

2025



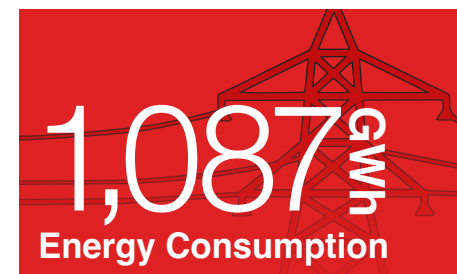
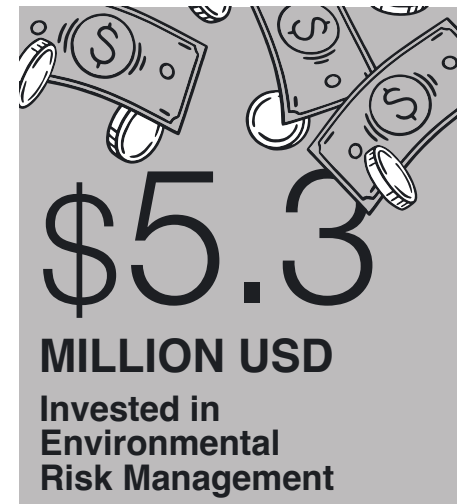
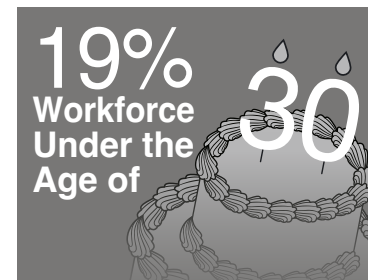
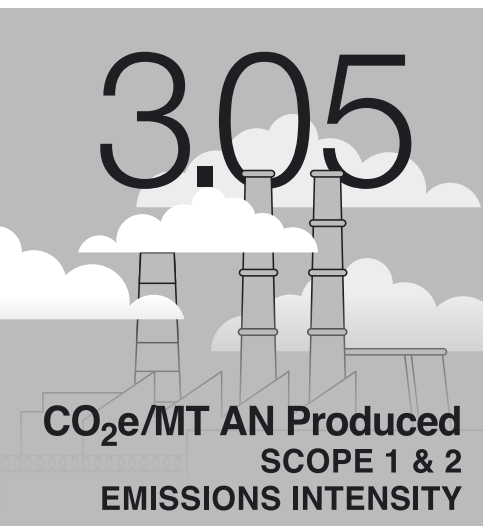
Annual Sustainability Report 2025



AUSTIN POWDER

Environmental, Social & Governance Report

Austin Powder 2025 Highlights



Austin Powder 2025 Highlights

Environment

↘ 6%

Emissions
SCOPE 1 & SCOPE 2 INTENSITY
3.05Tn CO₂e/MT AN Produced

↗ 3.1%

Total Emissions
SCOPE 1 & SCOPE 2
437kt CO₂e

↘ 9%

Water Consumption
1,091 Million liters

↗ 2.2%

Energy Consumption
1,087GWh

↘ 2.9%

Electricity Consumption
106GWh

↘ 19%

Hazardous Waste Generation
742 MT

↘ 28%

Recycled & Reused
of the Waste Generated
1,146 MT

↗ 35%

Resources Invested
in Environmental Risk
Management
\$5.3M USD

ISO14001

Certification
Mexico, Germany, Austin Detonator,
Australia, Austin Powder Service
CZ, Hungary, Sweden, Austria

Social

↗ 4,872

Workforce in 2024

↘ 19%

Workforce under age 30
907

↗ 6

New Key Global Policies
Launched

27%

Women in Workforce
1,294

100%

Workers covered SHES
Management System in 2025

ISO45001

Certification
México, Austin Detonator,
Germany, Austin Powder
Service CZ, Australia

ISO9001

Certification
México, Juramento, Austin
Detonator, Australia, Austria,
Hungary, Germany, Sweden,
Austin Powder Service CZ
& Dan Mar

↗ \$303K

USD Invested in Social
Initiatives in 2025

↘ 14%

Total Recordable Injury Rate



Production Growth with Improved Emissions Intensity

In 2025, Austin Powder increased production across its main products—ammonia (+5%), nitric acid (+10.3%) and ammonium nitrate (+9.7%). While absolute Scope 1+2 emissions rose by 3.1% due to higher output, emissions intensity declined per unit of production and revenue, reflecting improved operational efficiency. Key contributors included fuel efficiency gains at the Juramento site, which reduced natural-gas use despite higher production, and increased emissions capture at USN, offsetting growth-related emissions and demonstrating effective decoupling of emissions intensity from production growth.



Major Climate Action Milestone through NACAG

In Argentina, Austin Powder secured the implementation phase of a tertiary abatement system at the Juramento nitric acid plant, expected to reduce N₂O emissions by approximately 95%, representing one of the Company's most impactful decarbonization initiatives. The NACAG project is expected to avoid approximately 108,000 tons of CO₂e per year, equivalent to around 45% of total emissions at the Juramento site.



Sustainability Governance Strengthened & Operating Agenda Defined

Austin Powder consolidated its sustainability governance by strengthening the Global Sustainability Team and formalizing global coordination, ensuring consistent standards with strong local execution across regions. A dynamic Sustainability Operating Agenda was established to prioritize initiatives that strengthen business continuity, regulatory compliance, operational resilience, and long-term value creation.



Environmental Product Declarations (EPDs) Achieved in Europe

Austin Powder obtained third-party verified Environmental Product Declarations for its main explosive products in Europe, strengthening product-level environmental transparency and lifecycle-based decision-making.



Safety Culture Strengthened Globally

The "Take 5" initiative and multiple global safety training programs reinforced hazard awareness, leadership accountability, and personal responsibility across operations, contributing to safer and more resilient workplaces. In 2025, Austin Powder reached its highest level of leading safety observations and hazard reporting, enabling earlier risk identification, prevention, and workforce engagement worldwide.



Strong Improvement in Safety Performance Indicators

Austin Powder continued to improve its safety performance, reducing the Total Recordable Injury Rate (TRIR) to 1.26, reflecting sustained focus on prevention, discipline, and learning.



Innovation Driving Safer & More Efficient Operations

Investments in automation, robotics, digital tools, and electronic initiation technologies reduced exposure to high-risk tasks, improved ergonomics, and enhanced operational efficiency across explosives and detonator manufacturing.



Sustainable Product Innovation Advanced

Next-generation products—such as automated booster manufacturing and lead-free electronic detonators using recycled and biodegradable materials—embedded sustainability directly into product design.



Ethics & Compliance Framework Reinforced

Austin Powder globally relaunched its Code of Conduct and Business Ethics, alongside enhanced compliance policies, further strengthening transparency, accountability, and responsible business conduct.



Global Community Relations Team Established

A dedicated Global Community Relations Team was created to develop a Corporate Community Relations Policy, ensuring consistent engagement principles and respectful, transparent partnerships worldwide.



Incident Investigation Capability Strengthened

Austin Powder strengthened incident investigation capabilities by delivering targeted ICAM and 5 Whys training to SHES leaders, with 14 leaders trained in ICAM and 13 in 5 Whys, improving root cause analysis quality and reinforcing learning, accountability, and prevention across global operations.



Community Dialogue Supporting Expansion in Zambia

In Kalulushi, Zambia, Austin Powder implemented structured community listening and dialogue processes as part of the Environmental Impact Assessment for its bulk emulsion plant, reinforcing transparency, trust, and responsible growth.



Onsite Treatment of Compressor Blowdown Waste

US Nitrogen eliminated landfill disposal of compressor blowdown waste through an onsite treatment system, avoiding 775,000 lbs of waste annually, returning 93,000 gallons of water to the local watershed, and delivering USD 241,480 in annual EBITDA improvement with a 1.3-year payback.



Waste Reduction Achieved Through Operational Redesign

The Mexico plant reduced waste generation by redesigning ammonium nitrate handling, shifting from bagged supply to direct rail unloading. As a result, plastic waste decreased by 39% and pallet waste by 67%. The implementation of a controlled big-bag reuse program, allowing up to three reuse cycles, further reduced plastic waste while maintaining safety and compliance.

Austin Powder

Sustainability Key Metrics

Dimension	Metric category	Units	2023	2024	2025	Y-O-Y
Environment	Total Direct emissions (Scope 1)	tnCO ₂ e	394,340	384,010	400,487	4.3%
Environment	Stationary combustion	tnCO ₂ e	167,938	171,801	173,412	0.9%
Environment	Mobile combustion	tnCO ₂ e	32,927	30,665	35,432	15.5%
Environment	Fugitive emissions	tnCO ₂ e	961	803	391	-51.3%
Environment	Waste incineration	tnCO ₂ e	88	91	89	-2.7%
Environment	Wastewater treatment	tnCO ₂ e	1.9	2.4	5.4	125.2%
Environment	Ammonia production (minus CO ₂ capture)	tnCO ₂ e	50,146	46,147	44,977	-2.5%
Environment	Nitric acid production (minus N ₂ O abatement)	tnCO ₂ e	142,365	134,500	146,181	8.7%
Environment	Indirect emissions (Scope 2) – Market Based	tnCO ₂ e	49,895	39,374	35,941	-8.7%
Environment	Total emissions (Scope 1 & 2) – Market based	tnCO ₂ e	444,322	423,384	436,428	3.1%
Environment	GHG Emissions Intensity	tnCO ₂ e/M USD	376.5	375.3	366.1	-2.5%
Environment	GHG Emissions Intensity 2	tnCO ₂ e/MT AN produced	3.5	3.3	3.1	-6%
Environment	Total energy consumption	kWh	1,064,777,607	1,064,053,898*	1,087,573,564	2.2%
Environment	Total electricity	kWh	113,752,288	108,663,742*	105,557,516	-2.9%
Environment	Renewable energy consumption	kWh	104,171	184,421	326,648	77.1%
Environment	Percentage of renewable energy consumption	% Rate	0.01%	0.02%	0.03%	73.3%
Environment	Water Withdrawal	Liters	1,894,127,481	1,810,126,643	1,785,379,246	-1.4%
Environment	Water Discharge	Liters	692,945,654	610,526,086	694,099,134	13.7%
Environment	Water Consumption	Liters	1,201,181,827	1,199,600,558	1,091,280,112	-9.0%
Environment	Water Consumption Intensity	Lts/USD	1.02	1.06	0.92	-13.9%
Environment	Water Consumption Intensity 2	Lts/kg AN produced	9.5	9.2	7.6	-17.1%
Environment	Hazardous Waste Generation	MT	567**	913**	742	-18.7%
Environment	Non-Hazardous Waste Generation	MT	6,863**	4,678**	4,421	-5.5%
Environment	Total Waste Generation	MT	7,430**	5,591**	5,163	-7.6%
Environment	Waste Generation Intensity	kg/USD	0.01	0.005	0.004	-12.6%
Environment	Resources Invested to Manage Environmental Risks	USD	2,612,466	3,896,904	5,281,705	35.5%

Dimension	Metric category	Units	2023	2024	2025	Y-O-Y
Governance	Total Number of Board Members	# of People		5	5	0.0%
Governance	Number of Women Board Members	# of People		0	0	
Governance	Number of Board Members From Underrepresented Groups	# of People		0	0	
Governance	Total Number of C-Suite Employees	# of People		9	9	
Governance	Number of Women C-Suite Employees	# of People		1	0	
Social	Number of work-related injuries	# of Injuries	83	71	64***	-9.9%
Social	Number of work-related fatalities	# of Fatalities	0	0	0	
Social	Number of Days lost due to injury (temporary incapacity)	# of Days	789	848	1,268	49.5%
Social	Total Reportable Incident Rate	% Rate	1.68	1.46	1.26	-13.7%
Social	Total Hours Worked	# of Hours	9,868,381	10,120,040	10,141,550	0.2%
Social	% of employees cover by SHES Management System	% of Employees	100	100	100	
Social	Total Headcount	# of People	4,724	4,821	4,872	1.1%
Social	Total number of women employees in current year	# of People		1,288	1,294	
Social	% of company composed of women	% of People		27%	27%	
Social	Annual Turnover (includes voluntary & involuntary separations)	# of People			740	
Social	Annual Percent Turnover	% Rate			15%	
Social	Total New Hires	# of People			769	
Social	% of woman new hires	% Rate			16%	
Social	Direct economic value generated and distributed to communities	USD	202,941	279,339	302,791	8.4%

* 2024 values were adjusted as a formula mistake was found on the calculation tool

** Previous years' data has been update on a revenue proxy due to new data (US Field Operations) incorporated in 2025

*** Includes Lost Time Injuries, Medical Treatment Cases and Restricted work cases

Welcome

Message from the President & CEO



John D. Rathbun

President & CEO
Austin Powder Holding Company

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



To our employees, customers, partners, and the communities where we operate,

Since our founding in 1833, Austin Powder has been guided by a clear purpose: to operate safely, responsibly, and with a long-term perspective. For nearly two centuries, our success has been built on trust—trust in our people, in our values, and in our ability to adapt while remaining true to who we are.

