge for the mini-boosters was erected. The plant was successfully tested for operation in December 2022 and officially commissioned in mid-January. Mini boosters are required to initiate bulk emulsion applied with underground units safely.



### MMU Prototype Equipped with a Specialized Control System to report data automatically

Austin Technology GmbH (ATG) has developed a prototype Mobile Manufacturing Unit (MMU) that offers several advantages over the units currently being used in the United States, including a specialized control system and the ability to report data automatically.



“As we continue to build out our next-generation software platform, one of the key components of that solution is the automation of the data collection process. This new MMU design will deliver on that very fundamental goal and allow our software systems to interface reliably in closer to real-time to collect and share the data with those who need it most, our Blasting Services Teams!”

– Scott Pietrzak, Global Field Technology Manager



## Paradigm Software Blasting Software Predictive Models

In 2023, Austin Powder kept building our Innovation ecosystem by completing the acquisition of the Paradigm Software, an industry-leading blasting software that has enhanced Austin Powder's world-class technical service offerings around the world.

“The Paradigm Team and Austin Powder's Global Technical Team, collaboratively, with common goals in mind, have developed a blasting software solutions package where numerous models can be used concurrently to predict and analyze blasting outcomes. This includes models simulating common key performance indicators such as flyrock, vibration, drilling accuracy, and fragmentation.”

– Alan Romphf  
Global Blast Engineering Manager

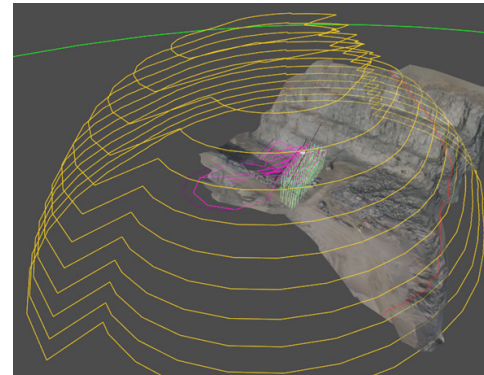
“We are all very excited and looking forward to further developing Paradigm and integrating it into our Global

Reporting suite, 'ABI (Austin Blasting Intelligence)'. We are also working to incorporate other tools and technologies, including third-party solutions, to provide our Blasters and Technical Representatives with seamless integration of data such as MMU data, seismographs, hole deviation measurements, and others.”

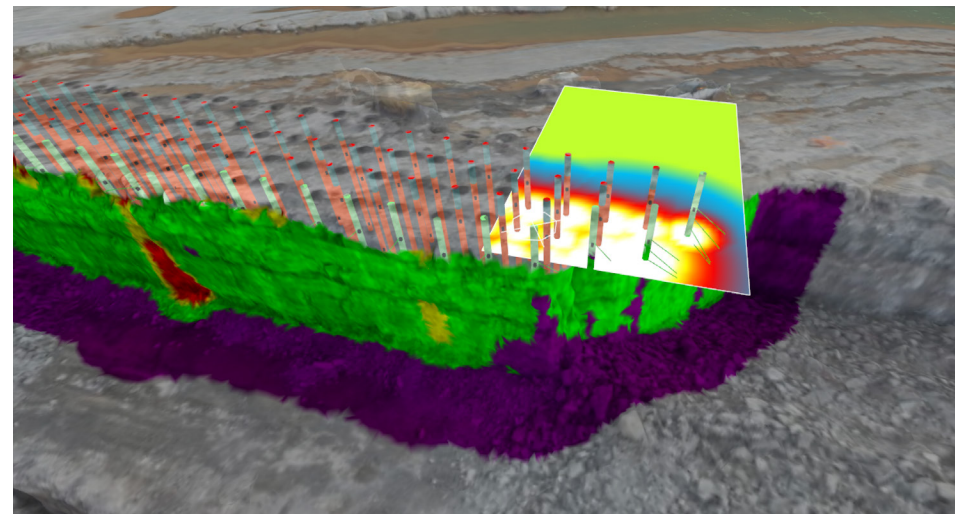
– Mario Alcedo  
Global Director of Field Operations

“The Paradigm Software solutions will position Austin Powder as one of the most innovative companies in blasting software predictive modeling.”

– David Fernandez  
Global Director Strategy, Sustainability & Innovation



A 3D flyrock shroud generated with Paradigm software shows flyrock potential for the blast from both the face and bench levels in yellow. The red curve indicates terrain intersections, while the pink area indicates the expected bulk muck movement perimeter.



A 3D visualization of a loaded blast in Paradigm shows varying degrees of charge confinement and allows the user to determine how to best distribute charges within the rock mass. A damage plane can be created to determine near-field damage potential.

## Tools of Innovation Innovative Training



### Austin Powder Argentina Carries out the First Virtual Reality SHES Training

An inaugural experimental training utilizing Virtual Reality was held at the Rafaela Plant in Argentina. This initiative aligned Austin Powder's strategic goals of prioritizing SHES (Safety, Health, Environment, and Security) policies and fostering innovation. This innovative tool for SHES activities has multiple advantages, including:

- It allows for a greater impact on participants by improving the retention level compared to traditional classroom training sessions.
- Participants can feel the consequences of their actions in real-time.
- Extreme situations and mistakes can be simulated without causing harm to the individual.
- It enables the extraction of metrics from exercise results, thus evaluating areas in which training needs reinforcement.
- It reduces the cost of training.

The main objective is to develop predictive SHES models based on training data, allowing us to understand trainees' behaviors and their impact on accident generation and, consequently, apply corrective actions.

“Seeking new and innovative training methods for the Austin Powder family members is one of the pillars of our innovation strategy. In this first pilot test at the Rafaela plant, Virtual Reality has shown that it can be a perfect complement to our current training methods.”

– David Fernandez,  
Global Director Strategy, Sustainability & Innovation

In this first experience, training was conducted on LOTO (Lock Out – Tag Out) as part of the maintenance staff's training schedule. Additionally, SHES personnel, the brigade,

and staff from other areas were able to test the tool and perform trials in modules such as ergonomics, firefighting, identification of unsafe conditions, and CPR (Cardiopulmonary Resuscitation), among others.

“This activity has allowed us, through the analysis of its metrics and results, to practically and quickly identify where it is necessary to focus our training efforts, as well as incorporate an innovative way of training. It was very well received by the participants, who enjoyed this experience.”

– Nadia Engler, SHES Manager for LATAM





## Tools of Innovation

# Innovative Training

### Austin Powder Carries out NINJIO platform Cybersecurity Training

Austin Powder Global IT Management team evaluated and selected The Ninjio platform to carry out a global training on cybersecurity.

- Most cybersecurity breaches happen due to human error.
- Ninjio allows Austin Powder to move from annual security awareness training to monthly.
- The Ninjio micro-learning methodology is the backbone of their training.
- Monthly episodes are 3 to 4 minutes animated videos that are available in anime or traditional animation form.
- The monthly cadence:

**Week 1** starts with the monthly 3-4 minute episode that includes a quiz and a certificate upon completion.

**Week 2** follows up with an infographic.

**Week 3** revisits the most significant learning moment with an anchoring cartoon.

**Week 4** is hype week for the next month's episode.

All in all, the Ninjio retention as a science approach completes a weekly touch of cybersecurity in under 7 minutes per month and can be comfortably consumed on a mobile device.

Ninjio is available in 21 languages with 7 of them dubbed. Austin deploys Ninjio security awareness training in the following languages: Portuguese, Spanish, English, Czech, Polish, German, Italian, Norwegian, Swedish.

**Austin is at 93.2% completed annual training.**

The Ninjio monthly approach allows for training on topics that are current and relevant. In the past year Ninjio has focused episodes on Deep Fake Audio, Artificial Intelligence, Social Media Cloning, Personal Cloud Storage and most recently Deep Fake Video among others.





