

2025

Annual Sustainability Report 2025



AUSTIN POWDER

Environmental, Social & Governance Report

Austin Powder

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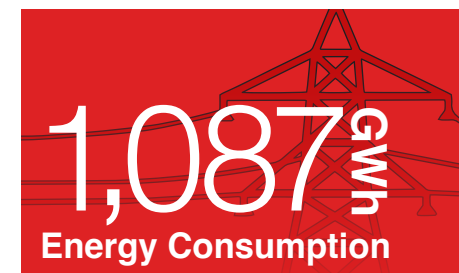
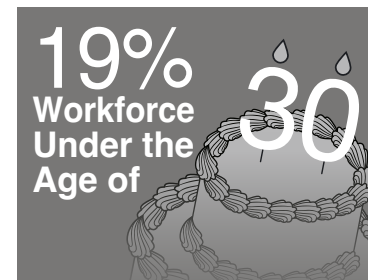
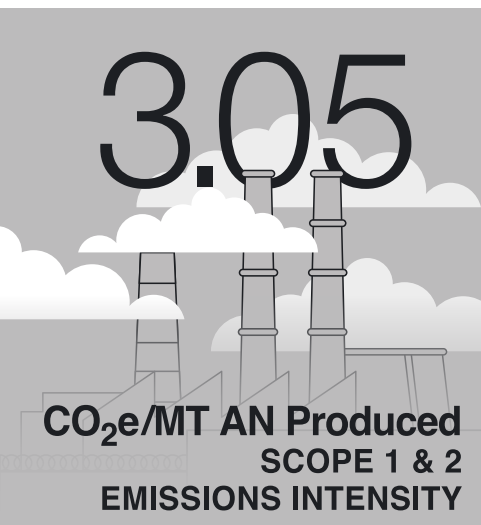
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Austin Powder 2025 Highlights



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

Austin Powder 2025 Highlights



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.



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.



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.

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%

Austin Powder

Sustainability Metrics

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



David Fernández

Global Director of Strategy,
Sustainability & Innovation

Austin Powder Holding Company



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

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

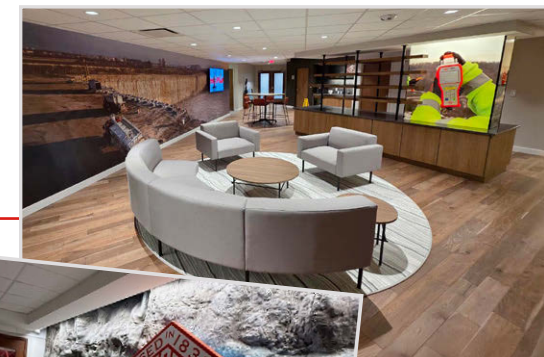
2021
Juramento Plant built in Argentina

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.



1.



2.

Human Capital Excellence

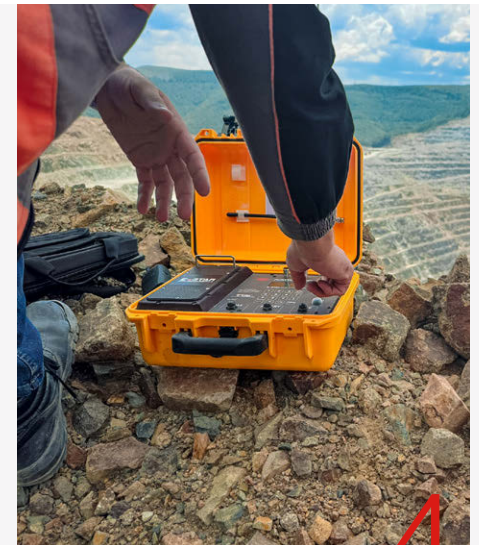
We are modernizing our talent value proposition, optimizing incentive programs, and fostering a global culture that attracts and retains the industry’s top professionals.

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.



3.



4.

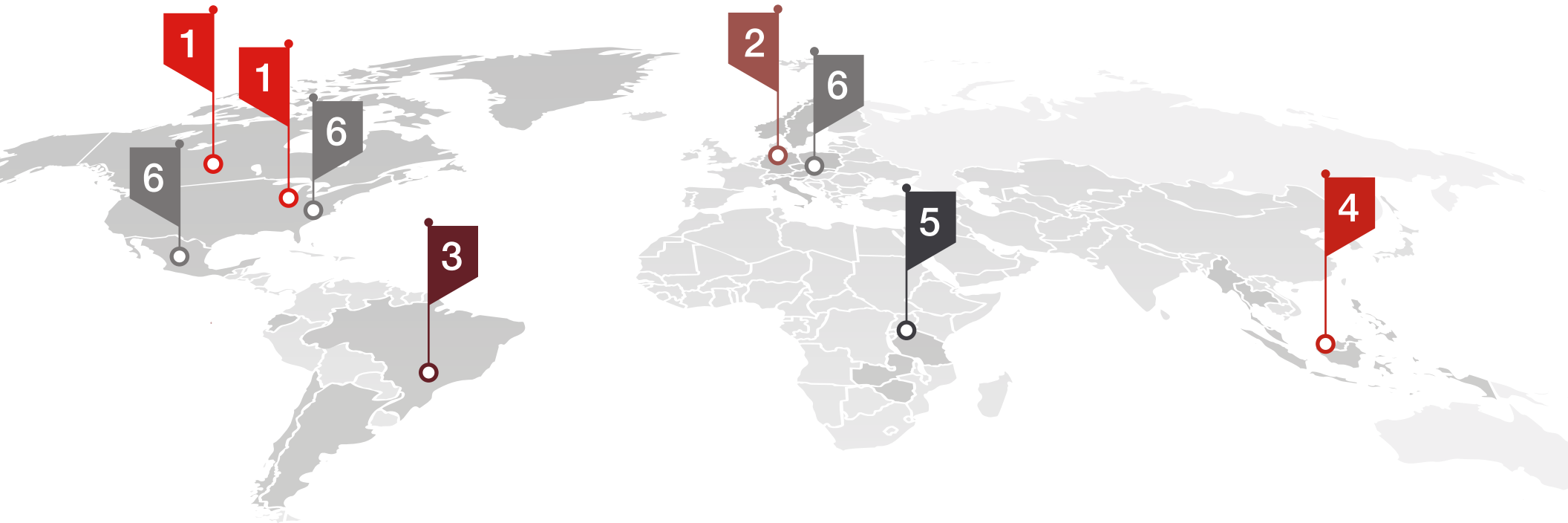
Innovation-Led Growth

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

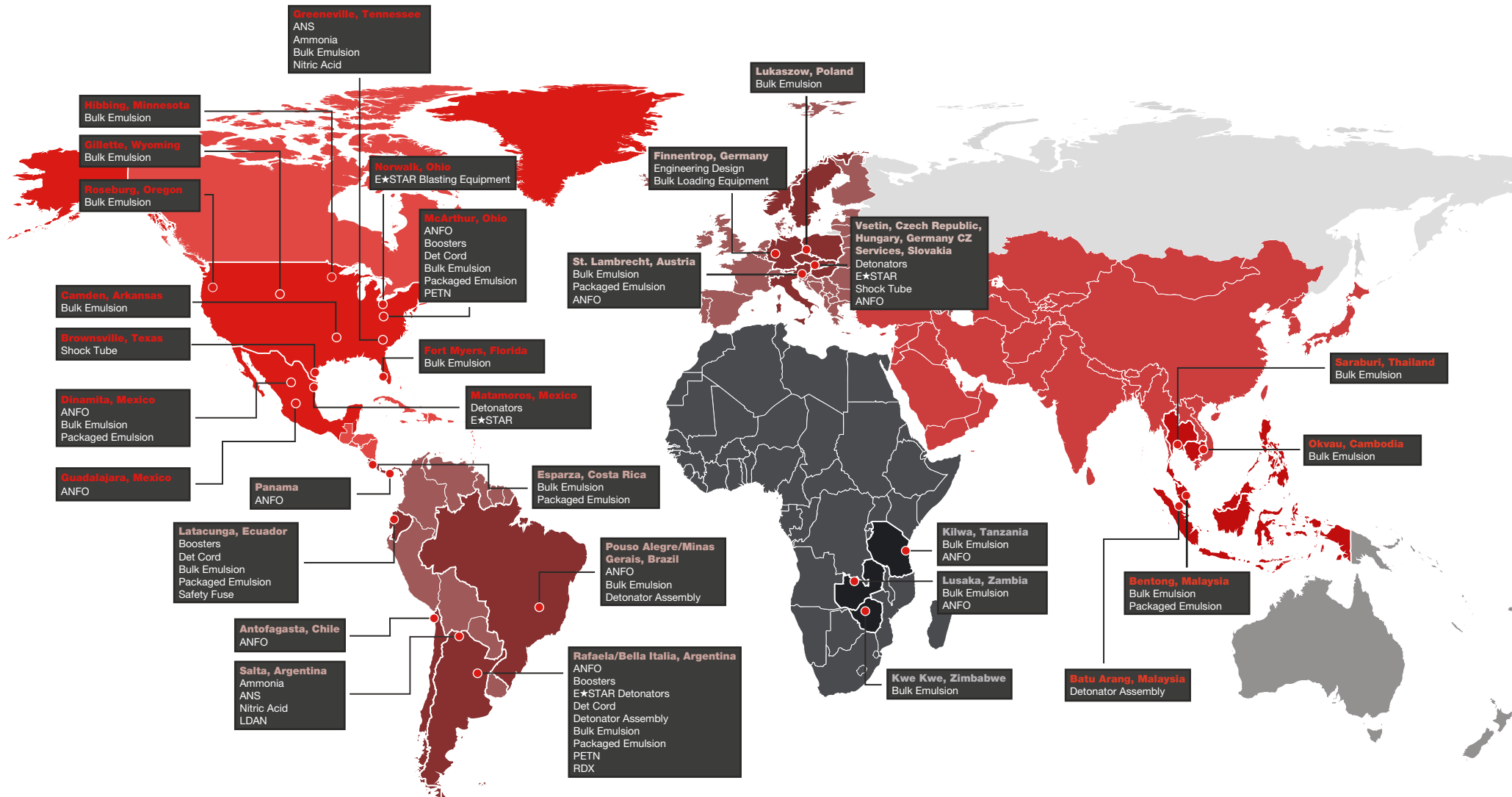
Austin Powder operates in Namibia, Zimbabwe, Zambia and Tanzania.

6. Detonator Companies

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

Where We Operate

Global Manufacturing Footprint



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.



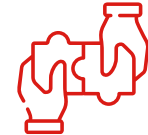
Strong Relationships

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.

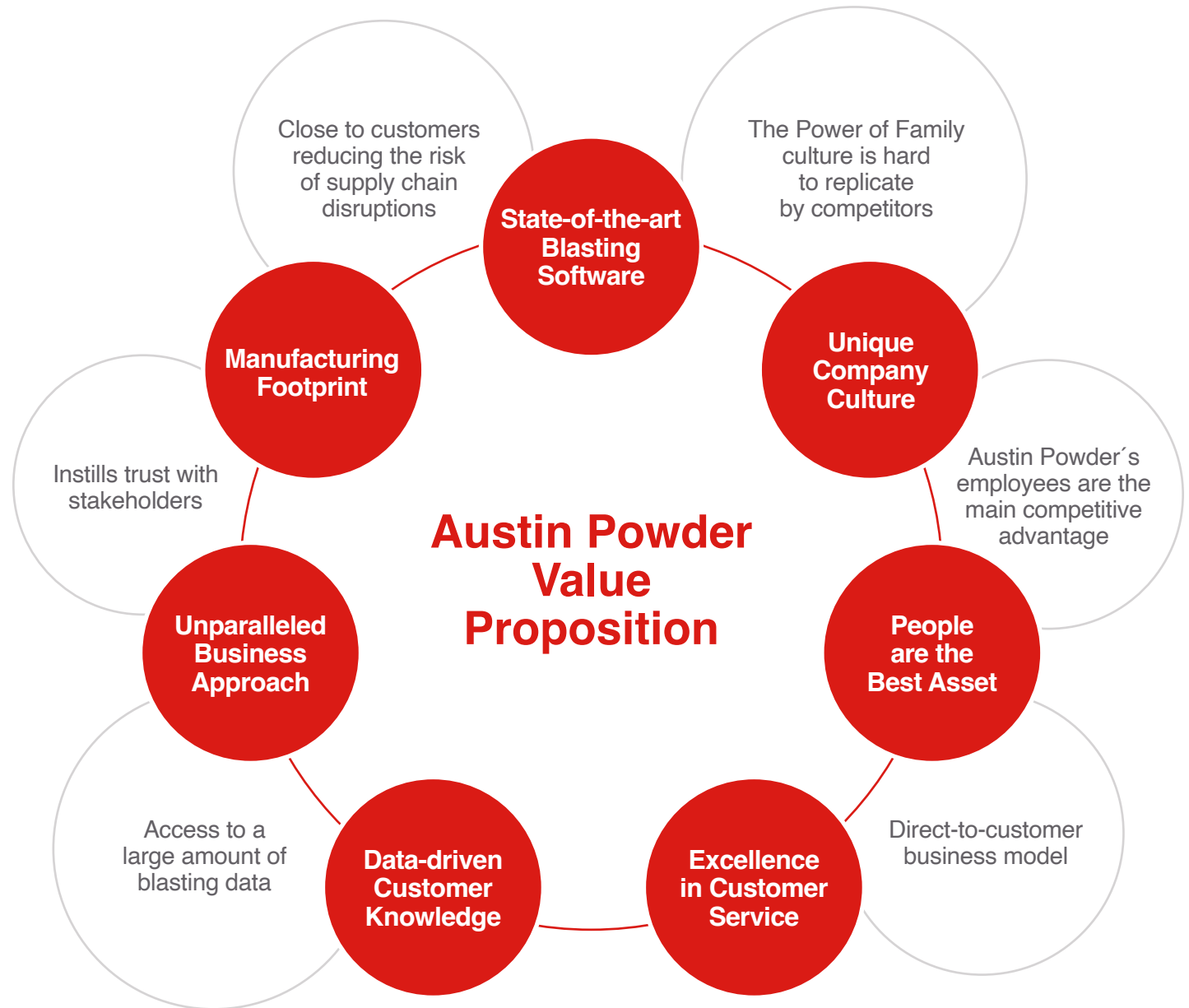
What Makes Austin Powder Unique

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.



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

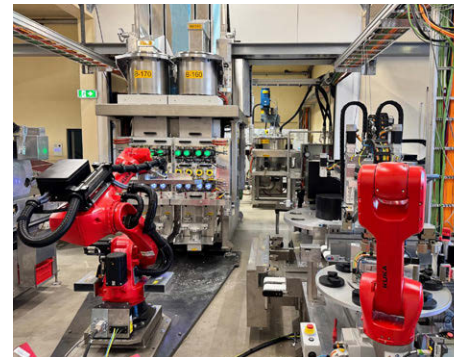
In 2025, Austin Powder achieved a major milestone in its decarbonization strategy through the Nitric Acid Climate Action Group (NACAG) project by successfully **completing the international tender process and executing the final contract for a tertiary abatement system** at its Juramento nitric acid 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

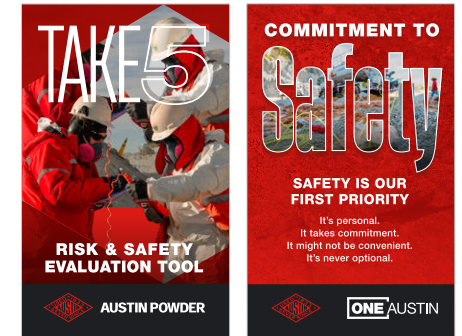
Austin Powder strengthened its **Social Sustainability performance** by deepening its engagement with local communities across its global footprint. During the year, the Company invested **USD 302,791** in community initiatives, supporting numerous projects and positively impacting communities through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

Cybersecurity & Digital Resilience

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

Natural Resource Scarcity & Ecosystem Degradation

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

Misinformation & Responsible Use of Technology

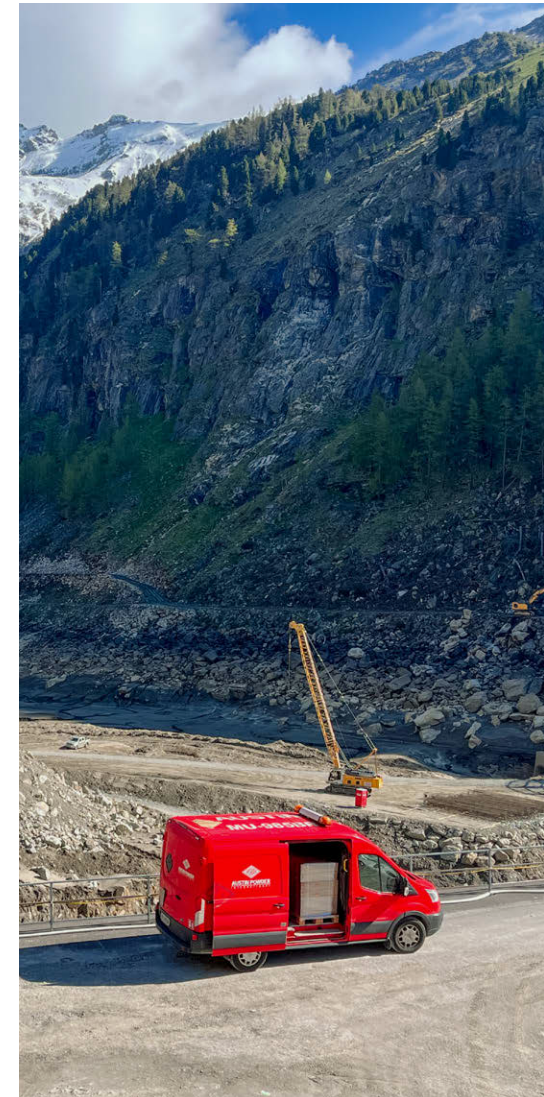
- ◆ Public perception of explosives-related activities
- ◆ Community trust and social license to operate
- ◆ Transparent and responsible communication

Environmental Pollution

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

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

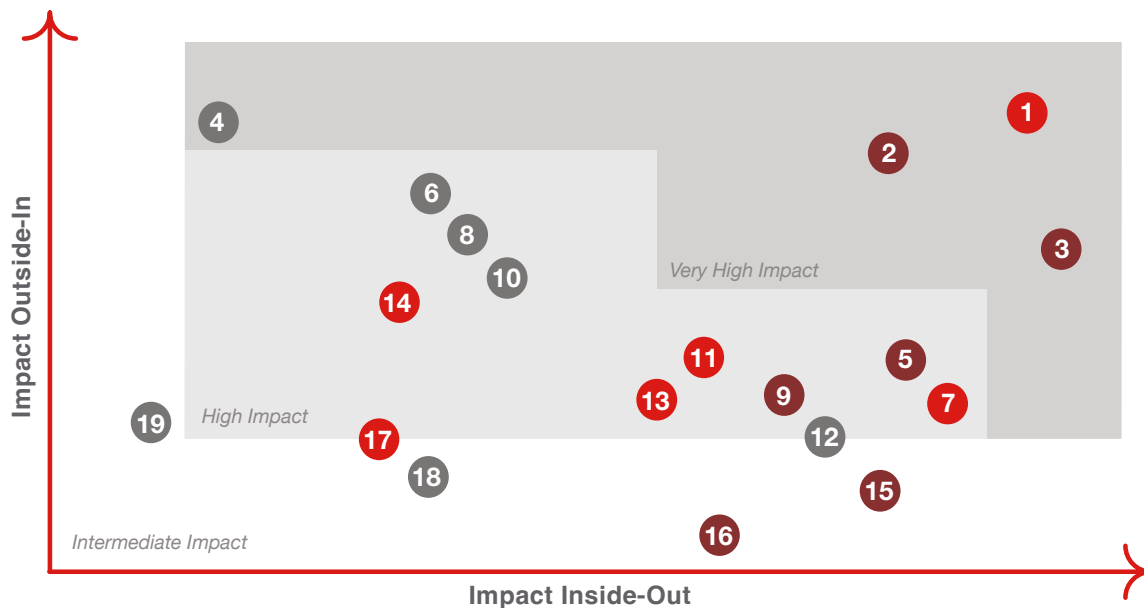
Materiality Analysis

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.