In 2025, that legacy took an important step forward. As our global footprint continues to expand and the world around us changes at an unprecedented pace, we strengthened our commitment to sustainability as a core driver of resilience, innovation, and long-term value creation. This report reflects that journey—not just what we have achieved, but how sustainability is becoming increasingly embedded in the way we operate our business.

A defining milestone of the year was the consolidation of our sustainability governance. The strengthening of our Global Sustainability Team created a structure that balances global alignment with local accountability. This model reflects our One Austin philosophy: shared standards, executed with deep respect for local realities and the communities that host our operations.

In parallel, we defined our Sustainability Operating Agenda—a dynamic framework that focuses our efforts on initiatives that measurably strengthen business continuity, regulatory compliance, and operational excellence. We view sustainability not as a

separate program, but as an essential part of disciplined execution in a complex industry—one that depends on safe operations, environmental stewardship, and strong relationships with customers and communities.

Our progress in climate action illustrates this approach. In 2025, we reached a critical milestone in our partnership with the Nitric Acid Climate Action Group (NACAG), securing the implementation of a tertiary abatement system at our Juramento plant in Argentina. This project represents one of the most impactful decarbonization initiatives in our history and demonstrates our commitment to delivering meaningful, long-term emissions reductions where we operate.

Innovation also played a central role. Investments in automation, robotics, and next-generation products reduced exposure to high-risk tasks, improved efficiency, and embedded sustainability directly into product design. These advances reinforce a simple belief: safety, performance, and environmental responsibility are mutually reinforcing, not competing priorities.

Equally important is how we conduct ourselves. In 2025, we globally relaunched our Code of Conduct and Business Ethics and strengthened key compliance policies, reaffirming that trust, transparency, and respect guide every decision we make. Our people—and the communities that surround our operations—remain at the heart of our business. Acting with integrity is

essential to earning and maintaining the social license that allows us to operate and grow responsibly around the world.

Looking ahead, we recognize the challenges we face—from climate change and geopolitical uncertainty to evolving regulatory requirements and community expectations. Our response is rooted in the same principles that have sustained Austin Powder for generations: long-term thinking, local engagement, disciplined execution, and an unwavering commitment to safety.

Sustainability is a continuous journey. It requires learning, collaboration, and constant improvement. At Austin Powder, we are committed to advancing that journey with the care, responsibility, and sense of purpose that have defined our company for nearly 200 years.

Thank you to our employees, partners, and communities for your continued trust. Together, we will continue building a safer, stronger, and more sustainable Austin Powder for the future.

Sincerely,

John D. Rathbun
President & CEO
Austin Powder Holding Company

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

We are proud to present Austin Powder's 2025 Sustainability Report—a reflection of our commitment, our progress, and our ambition to build a more sustainable future.

Sustainability is not just a priority for us; it is a fundamental driver of how we think, operate, and grow. It shapes our decisions, guides our innovation, and defines the value we create for our stakeholders—employees, customers, communities, natural capital, and shareholders.

Our strategy is grounded in two powerful pillars:

1. Driving Innovation for Sustainable Development

We believe that sustainability and innovation go hand in hand. By challenging the status quo, we unlock new ways to reduce our environmental footprint and create lasting value. From lowering energy consumption and carbon emissions to advancing circular solutions—such as recycling materials, converting waste into energy, and reintegrating by-products into our processes—we are transforming the way we operate to meet the needs of today while protecting the opportunities of tomorrow.

2. Mitigating Risks and Strengthening Stakeholder Relationships

Sustainability strengthens our resilience. By proactively managing risks and deepening our engagement with local communities, we reinforce trust and secure our long-term license to operate. We are committed to being a responsible partner—minimizing our environmental impact while contributing positively to the regions where we operate.

In 2025, we took an important step forward by defining our Sustainability Operating Agenda—our roadmap to turn ambition into action. This framework ensures that our efforts are focused, measurable, and aligned with both business growth and risk mitigation.

At the same time, we reinforced our capabilities by strengthening our Global Sustainability Team, including the creation of a Global Sustainability Manager role to drive regional execution and ensure alignment with our global vision.

As we look ahead, we are energized by both the challenges and the opportunities that lie ahead of us.

In 2026, we will accelerate our journey by advancing our decarbonization plan, strengthening our environmental policies, and continuing to attract and empower the talent that will shape our future.

Sustainability is—and will continue to be—a key driver of value for our business and stakeholders.



David Fernández
Global Director of Strategy, Sustainability and Innovation



David Fernández

Global Director of Strategy,
Sustainability & Innovation

Austin Powder Holding Company



Creating Future Value



Used in 1833 & Ever Since Austin Powder History

Austin Powder has evolved from a small black powder producer in Ohio into a global leader in explosives, operating in more than 27 countries with 30 manufacturing plants and over 4,800 employees. What remains unchanged is our unwavering commitment to safety, quality, and innovation.

Founded in 1833 in Akron, Ohio, by five brothers from Vermont, Austin Powder began as a producer of black powder for rock blasting and firearms. Over nearly two centuries, we have grown from a local operation into one of the oldest explosives manufacturers in the world—and the oldest manufacturing company in the State of Ohio. In 1867, Austin acquired the Cleveland Powder Co., later relocating production to the rural community of Glenwillow in 1891. During this period, the Glenwillow community grew to include not only manufacturing facilities,

but also housing, a school, a town hall, and a general store for its residents and employees. In 1930, recognizing the need to expand its product range, the company decided to build a dynamite plant in McArthur, Ohio. This remote facility, known as Red Diamond, was named after the company's logo and eventually became its main production site in the United States. By 1972, all Glenwillow operations were moved to Red Diamond, marking the end of production at the Glenwillow site.

The late 20th century marked a period of significant global expansion. After moving our headquarters to the Cleveland suburbs in the 1960s, Austin embarked on an international journey under new ownership of W. Jack Davis, reaching key markets:

- ♦ **Latin America & Europe:** Starting in Chile, Ecuador, Argentina, Costa Rica, Panama and Mexico and the strategic acquisitions of *Zbrojovka Vsetin* (Czech Republic) and *Dynamit Nobel Wien* (Austria).
- ♦ **From 2010s Growth:** The company expanded its production capacity with two new ammonium nitrate plants, the acquisition of Malaysia's *Tenaga Kimia*, and expansion into Southern Africa and Australia.

In 2024, Austin strengthened its sustainability commitment by appointing its first Global Director of Sustainability. Furthermore, with American Industrial Partners (AIP) as the company's controlling shareholder, the company is further strengthened for long-term, sustainable growth—ensuring that our 190-year legacy continues to thrive in a modern, responsible industrial landscape.



Learn more about Our History!

Scan this QR code to explore Austin Powder's rich history and view an animated timeline tracing our story all the way back to 1833.



Used in 1833 & Ever Since

Austin Powder History

The oldest industrial business in Ohio!



1833

Founded by the 5 Austin Brothers in Akron, OH

1867

First Acquisition

1931

Red Diamond Plant begins Dynamite Production

1960

First Bulk Truck for ANFO Engineered

1985

Emulsion technology acquisition drives Heavy ANFO- HEET success

2003
(-2010)

Expansion into eight European countries

1999

Austin Detonator Established in Czechia

1991

Manufacturing of Initiation Systems for the Global Market

1986
(-2003)

First Acquisitions outside the US; Chile, Ecuador, Argentina, Costa Rica, Panama, & Mexico

1989
(-current)

Corporate Headquarters in Cleveland, OH

2008
(-2014)

Emulsion Plants built in Austria, Poland, Mexico & Argentina, AN Plant built at USN, PETN Plant built at Red Diamond

2015

Establishment of AP Malaysia

2016

First Acquisition in Africa

2021

Juramento Plant built in Argentina

L. Austin

“Austin Powder’s success over the years has been based on strong relationships both with our customers and with each other. We like to say we ‘win with caring’..”

John Rathbun
President & CEO
Austin Powder Holding Company



Used in 1833 & Ever Since

Scaling Our Legacy for the Next Century

Austin Powder is entering a transformative era of global growth. Our strategy transitions from individual regional successes to a unified “One Austin” approach, leveraging the best practices of our global footprint to deliver world-class solutions. Central to this evolution is our “Power of Family” philosophy—a 190-year legacy of mutual care that remains our ultimate competitive advantage. Through our strategic partnership with American Industrial Partners, we are accelerating our strategy across four critical pillars:

Strategic Capital Deployment

We have eliminated capital constraints, enabling accelerated innovation and deep investments in high-impact infrastructure and technology.

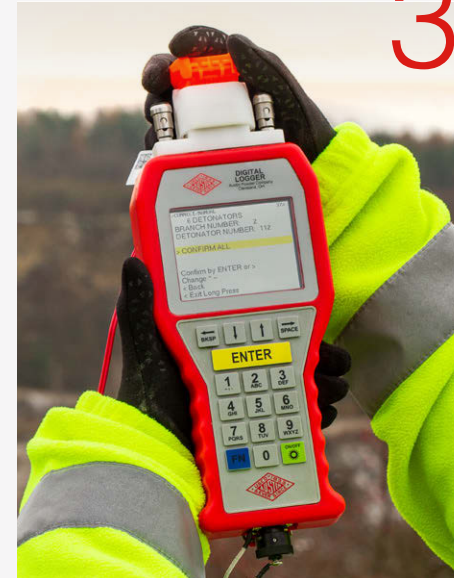


Human Capital Excellence

We are modernizing our talent value proposition, optimizing incentive programs, and fostering a global culture that attracts and retains the industry’s top professionals.

Operational & Supply Chain Resilience

By integrating digital tools and simplifying processes, we are enhancing the safety, quality, and cost-competitiveness of our global supply chain.

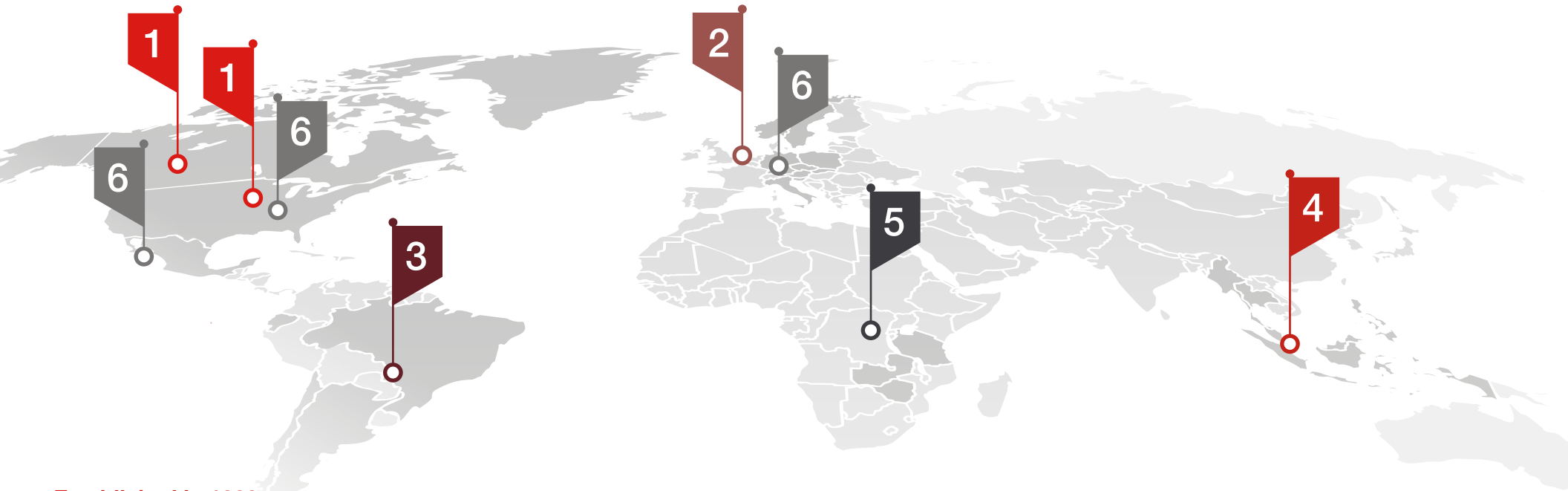


Innovation-Led Growth

Our global R&D teams are redefining industry benchmarks. By listening to our customers, we deliver forward-looking solutions that balance high-performance products and blasting solutions with our commitment to decarbonization.

As we look toward our second century, Austin Powder is not just growing; we are evolving. We are poised to advance our global leadership while ensuring that safety and sustainability remain the heartbeat of our operational excellence.

Where We Operate Global Footprint



Established in 1833, Austin Powder is a leading explosives and related blasting services company with an extensive global footprint.

With Headquarters in Cleveland, Ohio, Austin Powder operates through six business units across five regions: North America, Latin America, Europe, Asia and Africa, and the Detonator companies.