## Technology Roadmap Sustainable Products



### Austin Powder Develops a Lead-Free Alternative for Detonators

Austin Powder is leading the explosives industry by developing lead-free primary explosive detonators ahead of regulatory mandates. This environmentally responsible initiative started in 2000 at Austin Detonator led by Pavel Valenta (R&D Director, AD) and in 2007 at Austin Star Detonator, spearheaded by Morris Bannerman and Göran Jidestig. Jan Jidestig, Director of R&D and QC, noted the 15-year challenge of developing, testing, and producing the new substance, which required significant product and manufacturing design changes. Homer Solis, Director of Austin Star Detonator, highlighted the company's commitment to positive change, emphasizing the collaborative efforts of their chemists and engineers.

Roman Vala, Technical Director of Austin Detonator, added that over 65 % of delay charges produced at Austin Detonator has been already replaced by lead-free alternatives and lead-free fusehead R&D project has been successfully finished. In the near future Austin Detonator is heading to full conversion of lead compounds to lead-free alternatives in all types of detonators.

Despite the difficulties, young R&D teams at both locations successfully accomplished this challenging task, aligning with Austin Powder's mission to improve the world we live in through the safe and responsible use of explosives



### Austin Powder has Developed a Game-Changing Innovation for the Quarry and Mining Industry by Quantifying NOx Fume Events in Blasting Using Drones

Dr. Martin Held, Global Director of Emulsions, and Abraham Lindo, Regional Technical Service Manager, have studied the quantification of NOx in blasting events using drones to optimize blasting techniques and minimize environmental effects. The formation of NOx fumes after a blast depends on various variables, and while detection methods using color schemes exist, quantification tools do not. In cooperation with DIRS at RIT, Austin Powder seeks methods to quantify NOx by capturing cloud activity via drone video feed, measuring NOx, and modeling the cloud.

Collaborating with RIT, Austin Powder performed small-scale blasts at a test facility, transferring knowledge to full-scale blasts at customer sites to correlate explosive amounts with NOx

production. Dr. Held highlights that quantifying fumes from non-ideal detonations can optimize blasting techniques, reduce environmental impact, and improve public perception of blasting as essential for societal progress.

### High shear pumps innovation in Mobile Manufacturing units

In 2023, Austin Powder has incorporated high shear valves to increase emulsion viscosity of the Bulk emulsion minimizing the Nitrate migration to the water and to improve the quality of the gassed product for better blasting performance and help to minimize migration of nitrates into soil and surface water.

# Our Environment





## Our Environment Management & Commitment



**As a company committed to the environment, Austin Powder is fully aware of the growing importance of the climate emergency and strives to promote awareness and protection of the natural environment. In particular, the company has directed its efforts towards the urgent scarcity of raw materials, the crisis of natural resources, biodiversity, and the environment.**

In its demonstration of commitment, Austin Powder is dedicated to carrying out its core activities with a focus on sustainability and environmental management in all its operations. In this regard, the company has calculated its global carbon footprint for the first time as a starting point to define its future decarbonization actions.

Additionally, Austin Powder is implementing strategies to optimize the use of raw materials and reduce dependence on non-renewable resources, through the application of environmental management practices such as energy conservation, optimization of water usage, and waste management plans.

Regarding biodiversity and the natural environment, the company continues to advance the protection and conservation of local ecosystems where it conducts its operations, establishing environmental programs to mitigate the impacts of these activities.

In response to this situation, Austin Powder has partnered with local organizations and communities to carry out conservation and environmental education projects, and is promoting the development and adoption of sustainability standards in the industry. The company seeks to share best practices and collaborate with other organizations to address environmental challenges and promote positive change.



## Our Responsibility Management & Commitment

**Austin Powder emphasizes environmental responsibility through rigorous management practices and standards, ensuring compliance with global regulations and sustainability norms across all operational regions.**

Central to this commitment is their Safety, Health, Environment, and Security (SHES) policy, which prioritizes proactive risk management and mitigation strategies.

The company adheres strictly to environmental laws and regulations, guided by their SHES manual, and is dedicated to exceeding industry standards. Their Environmental Policy sets ambitious targets for reducing greenhouse gas emissions, water consumption, and waste generation, tracking progress to enhance environmental performance continually.

Furthermore, the company takes environmental risk management seriously and seeks to develop specific policies and procedures to address these risks in its

operations. Recognizing the importance of minimizing environmental impact and protecting the health and safety of people and the environment, Austin Powder takes a proactive approach to identify and assess environmental risks associated with its activities, conducting environmental impact assessments and risk analyses.

In addition, Austin Powder invests significantly in technology and training to effectively manage environmental risks, ensuring all employees receive comprehensive guidance and are equipped to perform their duties competently. Their proactive approach aligns with efforts to optimize resource use and energy efficiency, striving for continuous advancement underpinned by their Environmental Policy and Safety and Health Policy.

Specifically, during the current reporting period, \$2,612,466 USD was invested in environmental hazard prevention. Of all this investment, the largest amount is concentrated in the Red Diamond plant, which has invested more than USD 1 million for this purpose.



# Net Zero Strategy

## Climate Action

Austin Powder is taking an active role in the fight against climate change, recognizing the environmental and social challenges it represents. As part of its corporate responsibility and long-term vision, the company has adopted a proactive approach to mitigate greenhouse gas emissions and promote sustainable practices across all its operations. This commitment is reflected in the implementation of specific measures and in the pursuit of innovative solutions to reduce its carbon footprint and contribute positively to climate resilience, at both the local and global levels.

Reaffirming its commitment to combating climate change, Austin Powder has defined its Net Zero strategy. The objective of this project, divided into these 3 phases, is to develop a Net Zero roadmap that ensures the resilience of Austin Powder in its transition to decarbonize its economy.

It consists of the following steps:

### PHASE 01. 2024

Phase 1 includes the calculation of the carbon footprint, where the review and recalculation of scope 1 and 2 emissions for the base year 2022 have been carried out, as well as the calculation of these emissions for the reporting period of 2023. This also marks the beginning of the analysis and identification of the material emission categories for Austin Powder.

### PHASE 02. 2025

In phase 2, the calculation of scope 3 emissions will be carried out, along with the definition of science-based targets aligned with the SBT initiative, as well as the development of a decarbonization plan for emission reduction. At the same time, the assessment of climate-related risks and opportunities will be conducted, and the company will prepare for reporting in accordance with the TCFD.

### PHASE 03. 2025

In phase 3, an analysis of carbon markets and their opportunities for the company will be carried out, as well as the development of a transition plan that consolidates Austin Powder's strategy to achieve the Net Zero goal.





# Emissions

## Climate Action

The assessment of the carbon footprint represents a pivotal activity in the decarbonization of Austin Powder's activities, as it allows for an understanding of the organization's direct and indirect emissions, the identification of areas with the greatest impact on climate change, and the definition of actions to mitigate these emissions. Austin Powder initiated this process in 2023 with the calculation of the 2022 carbon footprint, which included scope 1 and scope 2 emissions and was aligned with the methodological guidelines of the GHG Protocol. The 2022 carbon footprint was published in the 2022 Sustainability ESG Report.

During 2023, Austin Powder worked to improve the data collection process from each reporting unit, and to improve the calculation methodology, increasing the scope of the carbon footprint and updating and improving the selection of emission factors for greater accuracy. Specifically, the following changes were made to the scope of the carbon footprint:

- Austin Detonator Assembly and Austin Detonator Electronics were included in the assessment.
- All operations in Mexico were included. Previously, only the nitric acid manufacturing plant was considered in the scope, due to lack of data for the previous year.

- The energy consumption of the housing complex that Austin Powder makes available to its workers in Juramento was added to the analysis.
- Wastewater treatment was added as an emission source in scope 1, for the reporting units where this type of activity is carried out in the company facilities.
- Malaysia and Indonesia, which were previously considered a single reporting unit, were disaggregated as independent reporting units.
- Austin Star Detonator and Detonadores Estrella, which were previously considered a single reporting unit, were disaggregated as independent reporting units.
- Emphasis was placed on fully understanding the processes that take place in Juramento and USN, allowing for the identification of emission sources that were not previously accounted for (natural gas consumption in compressors and reformers).

As a result of this review, and the changes in the calculation scope, the 2022 carbon footprint was also recalculated using the new and improved methodology. This reassessment allowed Austin Powder to visualize and quantify the effects of the technological improvements and organization shifts that took place between 2022 and 2023.