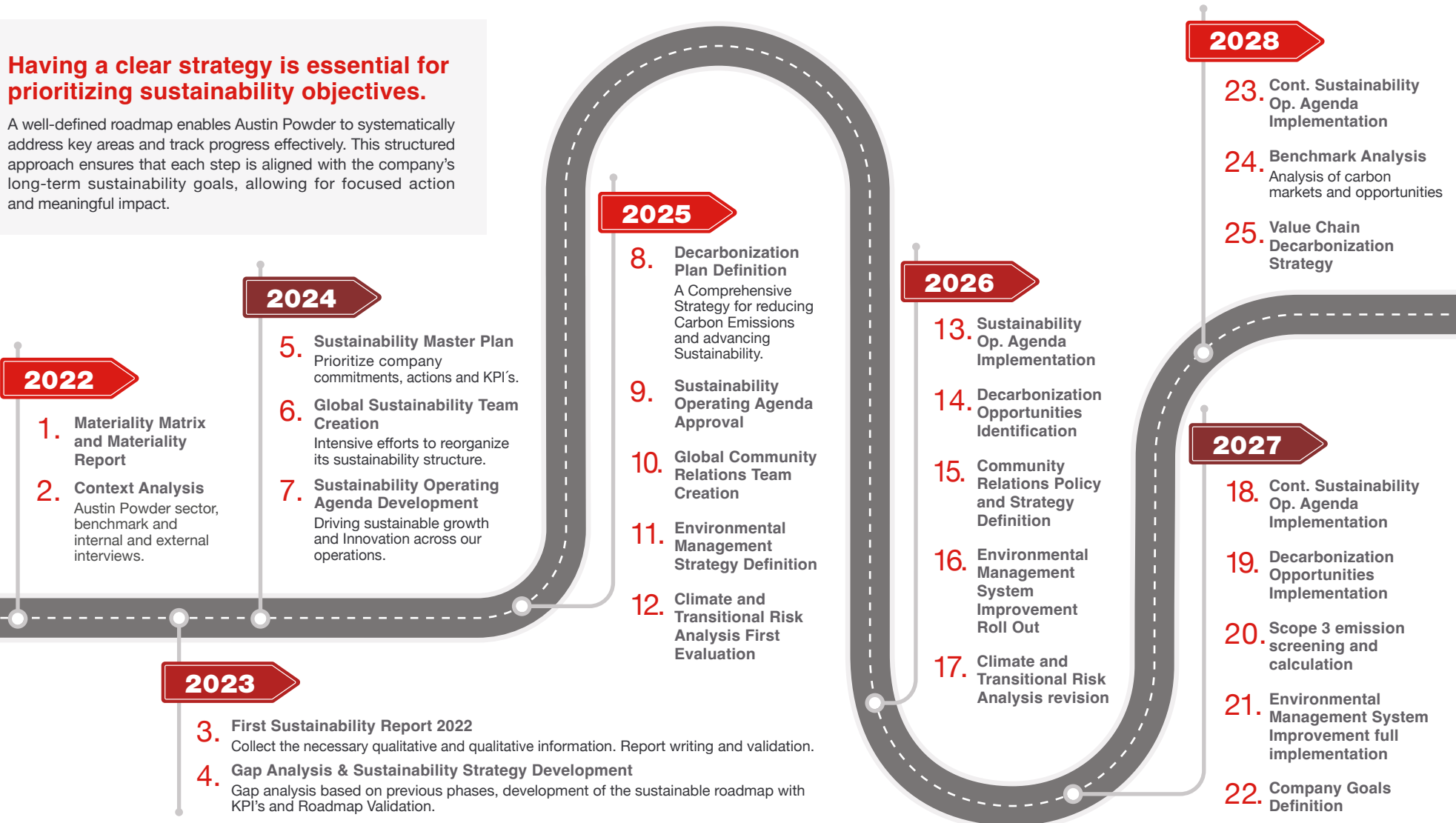
Social		Governance	
1	Health, Safety and Security	2	Technology and Innovation Approach
7	Community Relations	3	Risk Management
11	Work-Life Balance	5	Ethics and Transparency
13	Human Rights	9	Stakeholders’ Relationships and Engagement
14	Talent & Business Excellence	15	Speak Up Culture
17	Diversity,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

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

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 Power’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



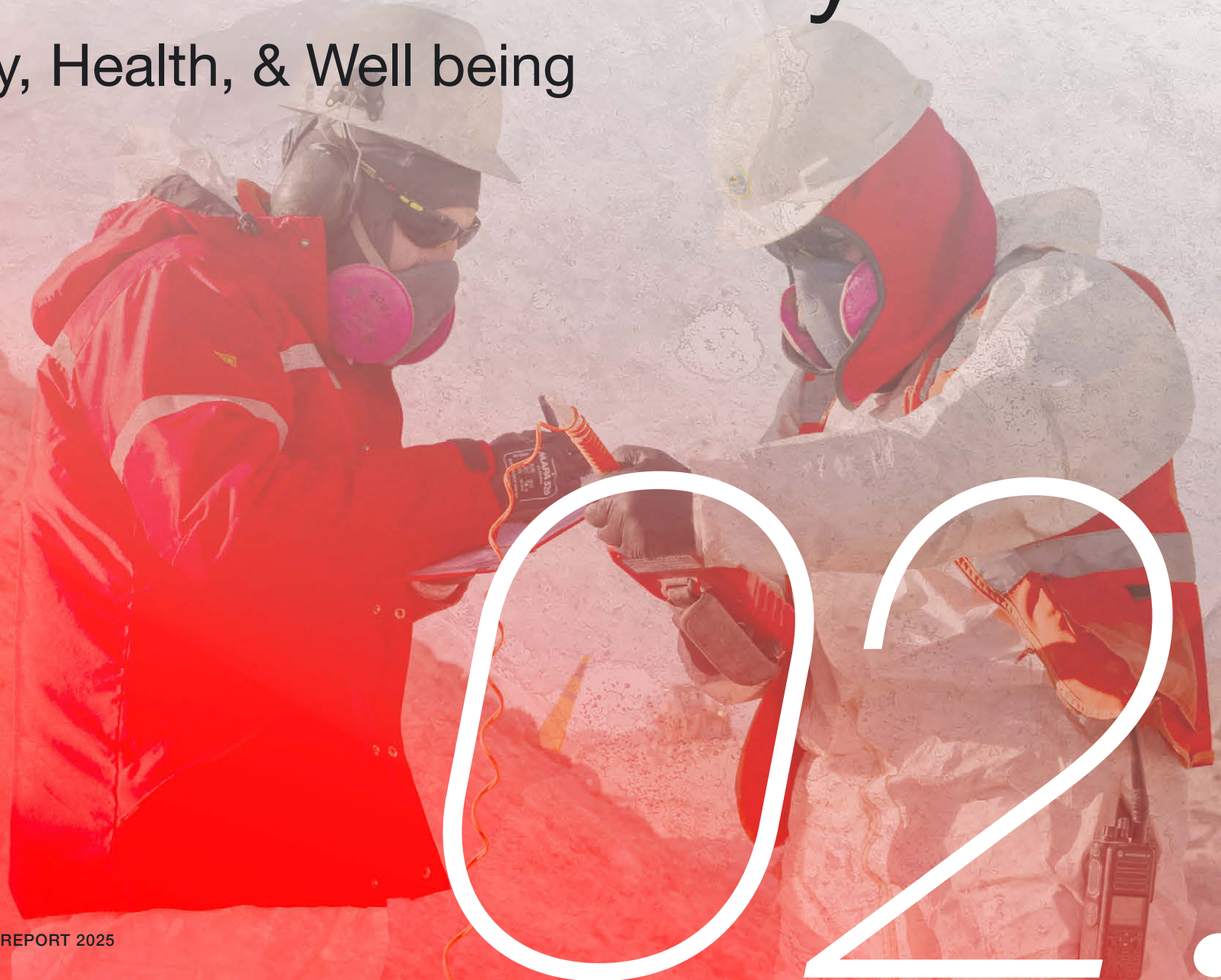
CLIMATE ACTION

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

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

Embedded in the company’s Mission, Vision and Values, the SHES commitment is implemented at every site and for every activity—spanning field services as well as manufacturing and storage—supported by clear expectations, training, and accountability.



Since 1833, Austin Powder has continuously strengthened its safety standards to reflect an evolving risk profile and to support operational excellence in high-hazard environments. In 2025, the company continued to invest in prevention and operational discipline, reinforcing safety and employee well-being as a shared responsibility across all levels of the organization and a core consideration in decision-making.

Across operations, Austin Powder applies the Basis of Safety (BOS) and Good Explosives Practices (GEP) to help prevent catastrophic events and reduce risk, drawing on established industry best practice. This approach is strengthened through leadership and collaboration, including CEO/President John Rathbun’s role as Chairman of SAFEX International and the company’s active participation in IME, FEEM and ISEE, supporting the advancement of safety performance across the sector.

Austin Powder’s Corporate goals for SHES in 2025 were:

1. To strengthen health, safety, and security performance through proactive management and continuous improvement.
2. Enhance environmental performance through systematic assessment and risk reduction across operations.
3. Improve learning from incidents by strengthening investigation quality and root cause analysis.
4. Reinforce safe operational practices in both manufacturing and field activities, focusing on high-risk events.
5. Build long-term SHES resilience by strengthening leadership continuity and a strong reporting culture.

SHES



“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

Corporate goals aligned with the long-term vision for SHES:

1. Continuous improvement of the Safety Culture in every process.
2. No major incidents including environmental releases.
3. Customers choose to do business with Austin Powder because of its good safety record and safety culture.

Safety is our First Priority

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, with a focus on sustainability.

The Management System is grounded in the company’s Mission, Vision, and Values and is implemented through global SHES policies that define mandatory requirements for all operations, employees, contractors and activities worldwide.

SAFETY & HEALTH

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

AUSTIN POWDER SHES

ENVIRONMENT

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

AUSTIN POWDER SHES

SECURITY

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

AUSTIN POWDER SHES

The system follows a proactive risk management approach—covering hazard identification, risk assessment, compliance, and continuous improvement—and is supported by the SHES Manual, which sets out the rules and procedures used to guide daily work. Performance and effectiveness are monitored through key performance indicators (KPIs) and a combination of local and corporate audits (including Basis of Safety audits as part of the License to Operate process for High-Risk Plants), with outcomes feeding into the annual Letter of Assurance and the SHES Improvement Plan.



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)



Safety is our First Priority

SHES Management System



Strengthening a Proactive Safety Culture

In 2025, Austin Powder made significant progress in strengthening its proactive safety culture. The SHES organization recorded a strong increase in hazard identification and safety observations, reaching the highest level of leading safety reports to date and enabling earlier identification and correction of unsafe conditions and behaviors. This progress reflects greater workforce engagement, improved digital reporting tools, and a stronger focus on learning and prevention across global operations.

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.

Safety is our First Priority

SHES Management System

SUCCESS STORY

New Braunfels: 1,000 Days Injury-Free

In 2025, the New Braunfels, South Central LLC, team achieved 1,000 consecutive days without an injury, delivering complex blasting work at scale while keeping safety first—even through extended periods of extreme heat. This milestone reflects consistent discipline, teamwork, and daily focus on safe practices.



SUCCESS STORY

Celebrating 9 Years of LTI-Free Operations at Huescalapa

On April 8, the Huescalapa Plant, in Mexico, achieved nine years without a Lost Time Injury while maintaining strong production and safety performance, demonstrating Austin Powder's commitment to workplace safety and operational excellence.



Hazard Identification Risk Assessment & Incident Investigation

Austin Powder’s SHES Management System is designed to identify process and job-related hazards and to evaluate risks associated with both routine and non-routine activities, as defined in the SHES Manual, in order to help ensure high standards of safety, health, environmental protection, and security.

Core elements include hazard studies to proactively identify foreseeable risks; a permit-to-work process for non-routine tasks not covered by existing procedures (supported by formal training); and Management of Change controls requiring review, approval, and documentation of changes to processes, equipment, products, and operations.

Comprehensive risk assessments are documented and retained, while hazard reporting is encouraged through a transparent, non-retaliation culture aligned with the SHES Policy and supported by tools such as Intalex, Kahuna, and Redmine, as well as a monthly corporate SHES report incorporating regional feedback.

Employees are empowered to cease unsafe work without fear of retaliation, and incidents are investigated using a structured process (SHES Manual, Chapter 17) to determine root causes, implement corrective actions, and share learnings across the organization.



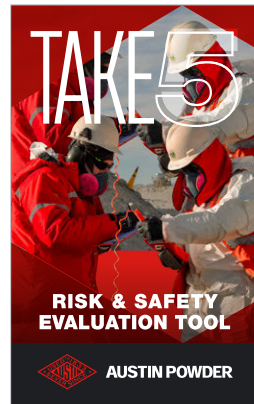
For more detailed information on this topic, please visit: austinpowder.com/risk-assessment-incident-investigation

Or scan the QR code.



“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

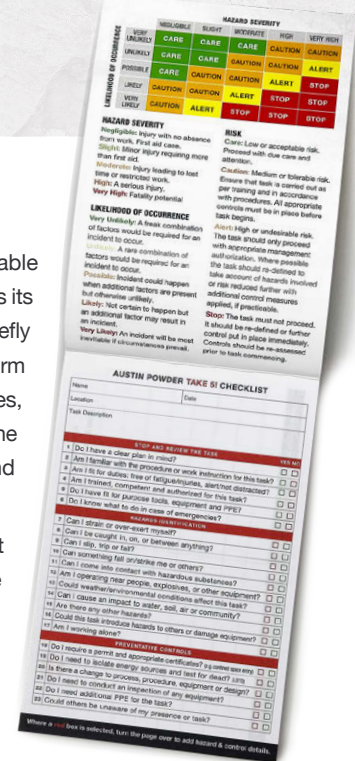


Strengthening Global Safety Culture through the “Take 5” Initiative

As part of its global commitment to safety excellence and sustainable operations, Austin Powder has implemented the Take 5 initiative across its operations worldwide. This program encourages employees to pause briefly before starting a task to identify potential hazards, assess risks, and confirm appropriate controls. Designed for routine and short-duration activities, Take 5 reinforces personal responsibility and situational awareness at the point of work, complementing formal risk assessment processes and embedding proactive risk management into daily operations.

Beyond risk prevention, Take 5 plays a key role in leadership development and cultural transformation. By equipping leaders to model safe

decision-making and promote open dialogue about hazards, the initiative empowers employees at all levels to actively participate in safety. This consistent, global approach helps prevent incidents, protect people, and support operational continuity, directly contributing to Austin Powder’s long-term sustainability objectives. Take 5 reflects the company’s belief that safety is a shared responsibility and a foundational element of responsible, sustainable performance.



Hazard Identification Risk Assessment & Incident Investigation



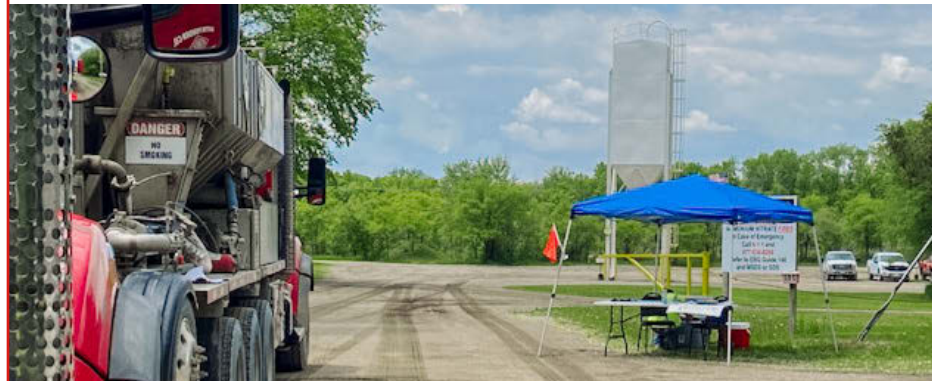
“Transportation safety continues to evolve at Austin Powder, with new initiatives utilizing technologies being adopted, as well as expansion of our training programs. Keeping safety at the forefront for our driver group, as well as maintaining an environment of continuous improvement in this area are top priorities.”

Darrell A. Martin
Senior Transportation Manager
Austin Powder Company

SUCCESS STORY

Significant Transportation Safety Initiatives in the US

Austin Powder strengthened transportation safety in the United States and Canada in 2025 both with the addition of specific technologies, as well as improvements to our selection of transportation-related training programs. Dashcam installations were completed early in the year, allowing monitoring of our commercial fleet, coaching of driver associates, and greater risk management. A new defensive driving program was built in 2025 and will be rolled out company-wide this year. Improvements were made to several existing programs including hazardous materials training, and training for employees who conduct transportation-related functions such as cargo tank testing and confined space entries at Austin locations. These training products complement an already robust program for onboarding new driver associates. Efforts in this area reflect Austin Powder’s commitment to reducing transportation risk, and protecting not only employees, but also the motoring public and the community at large.



SUCCESS STORY



Static Control Improvements at Kwekwe (ESD Risk Management)

In 2025, the Kwekwe capped fuse assembly plant strengthened controls for electrostatic discharge (ESD)—a key process safety hazard—by using risk-based analysis to identify the main contributors (including low humidity) and to verify the effectiveness of grounding and environmental controls. These measures go beyond minimum requirements and support ongoing prevention through continuous monitoring and periodic verification.

Worker Participation, Consultation & Communication

Worker participation and consultation are integral to Austin Powder’s SHES approach, enabling two-way communication and ensuring that frontline perspectives help shape decisions that affect occupational health and safety.

Locally and regionally, this is supported through the engagement mechanisms highlighted in the figure to the right (e.g., site-level discussions, feedback channels, and routine communications), which complement global consultation and information-sharing forums.

The Global Weekly Safety Focus Meeting remains as is a key communication and participation forum, connecting representatives across countries and organizational levels to share learnings, surface site-level risks, and align on SHES priorities (meetings held in 2025: **46**; countries represented: **22**; average attendance: **146**).

In 2025, Austin Powder complemented this ongoing dialogue with a Safety Focus Meetings Feedback Survey to capture input from managers, supervisors, and frontline operations personnel (responses: **137**). Results confirmed the value of the forum in identifying shared challenges and opportunities for standardization and best-practice sharing. Survey insights were translated into 2025/2026 improvements—such as:

- ◆ BOS training on energetic dust control.
- ◆ Global Leadership Team members participating on LTO audits in 2026.
- ◆ Implementation of leading SHES indicators—to strengthen follow-up, clarify ownership, and improve the practical application of actions at site level.

Technical Panels

In 2025, Austin Powder continued to rely on its specialized Technical Panels to provide expert support and consultation on complex projects, new technologies, and incident investigations. This approach depends on involving personnel with the right technical expertise, helping ensure the safety and reliability of each project.



Find out more about our technical panels in:
austinpowder.com/worker-participation/
or scan the QR code.



Safety Committees & Suggestion Programs

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



Open Communication & Dialogue

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



Internal Reporting Systems

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



Incentive Programs

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



Data Sharing & Transparency

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



Employee Representation

Designated employee representatives consult with management on all SHES matters.



Collaborative Planning

Encouraging worker input on SHES improvement plans at individual locations.



Emergency Preparedness Drills

Conducting mock scenarios to prepare employees for potential emergencies.



Self-Assessment & Continuous Improvement

Engaging employees in self-evaluations to identify areas for improvement in SHES compliance.

Worker Participation, Consultation & Communication

SUCCESS STORY



Malaysia Town Hall Highlights Growth, Safety, and Leadership Vision

In 2025, Austin Powder Malaysia hosted a virtual, company-wide Town Hall connecting employees from operational sites and Head Office to communicate business updates, strategic priorities, and SHES expectations, while recognizing employee contributions. The session included leadership introductions and an open Q&A, reinforcing two-way dialogue, transparency, and worker engagement on topics that influence occupational health and safety and broader business performance.

SUCCESS STORY

SIPAT Brazil: Worker Engagement Week (2025)

In September 2025, Austin Powder Brazil delivered a new edition of SIPAT (Internal Workplace Incident Prevention Week) across its operations, creating a structured space for worker participation, consultation, and communication on safety, health, and environmental topics. Through interactive sessions led by Austin employees and external specialists, teams shared practical learnings, discussed day-to-day risks, and reinforced shared ownership for prevention.

With additional engagement activities supported by partners and stakeholders (e.g., participation incentives and raffles), SIPAT helped strengthen two-way communication, reinforce safe behaviors, and keep prevention visible in daily routines.



SUCCESS STORY

Lafollette Safety Shutdown Day (2025)

Lafollette Safety Shutdown Day (2025) — On September 26, Lafollette paused operations to bring employees together for Safety Shutdown Day, strengthening worker participation and two-way communication on key OH&S risks through shared discussions and hands-on learning. The day included a full-crew safety meeting and focused sessions on Bulk Truck Safety and Blaster Safety, complemented by practical first-aid content from the Campbell County Volunteer Fire Department. As Location Manager Howard Elmore noted, the event provides “the chance to pause operations, come together as a team, and focus on what matters most—keeping each other safe,” reinforcing engagement and shared ownership for prevention.

SHES

Worker Training & Competence



Training is a core component of Austin Powder's SHES management approach, helping ensure employees are competent for their roles, understand site requirements, and are prepared to respond effectively to emergencies. In 2025, training governance was supported through site-specific training matrices and documented records, enabling consistent oversight of mandatory training.

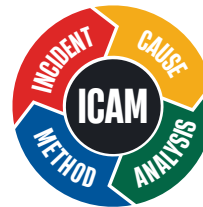
Austin Powder University

In 2025, Austin Powder advanced a global initiative to strengthen workforce training through the development of Austin Powder University (APU), a unified learning management system designed to standardize the delivery, tracking, and reporting of safety, hygiene, compliance, and operational training. The platform will centralize training content and establish a common framework to support occupational health and safety, regulatory compliance, and operational excellence.



By the end of 2025, APU transitioned from system development to active operational use across initial launch regions, representing approximately 49% of the global workforce. Efforts during this phase focused on administrator enablement, early learner adoption, and validation of core training workflows. In 2026, Austin Powder plans to scale APU globally, with the goal of having all employees set up in the platform by year-end and using APU to track and report at least one major mandatory training campaign, supporting consistent governance, completion tracking, and reporting aligned with the company's ESG commitments.

Incident Investigation Training



In 2025, Austin Powder strengthened its incident learning capability by delivering focused training in the Incident Cause Analysis Method (ICAM) and the 5 Whys

technique—two complementary approaches that help teams move beyond symptoms to understand system contributors and prevent recurrence. Building investigation quality is a critical lever for sustainable performance in high-hazard environments, because stronger learning loops translate into safer operations, better risk controls, and more resilient day-to-day execution.

The ICAM training (hours: 16; participants: 14) equipped SHES leaders with a structured way to analyze events, identify immediate and underlying causes, and translate findings into corrective and preventive actions. The 5 Whys training (hours: 8; participants: 13) reinforced practical root-cause questioning that can be applied consistently at site level, strengthening accountability, transparency, and prevention across operations.



“In August 2025, Austin Powder provided ICAM Lead Investigation Training to SHES Leaders, strengthening our ability to conduct consistent incident investigations and identify contributing factors. This approach supports data-driven improvements in Safety, Health, Environment, and Security across our operations..”

Kim Ryans
Environmental, Health,
Safety & Quality Manager
US Nitrogen LLC

SHES

Worker Training & Competence

SUCCESS STORY



Road Safety & Employee Training

In 2025, Austin Powder Malaysia supported safe transportation by delivering defensive driving training for employees in transport and logistics. The program combined classroom learning with practical exercises to strengthen hazard awareness, decision-making, and responsible driving, helping reduce transportation-related risk and reinforce a strong safety culture.

SUCCESS STORY

Fire Fighting and Emergency Response Team Preparedness & Training



In 2025, Austin Powder advanced its global commitment to emergency preparedness through targeted training programs and drills tailored to local operational risks. In Malaysia, employees

strengthened their readiness through fire-fighting, first aid, CPR, and AED training, enhancing immediate response capabilities. In Austria, the plant fire brigade continued structured training activities, reinforcing both site-level safety and collaboration with the surrounding community. These initiatives reflect a consistent, preventive approach to protecting people and assets across regions.