1. North America

Austin Powder has an extensive manufacturing and distribution footprint in the United States and Canada.

2. Europe

The company operates in nine European countries: Austria, Czech Republic, Germany, Hungary, Italy, Norway, Poland, Slovakia, and Sweden.

3. Latin America

The company operates in Mexico, Argentina, Panama, Brazil, Costa Rica, Chile and Ecuador.

4. Asia Pacific

Austin Powder operates in Asia Pacific with presence in Malaysia, Indonesia, Thailand, Cambodia, Taiwan, the Philippines and Australia.

5. Africa

Austin Powder operates in Namibia, Zimbabwe, Zambia and Tanzania.

6. Detonator Companies

This business unit operates large-scale detonator factories in Czech Republic, Mexico, and United States.

Take a closer look at our Global Manufacturing Footprint!

Scan the QR code to explore Austin Powder's global manufacturing presence and see how our operations span across regions worldwide.



One Austin Who We Are



At Austin Powder, our values have always been more than just words.

They're the foundation on which our company has stood and will continue to stand. They provide guidance for the actions that we take, day in and day out, to ensure we are doing our very best to keep our co-workers, customers, family and friends safe and healthy.

Our Mission

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



1.



2.

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 first priority. We are customer focused. We leverage the power of family. We treat everyone with respect.

3.



Safety is our 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.

We are 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.

We Leverage 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.

We Treat 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 Who We Are



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 OneAustin philosophy centers around several core principles:**

ONE AUSTIN living our values everyday.



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.



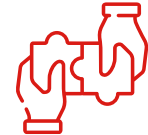
Strong Relationships

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.

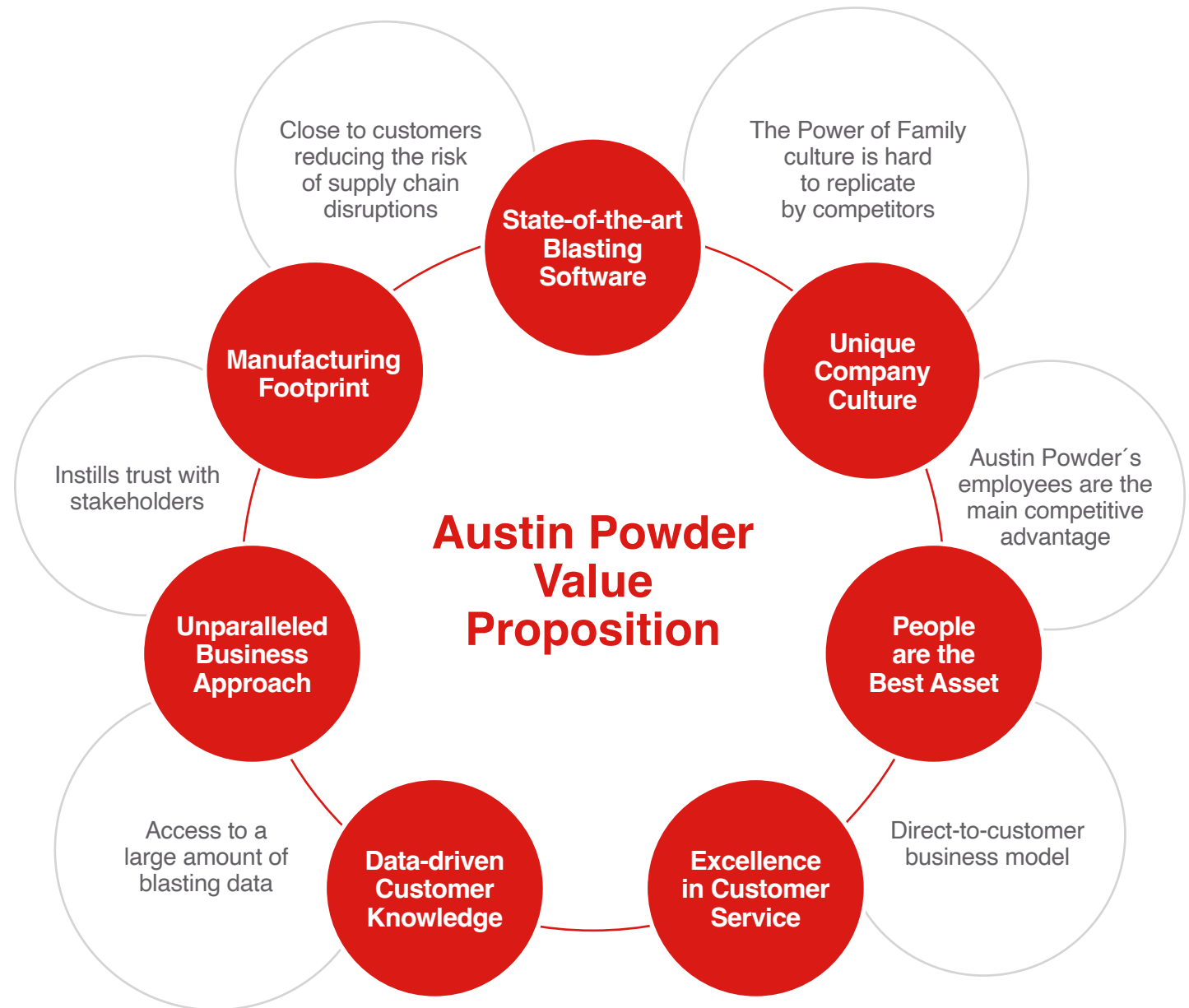
What Makes Austin Powder Unique

Value Proposition

Austin Powder's value proposition is built on a unique combination of technological innovation, a distinctive corporate culture, and a customer-centric approach. The company stands out with its state-of-the-art blasting software, which optimizes accuracy and safety in blasting operations. Additionally, the family-oriented culture cultivated within the organization is difficult 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 customers to ensure that their specific needs are efficiently met. The vast amount of managed blasting data enables 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 its 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

Decarbonization roadmap; 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 2025

Sustainability Strategy

Consolidating Leadership for Global Impact

In 2025, Austin Powder created the role of **Global Sustainability Manager**, a position designed to support, drive, and implement our Sustainability Strategy by ensuring we continue to advance our commitments and drive positive environmental and social impact across all regions.

Alongside this appointment, in 2025 we have **consolidated our Global Sustainability Team (GST)**, bringing together **18** specialists from diverse backgrounds and regions, ensuring that our Sustainability strategy is both globally aligned and locally relevant.

A Snapshot of Our Diversity

- ◆ **Regional Representation:** Our team members are strategically located in US, LATAM, Asia, Europe, and Africa, allowing us to address specific regional challenges—from decarbonization in manufacturing hubs to community engagement in mining regions.
- ◆ **Multidisciplinary Expertise:** The GST combines many years of collective experience in environmental engineering, community relationships, human resources, social sciences, corporate governance and compliance, and operational safety.
- ◆ **Empowering Local Leadership:** By having team members ‘on the ground’, we ensure that our global ‘One Austin’ standards are implemented with a deep understanding of local ecosystems and regulations

The **GST** holds regular monthly meetings, and regular one-to-one meetings with Global Sustainability Manager are held to aligned regional and corporate initiatives.

While the Sustainability Strategy is defined and overseen at the corporate level, responsibility for implementation is embedded at the local and regional levels. Local and regional leaders are accountable for ensuring the completeness, accuracy, and reliability of sustainability data used for internal and external reporting, as well as for managing region-specific regulatory and compliance obligations. They are also responsible for identifying, prioritizing, and executing locally relevant sustainability initiatives and performance improvement actions.

Definition of Sustainability Operating Agenda

Austin Powder’s Sustainability Operating Agenda prioritizes projects that strengthen **business continuity, regulatory compliance, and long-term economic value** across all regions.

The portfolio of initiatives are selected based on their ability to:

- ◆ Deliver meaningful sustainability impact
- ◆ Support business continuity and operational resilience
- ◆ Strengthen compliance and risk management
- ◆ Create long-term economic value

Projects span areas such as emissions reduction, energy efficiency, renewable energy adoption, waste minimization, water stewardship, environmental management systems, and community engagement. While implementation is tailored locally, all initiatives align with the company’s global Sustainability priorities and governance framework.

Looking Ahead

Austin Powder’s Sustainability Operating Agenda is designed as a **dynamic and evolving framework**. The initiatives currently included in the Operating Agenda represent a set of **key priority projects**, selected based on their material Sustainability impact, contribution to business resilience, and strategic relevance.

In parallel, Austin Powder maintains a **pipeline of additional Sustainability initiatives** across environmental, social, and governance topics. As projects within the current agenda are implemented and progress is achieved, **new initiatives from this pipeline will be progressively incorporated**, ensuring continuous improvement and sustained momentum in Sustainability performance.

This approach allows the company to remain responsive to evolving regulatory requirements, stakeholder expectations, and operational risks, while supporting long-term environmental stewardship, social responsibility, and value creation.

Sustainability is therefore viewed not as a fixed program, but as an **ongoing journey**, embedded into operational excellence, innovation, and long-term business strategy.

Highlights of 2025

Sustainability Strategy



Climate Action through NACAG Partnership

In 2025, Austin Powder achieved a major milestone in its decarbonization strategy through the Nitric Acid Climate Action Group (NACAG) project by successfully **completing the international tender process and executing the final contract for a tertiary abatement system** at its Juramento nitric acid plant in Salta, Argentina. Supported by NACAG and GIZ, the project reflects strong governance, transparency, and disciplined project management, including an independent external audit of the tender process.

Once operational, the system is expected to deliver a ~95% reduction in N₂O emissions, resulting in an estimated 108,000 tonnes of CO₂e avoided per year, equivalent to approximately 45% of total site emissions. The 2025 milestones secure the implementation phase of one of the Company's most impactful climate initiatives, reinforcing Austin Powder's commitment to credible, long-term climate action and Scope 1 emissions reduction.

Strengthening Ethics, Integrity, & Global Compliance

In 2025, Austin Powder reinforced its commitment to responsible business conduct through the global re-launch of its **Code of Conduct and Business Ethics**. This milestone reaffirmed integrity as a core value guiding our operations, decision-making, and relationships worldwide. Alongside the Code, the Company introduced key global policies—including the **Payments to Government Officials and Third Parties (FCPA) Policy, Economic Sanctions Compliance Policy, Employee Privacy Notice, Written Information Security Policy, and Website Notice Policy**—to further enhance transparency, compliance, and accountability. Together, these actions strengthen trust with employees, customers, suppliers, and communities, and lay the foundation for mandatory global training in 2026, ensuring ethical standards are consistently embedded across the organization.

Sustainable Innovation with Tangible Impact



In 2025, Austin Powder advanced its sustainability strategy through innovation initiatives that delivered clear operational and environmental benefits. Targeted investments in robotics and automation across detonator and explosives manufacturing reduced employee exposure to high-risk tasks, improved ergonomics, and significantly lowered waste generation and energy intensity. These advancements strengthened operational resilience while demonstrating how technology can simultaneously enhance safety, efficiency, and environmental performance.

Sustainable product innovation was another key differentiator. The introduction of **HELIX®**, a next-generation booster designed for automated and remote manufacturing, reduced employee exposure in high-hazard zones while strengthening supply chain resilience through internally sourced raw materials. In parallel, next-generation electronic detonators such as **E★STAR Tunnel EVOL**, featuring lead-free design and recycled and biodegradable materials, embedded sustainability directly into product design. Together, these innovations illustrate how Austin Powder applies engineering and technology to reduce risk, improve reliability, and support safer and more sustainable mining and construction operations.

Highlights of 2025 Sustainability Strategy



Community Engagement & Shared Value

Austin Powder strengthened its **Social Sustainability performance** by deepening its engagement with local communities across its global footprint. During the year, the Company invested **USD 302,791** in community initiatives, supporting numerous projects and positively impacting communities through programs focused on inclusion, education, and local development.

To further professionalize and scale this impact, during 2025, a **Global Community Relations Team** was established and tasked with developing a **Corporate Community Relations Policy**. This initiative aims to define consistent principles, governance, and engagement standards worldwide, reinforcing transparency, accountability, and respectful

partnerships with local stakeholders. Together, these actions strengthen our **social license to operate** and embed community engagement as a core pillar of our Sustainability strategy.



Strengthening Global Safety Culture Through the “Take 5” Initiative



As part of its global commitment to safety excellence and sustainable operations, Austin Powder has implemented the **Take 5** initiative across its operations worldwide. The program encourages employees to pause briefly before starting a task to identify hazards, assess risks, and confirm appropriate controls, reinforcing personal responsibility and situational awareness at the point of work. Beyond risk prevention, Take 5 supports leadership development and cultural transformation by promoting safe decision-making and open dialogue on hazards at all levels of the organization. This consistent, global approach helps prevent incidents, protect people, and support operational continuity, making safety a foundational element of Austin Powder’s long-term sustainability performance.