Scope 1 & 2	Emissions 2023 (tCO <sub>2</sub> e)	Contribution (%)	Emissions 2022 (tCO <sub>2</sub> e)
(TCO <sub>2</sub> E)			
Total Scope 1 (tCO <sub>2</sub> e)	299,878	88%	307,040
Total Scope 2 (tCO <sub>2</sub> e)	41,332	12%	44,030
TOTAL	341, 211	100%	351,070

Due to the nature of Austin Power's business model, which requires the production of great amounts of energy on site, scope 1 emissions were far larger than scope 2 emissions. Total emissions in 2023 were reduced by 2,81% compared to 2022, mainly as a result of the closure of the nitric acid plant in Mexico, which allowed for a substantial reduction of scope 1 emissions. A more detailed analysis of each scope is presented in the following sections.

### Scope 1 Emissions

Scope 1 emissions are the direct emissions of greenhouse gases produced by sources owned or controlled by the company. These include:

- **Emissions from stationary combustion**, which refers to combustion that takes place in stationary devices owned by the company that consume solid, liquid or gaseous fuels in order to produce energy or heat. This includes boilers, turbines, drilling machinery, furnaces, heaters, incinerators, generators, motor pumps (for fire networks), etc.
- **Emissions from mobile combustion** (i.e. from mobile sources) by on-road vehicles leased or owned by Austin. This analysis is centered in cars, motorbikes and delivery vehicles, such as trucks or mobile manufacturing units (MMU).



# Emissions

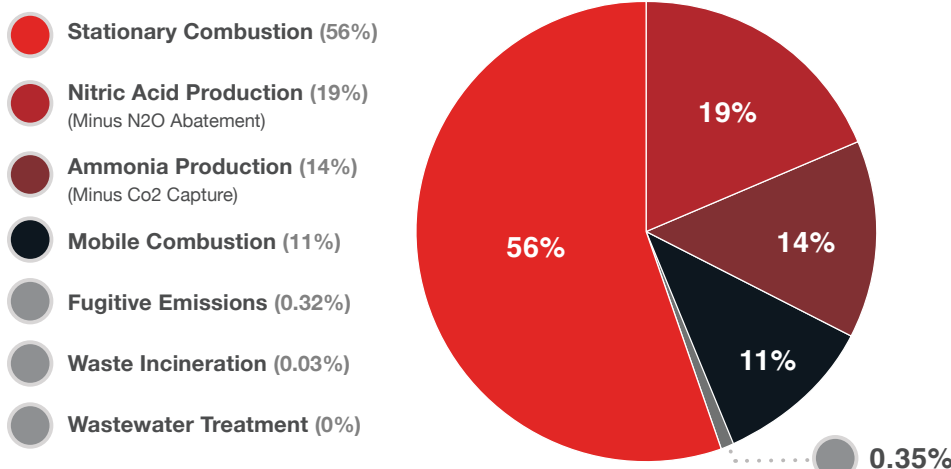
## Climate Action

- **Fugitive emissions** that result from the direct release of GHG into the atmosphere. This usually relates to air conditioning and refrigeration equipment leaks, including the installations' air conditioning systems and heat pumps, mobile air conditioning, chillers, cold storage and transportation, etc.
- Emissions from the **incineration of solid waste** in Austin Powder facilities.
- Emissions from anaerobic **wastewater treatment** in Austin Powder facilities.
- **Process emissions**, from the production of ammonia and nitric acid in USN, Juramento an Mexico facilities. CO2 capture and N2O abatement technologies that are in place in these facilities, is also considered as this process substantially decreases the amount of GHG emissions that are released into the atmosphere. The CO2 captured in these processes is sold and later used by third-party beverages manufacturers.

Stationary combustion was the main source of GHG emissions in 2023 (167,205 metric tons of CO2e, equivalent to 49% of the company's emissions), mainly due to the energy intensity of the ammonia production process, which requires the combustion of large amounts of natural gas to power compressors and reformers. This is evidenced by the stationary combustion emissions that result from USN and Juramento, that represent 34% and 55% of Austin Powder's stationary combustion emissions, respectively.

Ammonia production would be the second largest source of emissions for the company (95,488.11 metric tons of CO2e) if carbon capture systems were not in place. These carbon capture technologies were only available in the USN facilities in 2022, but were expanded to Juramento during 2023, allowing this facility to capture 4,876 metric tons of CO2 during the reporting year. The combination of the CO2 capture performed in these two facilities allowed Austin Powder to capture and sell to a third party 58,382 metric tons of CO2, reducing the carbon footprint of the overall ammonia process by 56%.

Process emissions from the manufacturing of nitric acid, due to the release of N2O during its production, were the second higher source of emissions for the company (58,00.50 metric tons of CO2e, equivalent to 19.34% of the company's emissions). It is worth mentioning, however, the reduction of emissions that took place in 2023 compared to 2022 for this category, achieved through the closure of the nitric acid plant in Mexico in mid-2023. This operation made it possible to avoid the emission of more than 15,000 metric tons of CO2e in 2023.



### Scope 1

	Emissions 2023 (TCO <sub>2</sub> E)	Contribution (%)	Emissions 2022 (TCO <sub>2</sub> E)
(TCO <sub>2</sub> E)			
Stationary Combustion	167,205	55.76%	156,555
Mobile Combustion	31,564	10.53%	31,200
Fugitive Emissions	961	0.32%	443
Waste Incineration	88	0.03%	87
Wastewater Treatment	5	0.00%	17.30
Ammonia Production	95,488	0.00%	99,672
Carbon Capture (Negative)	53,434	0.00%	58,382
Ammonia Production (Minus Co2 Capture)	42,053	14.02%	41,290
Nitric Acid Production (Minus Co2 Abatement)	58,000	19.34%	77,445
<b>TOTAL</b>	<b>299,878</b>	<b>100%</b>	<b>307,039</b>

# Emissions

## Climate Action

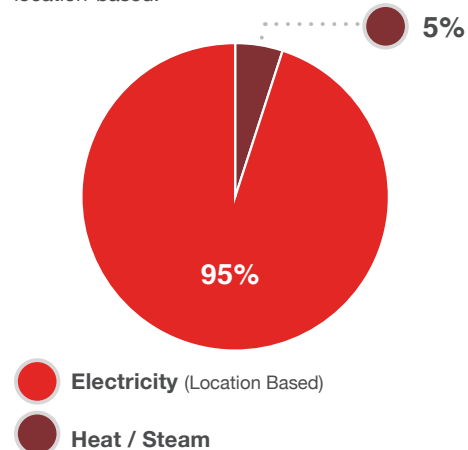
### Scope 2 Emissions

Scope 2 emissions include indirect emissions associated with the generation of electricity, heat, or steam that a company consumes. In other words, these emissions arise from sources owned or controlled by another entity, from which the reporting company purchases electricity, heat, or steam.

Scope 2	Emissions 2023 (tCO <sub>2</sub> e)	Contribution (%)	Emissions 2022 (tCO <sub>2</sub> e)
(tCO <sub>2</sub> e)			
Electricity (Location Based)	39,470	95%	42,270
Heat / Steam	1,861	5%	1,759
<b>TOTAL</b>	<b>41,332</b>	<b>100%</b>	<b>44,029</b>

This scope can be determined through a location-based methodology or a market-based methodology. The location-based methodology uses the average emission factors of the country in which each installation is located (e.g., the average emission factor of its electrical grid). The market-based methodology, on the other hand, takes into account the emission factor of the energy purchased from the specific providers the reporting company has contracted, allowing any renewable energy acquired to be accounted for.