The company also validated its emergency systems through simulations and coordinated exercises. A large-scale emergency drill in the Czech Republic tested internal preparedness and cooperation with external rescue services, while evacuation drills in Brazil helped reinforce procedures and employee awareness. In Costa Rica, Austin Powder combined internal brigade training with joint activities alongside local firefighters, strengthening coordination and response effectiveness. Together, these actions demonstrate how a global safety strategy is translated into practical, site-specific measures that support resilience, operational continuity, and community trust.

SUCCESS STORY



Crisis Management Training of local SHES team in Costa Rica & Panama

To strengthen emergency readiness, APPA and IACR operations conducted two Crisis Management training workshops. The trainings were focused on media training, supported by an external communications consultancy and included practical exercises to help participants handle media interactions and challenging crisis scenarios as well as crisis management approach, including roles and responsibilities, preparedness, issue identification, social media policy, and other key elements of effective response. The team actively participated throughout, strengthening collective understanding and readiness to respond in a coordinated and effective way.

SHES

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.

Training and awareness programs also encouraged employees to take an active role in protecting their own health and that of their colleagues. Through these efforts, Austin Powder reinforced its commitment to providing a safe, healthy, and supportive workplace as part of its long-term sustainability strategy.

SUCCESS STORY

Austin on the Move: Promoting Health and Well-Being Through Active Lifestyles

Austin Detonator in the Czech Republic launched Austin on the Move, a company-wide sports challenge that promoted employee health, well-being, and active lifestyles by encouraging daily physical activity, healthier habits, and stronger team engagement.

By combining wellness and friendly competition, the initiative supported both physical and mental well-being and reinforced Austin Powder's broader approach to promoting workers' health.



SUCCESS STORY



Austin Powder Supports Breast Cancer Awareness Month

Austin Powder Mexico marked Breast Cancer Awareness Month with the campaign “Check yourself, take care of yourself, and do it for you,” promoting prevention and early detection. Employees took part in awareness activities that included expert presentations, self-examination guidance, and preventive screenings such as mammograms and breast ultrasounds. This initiative reflects Austin Powder's commitment to fostering a culture of care, prevention, and mutual support within the company and in the communities it serves.

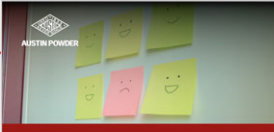
SHES

Promotion of Workers' Health

SUCCESS STORY

Employee Well-Being Across Regions

Austin Powder strengthened its commitment to employee well-being through initiatives in Europe and LATAM, reinforcing the importance of both physical and mental health as part of its sustainability strategy. In Austria, the company conducted a comprehensive Workplace Psychosocial Risk Assessment with the support of an independent consultant, combining an employee survey with cross-functional workshops to identify improvement opportunities in communication, workload management, leadership, teamwork, and well-being. In LATAM, Austin Powder launched the Wellness Talk Series, a company-wide initiative focused on physical, emotional, and social well-being, beginning with healthy eating and expanding to topics such as stress management and gambling addiction. In Brazil, the “Your Health in Focus” program promoted regular discussions on health and quality of life, with an initial focus on mental health, stress management, emotional balance, and burnout prevention. Together, these initiatives reflect Austin Powder’s ongoing effort to create a supportive, healthy, and sustainable workplace where employees can thrive.

LO QUE SENTIMOS INFLUYE EN CÓMO TRABAJAMOS.

SAVE THE DATE
Te invitamos a una nueva charla online para reflexionar sobre cómo gestionar lo que sentimos en el trabajo y en nuestra vida cotidiana.

A CARGO DE JORGE NOCETTI,
Especialista en gestión emocional.

Algunos temas que abordará:

- ✓ Tipos de emociones y estados de ánimo
- ✓ Emoción, cuerpo y conducta
- ✓ Rol de las emociones en el trabajo
- ✓ Herramientas para gestionarlas mejor

JUEVES 16 DE OCTUBRE - Modalidad online

- 🇨🇦 Argentina 12:00 hs
- 🇧🇷 Brasil 12:00 hs
- 🇨🇱 Chile 12:00 hs
- 🇵🇦 Panamá 10:00 hs
- 🇲🇽 México 9:00 hs
- 🇨🇷 Costa Rica 9:00 hs

Pronto te compartiremos más información para sumarte.



HAGAMOS UNA PAUSA PARA ENTENDER COMO NOS SENTIMOS.

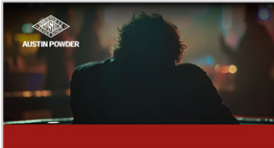
SAVE THE DATE
CHARLAS PARA NUESTRO BIENESTAR

MANEJO DEL ESTRÉS con la Prof. Eliana Durand

VIERNES 22 DE AGOSTO
Modalidad online

- 🇨🇦 Argentina 12:00 hs
- 🇧🇷 Brasil 12:00 hs
- 🇨🇱 Chile 11:00 hs
- 🇵🇦 Panamá 10:00 hs
- 🇲🇽 México 09:00 hs
- 🇨🇷 Costa Rica 09:00 hs

Agenda el día. ¡Te esperamos!



EL JUEGO NO SIEMPRE ES UN JUEGO.

SAVE THE DATE
CHARLA ONLINE SOBRE CONDUCTAS ADICTIVAS: juego, apuestas y ludopatía.

A CARGO DEL PROF. GUIDO BERGMAN
Capacitador y consultor en adicciones en adolescentes. Coach ontológico ECOPE.

Algunos temas que abordará:

- ✓ Qué es una conducta adictiva
- ✓ Juego online, apuestas y ludopatía
- ✓ Síntomas de alerta en adolescentes
- ✓ Rol de la familia, la publicidad y la prevención

JUEVES 18 DE SEPTIEMBRE - Modalidad online

- 🇨🇦 Argentina 12:00 hs
- 🇧🇷 Brasil 12:00 hs
- 🇨🇱 Chile 12:00 hs
- 🇵🇦 Panamá 10:00 hs
- 🇲🇽 México 9:00 hs
- 🇨🇷 Costa Rica 9:00 hs

Agenda el día, nos importa que estés.



¡HOY ES LA CHARLA!

Alimentación Saludable
con la Dra. Rosana Roldán

Horarios por país:

- 🇨🇦 12:00 hs | 🇧🇷 12:00 hs | 🇨🇱 11:00 hs
- 🇵🇦 10:00 hs | 🇲🇽 9:00 hs | 🇨🇷 9:00 hs

Quando nos sentimos bien, todo funciona mejor.

Conectate y sumate a este espacio de bienestar.

SHES

Value-Chain Impacts: Prevention & Mitigation

Beyond its own operations, Austin Powder recognizes that significant occupational health and safety risks may arise through business relationships—particularly in high-risk activities such as blasting operations, mining services, and the transportation and handling of hazardous materials—which can affect customer, contractor, logistics, and other third-party workers. To prevent and mitigate these impacts, the company applies a comprehensive approach based on technical influence, knowledge transfer, technological innovation, and extending safety standards to third parties, including where it does not have direct operational control.

To prevent and mitigate these impacts, the company applies a comprehensive approach based on technical influence, knowledge transfer, technological innovation, and the extension of safety standards to third parties, even in situations where Austin Powder does not have direct operational control.

Customers & Joint Operations

Austin Powder plays an active role in preventing occupational health and safety risks within customer operations, especially in mining and quarrying activities, through:

- ◆ Technical training and critical risk management programs, including hands-on training for blasting and explosives handling at customer sites.
- ◆ Implementation and technical support for advanced blasting and electronic initiation technologies to improve control, reduce vibration, and minimize hazardous exposures for on-site workers.
- ◆ Ongoing technical accompaniment in customer operations to strengthen safe practices and reduce incidents in high-risk environments.

These actions help reduce impacts beyond Austin Powder’s workforce and improve working conditions for third-party personnel in its value chain.

Safe transportation & logistics

Recognizing the transportation of hazardous materials as a critical value-chain risk, Austin Powder has implemented a transportation safety system that also applies to third-party logistics providers and transport operators.

Minimum requirements focus on:

- ◆ **MMU Rollovers:** Causes and prevention.
- ◆ **Vehicle Fires:** Ignition sources and response/mitigation, including hazardous materials transport (e.g., AN).
- ◆ Driver training and behavioral safety, including recommended standards for monitoring (e.g., GPS and data systems).

The effectiveness of this approach is reflected in external recognition for safe hazardous-materials transportation, reinforcing the company’s commitment to protecting third-party workers and the community.

Continuous Improvement & Value-Chain Influence

Austin Powder continuously strengthens safety practices linked to business relationships through:

- ◆ Integrating lessons learned from incidents, audits, and risk assessments.
- ◆ Ongoing dialogue with customers, contractors, and logistics partners on safety expectations and responsibilities.
- ◆ Promoting a shared safety culture where incident prevention and protecting people are common value-chain priorities.



Recognizing Safe Drivers at Mid-Atlantic LLC



Austin Powder Hosts Product Training in Indonesia



Austin Powder Receives CN Railway Safe Handling Award

KPI's

Key Performance Indicators

In 2025 Austin Powder remains committed to maintaining and continuously enhancing its health and safety standards in alignment with the company's strategic direction, objectives, and operational priorities. A key element of this commitment is the use of both leading and lagging Key Performance Indicators (KPIs), which provide measurable benchmarks to evaluate the effectiveness of the company's safety programs, policies, and operational practices.

To support accurate tracking, analysis, and reporting of these indicators, Austin Powder utilizes several Safety Management Systems. Those digital platforms enables the organization to systematically collect, monitor, and analyse safety data across all regions and operations, ensuring consistent reporting and greater visibility of safety performance.

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

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



Our People



Austin Powder

Our Culture & Values

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.

Austin Powder's corporate culture comes from employees' dedication to living its core values:

- ◆ Safety is our 1st priority
- ◆ We leverage the power of family
- ◆ We are customer focused
- ◆ We treat everyone with respect

Reinforcement of these values creates a family-like atmosphere, where “how” we do business is equal to the accomplishments of both individuals and teams.

The company's strategy focuses on attracting and retaining the best talent. Each team member brings unique knowledge, perspectives and skills that strengthen Austin Powder's business model. The company is renewing its commitment to employee development, helping people to achieve personal success while delivering results for its customers.

Investing in people is seen by Austin Powder as a fundamental pillar of long-term success.



Ethical & Respectful Workplaces

Austin Powder's approach to people management is grounded in the principles established in the Code of Conduct and Business Ethics. The Code defines expected behaviors related to respect, professional conduct, equal opportunity, and workplace safety, and serves as a foundation for daily interactions throughout the organization.

By embedding these principles into its people practices, Austin Powder seeks to ensure that all employees are treated fairly and with dignity, and that the workplace remains inclusive, respectful, and aligned with the company's values.



“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

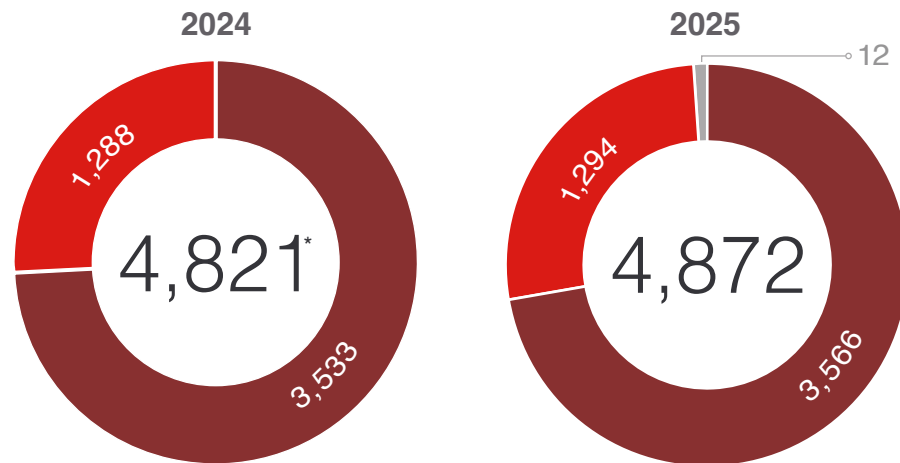


Austin Powder Workforce Overview

As of December 31, 2025, Austin Powder Group employed 4,872 people across its global operations. The company's workforce spans a wide range of roles, professional backgrounds, and geographies, supporting the delivery of products and services worldwide. Understanding workforce composition and trends enables the company to better plan for future talent needs and to support a resilient and engaged organization.

Gender Distribution of Employees

In 2025, 27% of whom are women, and a small but emerging undisclosed segment, Austin Powder stands out for its commitment to gender diversity, maintaining similar percentage of women as in 2024.



Workers	2024		2025	
● Male	3,533	73%	3,566	73%
● Female	1,288	27%	1,294	27%
● Undisclosed	-	-	12	0.25%
TOTAL	4,821		4,872	

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.

*The headcount data for 2024 was mis-stated in the prior reporting period and has been corrected for comparisons and calculations pertaining to the 2025 headcount data

Austin Powder Workforce Overview



New Hires & Turnover

Attracting and retaining talent is a key component of Austin Powder’s long-term success and operational continuity. Monitoring employee turnover and the volume of new hires enables the company to assess workforce stability and employee engagement, evaluate the effectiveness of recruitment and retention practices, and better understand workforce dynamics across regions.

In 2025, Austin Powder tracked employee turnover and new hires across all business units and geographies. During the reporting period, the company also began capturing data on the representation of women and individuals from underrepresented groups among new hires. These data provide an initial baseline to support the understanding of hiring outcomes and workforce composition.

	Turnover	Annual Turnover	New Hire	Woman New Hire	Underrep. Groups New Hire
	#	%	#	%	%
US & Canada	307	26	320	10	12
LATAM	189	16	188	15	0
Detonators Comp.	100	7	95	44	1
Asia	64	19	14	43	0
Africa	32	13	97	4	1
Europe	48	11	55	21	0
GLOBAL	740	15	769	16	5

*Annual turnover represents the percentage of employees who left the organization during the reporting period, divided by the employees in previous year x100. Percentages of women and individuals from underrepresented groups are calculated based on total new hires for the year.

Distribution of Employees by Business Unit

With Austin Powder’s global, we gather a wide range of cultural insights, encouraging interactions between employees from different regions to nurture a unique exchange of ideas and practices.

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

Austin Powder

Our Team

Austin Powder recognizes the value of cultivating an inclusive environment where employees can thrive. The company's workforce spans multiple age groups, each of which brings unique perspectives, skills and experience that drive innovation and operational excellence.

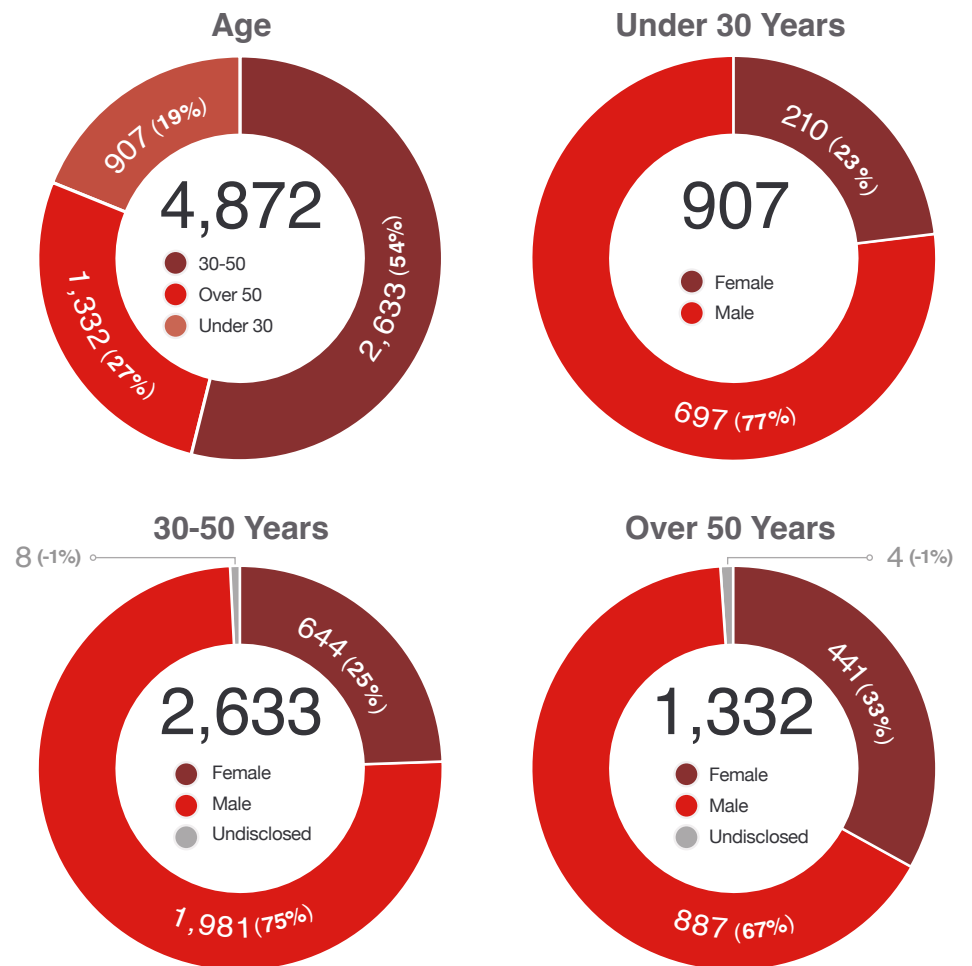
In 2025, the distribution of employees reflected a balanced representation across different age groups and genders:

- ◆ **Young Employees (Under 30)**
This group represents the next generation of talent, bringing new perspectives, adaptability and technological skills to the company's operations.
- ◆ **Middle Career Employees (30-50)**
Comprising a significant part of the workforce, these employees bring experience, leadership and technical expertise, playing a key role in mentoring and knowledge transfer.
- ◆ **Experienced Employees (50+)**
Their in-depth industry experience and strategic vision are invaluable in maintaining operational stability and nurturing long-term success.

Austin Powder remains committed to gender diversity, ensuring equal opportunities for all employees, but there remains work to be done to attract a differentiated workforce into the company and the industry. The company's initiatives focus on talent attraction, talent development, professional growth and leadership pathways creating a workplace where everyone feels valued and empowered.

This distribution highlights Austin Powder's ongoing efforts to build a complete and dynamic team that supports both innovation and continuity, reinforcing its commitment to excellence in all aspects of the business.

Employee Distribution by Age Group & Gender



Austin Powder Professional Growth

Classification of professionals in a company such as Austin Powder holds significant importance, as it defines roles and responsibilities across different levels of experience and leadership.

A large majority of the workforce, specifically 3,109 people out of a total of 4,872 belong to **Group D**, that includes operators, administrative support workers, service operators, among others. These operational and administrative support staff are key to carrying out daily tasks and ensuring the smooth running of the organization.

Every role plays a vital part in furthering the company’s overall goals and operational success. This organized system allows Austin Powder to allocate resources effectively, optimize workflows and create a cohesive work environment where the contributions of each category are recognized and appreciated.

The professional groups of employees in the company retain the same structure established in 2023 and are defined as follows*:

Distribution of Employees by Professional Group & Gender

GROUP	GENDER	2025		2024	
		#	NON-WHITE #	#	NON-WHITE #
Group A: GLT (Global Leadership Team) This group includes L0 and L1 reports, where the CEO is L0 and his direct reports are L1. This corresponds to the EEO (Equal Employment Opportunity) category “Executives/Senior Officials and Managers”.	Male	17	2	10	2
	Female	0	0	1	0
	Undisclosed	0	0	0	0
	TOTAL	19		13	
Group B: First- & Mid-Level Officials & Managers This group includes those who report directly to an L1 Leader, as well as other managers and supervisors not included in the above group. It is similar to the EEO (Equal Employment Opportunity) category, excluding “Team Leaders”.	Male	316	71	315	52
	Female	59	12	56	10
	Undisclosed	1	0	0	0
	TOTAL	459		433	
Group C: Professional This includes technicians and skilled trades (specialized workers), such as analysts, engineers, accountants, researchers, recruiters, programmers, buyers, specialists, logistics staff, auditors, clerks, geologists, technicians, electricians and blasters.	Male	845	153	959	102
	Female	233	45	217	43
	Undisclosed	9	0	0	0
	TOTAL	1,285		1,321	
Group D: Operatives This includes operators, administrative support workers, service operators, mixers, blenders, security guards, etc.	Male	1,548	620	1,548	541
	Female	716	223	356	609
	Undisclosed	2	0	0	0
	TOTAL	3,109		3,054	
		4,872		4,821	

Austin Powder Professional Growth

SUCCESS STORY



Developing ValuesDriven Leaders Through Purposeful Training

On April 22, 2025, the MidAtlantic LLC leadership team came together in Richmond, Virginia, for a valuebased leadership development session designed to strengthen leadership capabilities across the organization. The event brought together Location Managers, Sales and Technical Representatives, and the LLC management team for an interactive training led by InnerWill, a nonprofit leadership institute focused on valuesdriven leadership practices. Supported by senior leaders including Tom Cochran, Ross Ellis, and Brian Thornburg, the session fostered selfreflection, meaningful dialogue, and practical leadership tools that participants could apply within their teams. In addition to professional development, the gathering created opportunities for crossrole collaboration and networking, contributing to renewed engagement, fresh perspectives, and a shared commitment to leading with purpose and integrity.

Open Communication

Speak-Up Culture

Austin Powder values open communication and encourages employees to raise concerns, ask questions, and provide feedback through established channels.

In alignment with the company’s ethical framework, employees have access to formal mechanisms to report concerns without fear of retaliation. These mechanisms support trust, transparency, and engagement, and help ensure that employees feel safe and supported when speaking up. A strong focus on safety reinforces this approach, recognizing that every employee has both the right and the responsibility to stop any task they believe to be unsafe.