Product Transparency & Environmental Performance

Austin Powder achieved **Environmental Product Declaration (EPD) certification** for its main European explosive products, marking a significant milestone in product-level environmental transparency. Through third-party verified **Life Cycle Assessments**, the Company quantified the carbon footprint and environmental impacts of these products across their full lifecycle, in accordance with internationally recognized standards. This achievement strengthens data-driven decision-making, supports customer sustainability goals, and reinforces Austin Powder’s commitment to credible, science-based environmental performance.

Priority Global Risks for the Company

Sustainability Strategy

The Company operates in complex and high-risk environments linked to explosives manufacturing and services for mining, quarries and civil works. In this context, global risks identified by the World Economic Forum are integrated into our sustainability strategy and materiality assessment, considering their potential impacts on people, the environment, operations and the value chain.

Strategic Integration

These risks serve as an external reference framework to identify and prioritize the Company's material impacts, in line with the GRI Standards.

Geopolitical Conflict

- ◆ Supply chain disruptions
- ◆ Access to markets and inputs
- ◆ Safety of employees and contractors in high-risk regions

Extreme Weather & Climate Change

- ◆ Worker safety at operational sites
- ◆ Operational continuity and infrastructure integrity
- ◆ Impacts on surrounding communities

Natural Resource Scarcity & Ecosystem Degradation

- ◆ Land use and biodiversity impacts
- ◆ Water and energy availability for operations
- ◆ Responsible practices

Environmental Pollution

- ◆ Emissions, effluents, waste, noise and vibrations
- ◆ Health and environmental impacts
- ◆ Regulatory and community expectations

Cybersecurity & Digital Resilience

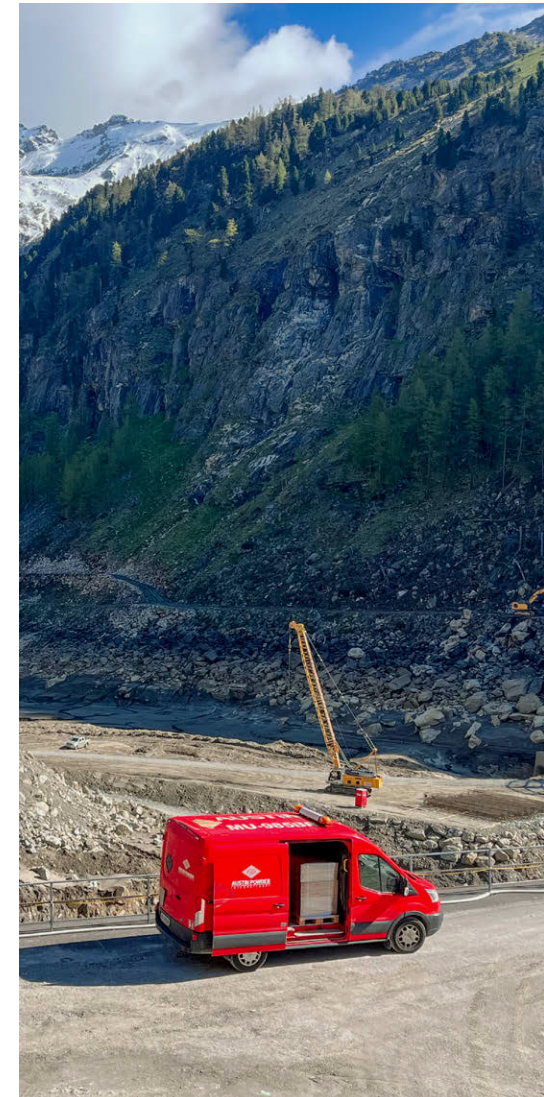
- ◆ Protection of safety-critical systems
- ◆ Integrity of operational and technical data
- ◆ Business continuity and stakeholder trust

Misinformation & Responsible Use of Technology

- ◆ Public perception of explosives-related activities
- ◆ Community trust and social license to operate
- ◆ Transparent and responsible communication

Social Polarization & Community Relations

- ◆ Community acceptance of operations
- ◆ Human rights and grievance management
- ◆ Long-term project viability



¹Aligned with the World Economic Forum – Global Risks Report 2025

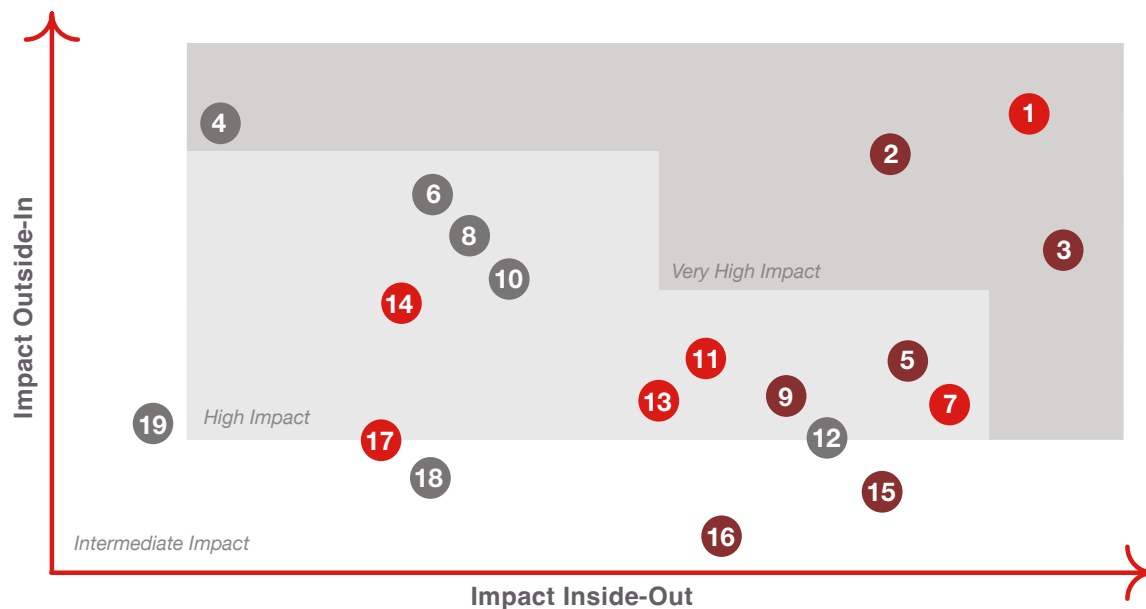
Materiality Analysis

Sustainability Strategy

Austin Powder applies a double materiality approach to identify and prioritize sustainability topics that are most relevant to the Company and its stakeholders. This approach considers both:

- **Impact materiality (inside-out):** how the Company’s activities impact the environment and society; and
- **Financial materiality (outside-in):** how sustainability-related risks and opportunities may affect the Company’s financial performance, position, and long-term resilience.

The core methodology used to identify material topics was established in 2022 and remains consistent.



In 2025, Austin Powder strengthened its materiality assessment by integrating additional analytical inputs and risk-based evaluations, reflecting the continued maturation of the Company’s sustainability and risk management practices.

A climate-related risks and opportunities assessment was carried out in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework and California SB 261 requirements. Climate-related physical (acute and chronic) and transition risks (regulatory, market, technological, and reputational) were evaluated across short-, medium-, and long-term time horizons to identify potential impacts on operations, supply chains, insurance exposure, and business continuity.

Social		Governance	
1	Health, Safety and Security	2	Technology and Innovation Approach
7	Community Relations	3	Risk Management
11	Work-Life Balance	5	Ethics and Transparency
13	Human Rights	9	Stakeholders’ Relationships and Engagement
14	Talent & Business Excellence	15	Speak Up Culture
17	Diversity, Equity and Inclusion	16	Diversity, Equity and Inclusion

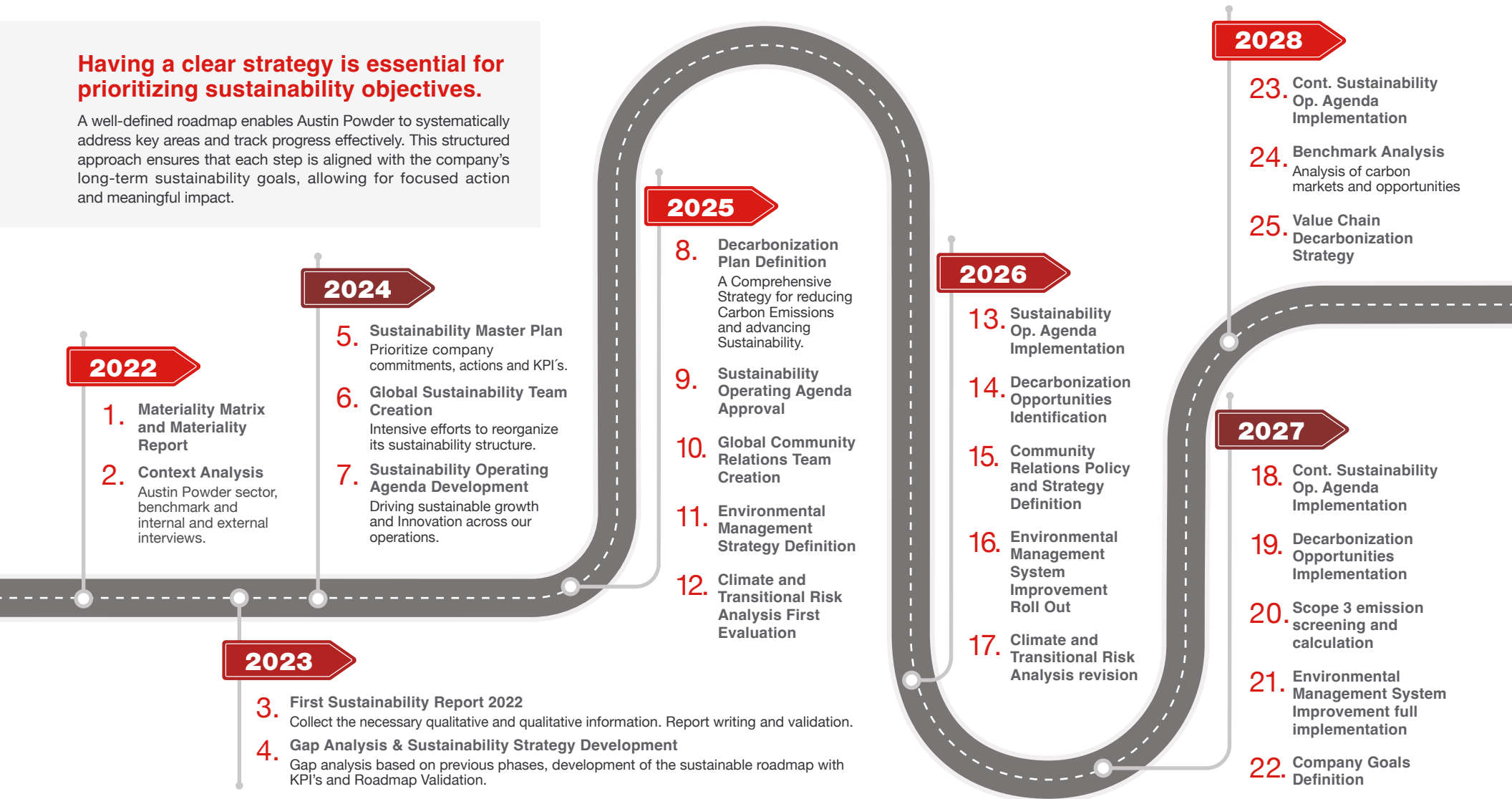
Environmental			
4	Climate Change	12	Energy Management and Eco-Efficiency
6	Responsible Use of Natural Resources	18	Air Quality
8	Sustainability Supply Chain	19	Biodiversity
10	Circular Economy		

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.



Strategic Goals

Sustainability Strategy

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

Environment

- **Risk Management:** Managing environmental risk proactively identifying and mitigating our company's adverse impacts, while simultaneously building resilience against environmental-related physical and transition risks.
- **Responsible Environmental Management:** Develop an environmental management system throughout Austin Powder, reinforcing corporate practices and aligned with international standards.
- **Sustainable Innovation:** Apply Austin Powder's innovation and increasing the company's sustainability by developing products that help minimize the impact on the environment.

Stakeholder Management

- **Communities and Customers:** Becoming an agent of impact in the communities in which the company operates.
- **Health and Safety Management:** Reinforce the corporate health and safety management system at a global level by consolidating corporate practices and frameworks throughout 100% of the Group.
- **Great Place to Work:** Consolidating talent excellence through a focus on the professionalization of Austin Powder's workforce, the promotion of diversity, the speak-up culture and work-life balance.

Governance, Ethics & Reporting

- **Corporate ESG Standards:** Global consolidation of internal regional regulatory frameworks and corporate ESG practices across all Austin Powder divisions.
- **Responsible Supply Chain:** Ensuring ethical, sustainable, and transparent practices throughout the company and the entire supply chain. This includes fostering fair labor conditions, minimizing environmental impacts, and promoting accountability and social responsibility among all supply chain partners.
- **Green Finances:** Training on carbon credits offset, sustainable investment and identifying sustainable investment projects.