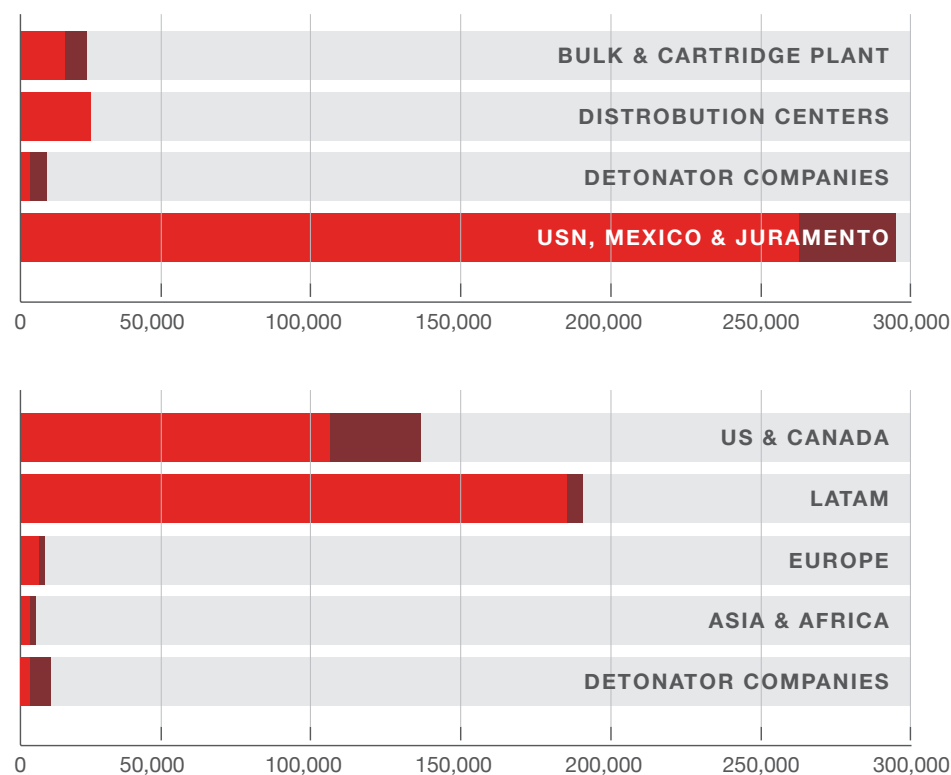
its facilities and calculating scope 2 emissions using the market-based method, as well as the location-based.



Austin Powder will keep working in the coming years to continue improving the data collection system, with the objective of determining the emission factors of the energy purchased at

### Results By Activity, Facility Type & Geography

The USN, Juramento and Mexico facilities accounted for more than 86% of Austin Powder's carbon footprint, due to the nature of their activities (32.52% in the case of USN, 45.25% for Juramento and 8.58% for Mexico). Other high-emission reporting units were US Field Operations and Red Diamond, with 5.03% and 2.73% of Austin Powder's carbon footprint, respectively. This led to the US and the South and Central America regions concentrating more than 95% of the carbon footprint of the company



# Energy Efficiency Climate Action

## Energy Efficiency

Austin Powder is seeking opportunities to improve energy efficiency in all its operations. This includes the use of more efficient technologies, optimizing processes, and reducing energy consumption. Furthermore, the adoption of renewable energy sources, such as solar energy, for the company's operations is one of the initiatives being pursued. Energy consumption for 2022 was also recalculated during 2023, following the same criteria and scope as the carbon footprint reassessment.

In 2023, the sum of the consumption from all reporting units resulted in a total value of 1,042.89 GWh, which represents a 5% increase compared to the previous year's consumption (995.79 GWh). More than 75% of the total energy consumption was in the form of natural gas combustion, mainly driven by the natural gas demand of the USN and Juramento facilities (very energy intensive sites that consume large amounts of natural gas in order to carry out their activity) for the production of ammonia, which amounted to 743,79 GWh during 2023. Furthermore, USN, Juramento and Mexico represented 83% of the total energy consumption of the company.

Regarding renewable energy, Brazil, Poland, and Zimbabwe produced a combined amount of 104 MWh of renewable electricity thanks to their solar energy installations.

It is worth noting that, while energy consumption slightly increased during 2023, CO<sub>2</sub>e emissions were reduced. This is explained by:

- An increase in ammonia production in Juramento in 2023, a very energy intensive facility that substantially increased natural gas consumption for the company.
- The reduction of emissions from nitric acid production due to the termination of this process in Mexico in 2023, significantly reducing scope 1 emissions for the company.

## Energy Consumption

	kWh 2023	kWh 2022
TYPE		
Natural Gas	776,859,376	723,313,074
Diesel	104,275,123	102,133,612
Fuel Oil	25,852,632	28,101,224
Electricity	106,379,731	113,273,576
Petrol	17,850,659	17,958,952
LPG	1,192,398	1,119,354
LNG	0.00	0.00
Heat/Steam	10,364,585	9,793,65
Biodiesel	0.00	0.00
Solar	104,171	98,432
Wood Chips	0.00	0.00
<b>TOTAL</b>	<b>1,042,878,677</b>	<b>995,791,883</b>

Aligned with the established foundations in its integrated SHES policy, Austin Powder directs part of its performance improvement towards sustainability by driving water consumption and waste management strategies, through which it establishes processes for efficient water usage and reduction, as well as for developing waste management towards valorization processes through recycling and the circular economy.

The improvement in these areas is based on Austin Powder's common criteria, considering that subsequent actions derived from these issues are subject to the environmental regulations of each operating area and the specific needs of each reporting unit, giving them a specific and independent nature.



# Water Consumption

## Sustainable Resources & Waste Management

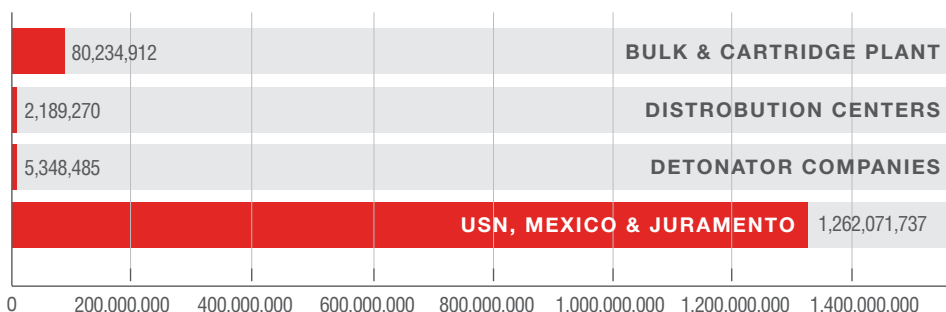
Austin Powder is aware of the need to responsibly manage water consumption in order to minimize its environmental impact. Therefore, the company has managed this resource following its water consumption strategy.

As an initial part of this management applied during the current reporting period, a new method of measuring consolidated water consumption has been implemented based on the difference between water extracted and water discharged. In updating this calculation process, the total water consumption for the 2022 reporting period had to be expressed using this new methodology.

	2023	2022
<b>Water Withdrawal (Liters)</b>	1,883,896,996	2,001,583,000
<b>Discharge (Liters)</b>	534,052,590	521,363,000
<b>Water Consumption (Liters)</b>	1,349,844,405	1,480,220,000

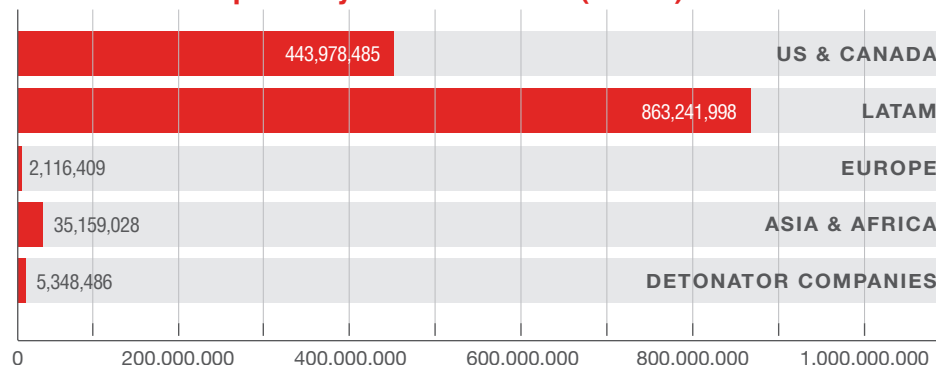
According to the current data, it can be observed that the total water consumption of Austin Powder has decreased by 9% compared to 2022, reaching a total consumption of 1,349,844,405 liters, amount equivalent to filling more than 500 Olympic-size swimming pools.