Empowerment Through Safety

Safety is fundamental to Austin Powder’s operations. It is essential to ensure that all employees have the authority to intervene and raise concerns about any safety issues, helping to maintain a workplace where safety is always the top priority



Inclusive & Respectful Environment

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



Transparent Communication Channels

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



Leadership’s Role

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



Continuous Improvement

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



Contributing to Success

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

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.

Technology & Innovation

04

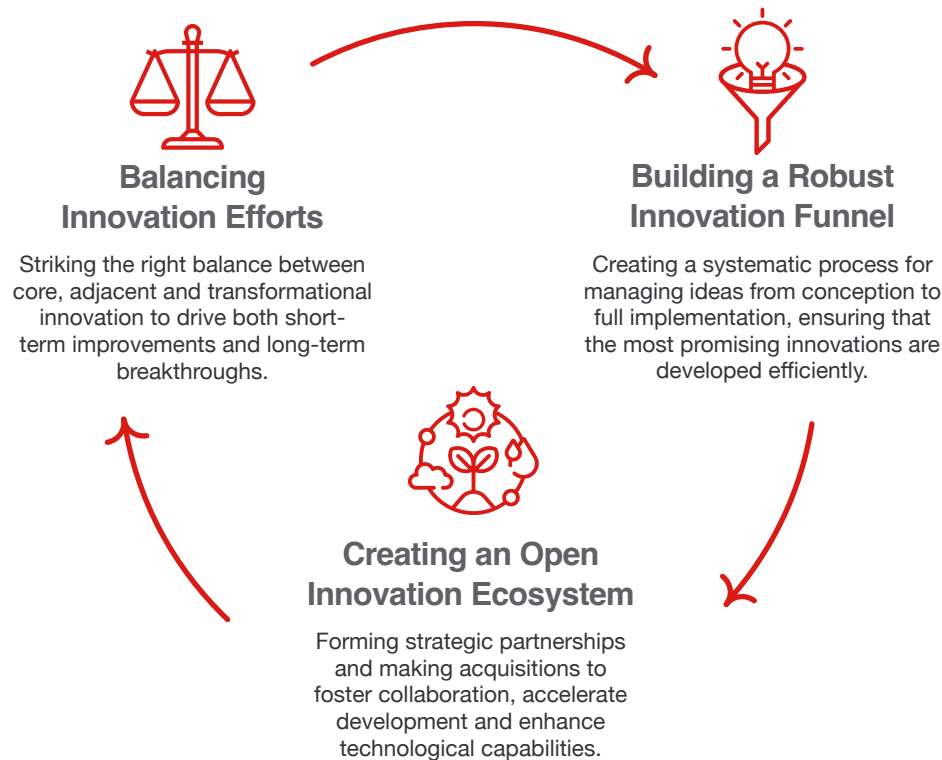


Leading the Industry Innovation Strategy

In today's rapidly evolving marketplace, Austin Powder is committed to being a leader in innovation within its industry.

To achieve this, the company has developed a strategically focused corporate innovation function that goes beyond generating ideas, ensuring that innovations are effectively encouraged and implemented to create tangible value.

Our innovation strategy relies on three pillars:



Leading the Industry Robotics, Automation & New Development



Robotic Innovation in Manufacturing. Enhancing Capacity While Reducing Operator Exposure

Over the past decade, robotic automation and advanced manufacturing technologies have been a strategic focus across Austin Powder's Detonator and Explosives operations, supporting continuous improvements in safety, efficiency, and sustainability.

At **Austin Star Detonators (ASD)**, major capital investments made in 2025 resulted in the commissioning of a state-of-the-art Shocktube production line and a completely new explosive preparation building. These facilities incorporate modern technologies designed to enhance process control, improve energetic dust management, and significantly reduce waste generation. Beyond operational efficiency, these upgrades strengthen environmental performance and workplace safety, contributing to a reduction in hazardous waste generation by more than 50% compared to previous processes.



ASD Shocktube Line Commissioned 2025



Oil★Star Assembly Line-Robotic Introduction



In parallel, automation and robotics have also played a key role at the **Detonadores Estrella (DE)** operations. In late 2025, one assembly line at the Mexico plant was modernized through the integration of robotic and automated systems. This development increased production capacity for **OIL★STAR Detonators** while reducing operator exposure to hazardous tasks and replacing repetitive manual movements with programmable robotic processes. The result is an improvement in ergonomics, a reduction in injury risk, and a safer, more resilient manufacturing environment.

Leading the Industry

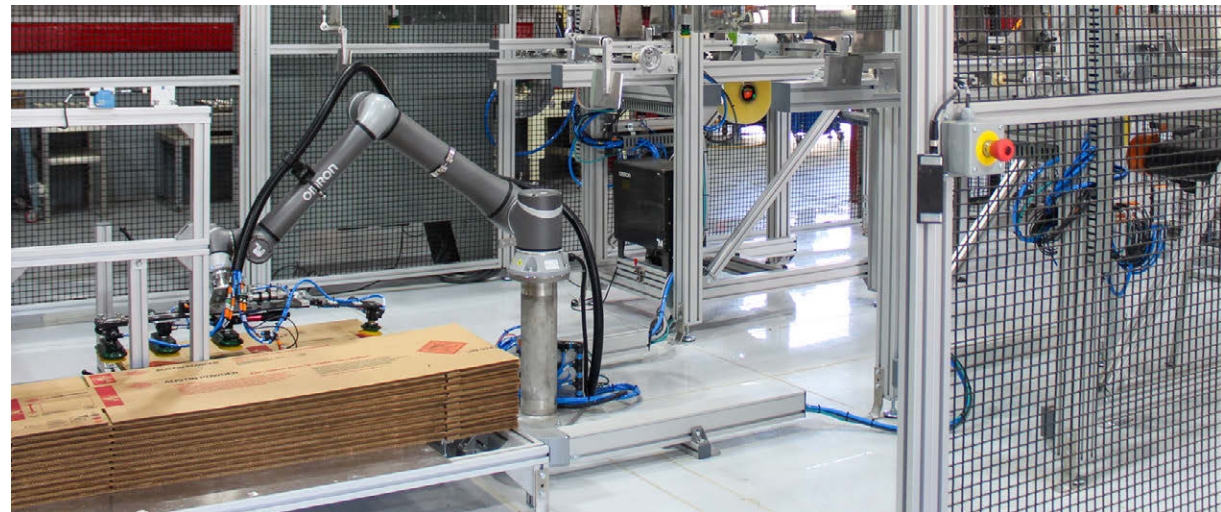
Robotics, Automation & New Development

Also, in 2025, **Austin Detonator (AD)** further strengthened its technology and innovation agenda through capital investments increased compared to 2024. Nearly three-quarters of this investment was allocated to automation and robotic solutions, with a primary focus on reducing direct operator exposure to explosives and minimizing repetitive-strain risks.

One key initiative is the development of a robotic workstation for elemented caps manufacturing, currently in the prototype phase at the supplier's facilities. Installation and commissioning are planned for 2026. Beyond improving workplace safety, this automation is expected to enhance long-term production efficiency and operational stability.

A substantial portion of 2025 investments also targeted innovations in electric fusehead production. As the only Austin Powder entity capable of manufacturing electric fuseheads, Austin Detonator supplies internal operations in Mexico and Argentina as well as external customers. During the year, a new fully automated dipping and drying process was successfully tested, and a contract was signed for the delivery of a complete replacement production line to modernize equipment that has been in operation for several decades. The new line, scheduled for commissioning by the end of 2026, is designed to significantly reduce worker exposure to volatile organic compounds (VOCs) while improving process consistency.

Together, these investments demonstrate how targeted innovation across detonator manufacturing delivers tangible ESG value—improving employee safety, reducing environmental impact, and strengthening operational reliability in support of Austin Powder's long-term sustainability objectives.



Advancing Automation in Packaging Operations. Improving Safety, Efficiency, and Ergonomics

Austin Powder has advanced automation and operational efficiency at its Dinamita Plant in Durango, Mexico through the introduction of a robotic arm for the automatic assembly of cardboard boxes. This solution addresses one of the most repetitive and labor-intensive activities within packaging operations, improving process consistency and reducing manual handling requirements.

Aligned with the company's "Innovation That Matters" approach, the system supports productivity improvements while contributing to safer working conditions. By automating physically demanding tasks, the initiative reduces employee strain and lowers the risk of repetitive-motion injuries, enabling personnel to focus on tasks that require monitoring, technical judgment, and operational expertise.

The collaborative robot provides the precision and flexibility required for packaging operations and incorporates safety features designed to protect personnel. These include integrated safeguards and magnetic safety doors that interrupt operations when access points are opened, ensuring compliance with applicable industrial safety standards.

In addition, the system operates with optimized energy consumption compared to traditional manual processes, supporting more efficient manufacturing practices. The successful implementation of this technology, enabled through cross-functional collaboration, reflects Austin Powder's ongoing efforts to apply practical innovation in ways that enhance safety, operational reliability, and responsible manufacturing.

Leading the Industry

Robotics, Automation & New Development

Product Innovation in Electronic Initiation Systems

In parallel with manufacturing automation, product innovation in electronic initiation systems also advanced during the year. A newly qualified electronic module (EM) design for **E★STAR detonators**, offering enhanced **resistance to electromagnetic pulses (EMP)**, was progressively introduced to customers. The new generation of EM represents a strong collaboration among R&D teams across multiple countries.

In addition, Austin Detonator launched **E★STAR Tunnel EVOL**, a lead-free electronic detonator incorporating recycled and biodegradable plastic materials, further strengthening the company's focus on safety, material innovation, and responsible product design (more details under Sustainable products).

These developments build on Austin Detonator's established innovation capabilities and were externally recognized in 2025, when the **E★STAR GO** product line (logger and blaster), developed entirely in-house, received an honorable mention in the Zlín Region Innovative Company competition, selected from 28 participants.



New Development: Modular Emulsion Plant for Rapid Deployment

Austin Powder has reached a significant milestone with the development of a modular, containerized emulsion plant designed to address increasing operational demands for flexibility, speed, and scalability in mining environments. The solution is particularly suited for tropical regions and remote or short-term mine sites where conventional fixed infrastructure may be challenging to install.

The plant is based on a fully containerized and standardized design that enables streamlined installation and modular expansion. The first completed stir-pot container integrates control systems and distribution boards and is capable of supporting up to four dissolving modules. This configuration allows production capacity to exceed 50,000 tonnes of emulsion per year, while an initial two-module setup delivers approximately 13,000 tonnes annually under standard operating conditions.

The system's mobility significantly reduces installation timelines to approximately four to six weeks, supporting faster deployment and improved operational responsiveness. While optimized for tropical climates, the design can also be adapted for colder environments through temporary enclosures or permanent structures, allowing for deployment across a wide range of geographic and climatic conditions.

The first unit is currently in Zambia. Additional deployments are planned in Chile and other

countries across Latin America, reflecting the scalability and broader applicability of the modular approach.

This development represents a practical advancement in emulsion production delivery, offering a flexible and efficient alternative that supports customer operations in dynamic and logistically challenging mining environments.



Blasting Software Paradigm Predictive Models



“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

In parallel with physical automation in manufacturing, Austin Powder has continued to strengthen its digital capabilities, applying advanced software tools to improve blast design accuracy, predictability, and operational control in the field.

Blasting Software – Paradigm

Paradigm is Austin Powder’s proprietary blast design and modeling platform, developed to support safer, more accurate, and more predictable blasting practices. By combining advanced 3D visualization, data integration, and predictive capabilities, the software enables engineers to better assess blast performance, manage potential impacts on surrounding infrastructure, and support responsible blasting decisions.

In October 2025, a major Paradigm update was released, introducing a new rendering engine and significant improvements in interactivity, performance, and data visualization. Key enhancements included improved 3D and section views, more precise selection and editing tools, enhanced hole-placement and proximity analysis, direct visualization of near-field damage models, and better performance when working with large blast patterns. Additional upgrades strengthened data integration, reporting outputs, and export capabilities, supporting clearer communication and more efficient engineering workflows.

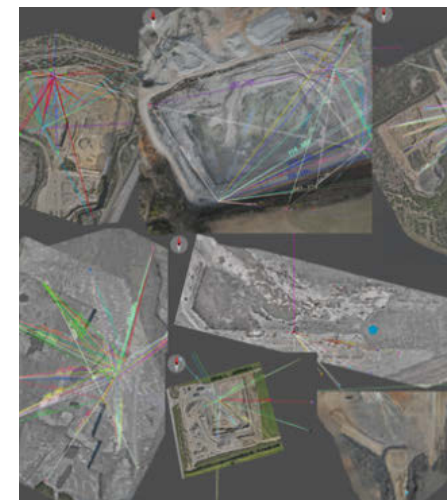
Together, these improvements reinforce Paradigm’s role as a core digital tool supporting safety, operational control, and environmental risk management across Austin Powder’s blasting operations.

Air Blast Overpressure Modeling Tool

During 2025, further advancements were made in the development of a data-driven air overpressure predictive model, grounded in the mathematical characterization of overpressure pulse behavior and calibrated using empirical field measurements. This approach enhances the reliability and accuracy of predictions by aligning theoretical modelling with observed data.

Current efforts are focused on integrating this predictive capability into the Paradigm software platform, with the objective of improving the forecasting and management of blast-induced environmental effects, particularly vibration and air overpressure, which may affect external stakeholders.

In parallel, additional functionalities related to underground blast design are being progressively developed and incorporated into the Paradigm system, supporting more efficient, controlled, and environmentally responsible blasting practices.



Blasting Software

Paradigm Predictive Models

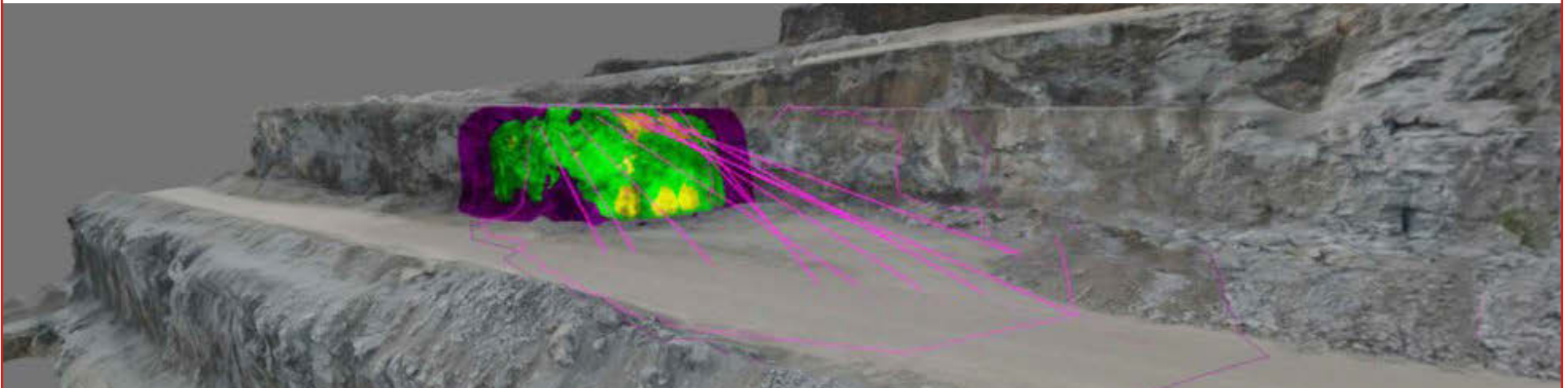
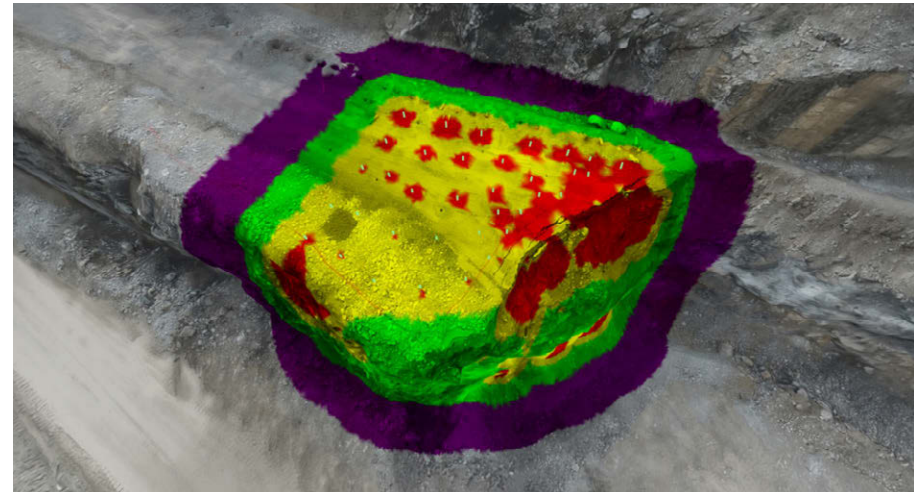
SUCCESS STORY

Safe Blasting Near Critical Infrastructure

In 2025, Austin Powder successfully addressed a highly sensitive blasting challenge by applying advanced digital modeling. A mining operation needed to remove a remaining bench located just 70 feet (21.3 m) from critical infrastructure, where even limited rock movement or vibration could compromise equipment and operational continuity.

Using an integrated engineering approach, Austin Powder combined UAV-based site imaging, Paradigm 3D blast modeling, and precision drilling technologies to design and simulate blast performance prior to execution. The modeled design enabled precise hole placement and controlled energy distribution using electronic detonators and bulk gassed emulsion.

The blast results achieved the required fragmentation with minimal rock movement and no impact on nearby infrastructure. This approach not only ensured safe execution in a high-risk environment, but also generated a calibrated predictive model within Paradigm to support future blasting operations under similar constraints.



Tools of Innovation

Sustainable Products

Beyond process optimization and digital modeling, Austin Powder also incorporates sustainability considerations directly into product design and material selection.

Sustainable Product Design: HELIX® Booster

Innovation is a key driver of Austin Powder's sustainability strategy. The development of HELIX®, a next-generation booster, reflects our commitment to advancing safer manufacturing, reliable performance, and supply chain resilience through technology and engineering.

HELIX® is a high-PETN content booster designed to deliver dependable initiation and consistent energy across a wide range of applications, including mining, quarrying, construction, and underwater operations. Developed from the molecular level up, the product supports stable and repeatable performance while meeting rigorous safety and quality standards.

The product has been successfully implemented in Argentina for more than a year, serving as an operational validation platform and achieving **100% success in field applications**. Learnings from this experience are informing the planned expansion of more automated manufacturing approaches as HELIX® scales globally.

A key innovation behind HELIX® is its design compatibility with automated and remote

manufacturing processes, enabling a significant reduction in employee exposure to high-hazard areas (Red Zone). As part of its U.S. rollout, Austin Powder is planning to implement advanced automated manufacturing capabilities at the Red Diamond facility in southern Ohio during 2026.

In addition to manufacturing and operational benefits, HELIX® strengthens supply chain resilience by reducing reliance on energetic materials traditionally associated with higher environmental persistence, regulatory complexity, and occupational health considerations. By sourcing all critical raw materials internally, Austin Powder reduces exposure to external supply disruptions while supporting safer handling, more predictable logistics, and long-term product availability.

Through HELIX®, Austin Powder demonstrates how innovation and technology can reduce operational risk, enhance reliability, and support a safer and more sustainable future for the industrial explosives industry.

Sustainable Product Design: E★STAR Tunnel EVOL

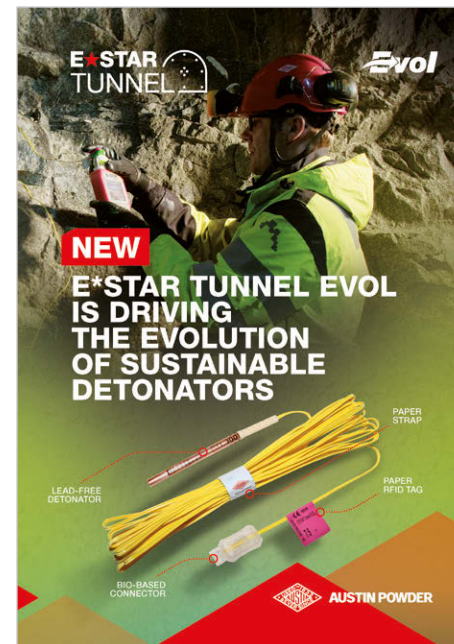
In 2025 Austin Powder continues to push the boundaries of sustainable innovation with the introduction of the E★STAR Tunnel EVOL detonator—an advanced solution designed to reduce environmental impact while maintaining high performance standards in blasting operations.

At the core of this development is a “sustainable by design” approach. The detonator features a bio-based connector made from polymer materials that can **reduce carbon footprint by up to 50%** compared to traditional HDPE plastics. This is complemented by a fully lead-free design, eliminating the use of lead and lead-based compounds, and setting a new benchmark for both safety and environmental responsibility.

Further enhancing its sustainability profile, the system incorporates a paper-based RFID tag for wireless programming, designed to decompose under typical environmental conditions. In addition,

traditional plastic components have been replaced with paper alternatives, including a paper strip and fully paper-based packaging compliant with 1.1B standards.

By integrating environmentally responsible materials without compromising functionality, the E★STAR Tunnel EVOL demonstrates how innovation can address both operational and sustainability challenges. This development reinforces Austin Powder's commitment to delivering solutions that are safer, smarter, and aligned with the future needs of the industry.

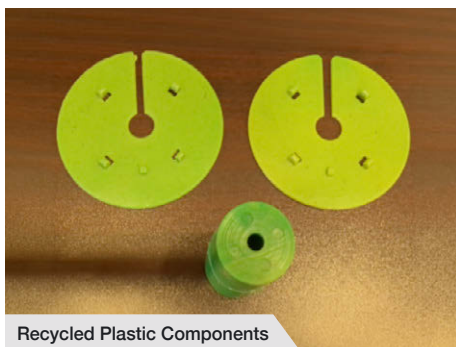


Tools of Innovation Sustainable Products

Enhancing Circularity in Detonator Components

In 2025, Austin Star Detonator (ASD) initiated a materials optimization project focused on the reuse of plastic waste generated during the extrusion process for the moulding of detonator components such as spools and blocks. The initiative aims to reintroduce production waste into functional applications, supporting more efficient use of materials while maintaining product performance and quality standards.