Sustainable Development Goals


Sustainability Strategy

Austin Powder recognizes the United Nations Sustainable Development Goals (SDGs) as a global reference framework to contextualize its sustainability priorities and communicate how its material topics contribute to sustainable development.

In 2025, the Company refined its SDG alignment to focus on the Goals where it has the greatest impact, influence, and ability to drive measurable outcomes, based on its double materiality assessment and the integration of climate-related risk and opportunity analysis aligned with TCFD and California SB-261. As a result, Austin Powder prioritizes a focused set of SDGs that are directly connected to its strategy, risk management processes, operational performance, and innovation agenda.

This refined approach strengthens the link between the Company's sustainability commitments and its day-to-day decision-making, ensuring that SDG alignment is supported by governance, management systems, performance metrics, and continuous improvement initiatives.

7 AFFORDABLE AND CLEAN ENERGY



AFFORDABLE AND CLEAN ENERGY

Energy efficiency initiatives, energy transition efforts, and onsite renewable energy generation.

8 DECENT WORK AND ECONOMIC GROWTH



DECENT WORK AND ECONOMIC GROWTH

Occupational health and safety (SHES), training and competency development, and a strong safety and performance culture.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



INDUSTRY, INNOVATION, AND INFRASTRUCTURE

Development and deployment of innovative blasting technologies, digital solutions, and engineering capabilities that enhance efficiency, safety, and environmental performance.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



RESPONSIBLE CONSUMPTION AND PRODUCTION

Environmental management systems, waste reduction and recycling, resource efficiency, and responsible operational practices.

13 CLIMATE ACTION



CLIMATE ACTION

Climate change management, emissions reduction, Decarbonization roadmap, and climaterelated risk and resilience analysis.



Our First Priority

Safety, Health, & Well being



Safety is our First Priority

SHES Strategy & Goals



“As a global company operating in high-hazard environments, we have a profound responsibility to put safety first—every day, everywhere. At Austin Powder, this commitment is personal, and it defines how we operate, lead, and grow sustainably.,”

Joao Roorda

Global Director of Safety,
Health, Environment & Security

Safety, Health, Environment and Security (SHES) is a defining element of how Austin Powder operates and manages risk across its global footprint.

In 2025, our global SHES priorities focused on:

- ◆ Strengthening health, safety, and security performance through proactive risk management
- ◆ Enhancing environmental and process safety performance across operations
- ◆ Improving learning from incidents through stronger investigations and root-cause analysis
- ◆ Reinforcing safe operational practices in manufacturing, field services, and transportation
- ◆ Building long-term SHES resilience through leadership continuity and a strong reporting culture

These priorities support our long-term vision: **no major incidents, a strong safety culture everywhere we operate, and customers choosing Austin Powder because of our safety performance.**



SHES Functionality

At Austin Powder, SHES is a line management responsibility. However, dedicated SHES teams provide essential technical support to ensure compliance with the SHES Management System and foster continuous improvement of operations.



Global SHES

Responsible for the development, guidance, maintenance, and auditing of the implementation of the Corporate SHES Management System.



Regional SHES

Oversee SHES practice transversality and standardization in each region. Regional managers are responsible for ensuring that operations are in line with corporate SHES policies and objectives.



Local SHES

At the local level, SHES teams are responsible for the implementation of the system in specific operations, plants, or locations. This ensures that daily operations are in compliance with SHES standards.

From Systems to Culture

SHES Management System

SHES Management System

Austin Powder has a strong and comprehensive Safety, Health, Environment, and Security (SHES) Management System in place, which forms the basis of the organization's dedication to running its business in a socially responsible manner.

The system:

- Covers employees, contractors, and activities worldwide
- Is grounded in hazard identification, risk assessment, and preventive controls
- Is supported by audits, KPIs, and formal assurance processes
- Enables continuous improvement through structured learning and accountability

This system provides leadership with confidence that risks are identified early, controls are effective, and performance is monitored consistently across the organization.

Building a Proactive Safety Culture

In 2025, we made meaningful progress in strengthening a proactive safety culture.

Key enablers included:

- Increased hazard identification and safety observations across sites
- Global rollout of the “Take 5” initiative, embedding risk awareness into daily work
- Digital reporting tools that support transparency and early intervention
- A clear non-retaliation culture—employees are empowered to stop unsafe work

Safety is reinforced not only through rules, but through leadership behaviors and everyday decisions at the point of work.



Austin Detonator, Austin Powder Mexico, Austin Powder Australia, Austin Powder Service CZ, Austin Powder Germany

Certified by ISO 45.001



Process Safety Management (PSM) in the USA Manufacturing

Red Diamond & US Nitrogen (USN)



“Creating a safe working environment is paramount in our industry, and implementing effective safety practices plays a crucial role in achieving this goal. We are thrilled to have added the ‘Take 5’ in the United States and Canada as a vital resource for enhancing safety and evaluation practices,”

Samantha Goodman
Director of Corporate Operations
Austin Powder Company

Worker Participation & Dialogue

- Safety committees, sitelevel engagement, and employee representation
- Global Weekly Safety Focus Meetings connecting regions and leadership
- Structured feedback loops that translate input into action

Training & Competence

- Launch of Austin Powder University, a unified global learning platform
- ICAM and 5 Why's Incident investigation, emergency response, and transport safety trainings
- Focus on competence, preparedness, and consistent standards worldwide.



For People & for Business

Delivering Measurable Results

SHES Performance Snapshot

The following tables provide an overview of the company’s health and safety KPIs for the current reporting period, demonstrating Austin Powder’s proactive and data-driven approach to safety management.

Work Related Injuries	2023	2024	2025
INJURY TYPE	#	#	#
Fatalities as a result of work-related injury	0	0	0
Lost Time Injuries	22	22	32
Occupational Illness	0	3	0
Medically Treated Injuries	42	31	14
Restricted Work Injuries	19	16	18
Total Hours Worked	9,868,382	10,120,040	10,141,550
Total Recordable Injury Rate (TRIR)	1.68	1.42	1.26

Through the continuous monitoring of these key indicators, Austin Powder strengthens its ability to identify trends, address potential risks, and drive ongoing improvement in workplace health and safety.



Extending Safety Beyond Our Operations

Austin Powder recognizes that significant safety risks also exist beyond our direct workforce.

We actively prevent and mitigate value-chain impacts by:

- ◆ Extending safety standards to customers, contractors, and logistics partners
- ◆ Providing technical training and on-site support in high-risk activities
- ◆ Promoting safe technologies and responsible transportation of hazardous materials
- ◆ Maintaining ongoing dialogue to reinforce shared safety expectations

This approach strengthens safety performance across our value chain and reinforces trust with partners and communities.



Austin Powder Hosts Product Training in Indonesia



Austin Powder Receives CN Railway Safe Handling Award

Promotion of Workers’ Health

In 2025, Austin Powder continued to promote employee health and well-being through local and regional initiatives. These included occupational health monitoring, preventive exams, wellness campaigns, mental health support, ergonomic improvements, and exposure controls. Across regions, this approach was reflected in:

- ◆ Occupational health monitoring and preventive care aligned with local risk profiles
- ◆ Health and well-being initiatives addressing physical, mental, and psychosocial factors
- ◆ Employee engagement programs that reinforce shared responsibility for safety and care

By integrating safety, health, and well-being into daily operations, Austin Powder reinforces a culture where people look out for one another and safety is embedded in how work gets done—supporting sustainable performance today and into the future.

Our People



Austin Powder

Our Culture & Values

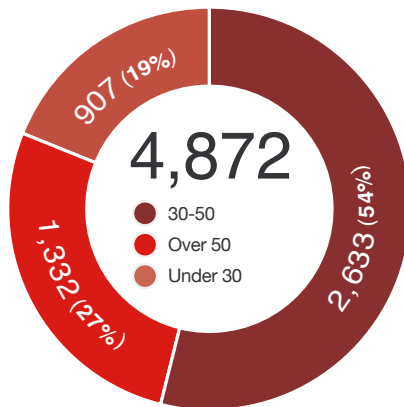
Austin Powder’s success is built on its people.

Austin Powder recognizes that people are the foundation of its success. The company is dedicated to supporting the professional and personal growth of its employees by ensuring a safe, healthy and rewarding work environment.

Our Workforce at a Glance (2025)

- ◆ **4,872 employees** worldwide
- ◆ Global workforce across five regions
US & Canada, LATAM, Europe, Asia, and Africa
- ◆ **27% women**, consistent with 2024
- ◆ Workforce includes a balanced mix of earlycareer, midcareer, and experienced professionals

	2025	
	#	%
US & Canada	1,208	25
LATAM	1,185	24
Detonators Comp.	1,384	28
Asia	294	6
Africa	320	7
Europe	481	10



Ethical & Respectful Workplaces

- ◆ The Code of **Conduct and Business Ethics** defines expected behaviors across the organization
- ◆ Promotes respect, fairness, equal opportunity, and safe working conditions
- ◆ Supports an inclusive environment aligned with company values

Speak Up Culture & Open Communication

- ◆ Employees are encouraged to raise concerns and ask questions
- ◆ Formal reporting channels available, **without fear of retaliation**
- ◆ Employees have the right and responsibility to stop unsafe work

This culture supports trust, transparency, and safety across all operations.

Professional Growth

Austin Powder’s workforce classification framework clearly defines roles and levels of responsibility, enabling efficient resource management and operational execution. The majority of employees (3,109 out of 4,872) fall under Group D, which includes operational and administrative support roles that are critical to daytoday operations and business continuity. This structured approach supports operational efficiency and contributes directly to the company’s overall strategic objectives.

SUCCESS STORY



Women at Austin Powder Zambia

Women at Austin Powder Zambia play key roles across finance, management, operations, and human resources, making a meaningful contribution to the company’s performance.

In recognition of International Women’s Day, the company hosted a dedicated gathering to acknowledge their contributions and provide a space for connection and reflection. The event highlighted the importance of an inclusive culture, where women feel supported, valued, and empowered to grow professionally.



Attraction, Retention & Development

- Talent attraction and retention are critical to business continuity
- Employee turnover and hiring metrics are monitored locally; **2025 marked the first year in which these metrics were formally tracked at a company-wide level.**
- In 2025, the company also began tracking representation of women in new hires
- This data provides an initial baseline to support more informed workforce planning and future talent management strategies.

	Turnover		New Hire	
	#	%	#	Woman New Hire %
US & Canada	307	26	320	10
LATAM	189	16	188	15
Detonators Comp.	100	7	95	44
Asia	64	19	14	43
Africa	32	13	97	4
Europe	48	11	55	21
GLOBAL	740	15	769	16

SUCCESS STORY

Great Place to Work® in Latin America for the Second Consecutive Year

For the second consecutive year, the company was certified as a Great Place to Work® in Latin America, reaffirming its commitment to building a high-trust, inclusive, and engaging workplace across the region. This recognition, based directly on employee feedback, reflects the consistency of people practices implemented in LATAM region.