### Water Consumption by Installation Type (Liters)



In terms of water consumption broken down by type of installation, the data collected in 2023 show that ammonium nitrate producing installations are responsible for more than 90% of total consumption.

### Water Consumption by Business Unit (Liters)



Likewise, water consumption broken down by business unit shows that the America and field operations business units account for most of the company's water consumption.

- Collecting water for treatment.
- Conducting audits to address potential inefficiencies and prioritize conservation efforts.

In line with the reduction in water consumption, Austin Powder continues to drive its measures to reduce water consumption and mitigate impacts related to water pollution on a global scale, based on awareness of responsible use, optimization, and water conservation. Additionally, the reporting units are taking actions to mitigate their impact on water, encompassing the following themes:

- Periodic monitoring of water levels.
- Reducing excessive use of this resource and preventing leaks.

### Success Story

#### Neutralization of Wastewater

Austin Detonator, in Vsetin, has neutralization stations where the wastewater from metal washing and degreasing is treated, which is then discharged into the public sewer system under a contract with the company ZTV. This water then flows to the municipal water treatment plant, where it is subsequently released into surface water after treatment.

## Waste Management

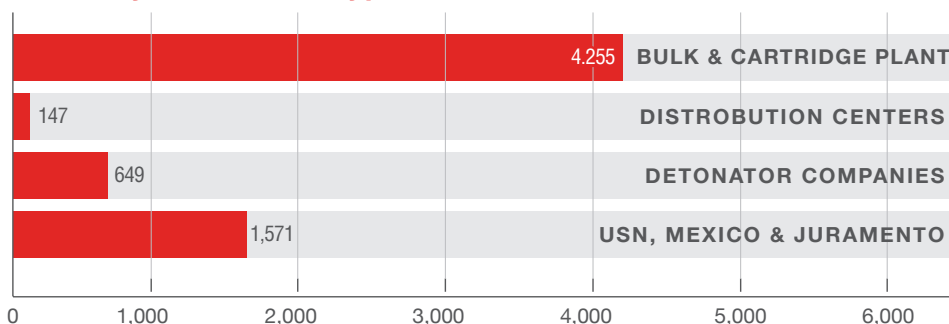
# Sustainable Resources & Waste Management

The waste management strategy of Austin Powder is based on the accurate measurement\* of waste generation figures from all consolidated reporting units. To achieve this, data on waste generated by each unit has been collected and consolidated, broken down by hazardousness and disposal or recycling, as shown below.

		2023	%
<b>Hazardous Waste (Mt)</b>	Recycled & Reuse	86	1%
	Directed to Disposal	476	7%
	<b>TOTAL</b>	<b>562</b>	<b>8%</b>
<b>Non-Hazardous Waste (Mt)</b>	Recycled & Reuse	917	14%
	Directed to Disposal	5,143	78%
	<b>TOTAL</b>	<b>6,060</b>	<b>92%</b>
<b>TOTAL</b>		<b>6,622</b>	<b>100%</b>

As can be seen in the total data collected, the waste generated by the company amounted to 6,622 metric tons. It should also be noted that the units that generated the most waste were Red Diamond and USN, accounting for 58% and 15% respectively.

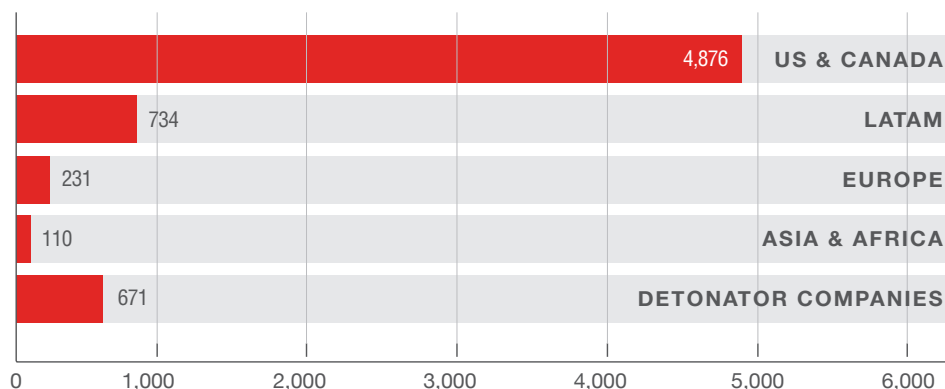
### Waste by Installation Type (MT)



\* The calculation includes the estimation of the amount of liquid waste generated based on densities per waste type.

After analyzing the data obtained in the consolidation of waste generation from all the reporting units, it's clear that the highest concentration of waste generation comes from the facilities responsible for the manufacture of bulk and packaged emulsions.

### Waste by Business Unit (MT)



In the breakdown by business areas, operations related to USN, Red Diamond and Field operators are significantly more relevant than the others.

Demonstrating the company's global commitment in this area, there is progress in the detail of the data from the reporting units included in the annex. On the other hand, various measures have been taken to mitigate the impacts derived from waste management, as detailed below:

- The revaluation of solid materials, reincorporating certain waste as raw materials in the value chain for the generation of new products.
- Energy revaluation by shredding some waste for use as fuel in cement kilns.
- Recycling of recoverable materials such as cardboard, paper, metal, scrap, glass, and bags, among others.
- Reuse of containers and protective plastic packaging blocks.
- Conducting audits to address potential inefficiencies and prioritize conservation efforts.

# Reducing Air Pollutants

## Air Quality

### Success Stories

#### Waste Minimization Project

Red Diamond has developed a new waste reduction project, which, despite being in its early stages, is aimed at treating waste contaminated with explosives and decomposing certain types of explosive waste.

#### Hazardous Waste Reduction Plan

Additionally, USN not only recycles and reuses some of its resources and products but also has its own hazardous waste reduction plan.

Austin Powder demonstrates a strong commitment to improving air quality and reducing the emission of air pollutants, as part of its goal to preserve the health and well-being of the communities in which it operates.

In pursuit of its objective, measures have been implemented to prevent and reduce emissions that may have a significant impact on the environment, and these measures are categorized based on the emissions they mitigate.

- The reduction of NOx emissions has involved the installation of biofilters at the gas outlets of the ammonia plants, along with maintenance systems on the generators to regulate fuel injection pumps and injector calibrations. Additionally, low NOx burner units have been installed in primary reformers and a NOx gas scrubber (gas absorber) has been added in nitric acid production.
- Addressing the reduction of atmospheric particulate emissions involves the installation of two air purifiers at the ammonium nitrate production plant.
- To control CO and NOx emissions, a maintenance system has also been established on the generators to regulate fuel injection pumps and injector calibrations.

### Noise Pollution

To mitigate noise pollution affecting the surrounding communities of Austin Powder facilities, the quantity of product quality control blasting tests has been reduced. The improvement in these areas is based on Austin Powder's common criteria, considering that subsequent actions derived from these issues are subject to the environmental regulations of each operating area and the specific needs of each reporting unit, giving them a specific and independent nature.





# Ethics & Transparency

06.



# Guiding Principles Compliance Framework

**In today's increasingly interconnected and complex global business environment, the necessity for organizations to operate with unwavering ethical and responsible practices has never been greater.**

Austin Powder acknowledges this imperative, striving to go beyond mere legal compliance to foster a culture of ethical excellence that influences every facet of its operations.

Understanding the extensive impact of its decisions and actions on stakeholders—including employees, customers, suppliers, communities, and the environment—Austin Powder commits to ensuring its presence results in a positive and sustainable legacy.

Austin Powder's day-to-day decision making is guided by and follows a set of principles that all business units embrace and take as a reference:



Honesty

Upholding truthfulness and transparency in all communications and actions.



Respect for Human Rights

Adhering to international human rights standards and fostering an inclusive and respectful work environment.



Integrity

Maintaining unwavering ethical standards, even in challenging circumstances.



Transparency

Embracing open communication and accountability.



Fairness

Treating all stakeholders with equity and impartiality.



Sustainability

Integrating environmental responsibility into business practices.