The project is currently under implementation and is expected to be completed in 2026. Early results indicate that the reuse of internal plastic waste can reduce the need for virgin raw materials and lower overall material disposal, contributing to improved resource efficiency within manufacturing operations.



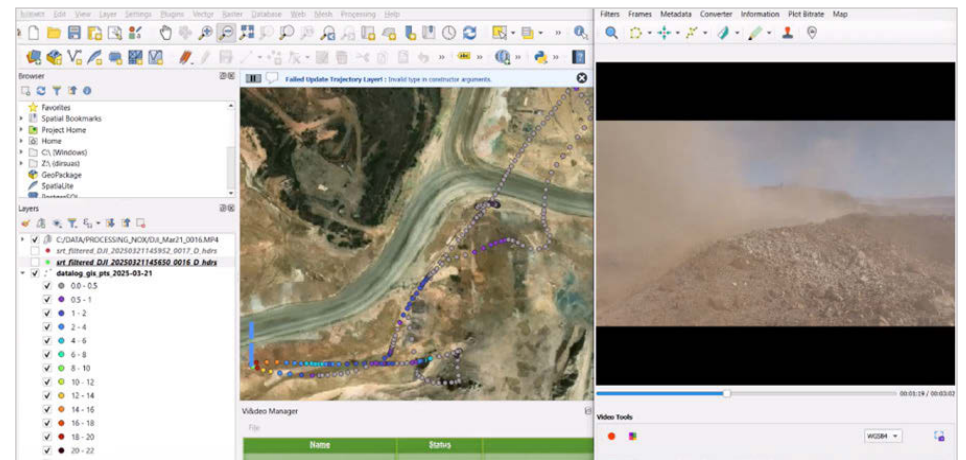
Recycled Plastic Components

Advancing NOx Measurement Through Data & Imaging

Austin Powder continued advancing its environmental monitoring capabilities through the development of innovative tools to detect, analyze, and visualize nitrogen oxide (NOx) emissions generated during blasting activities. This work is part of an ongoing collaboration with the Rochester Institute of Technology (RIT) and reflects the company's commitment to applying digital technologies to better understand and manage potential environmental impacts associated with blasting operations.

During the year, the project progressed with the development of a cloud-based data processing workflow designed to simplify the collection, processing, and visualization of NOx-related data. The system enables users to securely upload sensor data and drone-captured video imagery into an online environment, where automated processes clean and validate the data, synchronize sensor readings with video footage, and prepare the results for spatial analysis.

Processed datasets are converted into georeferenced formats compatible



with GIS platforms, allowing NOx plume behavior to be visualized on interactive maps. This capability supports a clearer understanding of plume dispersion patterns and concentration zones, enabling technical teams to analyze blasting outcomes more efficiently and identify opportunities to refine blast design and execution.

These developments represent an important step in making NOx monitoring more accessible and actionable. By combining drone imagery, sensor data, and cloud-based processing, Austin Powder is strengthening its ability to generate data-

driven insights that support responsible blasting practices, continuous improvement, and informed environmental management. The initiative also lays the groundwork for future enhancements aimed at integrating NOx analysis more directly into blast planning and optimization processes.

Tools of Innovation

Training & Digitalization



Innovation at Austin Powder extends beyond products and processes to include how knowledge is developed, shared, and scaled across the organization and with customers. Through digital training platforms and data-enabled learning tools, the company aims to strengthen technical competence, promote consistent safety practices, and support the responsible use of advanced blasting technologies across diverse operating environments.

Smart Simplicity: APAU Adopts Kindle for On-Bench Efficiency

Austin Powder Australia (APAU) is replacing pen-and-paper workflows with Kindle devices to improve efficiency and reliability in on-bench blasting. This shift improves efficiency, reduces weather-related risks, and supports safer, more consistent blast execution.

The devices provide engineers with reliable offline access to drill patterns, timing checks, and soon, standardized training materials and safety protocols—all contributing to improved work quality, reduced downtime, and enhanced crew safety.



Digital Learning to Support Safe and Responsible Use of Technology

In 2024, the company launched **E★UNI**, its e-learning platform designed to support digital training on the theory and application of **E★STAR** electronic initiation systems. Since its introduction, **E★UNI** has enabled flexible and accessible training for both internal and external users, supporting consistent learning independent of location.



In 2025, the platform was expanded with a new fully animated **E★STAR GO** training course, developed to provide a clear and structured overview of system use and functionality. The course is organized into five concise modules, includes short knowledge-check quizzes, and allows users to progress at their own pace, supporting effective learning while maintaining a strong focus on operational safety.

By digitalizing technical training, Austin Powder strengthens competence development, improves knowledge consistency, and supports the safe and responsible use of advanced blasting technologies—reinforcing its broader digitalization and sustainability objectives.

Tools of Innovation

Training & Digitalization



Digitalization to Enhance Customer Interaction and Operational Efficiency

In 2025, Austin Powder Malaysia advanced its digital transformation agenda through the soft launch of My AP Online, a new online ordering platform designed to streamline customer interactions and reduce reliance on manual, paper-based processes. This initiative supports the company's broader objectives related to operational efficiency, resource optimization, and improved customer service.

As part of a responsible, phased implementation, four long-standing customers—BMP Blast Tech, Spring Energy, Seng Hong Construction Engineering, and Y.P. Construction—participated in the pilot phase. Their involvement provided valuable insights into user experience, system performance, and overall digital readiness, helping to inform improvements ahead of a wider rollout.

To support adoption, pilot users and internal teams received structured training, ensuring that employees are equipped to assist customers throughout the transition to digital ordering. This capacity-building approach contributes to consistent platform use and effective change management.

Early results from the pilot phase have been encouraging. All participating customers successfully completed end-to-end digital transactions, user feedback has been positive, and minor technical issues were identified early and addressed as part of the continuous improvement process. These initial outcomes highlight the platform's potential to reduce administrative workload, minimize errors, and improve process efficiency.

The soft launch represents the first step in a phased deployment strategy. Further enhancements are planned to strengthen platform functionality, with the objective of extending My AP Online to additional domestic and export customers in future phases. This initiative reflects Austin Powder's ongoing commitment to digital innovation, customer-focused improvement, and more efficient and responsible operational practices.

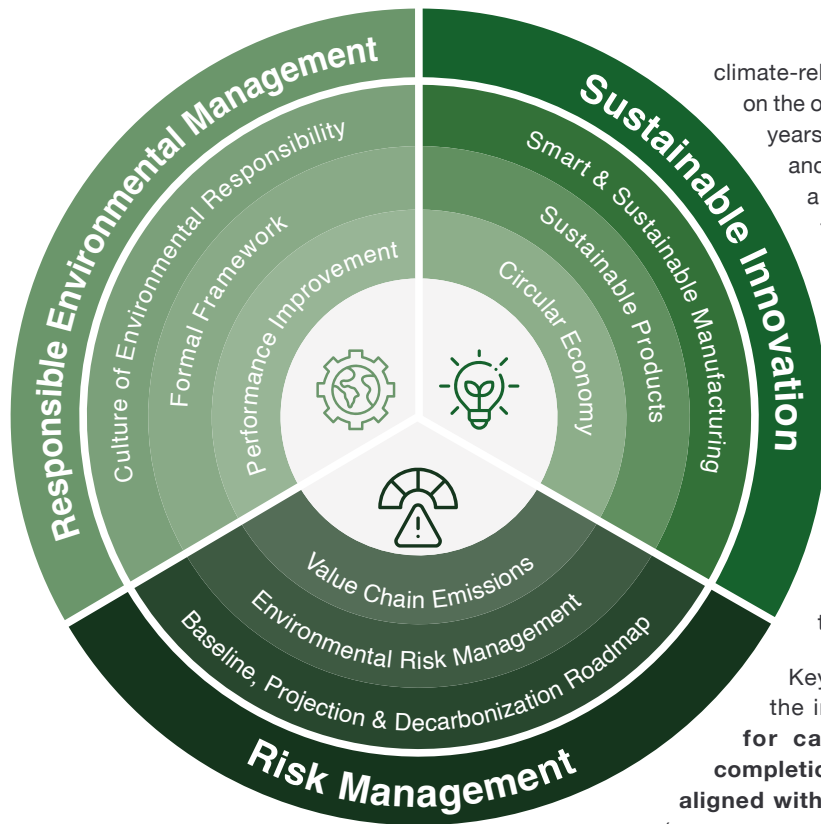
Our Environment



05



Our Responsibility Management & Commitment



climate-related risk management. This roadmap builds on the operational foundations established in previous years—including emissions, energy, water, waste, and environmental compliance—while providing a more structured and forward-looking direction for environmental performance across the organization.

The strategy establishes a **medium- to long-term ambition to evolve toward a more formal, consistent, and globally aligned environmental management approach**, informed by international standards and best practices. While this broader framework remains under development, Austin Powder made measurable progress during 2025 across several priority areas aimed at strengthening governance, transparency, and risk awareness.

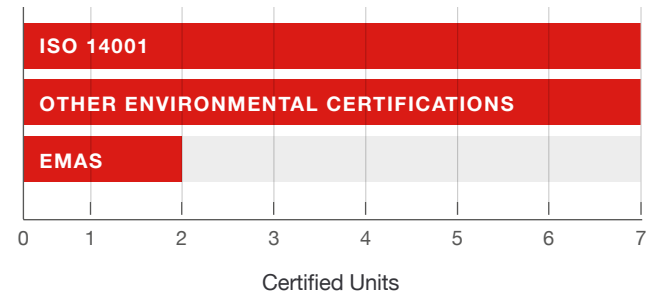
Key advancements during the year included the introduction of a **sustainability checklist for capital and operational projects**, the **completion of a climate-related risk assessment aligned with the requirements of California SB 261** (see www.austinpowder.com/climate-risk-report), continued improvements in **ESG data collection and consolidation processes**, and the **further integration of environmental audits into the Company’s global corporate audit plan**. Together, these actions support stronger environmental oversight, improved data quality, and a more consistent foundation for driving performance improvement over time.

The strategy also reinforces the role of **sustainable innovation** as a lever to reduce environmental impacts in the medium and long term. This includes the progressive integration of **life-cycle thinking, circular economy principles, and resource-efficiency considerations** into product development, capital investments, and operational improvement initiatives.

Overall, the progress achieved in 2025 represents an important step in the evolution of Austin Powder’s environmental strategy toward a **more structured, risk-informed, and forward-looking approach**, recognizing that further development and formalization will continue over.

Environmental Certifications

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



Environmental Strategy

In 2025, Austin Powder further developed its environmental strategy through the definition of a **five-year environmental roadmap**, designed to strengthen the Company’s approach to environmental management, sustainable innovation, and

Our Responsibility Management & Commitment

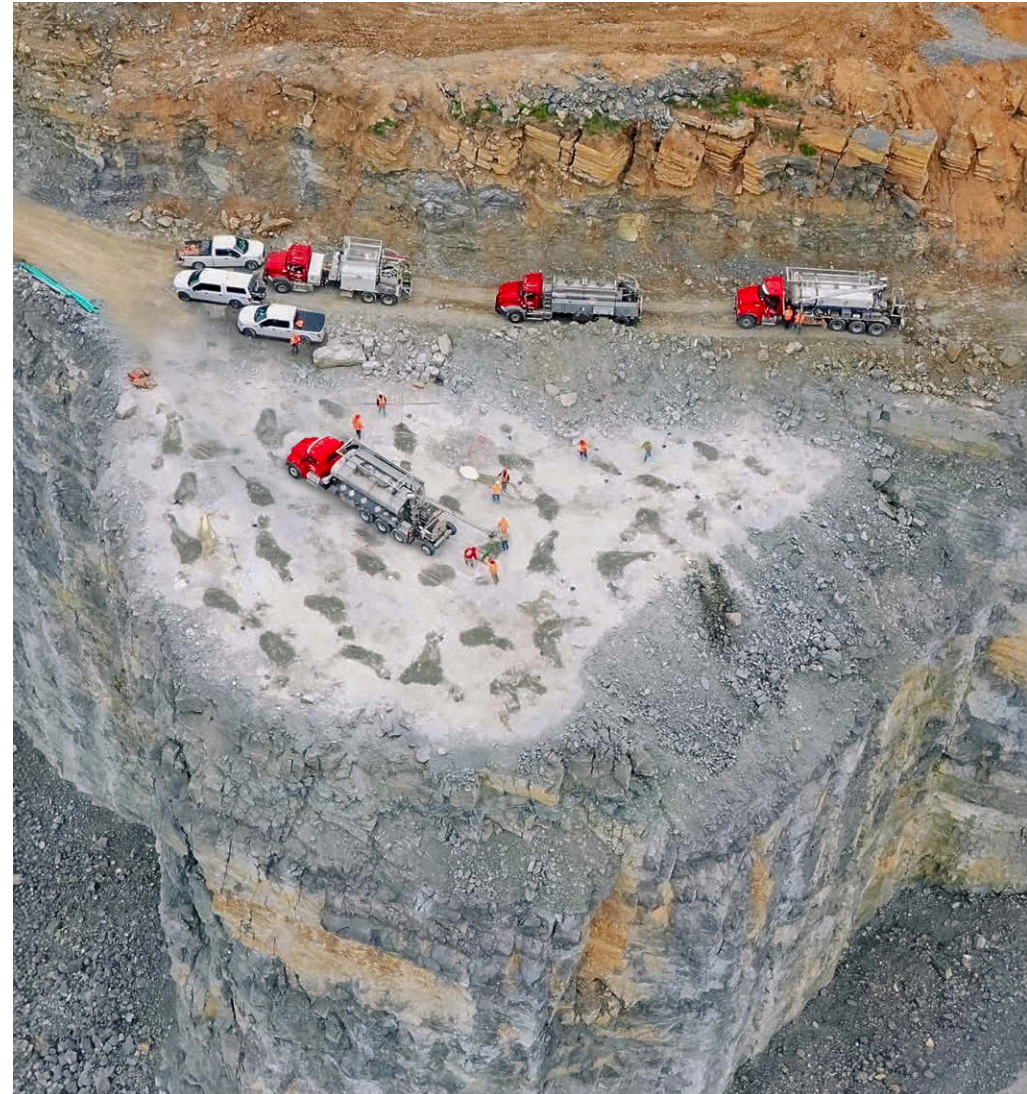
Environmental Risk Management Spend

During the reporting period, Austin Powder invested a total of **USD 5.28 million** in environmental risk management, reinforcing its commitment to preventing environmental impacts, ensuring regulatory compliance, and strengthening the resilience of its operations.

Investments focused on priority environmental risk areas, including air emissions control, effluent treatment, solid waste management, energy and water efficiency initiatives, and soil and groundwater protection. These expenditures support the Company’s environmental management framework and contribute to continuous improvement in environmental performance.

Environmental risk management investments were primarily concentrated at the **Red Diamond and USN** operations, which together accounted for approximately **USD 2.85 million**, representing more than half of total environmental investment. This concentration reflects both the scale and the environmental risk profile of these facilities, as well as targeted investments in infrastructure upgrades, monitoring systems, and process improvements. In parallel, additional site- and country-level initiatives were implemented across the broader operational footprint to address localized environmental risks and strengthen environmental controls in line with corporate standards.

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

Decarbonization Strategy

Decarbonization Strategy

Austin Powder recognizes climate change as a material environmental risk and continues to integrate climate considerations into its operational and strategic decision-making. In 2025, the Company advanced the development of its Decarbonization Strategy, focusing on improving emissions data quality, identifying the main sources of greenhouse gas (GHG) emissions, and defining the operational levers with the greatest potential to reduce its carbon footprint.

During the year, Austin Powder progressed toward defining a **15% short-term emissions reduction ambition by 2035** and preparing a decarbonization plan to guide future actions across operations, technology deployment, and capital allocation. This work represents a critical step toward building a **realistic and data-driven pathway** to emissions reduction, while recognizing the operational constraints inherent to energy-intensive industrial processes.

In parallel, the Company conducted a structured analysis to **identify potential long-term decarbonization levers** across its value chain. This analysis focused on understanding the relative contribution and feasibility of different technological and operational options, rather than on establishing a fixed long-term emissions reduction target.

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.

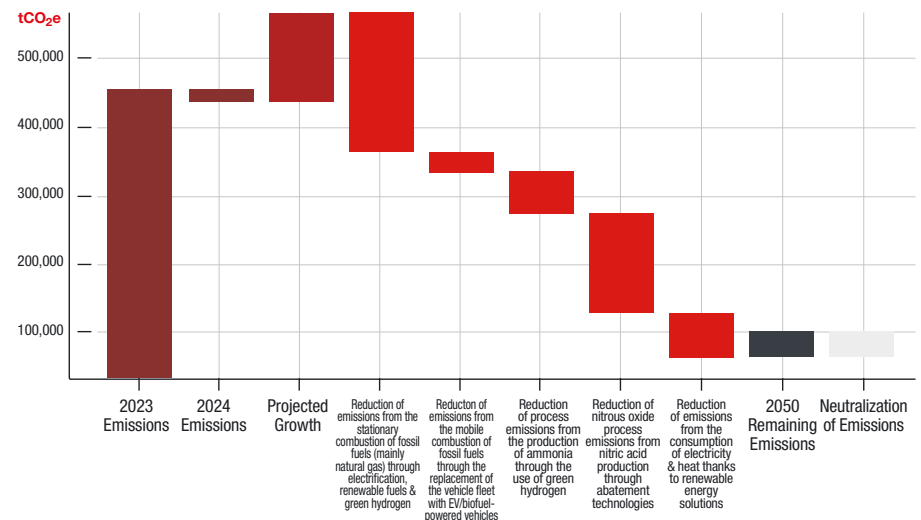
Phase 3. 2026

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

Phase 4. 2027

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

Decarbonization Levers and Potential Emissions Reduction Pathways



These levers were analyzed through scenario modeling, using transitional pathways to explore how different combinations of actions could affect future emissions trajectories over time. The resulting emissions “bridge” provides a graphic view of where emissions reductions could originate, highlighting the relative importance of each lever and supporting internal strategic discussions. This analysis does not represent a formal commitment to a specific target or scenario but rather serves as a decision-support tool to inform prioritization and sequencing of future actions.

Looking ahead to 2026, Austin Powder plans to **deepen its assessment of selected decarbonization actions**, further evaluating their technical feasibility, operational implications, and potential integration into the Company’s long-term capital planning and asset-investment processes.

*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 Decarbonization Strategy



Greenhouse Gas Emissions

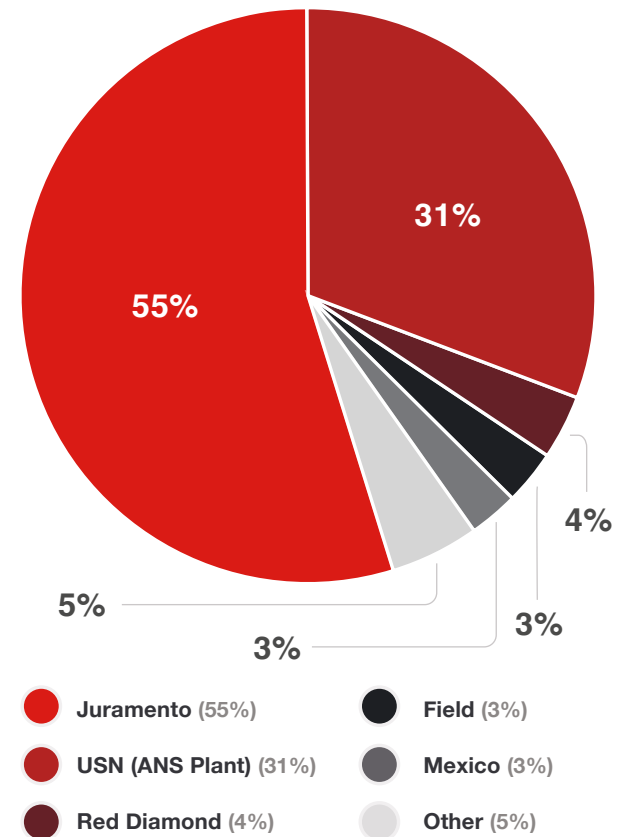
In 2025, Austin Powder achieved a **notable improvement in greenhouse gas emissions intensity**, both per unit of revenue and per unit of production, despite a year of significant operational growth. This improvement reflects continued efforts to optimize energy use, enhance process efficiency, and expand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

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

During the same period, **total Scope 1 and Scope 2 greenhouse gas emissions increased by 3.1% compared to 2024**, primarily as a result of higher production volumes across the Company's core products, including ammonia (5%), nitric acid (10.3%), and ammonium nitrate (9.7%). The increase in absolute emissions is therefore closely linked to scale effects associated with business growth in energy- and process-intensive operations.

The Company's emissions profile remains **highly concentrated**, with more than **86% of Scope 1 and Scope 2 emissions generated by the USN and Juramento plants**. This concentration reinforces the strategic importance of these facilities as priority sites for ongoing efficiency improvements and future decarbonization initiatives, where actions can deliver the greatest relative impact.