“Our people make the difference. Every day. Their commitment to Austin Powder, and to each other, has been critical to the lasting success of this business for 192 years. Together, we create safe working environments that enhance our productivity and deliver results for our customers. As we celebrate our teams for their accomplishments, we remain focused on developing our people to lead Austin Powder forward – in 2026 and for the next 100 years.,”

Brian Richardson
Chief People Officer

Technology & Innovation

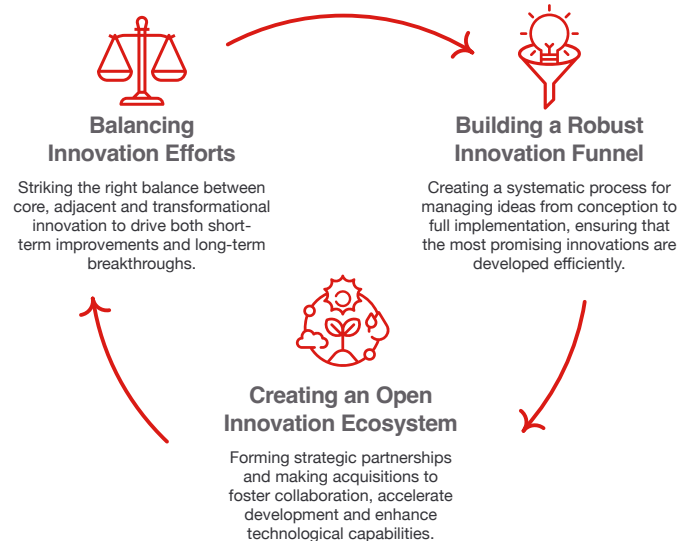
04



Leading the Industry Innovation & Technology

Innovation Strategy

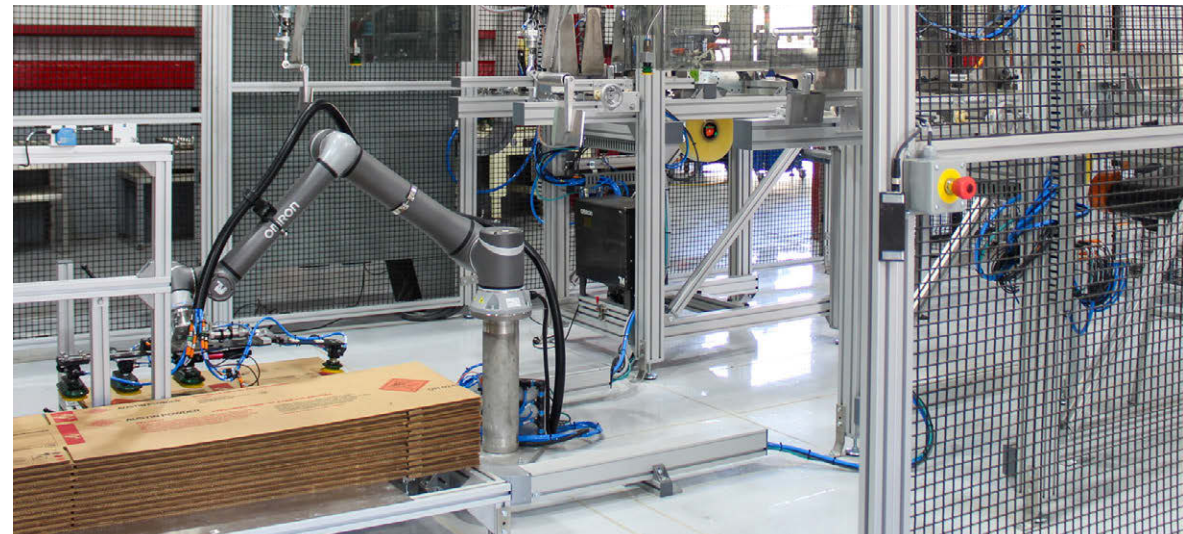
Our innovation strategy relies on three pillars:



Innovation That Matters

At Austin Powder, innovation means delivering practical, safe, and implementable solutions that create measurable value to our customers. In a high-risk industry, we prioritize innovations that enhance safety, improve operational efficiency, and can be effectively deployed in real-world conditions.

- ◆ **Automation and Robotics:** Innovations that enhance safety in production, handling, and use of explosives.
- ◆ **Customer-driven value:** Innovations that address real customer challenges, improving productivity, blasting predictability, and reducing total cost of ownership.
- ◆ **Sustainability impact:** Our innovations contribute to reduce environmental impact, lower emissions, and improved resource efficiency



From Exposure to Protection: Automation & Robotics

One of the most visible expressions of Austin Powder's innovation journey is the **systematic reduction of human exposure to highrisk tasks**.

Over the past decade—and particularly in 2025—the company made significant investments in **robotics and automation** across detonator and explosives manufacturing:

- ◆ State-of-the-art Shocktube production line and a completely new explosive preparation building at ASD
- ◆ Robotic and automated systems at DE and AD
- ◆ Packaging automation that removes staff from repetitive, highstrain tasks in Mexico

These changes are not about replacing people—they are about **moving people away from danger** and enabling them to focus on supervision, control, and expertise.

Impact:

- ◆ Reduced redzone exposure
- ◆ Improved ergonomics and lower injury risk
- ◆ More consistent quality and output
- ◆ Significant reductions in hazardous waste generation

Leading the Industry Innovation & Technology



“Paradigm software has been a critical tool in our blasting operations for more than five years. We rely on it daily for blast design, vibration analysis, close-proximity blasting, and environmental compliance management across quarry operations and complex civil projects. It has supported detailed analysis on major infrastructure works, including Australia’s Snowy Hydro 2.0, as well as numerous road cuttings and civil construction works where vibration control is critical. Paradigm gives us confidence in our designs and supports safe, compliant, and efficient blasting outcomes..”

Tim Christie
Special Projects Manager, Precision Drill + Blast

Innovation that Turns Data into Safer Decisions: Digital Blasting

Innovation also reshaped how blasting decisions are made in the field. With the evolution of **Paradigm**, Austin Powder’s proprietary blasting software, engineers can now:

- ◆ visualize blast scenarios in 3D,
- ◆ model vibration and overpressure,
- ◆ anticipate impacts on nearby infrastructure,
- ◆ and design blasts with far greater confidence.

In 2025, in one critical operation, digital modeling made it possible to safely execute a blast just **70 feet from sensitive infrastructure**—with zero impact.

What once relied heavily on experience and margins now rests on data, prediction, and control.

This capability not only reduces risk; it strengthens customer confidence and supports responsible operations in increasingly constrained environments.

Innovation that Moves with Operations: Modular & Scalable Solutions



The development of a modular, containerized emulsion plant reflects a shift toward flexibility and speed—especially in remote or fastmoving mining contexts.

Designed for rapid deployment and scalable capacity:

- ◆ installation timelines are reduced to weeks,
- ◆ infrastructure requirements are minimized,
- ◆ and solutions can be adapted to local climates and conditions.

The first deployment in Zambia marked a milestone; further rollouts across Latin America are already planned.

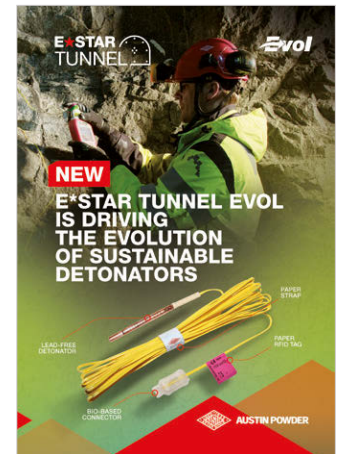
This approach allows Austin Powder to meet customers where they are, without compromising standards or safety.

Innovation that Designs for Sustainability

Some of the company’s most powerful innovation stories lie in product and equipment design.

- ◆ **HELIX® boosters** were engineered from the molecular level to support automated manufacturing, reduce hazardous exposure, and strengthen supply chain resilience—achieving 100% field success in Argentina in 2025.
- ◆ **E★STAR Tunnel EVOL** integrates leadfree electronics, biobased and paper components, and recyclable materials—demonstrating that performance and sustainability are not tradeoffs.

Sustainability is systematically incorporated from the initial design phase of our products and equipment.



Our Environment

05



Our Responsibility Management & Commitment

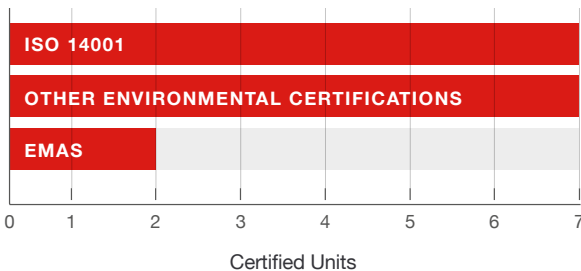
Environmental Strategy

In 2025, Austin Powder advanced the definition of a **five-year environmental roadmap**, designed to strengthen the Company’s approach to environmental management, climaterelated risk oversight, and sustainable innovation. The roadmap builds on operational foundations already in place—emissions, energy, water, waste, and compliance—while providing clearer medium and longterm direction.

The strategic ambition is to evolve toward a more formal, consistent, and globally aligned environmental management approach informed by international standards and best practices. While this framework is still under development, the Company made tangible progress during 2025 in governance, transparency, and risk awareness.

Environmental Certifications

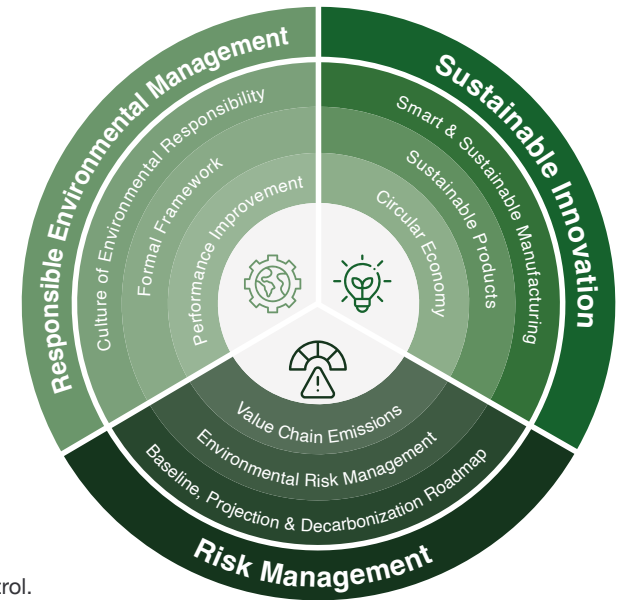
In 2025, several operations maintained recognized environmental certifications, including ISO 14001, EMAS, and other local or regional environmental certifications.



Governance & Controls

Key governance improvements during the year included:

- ◆ The introduction of a **sustainability checklist** for capital and operational projects, strengthening the integration of environmental considerations into decisionmaking.
- ◆ The development of a sustainability dashboard and action tracker for global and regional initiatives, supporting improved prioritization and visualization.
- ◆ The completion of a **climate-related risk assessment aligned with the climate-related financial risk disclosure law California SB 261**, reinforcing climate risk awareness.
- ◆ Continued improvements in ESG data collection and consolidation processes, enhancing consistency and reliability.
- ◆ Further integration of **environmental audits into the global corporate audit plan**, supporting stronger oversight and control.



Environmental Risk Management & Capital Allocation

During the reporting period, Austin Powder invested more than **USD 5 million** in environmental risk management, reinforcing its commitment to preventing environmental impacts, ensuring regulatory compliance, and strengthening operational resilience.

Environmental investments were **primarily concentrated at the Red Diamond and USN operations**, which together accounted for more than half of total environmental spending. This reflects both the scale and the risk profile of these facilities, as well as targeted investments in infrastructure upgrades and monitoring systems.

Resources Invested to Manage Environmental Risks	Amount
	(USD)
Effluent treatment related	\$699,445
Air quality and emissions monitoring	\$1,495,818
Solid waste disposal and treatment installations	\$1,631,513
Prevention and control of soil and groundwater contamination	\$165,541
Environmental consultants and auditors	\$607,445
Energy and water consumption improvement projects	\$617,800
Other environmental initiatives	\$63,870
TOTAL	\$5,281,705

Climate Action: Performance in a Year of Growth

Decarbonization Strategy

Current Status

Austin Powder recognizes climate change as a material risk and continued to integrate climate considerations into operational and strategic decisionmaking during 2025. The Company advanced its **Decarbonization Strategy** through a phased approach focused on improving emissions data quality, identifying main emission sources, and defining the operational levers with the greatest reduction potential.

Phase 1. 2024

- ◆ Improved carbon footprint methodology and established 2023 as the emissions baseline.
- ◆ Recalculated 2022 emissions and initiated identification of material emission categories.

Phase 2. 2025

- ◆ Strengthened the Decarbonization Strategy through improved emissions data and identification of key reduction levers.
- ◆ Advanced a 15% emissions reduction ambition by 2035.
- ◆ Assessment of climate-related risks and opportunities.

Phase 3. 2026

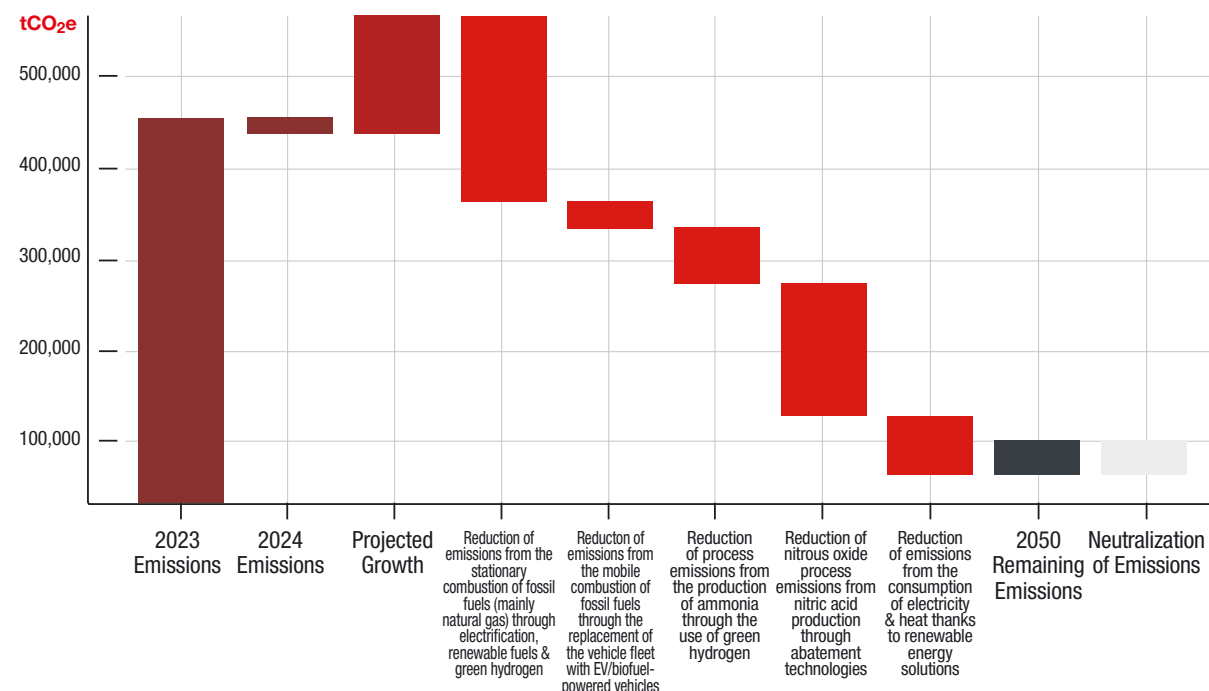
- ◆ Deepen the assessment of priority decarbonization actions, evaluating technical feasibility and integration into longterm capital and asset planning.