# Individual Responsibility

## Code of Ethics



**The Code of Ethics is instrumental in promoting an ethical business culture at Austin Powder. Robust policies and practices are implemented to cultivate ethical conduct and individual responsibility throughout the organization.**

Many sites have version of this code whereby training sessions are conducted to educate employees on ethical issues, fostering an environment where they feel secure and empowered to raise concerns. Furthermore, open communication channels are maintained to promptly and effectively address any ethical issues as they arise. We will move to a common Code of Ethics and Business Conduct Policy augmented with local training.



### Austin Anti-Corruption Policy

Outlines the company's zero-tolerance stance on corruption and provides clear guidelines for ethical conduct in all business dealings.



### Competition Integrity Program

Ensures that Austin Powder adheres to fair competition practices and complies with antitrust laws.



### Export Compliance Manual

Outlines the company's procedures for complying with international trade regulations and ensuring that all exports are conducted responsibly and ethically.



### Code of Conduct

Serves as a comprehensive guide for employee behavior, outlining expectations and providing clear guidelines for resolving ethical dilemmas.

Regular training ensures that all employees are familiar with the Code of Conduct and its implications for their daily work.



# Creating a Safe, Inclusive, & Respectful Work Environment

## Human Rights

**Austin Powder is aware of the UN Guiding Principles on Business and Human Rights and is seeking to implement the United Nations “Protect, Respect and Remedy” framework in the years to come.**

Austin Powder understands its responsibility to respect human rights meaning that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.

Austin Powder’s responsibility to respect human rights refers to internationally recognized human rights – understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.

Austin Powder is seeking to avoid causing or contributing to adverse human rights impacts through their own activities, address such impacts when they occur, and prevent or mitigate adverse human rights impacts that are directly linked to their operations, products, or services by their business relationships, even if they have not contributed to those impacts..

To meet their responsibility to respect human rights, Austin Powder will develop policies and process, including:

- A policy commitment to meet their responsibility to respect human rights
- A human rights due diligence process to identify, prevent, mitigate, and account for how they address their impacts on human rights
- Processes to enable the remediation of any adverse human rights



# Our Communities



# Our Communities

## Committed to Community Outreach

### Austin Powder Commitment

A close and trusting relationship with local communities is an essential element for the long-term success of any company, especially in sensitive industries such as the explosives sector. Austin Powder recognizes that a company's well-being is not only measured by its economic achievements, but also by the favorable impact it has on society. This commitment to the environment is a central element in the company's sustainability strategy, aimed at establishing strong and beneficial links with the communities in which it operates.

Austin Powder understands sustainable development as a path to local growth, promoting the advancement of local economies and improving the educational quality of the most disadvantaged groups and those with fewer opportunities.

**The company's contributions to the community seek to generate opportunities, create lasting value, develop programs and projects that improve the quality of life of the community, and make positive and lasting contributions that transcend corporate activities.**

Vibrant and prosperous communities are crucial for economic growth, social stability and environmental conservation. Accordingly, the company's efforts are focused on key areas such as education, health, economic development and environmental sustainability.

Fostering mutual trust between companies and local environments is essential for sustainable development and long-term success. Generating and maintaining these ties requires a transparent and respectful approach in all interactions. When it comes to building and maintaining these relationships, Austin Powder understands that open and honest communication strengthens relationships and fosters collaboration. As a trusted partner, it shows commitment to the interests and concerns of communities by acting ethically in all its operations. This approach not only helps prevent conflict, but also drives positive and lasting impact, creating a solid foundation for joint growth.

### Inclusive Procurement

As part of this local economic development vision, inclusive procurement is also an integral part of the company's Sustainability Policy. Austin Powder strives to make its contribution increasingly responsible and value-added to the organizations with which it interacts. This approach promotes fair and responsible trade, contributing to the growth of small suppliers and groups with fewer opportunities, which is essential in industries that must manage their resources ethically and responsibly.

### Alignment with the SDGs

Together with the communities where it operates, Austin Powder works to align its operations with the Sustainable Development Goals (SDGs) established in the United Nations 2030 Agenda. This commitment includes the ethical and transparent management of community relations, the promotion of equity and citizen participation, and the implementation of projects that respect the local social, cultural, economic and institutional context.

In the coming years, the company will continue to strengthen its Sustainability Strategy in all countries where it has a presence, investing in communities and establishing direct and effective communication channels to learn first-hand about their expectations and needs.

This chapter showcases Austin Powder's community initiatives and programs through concrete examples of collaboration with strategic partners and communities, grouped into three main areas: Education, Economic and Community Development, and Philanthropic Investment.



# Preparing Future Generations Education

Austin Powder believes in the transformative power of education. Through a variety of initiatives, it supports programs that improve school infrastructure, train teachers and provide educational resources to students. These actions strengthen the local education system and empower young people, preparing them for a future of greater opportunity.



## Strategic Collaboration in Explosives Research

Austin Powder Malaysia and the University of Science Malaysia signed a collaboration agreement to develop joint projects in the field of explosives. This agreement aims to advance more efficient and effective blasting techniques.

## Graduate Award in Canada

Austin Powder Ltd. implemented the Red Diamond Award at Sir Sandford Fleming College. This award, for a Drilling and Blasting Technique student who demonstrates academic excellence, was presented to James Greenwood to continue his studies in resource drilling.



## Internship Program in Malaysia

The second edition of the internship program for Mineral Resources Engineering students was held with the objective of gaining experience in the explosives industry. Four students completed a 10-week internship and demonstrated outstanding performance.



## Industry “Inspire” Program

This program is carried out in Argentina; the company gives talks to high school students about the importance of the petrochemical industry in society. The program includes plant visits and talks on the global, national and local impact of the industry.

## Industrial Operator Course in El Galpón, Argentina

The first vocational training course for Industrial Operators was held, organized by Austin Powder in collaboration with the Municipality and the Ministry of Education and Labor of Salta. The course trained 83 young people, who can work in different companies in the region, and concluded with a visit to the plant and the presentation of certificates.



# Fostering Local Entrepreneurship

## Economic & Community Development

Austin Powder carries out programs that foster local entrepreneurship, create jobs and strengthen the productive capacities of communities. By collaborating with local authorities and NGOs, Austin Powder promotes projects that foster economic self-sufficiency and social cohesion, contributing to more dynamic and resilient environments.

### Agroecological Vegetable Garden to Help a Soup Kitchen in Rafaela

Sowing Opportunities is the project launched by Austin Powder Argentina. Through this initiative, an agroecological garden was created to provide vegetables to the Rellenitos de Amor soup kitchen. The garden is created and maintained by employees of Austin and the dining room, which receives many families on a daily basis.



### Delivery of Ecological Kitchens in Salta

26 ecological kitchens were delivered, which were integrally developed by employees through a corporate volunteer program. They were made using disused materials from the plant. The kitchens are an economical, ecological and efficient option for cooking, since they are used to cook food.



### Czech Republic Opens its Doors

Austin Detonator organized an open house event to commemorate three significant anniversaries: 190 years of Austin Powder, 70 years of detonator production in Vsetín, and 25 years of Austin Detonator. The event, which welcomed 1,000 visitors, also raised funds - through voluntary entry fees - that went towards the renovation of a playground at a local elementary school.

### Children's Day in Argentina

This celebration was a special occasion for the Juramento Plant to carry out activities for employees and their children, while in the Explosives Division, books were given to employees' children. These books were classified and packed by young people with disabilities who work in the Kairos organization. This initiative seeks to generate work and inclusion for young people in the community.

### The Juramento Plant Welcomes Employees' Families

This initiative allowed employees' families to visit the facilities of the industrial complex located in El Galpón. The day included a presentation on the company's impact and a tour of the plant, strengthening the bonds between employees and their families.



### Community Health Fair in Argentina

The Juramento Plant in El Galpón organized a health fair to promote healthy lifestyles. The activity included information on hypertension, healthy food options, a walk and a raffle for participants.



### Austin Powder Malaysia Launches CSR Program

The first Corporate Social Responsibility activity was carried out, donating money and volunteering at the Anning Home for the Elderly and Children in Ipoh. The initiative involved the participation of 188 employees in cleaning and entertainment tasks, and it is planned to continue with these activities in the future.