Scope 1 & 2 Emission by reporting Units



Throughout 2025, the company continued strengthening its data-collection processes across all reporting units and refining its calculation methodology to enhance accuracy and reliability. As part of this effort, the following improvements were implemented:

Climate Action

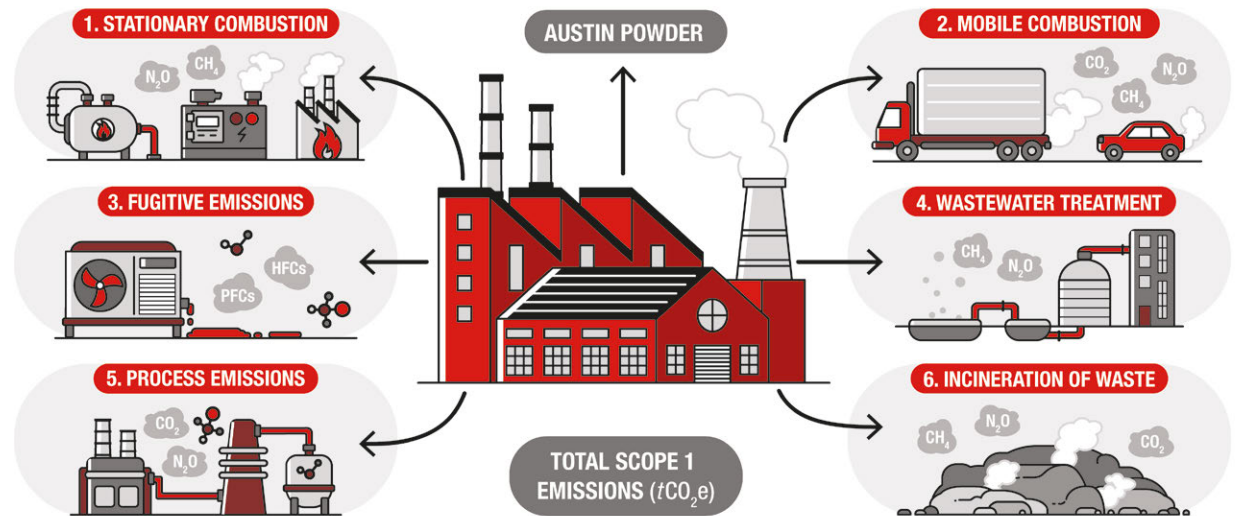
Decarbonization Strategy

- ◆ Emission factors from the specific electricity suppliers serving each reporting unit were obtained, enabling the accurate calculation of market-based Scope 2 emissions. This approach will allow Austin Powder to demonstrate the decarbonization of its Scope 2 footprint through the progressive substitution of fossil-based electricity with renewable electricity - an essential lever for achieving the company's decarbonization.
- ◆ The Field, USN, and Red Diamond units successfully collected detailed energy-consumption data for their vehicle fleets. Backed by the financial departments of each reporting unit, this information enabled mobile combustion emissions to be calculated using actual fuel consumption rather than distance-based estimates.
- ◆ For data-collection purposes, the Field reporting unit was separated into its US and Canada operations. This enabled the precise calculation of each operation's Scope 2 location-based emissions, which had previously been estimated using the average US grid emission factor.
- ◆ Minor discrepancies identified in previous years' carbon footprints - specifically related to electricity consumption and mobile combustion data in Field - were corrected to ensure greater accuracy.

Based on SBTi guidelines, Austin Powder evaluated whether the methodological updates and corrections introduced would result in a deviation of 5% or more from its Base Year emissions, an outcome that would require recalculating the baseline. Since the deviation was determined to be below 1%, no recalculation was necessary. Additionally, Austin Powder updated all the emission factors used in this analysis to align calculations with the latest available information.

Scope 1 emissions

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



Scope 1

	Emissions 2023	Emissions 2024	Emissions 2025	2024-2025
	tnCO ₂ e	tnCO ₂ e	tnCO ₂ e	%
Stationary combustion	167,938	171,801	173,412	0.9%
Mobile combustion	32,927	30,665	35,432	15.5%
Fugitive emissions	961	803	391	-51.3%
Waste incineration	88	91	89	-2.7%
Wastewater treatment	2	2	5	125.2%
Ammonia production (minus CO ₂ capture)	50,146	46,147	44,977	-2.5%
Nitric acid production (minus N ₂ O abatement)	142,365	134,500	146,181	8.7%
TOTAL	394,427	384,010	400,487	4.3%

Climate Action Decarbonization Strategy

Stationary Combustion

Stationary combustion remained the **largest source of Scope 1 emissions**, accounting for approximately **43% of total Scope 1 emissions in 2025**. Emissions from stationary combustion increased by **0.9%** compared to 2024, a modest rise relative to the strong increase in production volumes.

This performance was driven by **divergent trends at the Company's two largest facilities**. At the Juramento plant, stationary combustion emissions **decreased by approximately 1,500 tnCO₂e**, despite higher output of ammonia, nitric acid, and ammonium nitrate. This reduction was achieved through **significant efficiency improvements**, including lower natural-gas requirements per unit of production and improved availability and performance of ammonia compressors.

In contrast, stationary combustion emissions at the USN facility increased by nearly **6,000 tnCO₂e**, largely reflecting substantial production growth across all major products. While absolute emissions increased, efficiency measures and operational controls helped limit emissions growth relative to output.

Process Emissions

Process-related emissions from **nitric acid production**, Austin Powder's second-largest Scope 1 emissions source, increased by **8.7%** compared to 2024, largely in line with a **10.3% increase in nitric acid production**. This increase reflects higher throughput rather than a deterioration in process performance.

In contrast, **process emissions from ammonia production decreased by 2.5% in 2025**, despite a **5% increase in ammonia output**, reflecting meaningful **efficiency improvements in the ammonia production process**, particularly at the **Juramento facility**. These improvements were driven by **lower natural-gas requirements per unit of production**, resulting from continued operational optimization, enhanced process control, and improved availability and performance of key equipment.

At the same time, **enhanced CO₂ capture at the USN facility** contributed to reducing net ammonia-related process emissions, further supporting the improvement in overall emissions intensity.

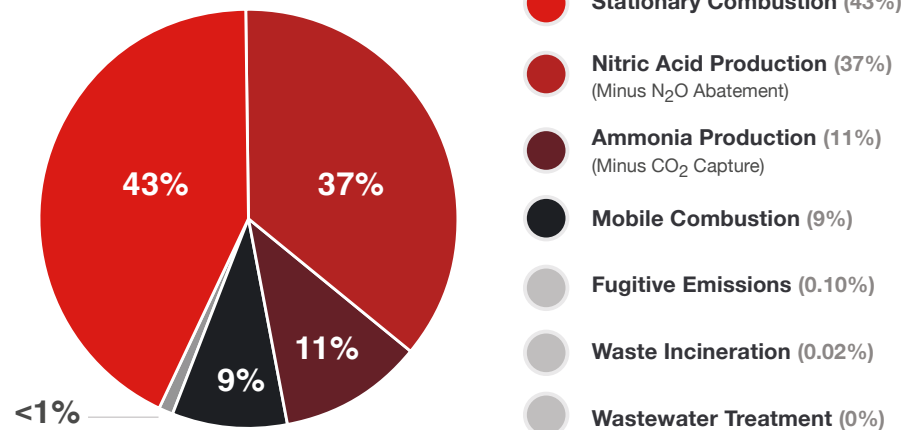
In total, CO₂ capture at the **USN and Juramento facilities** enabled the Company to capture and sell

approximately **69,115 tnCO₂e** to third parties in 2025, significantly reducing net process emissions and reinforcing the role of process efficiency and carbon capture as key levers for emissions-intensity improvements in ammonia production.

Other Scope 1 sources

Emissions from **mobile combustion** increased by **15.5%**, reflecting expanded fleet activity and improved data capture based on actual fuel consumption. **Fugitive emissions declined by over 50%**, indicating improved maintenance and control of refrigeration and air-conditioning systems. Emissions from **waste incineration** remained broadly stable, while emissions from **wastewater treatment**, although still marginal in absolute terms, increased due to new operations and higher treated volumes.

Scope 1 Emissions by Source (%)



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 GLZ, 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 tnCO₂e 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.

Climate Action Emissions



Scope 2 Emissions

Scope 2 emissions represent the indirect greenhouse gas emissions resulting from the generation of **purchased electricity, heat, or steam** consumed in Austin Powder's operations. These emissions occur at facilities owned or operated by third-party energy providers and are therefore indirect in nature.

Using the **location-based methodology**, Scope 2 emissions declined compared to the previous year, driven primarily by changes in grid emission factors in several operating regions, together with reductions in electricity consumption at selected sites. Electricity continues to represent the predominant source of Scope 2 emissions, while emissions associated with purchased heat and steam remain comparatively limited.

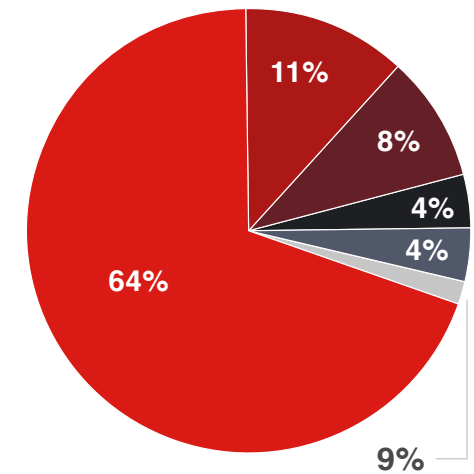
During the year, the Company also strengthened its **market-based Scope 2 calculation**, enabling a more accurate reflection of emissions associated with the electricity sources contracted at site level. Improvements in data collection allowed Austin Powder to rely more extensively on **supplier-specific emission factors**, reducing dependence on average grid factors and enhancing the robustness and transparency of reported results.

Scope 2	Emissions 2023	Emissions 2024	Emissions 2025	2024-2025
	tCO ₂ e	tCO ₂ e	tCO ₂ e	%
Electricity - Location based	42,479.23	38,999.27	34,690.99	-11.0%
Heat/steam	1,861.96	1,806.11	1,782.49	-1.3%
LOCATION-BASED TOTAL	44,341.19	40,805.38	36,473.48	-10.6%
Electricity - Market based			34,158.45	
Heat/steam			1,782.49	
MARKET-BASED TOTAL			35,940.94	N/A

Scope 2 emissions remain **highly concentrated** in a small number of energy-intensive operations, with the USN facility representing the most significant contributor. This concentration underscores the strategic importance of energy-efficiency initiatives, electricity sourcing decisions, and future electrification efforts at a limited number of high-impact sites.

Overall, the reduction in Scope 2 emissions, together with improved methodological accuracy, highlights the role of electricity management as a key lever for reducing emissions intensity while supporting continued operational growth.

Scope 2 Emissions by Reporting Unit (%)



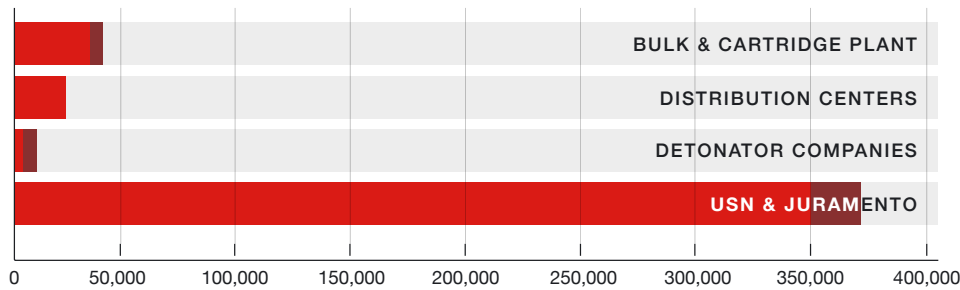
- USN (ANS plant) (64.12%)
- Red Diamond (10.67%)
- Austin Detonator (8.25%)
- Detonadores Estrella (3.66%)
- Mexico (3.52%)
- (Other x 23) (9%)

Climate Action Emissions

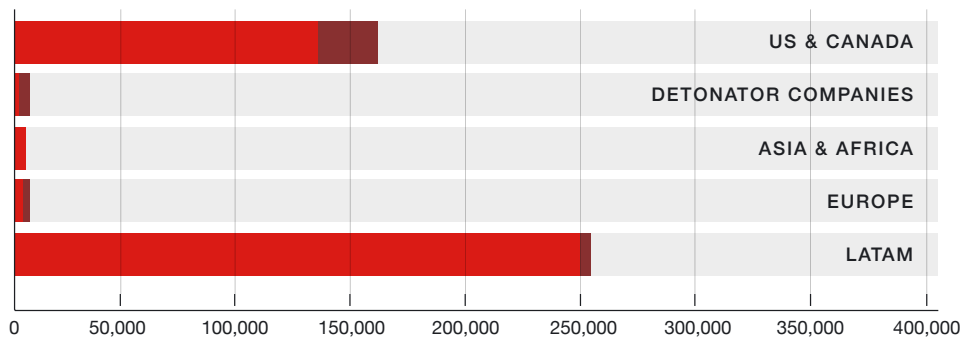
Results by Activity/Facility Type & Geography

More than 85% of Austin Powder's 2025 carbon footprint (Scopes 1 + 2, market-based) is concentrated in the USN and Juramento facilities, which together account for 31.06% and 54.72% of total emissions, respectively. Other notable contributors include US Field Operations, Red Diamond, and Mexico, representing 3.14%, 3.34%, and 2.76% of the company's footprint. As a result, the United States and Latin America regions collectively account for more than 96% of Austin Powder's total carbon footprint.

Global Emissions by Facility Type ● Scope 1 (tnCO₂e) ● Scope 2 (tnCO₂e)



Global Emissions by Geography



Climate Action

Energy Consumption & Efficiency

Total energy consumption in 2025 reached 1,088 GWh, representing a 2% increase compared to the previous year. This increase occurred alongside significant production growth, resulting in an overall improvement in energy intensity.

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



Energy Awareness in Malaysia

In 2025, Austin Powder Malaysia partnered with Tenaga Nasional Berhad to deliver an Electrical Safety and Energy Saving Campaign at its Bentong Plant, reinforcing employee awareness around safe electricity use and responsible energy consumption. Through practical demonstrations and interactive sessions, the initiative supported everyday energy-saving behaviors and strengthened a culture of safety and efficiency, contributing to the Company's broader approach to energy management and environmental responsibility.

Natural gas continues to be the primary energy source, accounting for approximately 73% of total consumption, largely driven by ammonia production at the USN and Juramento facilities. Renewable electricity generation from on-site solar installations increased by 77% compared to 2024, contributing to gradual diversification of the Company's energy mix, although renewables still represent a limited share of total energy use.

Energy Consumption	2023	2024	2025
TYPE	MWh	MWh	MWh
Natural Gas	776,307	789,271	799,200
Diesel	117,879	105,029	103,077
Fuel Oil	25,853	27,448	24,195
Electricity	113,752	108,664	105,558
Petrol	19,629	21,809	43,568
LPG	1,218	1,596	1,479
LNG	0.0	0.0	0.0
Heat/Steam	10,365	10,054	10,169
Biodiesel	0.0	0.0	0.0
Solar	104	184	327
Wood Chips	0.0	0.0	0.0
TOTAL	1,065,107	1,064,054	1,087,574

*A minor reporting error was identified in last year's electricity consumption data, leading to an upward adjustment of 11 MWh. This correction did not affect the calculation of emissions.

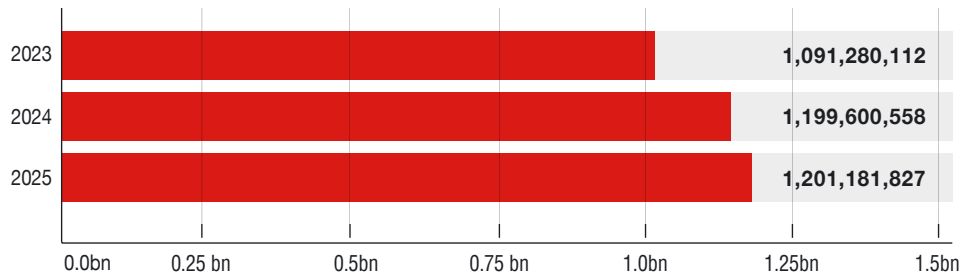
Sustainable Resources

Water Consumption

In 2025, total water consumption amounted to 1.09 billion liters, representing an approximate 9% reduction compared to the previous year, while total withdrawals remained relatively stable. This trend reflects improved water-use efficiency and a higher proportion of withdrawn water being returned to the environment.

	2023	2024	2025
WATER USAGE	LITERS	LITERS	LITERS
Withdrawal	1,894,127,481	1,810,126,643	1,785,379,246
Discharge	692,945,654	610,526,086	694,099,134
Consumption	1,201,181,827	1,199,600,558	1,091,280,112

Water Consumption by Reporting Year



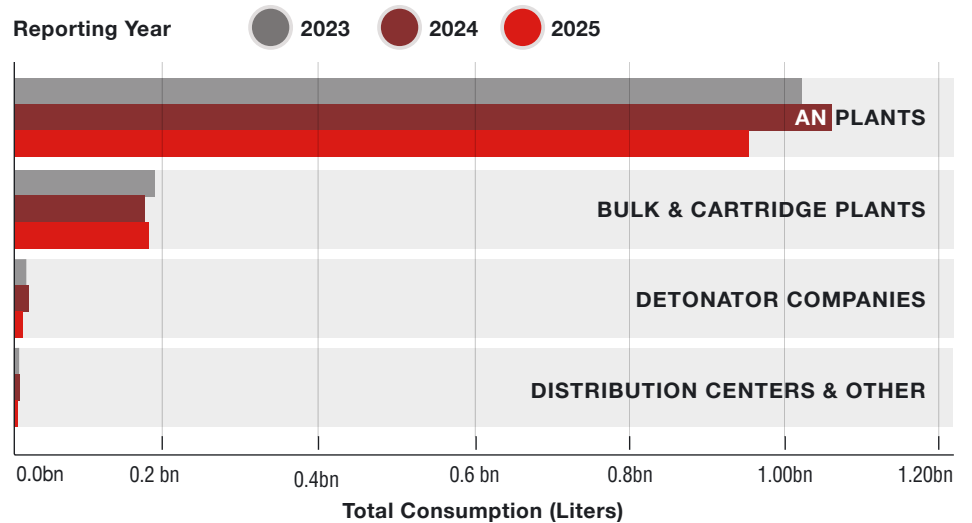
Water use across reporting units exhibited significant variability. The largest reporting units—particularly USN and Juramento—continued to shape the Company’s overall water profile.

Some sites experienced notable year-over-year swings. These included:

- substantial reductions in Juramento driven by operational efficiency gains,
- increases in USN reflecting production growth, and
- isolated fluctuations in other units (e.g., Panama, Indonesia, ATG), attributable to operational status changes or methodological improvements.

Water consumption remains highly concentrated, with the USN and Juramento (AN Plants) facilities accounting for more than 80% of total use.

Water Consumption by Reporting Year & Installation Type



SUCCESS STORY

Dan-Mar Co Inc prioritizes the internal recovery and reuse of resources to minimize the facility’s environmental footprint. The primary initiative in this category involves our industrial cleaning infrastructure:

Industrial Water Recycling: The facility operates three industrial aqueous circuit board washers that are specifically engineered to limit freshwater consumption.

Internal Circulation Logic: These machines are internally programmed with advanced water circulation and recycling systems that filter and reuse process water through multiple internal loops before it reaches the final discharge stage.

Impact on Withdrawal: This reuse strategy significantly reduces the total volume of freshwater withdrawal required for production, ensuring that high-quality cleaning standards are met while maximizing the lifecycle of the water resource.

Sustainable Resources

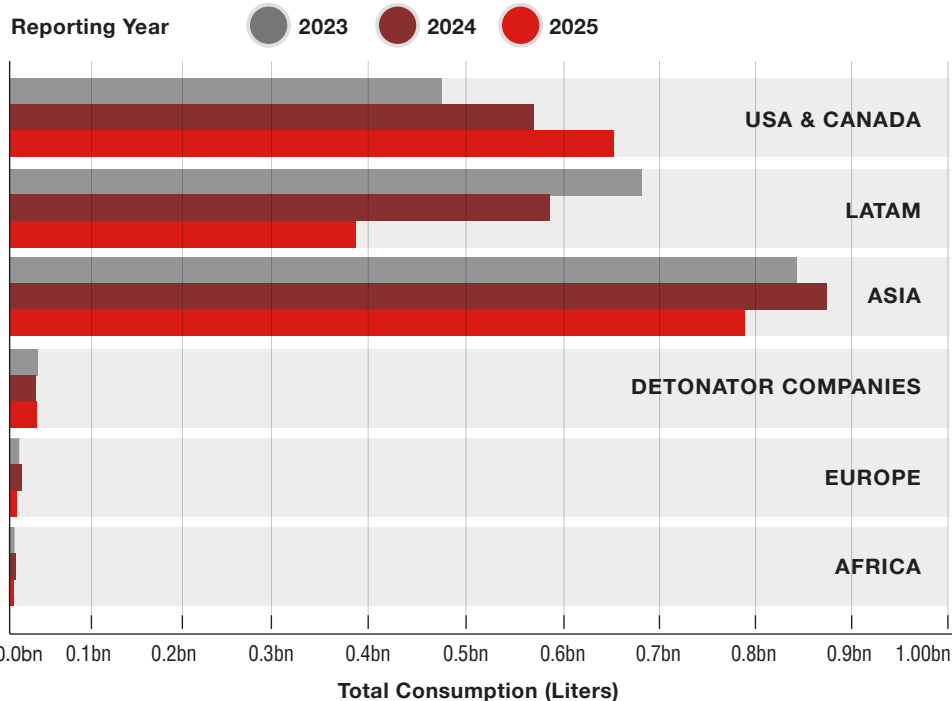
Water Consumption

Performance by Geography (GBUs)

Consumption patterns also vary significantly by region.

- ◆ **US & Canada** and **LATAM** together account for the majority of total consumption, reflecting the presence of the Company’s largest manufacturing assets.
- ◆ LATAM recorded a substantial reduction in total consumption, largely driven by the improvements achieved at Juramento.
- ◆ Other regions represent smaller shares of total water use, with some units reporting minimal or no consumption in the reporting year.

Water Consumption by Reporting Year & GBU



Operational Improvements in Juramento

In 2025, Juramento implemented a series of operational and process improvements that produced a substantial reduction in water consumption per ton of product, making the site one of the Company’s strongest contributors to the overall decline in global water consumption. Improvements recorded at Juramento included:

- ◆ transitioning from medium-pressure to low-pressure steam in several process heaters, reducing demand for demineralized water;
- ◆ recovering low-pressure steam from process equipment to minimize vent losses;
- ◆ optimizing cooling-water distribution through piping upgrades and redistribution measures;
- ◆ enhancing cooling-tower performance through automated purge controls and parameter monitoring;
- ◆ improving reverse-osmosis recovery rates through better operational control;
- ◆ recovering demineralized water from valve seals for reintegration into the process.

Together, these actions significantly improved water-use efficiency, lowered demand for demineralized and clarified water, and reduced reliance on cooling-tower makeup water—contributing to the site’s substantial decrease in total and relative water consumption.