Phase 4. 2027

- ◆ Scope 3 emissions calculation
- ◆ Analysis of carbon markets and their opportunities for the company.

Decarbonization Levers & Potential Emissions Reduction Pathways

The bridge illustrates indicative decarbonization levers under selected transitional scenarios, based on current technical assumptions. The analysis is intended to support internal strategic planning and does not constitute a formal emissions reduction target or a commitment to a specific pathway.



Climate Action: Performance in a Year of Growth

Decarbonization Strategy



Emissions Performance

In 2025, Austin Powder achieved a **notable improvement in greenhouse gas emissions intensity (-6%)**, both per unit of revenue and per unit of production, despite significant production growth. This improvement reflects continued efforts to optimize energy use, enhance process efficiency, and expand carbon capture activities.

Total Scope 1 and Scope 2 emissions increased by 3.1% compared to 2024, primarily due to higher production volumes across ammonia (5%), nitric acid (10.3%), and ammonium nitrate (9.7%). The increase in absolute emissions is therefore closely linked to production increased in our large-scale manufacturing facilities.

The emissions profile remains **highly concentrated**, with more than **86% of Scope 1 and Scope 2 emissions generated by the USN and Juramento plants**, reinforcing the strategic importance of these facilities as priority sites for efficiency improvements and future decarbonization initiatives.

KPI	2024	2025
t CO ₂ e/Million (USD) Revenue	375.34	366.13
t CO ₂ e/MT AN produced	3.25	3.05
t CO ₂ e/t NH ₃	0.57	0.53
t CO ₂ e/t HNO ₃	1.30	1.28

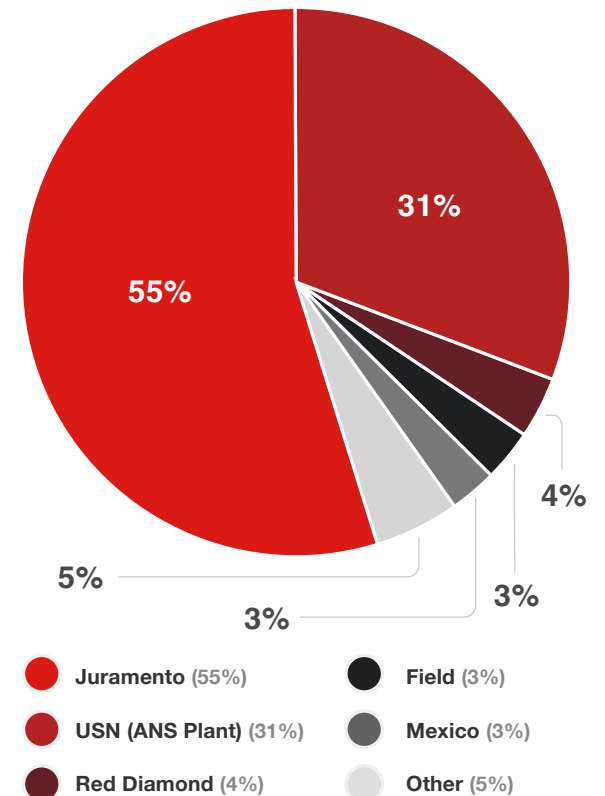
SUCCESS STORY

Climate Action through NACAG Partnership

In 2025, Austin Powder achieved a major milestone in its decarbonization strategy through the Nitric Acid Climate Action Group (NACAG) project by successfully completing the international tender process and executing the final contract for a tertiary abatement system at its Juramento nitric acid plant in Salta, Argentina. Supported by NACAG and GIZ, the project reflects strong governance, transparency, and disciplined project management, including an independent external audit of the tender process.

Once operational, the system is expected to deliver a ~95% reduction in N₂O emissions, resulting in an estimated 108,000 tonnes of CO₂e avoided per year, equivalent to approximately 45% of total site emissions. The 2025 milestones secure the implementation phase of one of the Company's most impactful climate initiatives, reinforcing Austin Powder's commitment to credible, long-term climate action and Scope 1 emissions reduction.

Scope 1 & 2 Emission by Reporting Units



Resource Efficiency

Energy, Water, and Waste

Energy

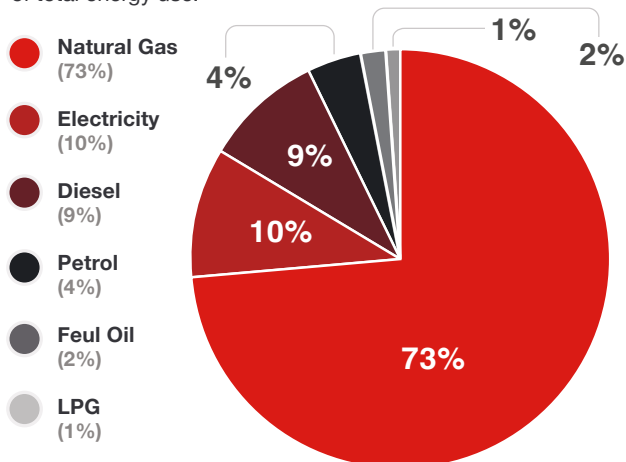
In 2025, Austin Powder achieved a **notable improvement in energy intensity**, both per unit of revenue and per unit of production, despite significant production growth.

KPI	2023	2024	2025
MWh/Million (USD) Revenue	902.63	943.31	912.39
MWh/MT AN produced	8.41	8.16	7.61
MWh/t NH ₃	14.91	13.05	12.70
MWh/t HNO ₃	9.90	10.30	9.55

Total energy consumption in 2025 reached **1,088 GWh**, representing a 2% increase compared to 2024, due to significant production growth.

Natural gas remained the primary energy source (approximately 73%), driven by ammonia production at USN and Juramento.

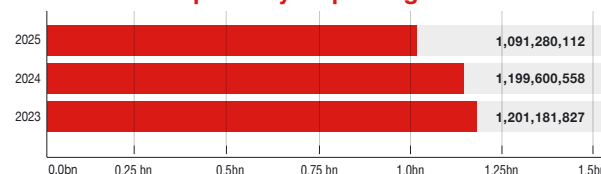
Renewable electricity generation from onsite solar installations increased significantly, although it still represents a limited share of total energy use.



Water

Total water consumption amounted to **1.09 billion liters**, representing an approximate **9% reduction** compared to the previous year.

Water Consumption by Reporting Year

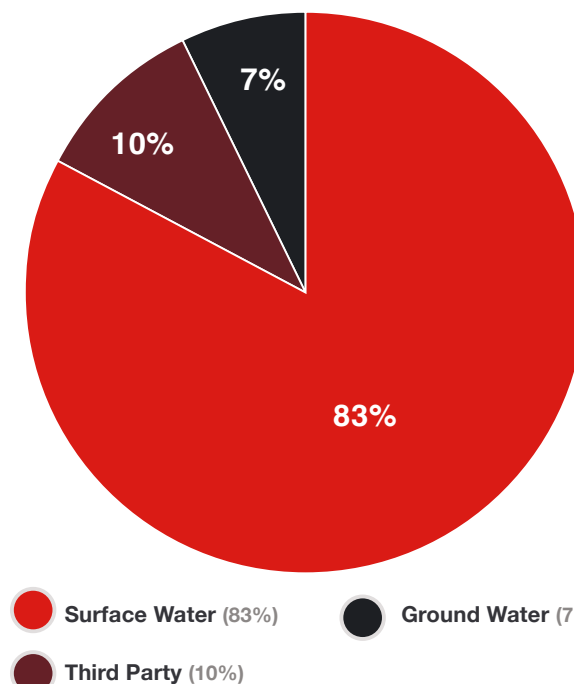


This reduction was driven primarily by efficiency improvements at the Juramento facility.

Water use remains highly concentrated at the USN and Juramento plants, which together account for more than 80% of total consumption.

Across its global operations, Austin Powder primarily sources water from surface water, supplemented by groundwater and third-party supply. These sources are managed through site-specific controls that address local climate conditions, regulatory requirements, and water availability.

Withdrawal Percentage by Source



Water withdrawals in **water-stressed areas** represented approximately **1.5% of total global withdrawals**, indicating limited exposure, although these locations continue to require enhanced monitoring and control.

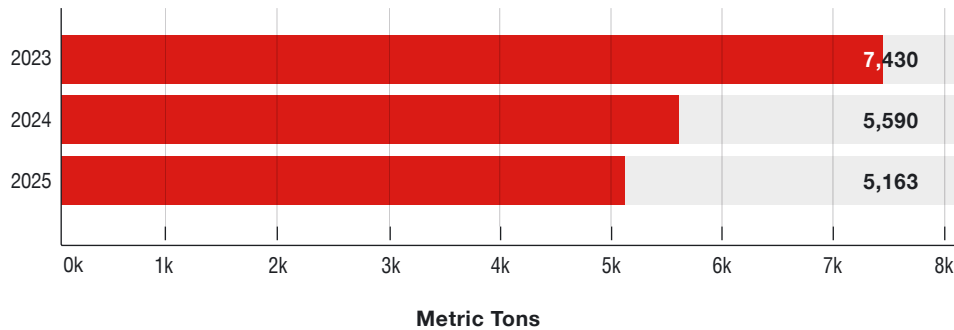
Resource Efficiency

Energy, Water, and Waste

Waste

Between 2023 and 2025, Austin Powder achieved a significant reduction in total waste generation, reflecting a combination of operational changes, efficiency improvements, and variations in activity levels across reporting units.

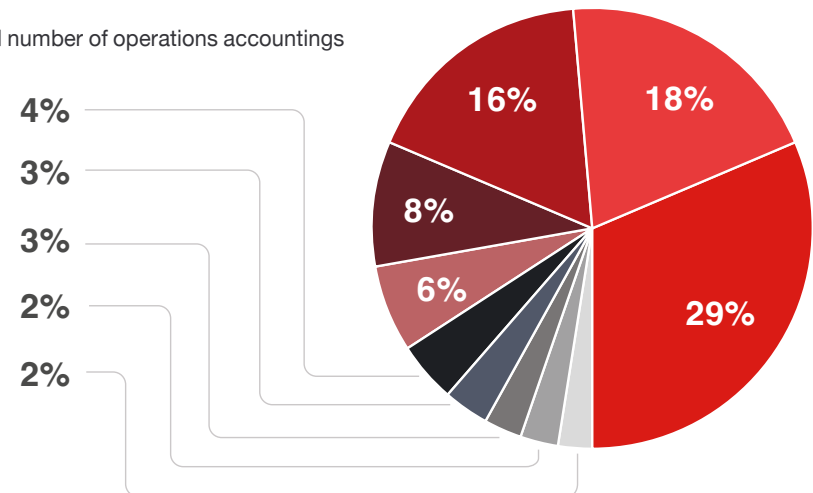
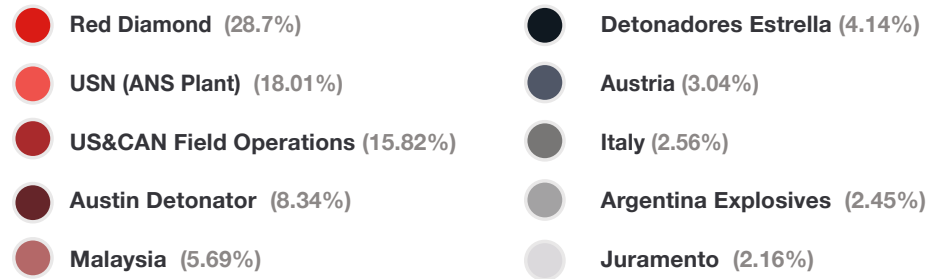
Waste Generation & Trends



Austin Powder manages a diverse mix of hazardous and non-hazardous waste, with recycling and reuse accounting for about 28% of total treatment. While waste volumes declined in 2025, disposal—particularly of non-hazardous waste—remains the primary treatment method, highlighting opportunities to further enhance circularity and prioritize waste prevention, reuse, and recycling over disposal.