# Donations & Sponsorships

## Philanthropic Investment

### Austin Powder Donations

Austin Powder invested \$202,941 in community initiatives this year, compared to \$261,850 in 2022.

This ongoing commitment reflects the company's unwavering dedication to fostering local development and enhancing community well-being.

TYPE	USD
Donations	\$142,491
Community Investments	\$10,294
Commercial Initiatives	\$50,157
<b>TOTAL</b>	<b>\$202,942</b>

### Donations in Panama

Austin Powder made donations to Fundacancer, Fundación Moviendo Vidas and Coccydon. These contributions helped cancer patients, promoted music education for young people and provided food for the homeless.

### Austin Powder Support to the Austrian Community

Contributions were made to various community sectors, including local sports clubs, a musical society, a theater association and a monastery.

Whether through donations to charitable organizations, sponsorship of community events or contributions to health and wellness projects, Austin Powder's contributions seek to improve people's quality of life and strengthen the broader community.



### Renovation of a Playground in Czech Republic

Austin Detonator supported the renovation of a playground for children with disabilities. A financial contribution was made for the construction of an inclusive play structure for local elementary schools and preschools.

### Community Activity in Poland

Austin Powder participated in a community activity in collaboration with the Municipality, the Fire Brigade and the Provincial Inspector of Environmental Protection, focusing on emergency preparedness and risk education.

### Recreational Activities in Zimbabwe

Capped Fuse manufacturing staff formed a soccer team and received support for sporting events. Funds raised went to the SPCA and Round Table to support recreational activities.



### Donation Campaign in Mexico

The "Give to Grow, with the Power of the Family" campaign was carried out to collect clothes and promotional kits for the DIF Gomez Palacio Shelter. The campaign allowed employees to participate in the delivery of donations and in a meeting with the people living in the residence.



### Toy Drive in Mexico

"Rescuing a Smile" is the name of the initiative that allowed Austin Powder to bring toys to children in vulnerable situations. Donations were made to PAMAR and the Community Center for Child Protection in Gomez Palacio, Durango. During the delivery of gifts, the children enjoyed games and a piñata.



## Promoting Safety & Sustainability Partnerships & Collaborations

Austin Powder is committed to participate in and actively seek collaboration with professional associations that promote safety and sustainability practices in the industry.

These include:



SAFEX is a learning organization. Members learn from each other as they share health, safety and environmental (HS&E) information to prevent unwanted explosive incidents. John D. Rathbun, Austin Powder's CEO is currently the chairman of SAFEX.



Austin Powder Malaysia is partnered with the University of Science Malaysia (USM) to expand its research and development capabilities.



IME is the trusted voice of the Commercial explosives industry. IME's mission is to promote the safe and secure manufacture, transport, distribution, and use of commercial explosives. Jason Rawlings, Austin Powder president for the USA, represents Austin Powder as Vice-Chair of IME.



Austin Powder works closely with ISEE, a professional society dedicated to promoting the safe and efficient use of explosives. Through its involvement with ISEE, Austin Powder collaborates on research, training, and best practices related to sustainability in the explosives industry. Billy Obermire, Sales Manager for Austin Powder, is currently a board member of ISEE.



Federation of European Explosives Manufacturers

FEEM is a non-governmental association whose objective is the advancement of the commercial explosives industry in the widest sense with particular regard to safety, quality, security, environment and legal concerns. Clemens Hüttner, Austin Powder Europe Managing Director, represents Austin Powder as part of the Executive Committee.



NATIONAL STONE, SAND & GRAVEL ASSOCIATION

Austin Powder is member of NSSGA, which advances public policies that protect and expand the safe, environmentally responsible use of aggregates. Through this association, Austin Powder collaborates with other industry stakeholders to promote sustainable quarrying practices.

“SAFEX was founded by explosive industry members as a voluntary organization in 1954 to help prevent future incidents by reporting those that happened and sharing its learnings within the explosives community. Incidents can change the lives of individuals and families, and reporting and sharing are essential for this not to happen. This is a commitment that Austin is strongly dedicated to.”

– Martin Held, Global Director of Emulsions

# Stakeholders

08.





## Building Trust Alliances Stakeholder Strategy

**At Austin Powder, stakeholder engagement is essential to identify and comprehensively address the needs and expectations of all stakeholders.**

Working closely with stakeholders fosters informed decision making, promotes transparency and builds trusting relationships, which are essential to implementing effective sustainable practices.

Involving stakeholders in the decision-making process strengthens corporate responsibility and ensures that sustainability strategies are relevant and effective, reflecting the interests and values of the community and the environment in which the company operates.

The company engages with local and provincial governments, enforcement agencies, and emergency services to ensure safety and regulatory compliance, developing joint initiatives that benefit communities and respond to regional needs. It also maintains open communication with the press and actively involves communities in its activities, building relationships of trust and generating a positive impact on people's lives.



**Austin encourages knowledge sharing through student and university visits, as well as collaborations with educational and scientific institutions.**

Together with chambers and neighborhood associations, Austin works to generate equitable and sustainable benefits, while ensuring business practices that are consistent with the needs and interests of the communities in which it operates.

The Company forges relationships with suppliers, contractors and customers based on trust and mutual respect, ensuring ethical business practices and offering high quality products and services. Furthermore, promotes an inclusive and motivating work environment for its employees, providing opportunities for professional development and active participation.

Strengthening relationships with its stakeholders is key to the company's ESG strategy. Through open communication and continuous collaboration, Austin Powder not only fulfills its responsibilities, but also creates and maintains strong and lasting relationships with its stakeholders.



# Building Trust Alliances

## Stakeholder Engagement

Through the following table, the company's main stakeholder groups are highlighted, detailing the interaction frequency, communication channels, and engagement objectives.

Stakeholder Group	COMMUNICATION CHANNELS	PURPOSE
Community	Meetings, Networking, Joint Programs, Plant Visits, Donations	Maintain open dialogue, undertake joint actions, strengthen community bonds, and support local initiatives.
Control Agencies	Meetings, Plant Visits, Calls, Emails, Texts	Ensure compliance with legal regulations, collaborate on improving processes and procedures, and conduct audits.
Internal Public / Employees	Bulletin Boards, Emails, Internal Communications, Events	Improve information flow, promote teamwork, motivate employees, resolve conflicts, enhance satisfaction, and ensure well-being.
External Public / General	Meetings, Community Programs, News Media	Maintain open dialogue, keep the public informed of actions, and carry out community actions and initiatives.
Suppliers / Contractors	Meetings, Internal Communications, Emails, Calls, Visits	Maintain open dialogue, inform about company actions, ensure good commercial relationships, and control compliance.
Clients	Meetings, Plant Visits, Emails, Calls, Visits	Maintain open dialogue, keep clients informed of actions, ensure follow-up visits, and maintain commercial relationships.
Press	Press Releases, Meetings, Calls, Events	Maintain open communication, respond to inquiries, keep the press informed of actions, and host appreciation events.
Neighborhood Associations	Meetings, Calls, Visits	Maintain open dialogue, inform about company actions, and engage in community actions and initiatives.
Local Government	Meetings, Plant Visits, Calls, Emails, Texts	Maintain an open and ongoing dialogue, inform about company actions, and collaborate on community initiatives.
Provincial Government	Meetings, Calls, Emails, Texts, Letters	Obtain operating licenses and tax benefits, ensure compliance with local regulations, and maintain communication.
City's Emergency Services	Meetings, Plant Visits, Calls, Trainings	Train on emergency procedures and products, maintain cooperative relationships, and conduct plant visits.
Other Organizations	Meetings, Plant Visits, Trainings, Employer Branding	Position Austin Powder as an employer brand, maintain open dialogue, and support educational initiatives.
Chambers / Associations	Meetings, Committee Participation, Emails, Calls	Access information and resources, stay updated on trends, advocate for the industry, and influence public policies.
Regional Sport clubs	Meetings, Campaigns, Donations, Sponsorship	Support community actions and initiatives through sponsorships and donations, and engage with local sports clubs.