Sustainable Resources

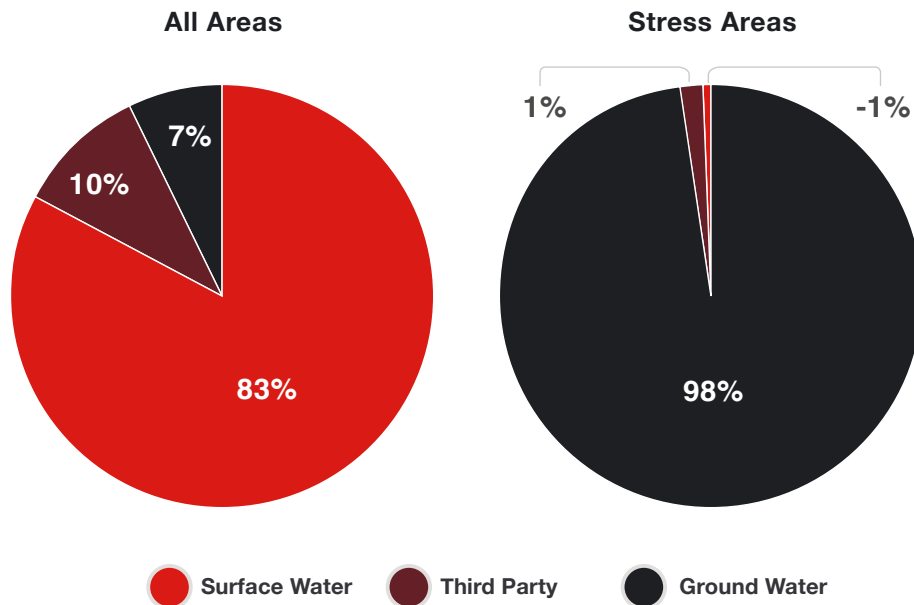
Water Consumption

Water Sources & Water-Stressed Areas

Across its global operations, Austin Powder relies on a combination of **surface water, groundwater, and third-party water supply**, reflecting the geographic diversity of its operational footprint and local water-availability conditions. Surface water represents the predominant source of total withdrawals, followed by groundwater and third-party supply, making source-specific management an important component of overall water governance.

This source mix underscores the Company’s dependency on natural water bodies, particularly surface water systems, which may be subject to variability related to climate conditions, regulatory frameworks, and competing local demands. As a result, Austin Powder continues to prioritize monitoring and control of abstraction volumes at site level, with a focus on aligning withdrawals with operational needs while minimizing unnecessary pressure on local water resources.

Withdrawal Percentage by Source



Water withdrawals in areas classified as **water-stressed regions** represented approximately **1.5% of total global water withdrawals**. Although this exposure is limited in absolute terms, Austin Powder acknowledges the heightened environmental and regulatory sensitivity of these locations and continues to monitor risks and mitigation measures at site level. In these locations, water use relies primarily on groundwater sources, reinforcing the need for careful abstraction control, discharge management, and efficiency measures.

The company’s water management approach prioritizes efficiency, reuse where feasible, reduction of effluent volumes and continuous monitoring to minimize impacts on local water resources.

Sustainable Resources

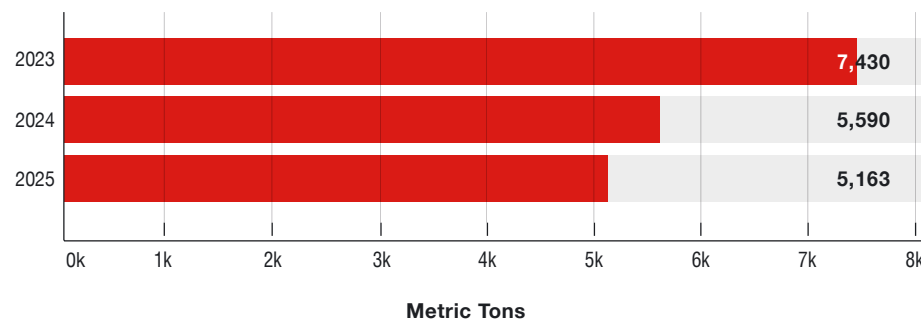
Waste Management

Austin Powder manages waste as a material environmental aspect due to the nature of its industrial operations and the diversity of waste streams generated across manufacturing plants, distribution centers and field operations. The Company's waste-management approach prioritizes compliance with applicable regulations, safe handling and disposal, and the reduction of environmental risks associated with waste generation.

Waste data is reported across global reporting units and installation types, allowing for analysis of trends over time and identification of priority sites where waste-management efforts can deliver the greatest environmental benefit.

Waste Generation & Trends

Between 2023 and 2025, Austin Powder achieved a **significant reduction in total waste generation**, reflecting operational changes, efficiency improvements and variations in activity levels across reporting units. Total waste decreased sharply from its 2023 peak (-25%), with continued reductions in subsequent years. (-8%)



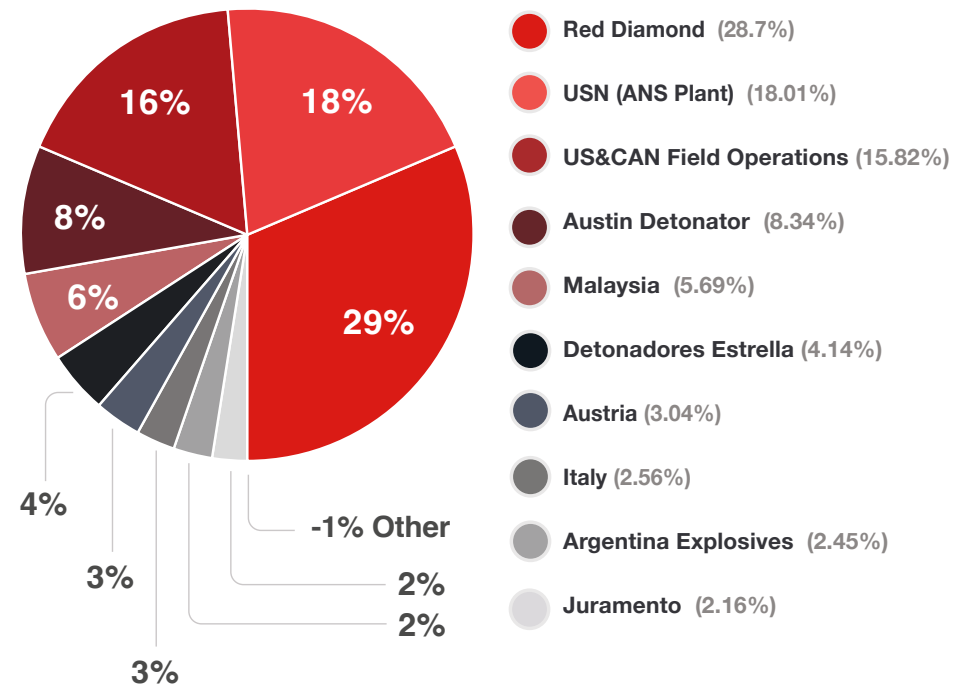
*To ensure year-over-year comparability, the 2023 and 2024 waste figures were adjusted using a proxy, following the incorporation of a new business unit into the reporting boundary. This adjustment was applied solely for comparative purposes and does not reflect measured waste data for that unit in prior years. The use of a proxy enabled consistent trend analysis while acknowledging the change in organizational scope.

Metric Tons by Reporting Unit

Despite the overall reduction in total waste volumes, waste-generation patterns remain **highly concentrated**, with a limited number of reporting units accounting for the majority of waste generated globally.

Key contributors continue to include:

- ◆ Red Diamond
- ◆ US & Canada Field Operations
- ◆ USN
- ◆ Austin Detonator

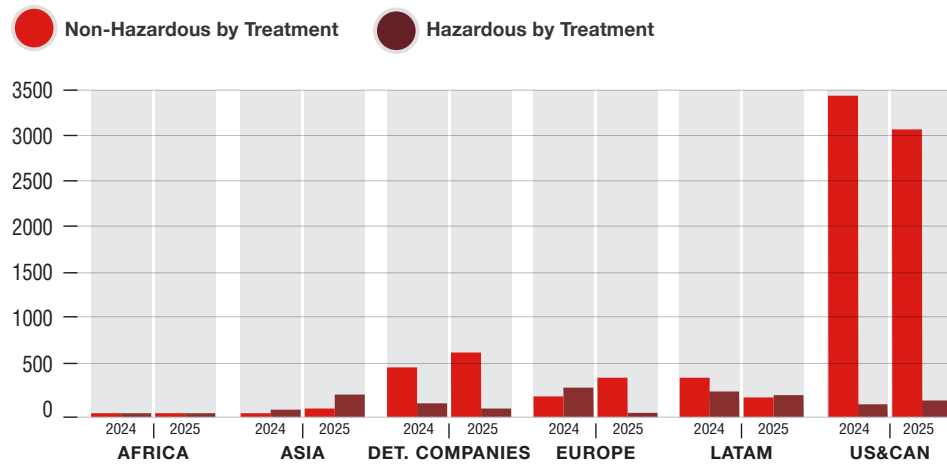


Sustainable Resources

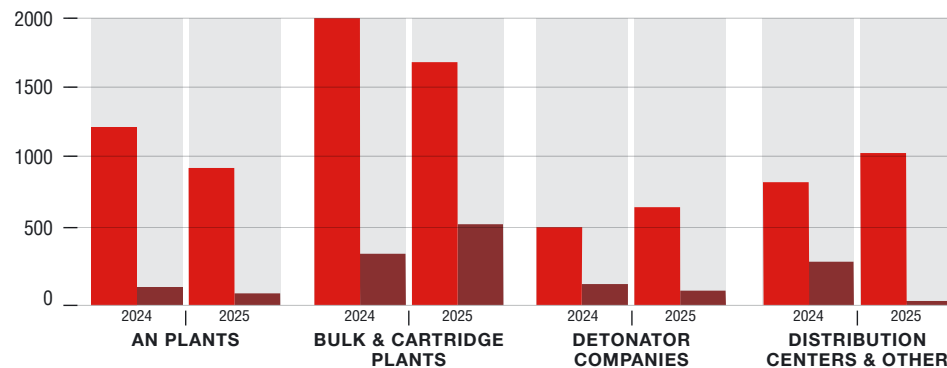
Waste Management

Hazardous & Non-Hazardous Waste Distribution & Treatment

In the analysis by business unit, the operations related to the USA and Canada stand out as the most significant contributors compared to the others.



On the other hand, an analysis of the consolidated waste generation data from all reporting units indicates that the highest volumes of waste come from facilities involved in the manufacture of bulk and cartridge-covered products.



In 2025, the composition and treatment of Austin Powder’s waste streams showed a **mixed performance** across hazardous (HW) and non-hazardous (NHW) categories. Hazardous waste generation decreased compared to 2024, with a reduction in both **recycled and reused materials** and **waste directed to disposal**. Pending disposal volumes remained broadly stable year-over-year, indicating consistent handling of hazardous waste awaiting treatment.

For non-hazardous waste, total generation also decreased compared to the previous year. Recycling volumes fell slightly, while the amount of non-hazardous waste **directed to disposal**—primarily landfill—also decreased, though it continues to represent the **largest share** of NHW management. Pending-disposal volumes for non-hazardous waste declined sharply, pointing to improved processing and shorter retention times on site.

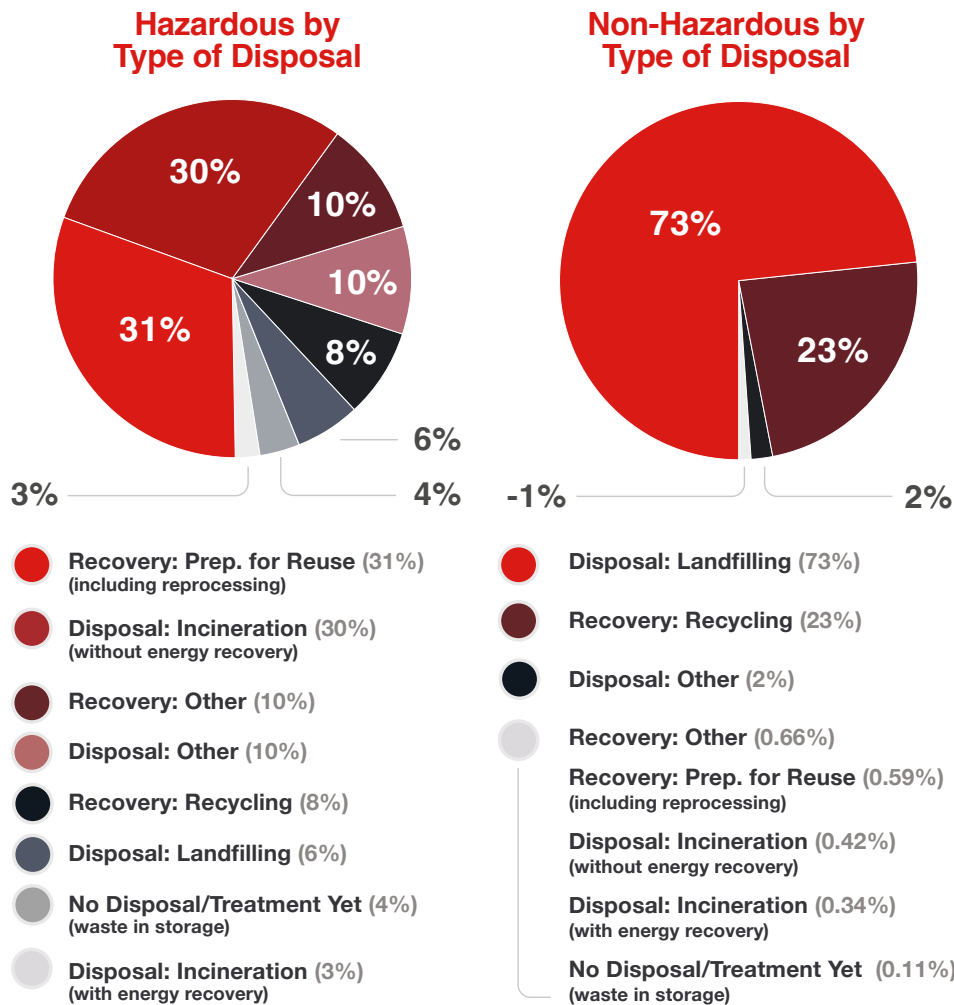
	2024	2025	
Hazardous Waste (Mt)	Recycled & Reuse	413	362
	Directed to Disposal	476	354
	Pending Disposal	24	26
	TOTAL	913	742
Non-Hazardous Waste (Mt)	Recycled & Reuse	1,151	1,084
	Directed to Disposal	3,506	3,332
	Pending Disposal	20	5
	TOTAL	4,677	4,421
TOTAL	5,590	5,163	

Overall, while total waste generation continued to decline in 2025, and the recuperation (recycled and reuse method) rate remained stable on 28%, the treatment profile shows **opportunities to strengthen recycling and reuse pathways**, particularly for non-hazardous streams, and to reduce reliance on disposal routes—supporting alignment with the waste-management hierarchy and circularity principles.

Sustainable Resources

Waste Management

A more in-depth analysis of the final disposal of the various types of waste generated shows the following distribution according to their hazard classification:



It should be highlighted that 49% of hazardous waste is either recycled or reused, a significant part of it being off-spec emulsions from cartridge and bulk plants, which are recycled in the production process for their reprocessing. This initiative keeps growing within the company with new installations in recent years.

Incineration without energy recovery is the second most used disposal method, mainly due to the internal treatment of explosive waste.

Overall, Austin Powder's waste performance in 2025 reflects meaningful progress in reducing total waste volumes, alongside clear challenges in maintaining preferred waste-treatment outcomes, particularly recycling.

Several initiatives have also been rolled out across the different regions to mitigate the environmental impacts associated with waste management, as detailed below:

- ◆ Mexico introduced a controlled reuse approach for big bags. A validation process defined a safe service life, allowing three reuse cycles before final treatment with authorized waste handlers.
- ◆ Juramento eliminated disposable plastic containers in the dining area and phased out plastic water bottles, introducing reusable personal refill bottles instead.
- ◆ ASD/DE introduced circularity into their process by reprocessing Shock Tube waste to produce plastic detonator components.
- ◆ Panama promoted internal paper reuse and recycling initiatives, implemented

the co-processing of non-recyclable waste, and replaced paper envelopes with reusable folders for internal courier services to reduce printing and single-use materials.

- ◆ USN worked on internally treating the Compressor Blowdown Waste to be able to send the stream to the public wastewater treatment plant rather than sending it off as a waste to be disposed to landfill.
- ◆ At Detonadores Estrella, shock tubes that do not reach the required production length are reprocessed within the detonator assembly lines. These tubes are sent to the scrap and rework area, where they are cut into shorter loops and reintroduced into the assembly process, preventing them from becoming waste.
- ◆ To prevent waste in the production and service processes, raw materials are ordered in bulk whenever possible.
- ◆ Recycling of recoverable materials, including cardboard, paper, metal, scrap metal, glass and bags.
- ◆ Reuse of containers and plastic packaging blocks to reduce waste generation.
- ◆ Performing quality control processes to detect faulty products early on in production, preventing the accumulation of significant waste at later stages.
- ◆ Implementation of training programs aimed at minimizing waste and improving overall waste management practices.

Sustainable Resources Waste Management

SUCCESS STORY



Waste Reduction in Mexico

The Mexico plant achieved a meaningful reduction in waste generation by redesigning how ammonium nitrate (AN) is received and handled. The site transitioned from bagged supply to direct unloading by rail into the dilution station, simplifying logistics, eliminating manual bag handling, and significantly reducing the use of pallets for storage and internal movement.

In parallel, the plant introduced a controlled reuse approach for big bags. A validation process defined a safe service life, allowing three reuse cycles before final treatment with authorized waste handlers. This measure reduced special-handling plastic waste while maintaining operational safety and compliance.

Together, these improvements streamlined operations and lowered total waste generation across the site.

SUCCESS STORY



Training and Reuse at Juramento

In 2025, the Juramento plant of Austin Powder Argentina launched the “Hands to Work” carpentry program, a community initiative that combines **material reuse, skills development, and local engagement**. Through a partnership with provincial and municipal institutions, women and young people from the rural community of San José de Orquera received technical training to manufacture furniture and recreational items using **out-of-service wooden pallets recovered from Company operations**. Over the course of the program, participants gained practical skills, earned official certification, and produced benches and games donated to the local school. By extending the life of non-hazardous materials that would otherwise be disposed of, the initiative illustrates a **practical application of reuse within a broader waste-management framework**, while also strengthening community ties and supporting local development through collaborative, low-impact action.

SUCCESS STORY

Onsite Treatment of Compressor Blowdown Waste

US Nitrogen implemented an onsite treatment system to eliminate landfill disposal of compressor blowdown waste while reducing costs and improving water stewardship. Historically, this waste was solidified and sent to landfills, generating significant environmental impacts and annual disposal costs exceeding \$365,000 USD.

The new process separates oil and water and reduces ammonia concentrations to meet industrial discharge permit limits, allowing treated water to be safely discharged to the local publicly owned treatment works (POTW).

Key results include:

- ◆ Elimination of more than **351 MT of waste sent to landfills**
- ◆ Return of approximately **352,000 liters of water per year** to the local watershed
- ◆ **\$241,480 USD annual EBITDA improvement**
- ◆ **1.3-year payback** on a \$316,612 USD capital investment

Since commissioning in September 2025, the project has delivered measurable environmental and financial value, demonstrating how operational innovation can support both sustainability goals and long-term business performance.

Air Quality

Reducing Air Pollutants

Austin Powder is committed to continually improving air quality across its operations by implementing strategies that reduce emissions and minimize environmental impact.

The Company continues to invest in technologies, monitoring systems, and operational controls designed to minimize impacts on air quality. Initiatives focus on reducing emissions from combustion processes, improving dust control, optimizing blasting practices in coordination with customers, and ensuring regulatory compliance through regular monitoring and reporting.

Key initiatives include:

- ◆ Implementation of the NACAG Project, which will impact both GHG and NOx emissions.
- ◆ Improving emission control systems at manufacturing facilities.
- ◆ Collaborating with customers to reduce the effects of blasting activities (NOx emissions, vibrations and noise).
- ◆ Minimizing waste incineration and the search for innovative explosive waste treatment options.
- ◆ Optimizing combustion processes to reduce emissions of nitrogen oxides (NOx) and Sulphur oxides (SOx) by using more efficient and cleaner boilers.
- ◆ Implementing dust suppression measures on internal roads and operations.
- ◆ Conducting regular air quality monitoring and compliance assessments.



Natural Environment

Biodiversity & Ecosystems

Austin Powder recognizes that its industrial operations interact with natural ecosystems across diverse geographic contexts. While the Company’s activities are primarily located in industrial zones, biodiversity considerations are integrated into environmental management practices to prevent, mitigate, and, where feasible, offset potential impacts on local ecosystems.

Regulatory Compliance & Risk Management

Across its operations, Austin Powder complies with applicable local, state, and federal environmental regulations, including land-use permitting, stormwater management, waste handling, and emissions controls. Facilities such as USN and Red Diamond operate under established permitting frameworks designed to mitigate impacts on soil, water, vegetation, and surrounding habitats. Stormwater permits and periodic water-quality analyses support the identification and mitigation of potential runoff-related impacts.

Environmental impact assessments and biodiversity inventories are conducted prior to significant expansions or operational changes where required. In selected locations, like Juramento o Lukasow, inventories have focused on identifying protected or sensitive species, in accordance with national regulations, IUCN criteria, and relevant European or local guidelines. These assessments have confirmed that planned investments do not compromise the objectives of protected areas.



The Juramento complex in Argentina illustrates how industrial operations can coexist with biodiversity conservation. Of the total site area, only 50 hectares are dedicated to industrial activities, while the remaining 818 hectares are maintained as a protected ecological reserve.

Biodiversity monitoring is carried out through the ongoing tracking of mammals and birds in sensitive areas, generating data to assess environmental quality and detect potential changes linked to operational activities.

Bird monitoring plays a particularly important role, as avian species are key indicators of ecosystem health. Results to date show stable species diversity, reflecting a balanced interaction between industrial operations and the surrounding natural environment.