	2024	2025	
Hazardous Waste (Mt)	Recycled & Reuse	413	362
	Directed to Disposal	476	354
	Pending Disposal	24	26
	TOTAL	913	742
Non-Hazardous Waste (Mt)	Recycled & Reuse	1,151	1,084
	Directed to Disposal	3,506	3,332
	Pending Disposal	20	5
	TOTAL	4,677	4,421
TOTAL	5,590	5,163	

Despite the overall reduction in waste volumes, waste generation remains highly concentrated, with a limited number of operations accounting for the majority total volumes.



Ethics & Transparency



6



Compliance Framework

Ethics, Integrity & Compliance

Ethics, integrity, and compliance are core enablers of trust, resilience, and responsible growth at Austin Powder.

The progress made in 2025 strengthens governance, supports informed decision making, and positions the Company to manage risk consistently across a complex global environment.

Ethics, integrity, and compliance are foundational to how Austin Powder conducts business globally. Operating across multiple jurisdictions and regulated environments, the Company relies on a robust compliance framework to guide decisionmaking, manage legal and regulatory risk, and protect its reputation.

In 2025, Austin Powder **consolidated and strengthened its global ethics and compliance framework**, reinforcing governance, clarity, and consistency across regions.

Global Policies – One Standard Worldwide

The Company’s ethics and compliance approach is anchored in **six core global policies**, applicable to employees, officers, directors, and relevant third parties:

- ◆ Code of Conduct and Business Ethics
- ◆ Payments to Government Officials and Third Parties Policy
- ◆ Economic Sanctions Compliance Policy
- ◆ Employee Privacy Notice
- ◆ Website Privacy Notice
- ◆ Written Information Security Policy

All policies are centrally available on the company intranet (“**Powder Keg**”) and offered in multiple languages to ensure accessibility and understanding.

Human Rights Commitment

Austin Powder is committed to respecting fundamental human rights across its operations and supply chains. This commitment is embedded in the Code of Conduct and reflected in compliance with applicable labor and employment laws in all jurisdictions.

The Company:

- ◆ Opposes all forms of modernday slavery and forced labor
- ◆ Strongly renounces child labor
- ◆ Commits to identifying, mitigating, and addressing humanrights risks
- ◆ Recognizes its responsibility as an industry leader to influence ethical practices throughout its value chain

Training, Awareness & SpeakUp

In 2025, Austin Powder finalized the structure and content of **global ethics and compliance training**, that will be roll out globally through **Austin Powder University**.

The Company also finalized a **global whistleblower solution**, with full implementation planned for 2026. Reporting channels allow concerns to be raised confidentially and, where legally permitted, anonymously.

Retaliation against individuals who speak up in good faith is strictly prohibited.

USED 1833 & EVER SINCE

Integrity Counts

At Austin Powder and our subsidiaries, we believe our employees should be able to confidentially voice their concerns about workplace issues without fear of retaliation for good faith reporting.

Speak Up. We're Listening.

Have a Concern? Start Here:

- ✓ Talk to your supervisor
- ✓ Contact Human Resources
- ✓ Reach out to any manager

These direct conversations are often the best way to resolve issues.

If you prefer a third-party confidential option, use Integrity Counts.

Your secure, anonymous reporting tool. Available 24/7.

Make a Report Online
Scan the QR Code to visit www.integritycounts.ca

Call the Hotline
Scan the QR Code to find your nearest hotline number.

AUSTIN POWDER Committed to a culture of trust, transparency, and open communication.

Our Communities



Our Communities

A Strategic Pillar in Our Sustainability Agenda

At Austin Powder, strong and trustbased relationships with the communities where we operate are essential to our longterm success.

Operating in highrisk and highly regulated environments means that **social acceptance, trust, and local relationships are directly linked to operational continuity and business resilience.**

Community engagement is a strategic pillar of the company's Sustainability agenda. By understanding local social, cultural, and economic contexts, Austin Powder strengthens its **social license to operate**, anticipates social risks, and designs initiatives that generate shared value for both the company and host communities.

This approach is grounded in respect, transparency, and continuous dialogue, and reflects Austin Powder's commitment to acting as a positive agent of change in the regions where it operates.

Global Governance, Local Impact

In 2025, we strengthened our community engagement approach by establishing a Global Communities Group and defining Global Community Standards. Together, these initiatives provide a consistent framework to guide all Austin Powder's business units in applying best practices, supporting strong local relationships, and maintaining our social license to operate.

While local teams retain flexibility to respond to specific needs, this global coordination ensures consistency, accountability, and strategic focus.

This model supports the transition from individual initiatives to a more cohesive, performance-driven community engagement strategy.

Focus Areas & Social Impact

Across its global footprint, Austin Powder implements community initiatives aligned with four priority areas:

- ◆ Education and skills development
- ◆ Social inclusion and wellbeing
- ◆ Environmental stewardship
- ◆ Community safety and resilience

Programs range from educational support and youth employability to volunteering, environmental restoration, and emergency preparedness. Employee participation plays a central role, amplifying impact through technical expertise, time, and local engagement.

By combining financial investment, employee involvement, and longterm partnerships, Austin Powder strengthens trustbased relationships and supports sustainable community development alongside business growth.

Social Investment in Communities

Austin Powder's work within the communities where it operates goes far beyond direct financial investment. It involves dedication of time, technical expertise, and human resources, as well as coordination with social organizations, educational institutions, local authorities, and other key stakeholders. Through corporate volunteering, active employee engagement, and the construction of collaborative networks, the company seeks to build trust-based relationships and promote initiatives that respond to local needs and priorities.

In 2025, Austin Powder increased its social investment in communities to USD 302,791, compared to USD 279,044 in 2024, reflecting a sustained commitment to local development and shared value creation.



Our Communities

Community Engagement & Social Impact

Key Community Initiatives 2025



Drives for Dreams: Supporting Youth with Disabilities

United States



Charity Run Supporting People with Visual Disabilities

Vsetín, Czech Republic



Building Trust for Growth: Environmental Engagement
Kalulushi, Zambia



Impulso Austin Strengthens Education in Rafaela

Rafaela, Argentina



Corporate Volunteering with Community Impact

Juramento, Argentina



Community Reforestation

Costa Rica



Forest Nursery Promoting Community Reforestation

Durango, Mexico



Global Team Spirit for Solidarity: Austin Powder at the Ultra Lanovka Charity Run

Bratislava, Slovakia

Other Initiatives

Recognition for Promoting Education & Youth Employment
Argentina, Juramento

Support for Educational & Youth Prevention Program
Espírito Santo do Dourado, Minas Gerais, Brazil

Community Reforestation and Children's Program
Dinamita, Pueblo Nuevo El 7, Mexico

Volunteering to Support Veterans with Disabilities
Ohio, United States

Community Listening and Engagement Program
Kalulushi, Zambia

Support for Volunteer Firefighters
St. Lambrecht, Austria

Stakeholders



Building Trust Alliances

Stakeholder Relationships & Engagement

Stakeholder Relationships & Engagement

Operating in a high-risk, safety-critical, and highly regulated industry, Austin Powder's ability to operate responsibly depends on strong, trust-based relationships with its stakeholders.

Stakeholder engagement is a core element of how the company:

- ◆ Maintains its license to operate across regions
- ◆ Anticipates and manages operational, social, and regulatory risks
- ◆ Strengthens informed decision-making and transparency
- ◆ Ensures its sustainability strategy remains practical, relevant, and grounded in real operational contexts

This approach is closely linked to Austin Powder's commitments to SHES, ethical conduct, and responsible community relationships.

Engagement Channels & Dialogue

Austin Powder maintains specialized communication channels tailored to each stakeholder group, including:

- ◆ Meetings and site visits
- ◆ Audits, training sessions, and joint programs
- ◆ Industry forums, technical committees, and conferences
- ◆ Community consultations and grievance channels

These channels enable regular feedback, collaboration, and continuous improvement.

Engagement Approach

Austin Powder understands stakeholders as individuals or groups that may be affected by—or influence—its ability to operate safely and sustainably.

Engagement is not **one-size-fits-all**. Mechanisms are tailored based on:

- ◆ Operational risk profile and activity type
- ◆ Proximity to manufacturing sites, storage facilities, or blasting operations
- ◆ Regulatory, security, and local context
- ◆ Stakeholderspecific expectations and concerns

This differentiated approach enables **meaningful two-way** dialogue, particularly in locations where safety, environmental protection, and community trust are critical to success.



Key Stakeholders & Business Relevance

Austin Powder engages with a diverse range of stakeholders whose perspectives and decisions directly influence operational performance and longterm value creation, including:



Employees

safety, wellbeing, engagement, & development



Customers

safe, reliable blasting solutions & ESG expectations



Local Communities

transparency, trust, & social acceptance



Governments & Regulators

compliance, emergency preparedness, & cooperation



Suppliers & Contractors

safety, security, and ethical standards across the value chain



Investors & Financial Partners

transparency and riskaware value creation



Industry Associations & Technical Bodies

advancing safety and sustainability practices

Through structured and consistent engagement, Austin Powder reinforces its position as a responsible, trusted partner and supports sustainable operations across its global footprint

Promoting Safety & Sustainability Partnerships & Collaborations



SAFEX is a learning organization. Its members learn from each other by sharing health, safety and environmental (HS&E) information to prevent unwanted incidents involving explosives. John D. Rathbun, CEO of Austin Powder, is currently the chairman of SAFEX.

IME institute of makers of explosives

IME is the trusted voice of the commercial explosives industry. Its mission is to promote the safe and secure manufacture, transport, distribution and use of commercial explosives. Jason Rawlings, President of Austin Powder in the USA, represents the company as Vice President of IME.

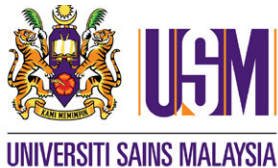


Federation of European
Explosives Manufacturers

FEEM is a non-governmental association whose goal is the advancement of the commercial explosives industry in the broadest sense, with special attention to safety, quality, security, environmental and legal issues. Clemens Hüttner, Managing Director of Austin Powder Europe, represents Austin Powder as President of the Association.



Austin Powder has collaborated with Dr. Martin Held and Abraham Lindo working with the DIRS at Rochester Institute of Technology (RIT) to develop methods for NOx quantification and modeling the cloud resulting from blasting events. This collaboration focuses on improving the accuracy of NOx monitoring, optimizing blasting techniques to minimize environmental impact.



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



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



Austin Powder is a member of NSSGA, which promotes public policy to protect and expand the safe and environmentally responsible use of aggregates. Through this partnership, Austin Powder collaborates with other industry players to promote sustainable quarrying practices.

Cybersecurity



Cybersecurity & Data Protection

Sustainability Through Security

Cybersecurity as a Strategic Priority

Cybersecurity and data protection are critical elements of Austin Powder's longterm sustainability strategy. In 2025, the company continued to mature its cybersecurity program following a comprehensive **cyber risk assessment, focusing on risk reduction, governance clarity, and audit readiness.**

This approach enables the organization to:

- ◆ Reduce exposure to financial, operational, and reputational risk
- ◆ Strengthen compliance with evolving regulatory requirements
- ◆ Support safe and resilient digital operations globally

Strengthening Core Security Practices

In 2025, Austin Powder delivered a set of **foundational cybersecurity improvements** designed to reduce enterprise risk and strengthen consistency across the organization.

Key actions included:

- ◆ Strengthening **account security and access controls**, with improved effectiveness measurement
- ◆ Deploying **enterprisewide document destruction controls** to protect sensitive information
- ◆ Enhancing **mobile device security** to reduce workforce mobility risks
- ◆ Improving **patch management discipline** to reduce exposure to known vulnerabilities
- ◆ Establishing an **internal vulnerability scanning program** for continuous oversight

Collectively, these initiatives resulted in a measurable reduction in identified risks and a more mature security posture aligned with enterprise governance expectations.

Workforce Readiness & Cyber Awareness

Recognizing that cybersecurity resilience depends on **people as much as technology**, Austin Powder embedded cybersecurity awareness as a mandatory governance control.

In 2025:

- ◆ All employees participated in **monthly cybersecurity awareness training**
- ◆ New hires completed enhanced onboarding with weekly sessions
- ◆ A minimum annual completion requirement was established
- ◆ Investments began to enable individuallevel compliance tracking
- ◆ These measures strengthen everyday decisionmaking and reduce the likelihood that cyber threats translate into realworld harm.

Governance, Privacy & Accountability

To strengthen clarity and accountability, Austin Powder advanced its cybersecurity governance framework.

Key milestones:

- ◆ Implementation of a formal **enterprisewide Written Information Security Policy**
- ◆ Launch of a **Global Employee Privacy Notice**, approved by all business unit leaders

“Our monthly cybersecurity awareness training continues to pay dividends by enabling employees worldwide to recognize and stop increasingly sophisticated cyber threats before harm occurs..”

Larry Domzalsk
Director of Information Technology





AUSTIN POWDER