# Cybersecurity

09.



# Cybersecurity & Data Protection

## Securing Our Digital Future

Austin Powder implements a variety of cybersecurity procedures that are designed to protect digital assets of both the company and its employees. This helps to ensure the continual functioning of our business operations.

The approach is designed to protect Austin from malicious threat actors whether they be internal or external and requires systems and practices that are part of Austin's day-to-day business operation. Key elements to Austin securing its environment include:



### Access

Identity management and proper access to systems and data are keys to limiting data loss.



### Training

Security at Austin starts with awareness not just for the technology professional but for every employee. Safety is our number one priority at Austin Powder and so it follows that cybersecurity is also a top priority. Security awareness is not just a check the box annual activity but scheduled and tested monthly.



### Detection

Austin implements tools that help quickly identify suspicious activity. Advanced Detection and Response solutions along with regular vulnerability scans are keys to quick identification to thwart and mitigate threats.



### Recover

Austin regularly conducts disaster recovery exercises and has in place systems and data backups that allow for restore or failover to a secured environment.



### Privacy

Austin complies with local personal data privacy regulations and expects to enhance that level of privacy with a revised universal privacy policy.

With safety and security as top priorities at Austin, the company's posture is to regularly evaluate the tools that have been put in place. Our Business Risk Assessment helps us evaluate areas across multiple business functions and facilities that need cybersecurity improvement.

The Austin strategy of continual monitoring to prevent, detect, respond and recover shows year over year improvement. In 2023 Austin enhanced the cybersecurity environment by:

- Migrating from annual security awareness training to monthly security awareness training.
- Completing full deployment of multi-factor authentication.
- Conducting first ever tabletop exercise with business stakeholder engagement.
- Conducting annual disaster recovery test at multiple locations.
- Reworking Incident Response Plans with a focus on localization.

The continuous monitoring and improvement approach will move forward in 2024 with the following goals in place:

- Conduct an enterprise Business Risk Assessment.
- Refine the corporate privacy policy and implement a universally accepted standard for all locales.



"Safety is part of our DNA and the top priority at Austin so it follows that cyber safety or cybersecurity should be a priority as well. Every digitally enabled employee at Austin is part of the company's cyber security program. Right now we are 9 months into our new cyber security awareness program and the response to the new platform has been amazing. More than once, we have received feedback about the training helping our employees in their personal lives as well as their work lives in cyberspace. Many of them actually look forward to each month's 5–7-minute training episode and share what they have learned both inside and outside the company."

– Bob Kinney, IT Operations Manager



# Austin Powder

## About This Report

Austin Powder is a global leader in the manufacturing and distribution of industrial explosives and blasting solutions. Founded in 1833, the company serves a variety of industries, including mining, quarrying, construction, and seismic exploration. With over 4,000 employees worldwide, Austin Powder is committed to safety, innovation, and sustainable practices across its operations.

**This report aims to highlight Austin Powder's sustainability efforts and achievements during the fiscal year 2023. It encompasses various facets of Environmental, Social, and Governance (ESG) performance, covering key areas such as Health and Safety, Human Capital, Climate Change, Stakeholders, Ethics, Cybersecurity, Technology and Innovation, and Community Engagement.**

The geographical scope of this report includes Austin Powder's global operations, with a focus on major regions including the US & Canada, Latin America, Asia, Africa and Europe.

Austin Powder established a robust process for data collection, where reporting units from different geographical areas reported their data individually. Subsequently, this data and information was consolidated to form a comprehensive view of the company's sustainability performance. These units provided both quantitative and qualitative data on key performance indicators (KPIs) such as carbon footprint, energy consumption, and safety incidents.

Austin Powder has adhered to the Global Reporting Initiative (GRI) Standards where applicable. The company reports in the modality of referencing GRI standards, ensuring that relevant aspects of sustainability performance are addressed comprehensively and transparently.

The development of this report involved significant engagement with internal stakeholders, specifically the Sustainability Team and the Board of Directors. Their insights and feedback have been integral to ensuring the accuracy and relevance of the information presented.

While a sustainability report was produced for FY2022, it was utilized internally and not released publicly. This current report marks the first comprehensive public disclosure, reflecting newly established methodologies, strategies, and processes. Austin Powder acknowledges that the methodology and data collection practices are in their early stages and may evolve in subsequent years. The company is committed to continuously improving its reporting practices to enhance data quality and accuracy.

# GRI Content Index

GRI Code	Description of the Indicators	Reference & Answers
GRI 2: GENERAL DISCLOSURES 2021		
THE ORGANIZATION AND ITS INFORMATION PRACTICES		
2-1	Organizational Details	Austin Powder
		<b>Headquarters:</b> 25800 Science Park Drive Cleveland, Ohio 44122 United States Phone +1 (216) 464-2400
		United States
2-3	Reporting Period, Frequency and Contact Point	January 1, 2023 – December 31, 2023
		Annual
		www.austinpowder.com/unitedstates/contact/
2-4	Restatements of Information	Not applicable
2-7	Employees	3.1 Austin Powder Workforce
		3.3 Our Team
2-22	Statement on Sustainable Development Strategy	1.6 Sustainability Strategy
2-23	Policy Commitments	2.2 Description of SHES Management System
2-27	Compliance with Laws and Regulations	6.1 Compliance Framework
		6.2 Human Rights
2-28	Membership Associations	7.5 Partnerships and Collaborations
2-29	Approach to Stakeholder Engagement	8.1 Building Trust Alliances: Stakeholder Strategy
		8.2 Stakeholder Engagement
GRI 3: MATERIAL TOPICS 2021		
3-1	Process to Determine Material Topics	<b>Materiality Analysis:</b> Methodology, Materiality Matrix and Prioritization
3-2	List of Material Topics	
3-3	Management of Material Topics	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016		
203-1	Infrastructure Investments and Services Supported	7.4 Philanthropic Investment

# GRI Content Index

GRI Code	Description of the Indicators	Reference & Answers
GRI 302: ENERGY 2016		
CLIMATE CHANGE		
302-1	Energy consumption within the organization	5.2 Climate Action
GRI 305: EMISSIONS 2016		
305-1	Direct (Scope 1) GHG Emissions	5.2 Climate Action
305-2	Energy Indirect (Scope 2) GHG Emissions	
305-5	Reduction of GHG Emissions	
GRI 303: WATER AND EFFLUENTS 2018		
303-3	Water Withdrawal	5.3 Sustainable Resources and Waste Management 5.3.1 Water Consumption
303-4	Water Discharge	
303-5	Water Consumption	
GRI 306: WASTE 2020		
306-3	Waste Generated	5.3.2 Waste Management
306-4	Waste Diverted from Disposal	
306-5	Waste Directed to Disposal	
GRI 201: ECONOMIC PERFORMANCE 2016		
COMMUNITIES		
201-1	Direct economic value generated and distributed	7.4 Philanthropic Investment
GRI 413: LOCAL COMMUNITIES 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	7.2 Education
		7.3 Economic and Community Development
		7.4 Philanthropic Investment
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016		
ATTRACTION AND DEVELOPMENT OF THE BEST TALENT		
405-1	Diversity of governance bodies and employees	3.3 Our Team
		3.4. Professional Growth



# GRI Content Index

GRI Code	Description of the Indicators	Reference & Answers
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>		
<b>HEALTH AND SAFETY</b>		
<b>403-1</b>	Occupational Health and Safety Management System	2.2 Description of Shes Management System
<b>403-2</b>	Hazard Identification, Risk Assessment, and Incident Investigation	2.3 Process of Hazard Identification, Risk Assessment and Incident Investigation
<b>403-4</b>	Worker Participation, Consultation, and Communication on Occupational Health and Safety	2.5 Worker Participation, Consultation and Communication
<b>403-5</b>	Worker Training on Occupational Health and Safety	2.6 Worker Training on Shes
<b>403-8</b>	Workers Covered by an Occupational Health and Safety Management System	2.2 Description of Shes Management System
<b>403-9</b>	Work-Related Injuries	2.7 Key Performance Indicators KPI's
<b>403-10</b>	Work-Related Ill Health	





Austin Powder



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