Site-level Conservation Practices

At several sites, biodiversity protection goes beyond regulatory compliance. Internal green zones, sanctuaries, and permanent preservation areas are maintained within or adjacent to operational footprints. These areas are physically isolated from routine operations, access is restricted, and periodic inspections are carried out in coordination with environmental authorities where applicable, like in our plants in Zimbabwe and Brazil.

In Latin America, Austin Powder has implemented reforestation projects using native species at production sites such as Rafaela and La Florida, supporting habitat restoration and ecosystem connectivity. Similar initiatives have been undertaken in countries such as Costa Rica and Mexico, often in partnership with local communities and environmental institutions.



Ethics & Transparency



Compliance Framework

Ethics, Integrity & Compliance

Austin Powder is committed to conducting business with integrity and in compliance with applicable laws and regulations in all jurisdictions where it operates.

Its ethics and compliance framework establishes clear standards of conduct, promotes lawful and responsible decision-making, and provides mechanisms to raise concerns and address potential misconduct.

In 2025, the company consolidated and updated its core ethics and compliance policies, strengthening governance, clarity, and global applicability.

This framework is based on six key global policies that apply to employees, officers, and directors, and, where relevant, to third parties acting on the company’s behalf:

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

Key policies are centrally available on the company’s intranet – the “Powder Keg” to support accessibility and awareness and are available in multiple languages.

The Code of Conduct and Business Ethics defines the standards that govern how the company conducts business globally, including integrity and conflicts of interest, anti-corruption and fair competition, respect for human rights, a workplace free from discrimination, harassment, or retaliation, equal opportunity, health and safety, data privacy and confidentiality and protection of company assets, among other topics.

The Legal & Compliance and Human Resources functions play a central role in implementing, monitoring, and enforcing compliance with the Code of Conduct and related policies.

Employees are expected to familiarize themselves with the legal and ethical standards applicable to their roles and to seek guidance whenever uncertainty arises. This governance structure ensures that ethical considerations are integrated into daily operations and strategic decision-making.



Compliance Framework

Ethics, Integrity & Compliance



Training & Awareness

Ethics and compliance training supports the effective implementation of company policies. In 2025, Austin Powder finalized the structure and content for global compliance training, including the Code of Conduct, anti-bribery and corruption, sanctions, and privacy topics.

Speak-Up Mechanisms and Non-Retaliation

Austin Powder encourages a culture of openness and accountability. Employees are expected to report suspected violations of laws, regulations, or company policies through established channels. Austin Powder finalized a global whistleblower solution in 2025, with implementation planned for 2026, including the rollout of multilingual posters to support a consistent global reporting framework.

Reports can be made confidentially and, where permitted by law, anonymously. The company strictly prohibits retaliation against any individual who raises concerns in good faith.



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.

Looking Ahead to 2026

In 2026, Austin Powder plans to globally implement training on the Code of Conduct, anti-bribery and corruption, sanctions, and privacy topics via the new learning management system: Austin Powder University, enhance third-party sanctions screening processes across the world, expand awareness activities related to whistleblower hotline, further integrate compliance requirements into standard contracting processes and support consistent application of the ethics and compliance framework across all operations.

Creating a Safe, Inclusive, & Respectful Work Environment

Human Rights

Austin Powder is committed to respecting fundamental human rights across its operations. This commitment is reflected in the company's Code of Conduct and Business Ethics, which sets minimum standards of behavior and requires compliance with applicable labor and employment laws in all locations where the company operates.

Modern Day Slavery

Modern slavery is an issue of which Austin Powder and the industry in which it operates is not only aware of, but strenuously opposes. Austin Powder opposes any form of human rights violations and is committed to respecting the human rights of those who work across its operations and supply chains, and to continually evolving its approach to managing human rights risks, including but not limited to modern slavery. As a leader in the industry in which it operates, it is Austin Powder's responsibility to ensure that it both identifies and mitigates these risks and leverages its global influence to reflect this across all of its businesses. Austin Powder also strongly renounces any form of child labor.



Our Communities



Our Communities

A Strategic Pillar in Our Sustainability Agenda

At Austin Powder, strong and trust-based relationships with the communities where we operate are essential to our long-term success and to our commitment to responsible growth. Community engagement is a strategic pillar of our sustainability agenda, as we recognize that social well-being, local development, and stakeholder trust are directly linked to the sustainability of our operations.

Our approach is grounded in respect, transparency, and continuous dialogue with stakeholders. By understanding the social, cultural, and economic context of each territory, we design initiatives that generate shared value, strengthen our social license to operate, and support the effective identification and management of social risks.

All community-related actions are aligned with Austin Powder’s Values, Mission, and Vision, with the objective of acting as a positive agent of change in the regions where we are present.

Governance & Strategic Alignment

In 2025, Austin Powder reinforced its community engagement governance through the creation of the Global Communities Group, integrated within the Global Sustainability Team. This group brings together representatives from different regions with the objective of strengthening and aligning community engagement practices across all countries where the company operates. While some operations already have well-established community programs, others are at earlier stages of development. The creation of this group provides structured support, helps systematize processes, and promotes knowledge sharing among teams.

The Global Communities Group is also advancing the development of a global framework, shared guidelines, and performance indicators aimed at strengthening management, improving consistency, and maximizing the impact of community initiatives worldwide. Through collaboration and continuous learning, this structure contributes to consolidating a more strategic and integrated approach to community engagement.

Looking ahead, this global coordination will continue to strengthen Austin Powder’s ability to build long-term partnerships with communities, contribute to sustainable development, and support the achievement of the company’s sustainability objectives.



Our Communities

Community Engagement & Social Impact

Throughout the year, Austin Powder implemented a diverse portfolio of community initiatives across its operations, working in collaboration with local authorities, educational institutions, civil society organizations, and other key stakeholders.

These initiatives focus on four priority areas:

- ◆ Education and skills development
- ◆ Social inclusion and well-being
- ◆ Environmental stewardship, and
- ◆ Community safety and resilience

Programs range from educational support and youth employability initiatives to environmental restoration, corporate volunteering, and support for vulnerable groups. Together, these actions contribute to capacity building, opportunity creation, and the strengthening of long-term, trust-based relationships with communities.

Employee engagement plays a central role in this strategy. Through structured volunteering programs, Austin Powder mobilizes technical expertise and human capital to complement financial investment, significantly increasing the reach and effectiveness of its social contribution.

The initiatives presented below highlight the diversity of contexts in which Austin Powder operates and the importance of adapting each program to the specific needs of local territories.



Drives for Dreams: Supporting Youth with Disabilities

Austin Powder Company supported **Dream On 3**, a non-profit organization dedicated to fulfilling sports-related dreams for children and youth with disabilities or life-impacting conditions. Through sponsorship and the active participation of employees, the company helps create meaningful experiences that promote inclusion, emotional well-being, and a sense of belonging.

As part of this commitment, the Austin Powder team sponsored the “**Drives for Dreams**” charity golf event, which raised **USD 48,000** to fund these initiatives. The event brought together employees, partners, and community members for a day focused on strengthening relationships and generating a positive and lasting impact on beneficiaries’ lives.



Impulso Austin Strengthens Education in Rafaela

Austin Powder Argentina launched the **2025 Academic Support Program – Impulso Austin** at Cristóbal Colón School No. 479 in Rafaela. This initiative is aimed at 60 sixth-grade students and seeks to strengthen their academic development through additional English classes. Using a dynamic and participatory approach based on workshops, games, and hands-on activities, the program aims to improve academic performance and develop key language skills for students’ future opportunities.

The program promotes close engagement and support with the educational community. Each session includes a shared snack provided by the company, helping to create a positive and holistic learning environment.

Our Communities

Community Engagement & Social Impact



Charity Run Supporting People with Visual Disabilities

Austin Detonator once again participated in the charity run organized in support of the Světluška (Firefly) Foundation in the city of Vsetín. The event brought together 235 runners with the goal of supporting people with visual disabilities. Company employees and their families actively joined the initiative, reflecting a shared commitment to solidarity and inclusion within the community.

In addition to participating in the race, Austin Detonator provided financial support that contributed to fundraising efforts aimed at improving the quality of life of individuals with visual impairments.

Volunteering to Support Veterans with Disabilities

Employees from the Red Diamond plant volunteered at the traditional **Buckeye Ohio Hero Hunt**, an initiative organized by the Ohio Department of Natural Resources in partnership with the Buckeye Hero Hunt Committee to honor veterans with disabilities. The event, held at Zaleski State Forest, offered participants an opportunity to experience camaraderie and connection with nature through guided archery hunting activities.

In this edition, ten Austin Powder employees served as guides and support staff, providing training in crossbow use and accompaniment over two days. In addition to promoting environmental conservation, the initiative supported the emotional well-being of veterans and reinforced the company's commitment to volunteering and to supporting those who have served their communities.



Recognition for Promoting Education & Youth Employment



Austin Powder Argentina was recognized by the Government of the Province of Salta with the **“Construyendo Oportunidades”** (Building Opportunities) award, in recognition of its sustained commitment to youth education and the promotion of quality employment in the southern region of the province. This initiative, led by the Ministry of Education, Culture, Science, and Technology, seeks to strengthen collaboration between the public and private sectors to create greater educational and employment opportunities.

The company was highlighted for its active participation in programs such as **Industrial Operator Training Courses** and **Industria Inspira**, developed in the community of El Galpón, where the Juramento plant is located.



Building Trust for Growth: Environmental Engagement

Austin Powder Zambia advanced its expansion plans through a process of dialogue with key local stakeholders, including government authorities, community leaders, and regulatory bodies, as part of the Environmental Impact Assessment (EIA) approval process. During these meetings, the company presented its environmental management strategies and reaffirmed its commitment to sustainable and responsible development based on high standards of safety, transparency, and environmental care.

The initiative also provided an opportunity to communicate the expected benefits of the bulk emulsion plant project in Kalulushi, highlighting its potential to generate local employment, strengthen supply chains, and contribute to regional economic growth. This participatory process forms part of Austin Powder's strategy to consolidate its presence in Zambia and build trust-based relationships with the communities where it operates.

Our Communities

Community Engagement & Social Impact



Support for Educational & Youth Prevention Program

Austin Powder Brazil strengthened its commitment to education and social development by supporting an activity of **PROERD** (Educational Program for Drug and Violence Resistance) in the town of Espírito Santo do Dourado. This initiative, led by the Military Police of Minas Gerais, aims to prevent drug use and violence among children and adolescents by promoting values of responsibility and coexistence.

The company donated bicycles to the students with the highest academic performance, recognizing their efforts and encouraging continued engagement in education.

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



Austin Powder participated in the Ultra Lanovka charity run in Slovakia, an initiative aimed at supporting the non-profit organization Plamiénok, which provides professional home-based care to children with terminal illnesses. More than 120 participants gathered in the hills near Bratislava to support this cause, promoting social commitment and collaboration through sport.

The international Austin Powder team completed the demanding three-kilometer course—featuring a 197-meter ascent per lap—covering a total of 147 kilometers over 24 hours and achieving strong competitive results. This participation reflected the company’s spirit of solidarity, teamwork, and global commitment to community well-being.

Forest Nursery Promoting Community Reforestation

Austin Powder developed the “**Vivero Dinamita**” (Dynamite Nursery) project, an initiative focused on environmental conservation and the production of native plant species for reforestation programs in natural areas and rural communities. The nursery aims to reach an annual production of 10,000 plants, primarily mesquite and huizache, contributing to the restoration of local ecosystems.

The project includes the installation of three specialized greenhouses for the germination and acclimatization stages, optimizing plant survival under real climate conditions. In addition, a collaboration agreement was established with the Juárez University of the State of Durango (UJED), enabling the participation of students and academics in research and innovation activities and strengthening the link between the company, education, and sustainable development.



Our Communities

Community Engagement & Social Impact



Community Reforestation

In the context of World Environment Day, Austin Powder employees participated as volunteers in a community reforestation activity along the Barranca River, in the Marañonal sector of Esparza, Costa Rica. The initiative, carried out in collaboration with public and private institutions, resulted in the planting of 1,000 native tree species, contributing to ecosystem restoration, soil conservation, and improved air quality.

Through the active participation of its teams, Austin Powder continues to promote concrete actions that strengthen sustainability and environmental stewardship.

Community Reforestation & Children’s Program

Austin Powder promoted environmental and educational initiatives in the rural community of Pueblo Nuevo El 7, encouraging participation by local residents and organizations. As part of Mexico’s National Tree Day, volunteers carried out clean-up activities, restored public spaces, planted trees, and distributed 50 saplings to local families to promote environmental stewardship.

Additionally, for the fourth consecutive year, the company implemented the summer children’s program “**Mis Vacaciones en la Biblioteca**” (**My Holidays at the Library**), in which 40 children participated in sports, cultural, and educational activities over a two-week period. These actions contribute to children’s holistic development, strengthen environmental awareness, and reinforce the company’s relationship with local communities.



Corporate Volunteering with Community Impact

The Corporate Volunteering Program of Austin Powder Argentina, Petrochemical Division, consolidated its impact during 2025 with the participation of 27 volunteers, who dedicated more than 280 hours to the implementation of nine initiatives that directly benefited more than 600 people. These actions focused on skills development, the promotion of responsible practices, and improvements in community safety.

Key initiatives included technical training and employability programs—such as the Industrial Operator Course and an entrepreneurship-oriented carpentry workshop—as well as educational activities on robotics, mental health, financial literacy, and the role of women in industry. The program also supported environmental projects and school infrastructure improvements, including environmental education workshops, tree planting initiatives, and the construction of playground equipment and fences using recycled materials, contributing to sustainable community development.

Our Communities

Community Engagement & Social Impact

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.

This comprehensive approach enhances the impact of each investment by strengthening social development, well-being, and opportunity creation in surrounding communities. The mobilization of knowledge, strategic partnerships, and collective efforts contributes to the development of sustainable, long-term solutions, reaffirming Austin Powder’s commitment to shared growth and value creation in the communities where it is present.

TYPE	USD
Donations	\$188,482
Community Investments	\$19,990
Commercial Initiatives	\$94,319
TOTAL	\$302,791

In 2025, Austin Powder increased its investment in community initiatives to USD 302,791, compared to USD 279,044 in 2024. This sustained growth underscores the company’s ongoing commitment to local development, social well-being, and the creation of shared value in the communities where it operates.



Support for Volunteer Firefighters

Austin Powder Austria reinforced its commitment to community safety through a contribution to the construction of the new volunteer fire station in St. Lambrecht. This institution plays a critical role in community protection and preparedness, and it also maintains a long-standing cooperative relationship with the company’s fire brigade.

Through this support, the company promotes the value of volunteerism and strengthens bonds with its neighbors, contributing to greater community resilience and emergency response capacity. The initiative reflects the belief that safety is a shared responsibility and that collaboration between companies and communities is essential in addressing critical situations.

Community Listening & Engagement Program

Austin Powder Zambia implemented a community listening and engagement program in the vicinity of its plant to better understand and address the needs of the surrounding communities. Through direct engagement, the team provided updates on the ongoing construction progress while creating an open platform for dialogue. Key priorities were identified in collaboration with community members, including the maintenance and erection of fencing around a local clinic, as well as skills development and knowledge transfer initiatives. This program reflects Austin Powder’s commitment to responsible development, transparent communication, and building sustainable relationships with host communities.



Stakeholders



Building Trust Alliances

Stakeholder Relationships & Engagement

At Austin Powder, stakeholder engagement is a fundamental element of how we operate responsibly in a high-risk, safety-critical and highly regulated industry.

Our activities require not only technical excellence, but also strong, trust-based relationships with those who are impacted by—or play a role in—our operations.

By engaging openly and proactively with stakeholders, we strengthen informed decision-making, promote transparency and reinforce our license to operate across all regions where we work. Stakeholder dialogue enables Austin Powder to anticipate risks, align expectations, and ensure that our sustainability strategy remains relevant, practical and grounded in real operational contexts.

Stakeholder engagement is closely linked to our commitments to Safety, Health, Environment and Security (SHES), ethical business conduct and responsible community relationships.

Our Stakeholder Engagement Approach

Austin Powder understands stakeholders as individuals or groups that may be affected by our operations or whose expectations, decisions or actions may influence our ability to operate safely, responsibly and sustainably.

Stakeholder engagement is not a one-size-fits-all process. Engagement mechanisms are designed according to:

- ◆ The nature and risk profile of each operation
- ◆ Proximity to manufacturing sites, storage facilities or blasting locations
- ◆ Regulatory and security requirements
- ◆ The specific expectations and concerns of each stakeholder group

This differentiated approach allows us to maintain effective, two-way dialogue, particularly in locations where safety, environmental protection and community trust are critical to operational success.



Building Trust Alliances

Key Stakeholders

Based on our global footprint and the nature of our activities, Austin Powder engages with the following key stakeholder groups:



Employees

Employees are at the core of Austin Powder's operations and safety culture. Through the SHES program, we ensure high standards of health, safety and security while fostering development and engagement.



Customers

Austin Powder supports customers with safe and reliable blasting solutions, addressing regulatory and site-specific needs while promoting transparency on environmental and social impacts.



Communities

Communities near Austin Powder's facilities and blasting sites are key stakeholders. Transparent communication, early engagement and effective grievance mechanisms support trust, social acceptance and long-term relationships through a locally informed approach.



Governments & Regulators

Given the regulated nature of its operations, Austin Powder maintains open dialogue with local, provincial and national authorities, enforcement agencies and emergency services to support regulatory compliance, emergency preparedness and trust-based relationships.



Suppliers & Contractors

Suppliers and contractors play a critical role in maintaining safety, security and ethical standards across Austin Powder's value chain. Engagement emphasizes clear performance expectations, regulatory compliance and responsible business.



Investors & Financial Partners

Investors and financial partners seek long-term value creation with managed risk exposure. Engagement emphasizes transparency around ESG performance and clear communication on how risks are identified, mitigated and managed, to support investment decisions.



Industry Associations & Technical Bodies

Austin Powder collaborates with industry associations, technical bodies and academic institutions to advance safety practices, develop standards and support research, reinforcing the long-term sustainability of the explosives industry.

Building Trust Alliances

Engagement Channels & Dialogue

Austin Powder maintains **specialized communication channels** tailored to each stakeholder group. These channels have remained consistent and effective, enabling ongoing dialogue, feedback and collaboration. Engagement mechanisms include meetings, site visits, audits, training sessions, conferences, industry committees, community consultations and grievance channels. The purpose and frequency of engagement vary according to stakeholder relevance and operational context, ensuring that interactions remain meaningful and actionable.

Stakeholder Group	COMMUNICATION CHANNELS	PURPOSE
Community	Meetings, Networking, Joint Programs, Plant Visits, Donations, Social media / Letter	Maintain open dialogue, undertake joint actions, make donations, strengthen community bonds, participate in congresses and support local initiatives.
Control Agencies	Meetings, Plant Visits, Calls, Emails, Texts, Website	Ensure compliance with legal regulations, collaborate on improving processes and procedures, and conduct audits.
Internal Public / Employees	Bulletin Boards, Emails, Texts, Internal Communications, Events	Improve information flow, promote teamwork, motivate employees, resolve conflicts, enhance satisfaction, and ensure well-being.
External / General	Meetings, Community Programs, News Media, Social media	Maintain open dialogue, keep the public informed of actions, and carry out community actions and initiatives.
Suppliers / Contractors	Meetings, Internal Communications, Emails, Call, Visits	Maintain open dialogue, inform about company actions, ensure good commercial relationships, and control compliance.
Customers / Clients	Meetings, Plant Visits, Emails, Calls, Visits	Maintain open dialogue, keep clients informed of actions, ensure follow-up visits, and maintain commercial relationships.
Investors	Meetings, Plant Visits, Emails, Calls, Visits	Maintain clear, transparent, and relevant information on the company's financial, operational, and sustainability performance, strengthening trust and commitment.
Press	Press Releases, Meetings, Emails, Calls, Events	Maintain open communication, respond to inquiries, keep the press informed of actions, and host appreciation events.
Neighborhood Associations	Meetings, Calls, Visits	Maintain open dialogue, inform about company actions, and engage in community actions and initiatives.
Local Government	Meetings, Plant Visits, Calls, Emails / Reports, Texts / Social, Media, Web page	Maintain open and ongoing dialogue, inform about company actions or obtain permits, collaborate on community initiatives, secure public incentives and compliance/audit processes.
Provincial Government	Meetings, Calls, Emails, Texts, Letters, Declaring documents	Maintain an open and ongoing dialogue, obtain operating licenses and tax benefits, ensure compliance with local regulations, and maintain communication.
City emergency services	Meetings, Plant Visits, Calls, Training	Provide training on emergency procedures and products, maintain cooperative relationships, and conduct plant visits.
Industry Partners	Meetings, Committee Participation, Emails, Calls, Social media	Access information and resources, stay updated on trends, advocate for the industry, and influence public policies.
Regional Sports clubs	Meetings, Campaigns, Donations, Sponsorship	Support community actions and initiatives through sponsorships and donations and engage with local sports clubs.
Other Organizations	Meetings, Plant Visits, Training, Employer Branding	Position Austin Powder as an employer brand, maintain open dialogue, and support educational initiatives.

Building Trust Alliances

Engagement Channels & Dialogue

Stakeholder dialogue at Austin Powder goes beyond consultation and translates into practical outcomes that improve safety, innovation and regional collaboration.

These engagements strengthen mutual understanding, promote responsible practices and reinforce trust with key stakeholders across regions.

Continuous Improvement

Stakeholder engagement at Austin Powder is an evolving process. As operational contexts, regulatory environments and societal expectations continue to change, the company remains committed to strengthening its engagement practices by:

- ◆ Deepening early-stage engagement for new projects and expansions
- ◆ Enhancing documentation and tracking of engagement outcomes
- ◆ Further integrating stakeholder insights into risk-based planning and decision-making

Through this approach, Austin Powder continues to reinforce its position as a responsible partner, committed to safety, transparency and long-term value creation for all stakeholders.



Engagement with Customers & Industry Partners

Through participation in international mining and infrastructure events, Austin Powder engages directly with customers, regulators, academic institutions and industry peers on topics such as safety innovation, sustainable blasting and emerging technologies. These forums support technical collaboration and continuous improvement across the value chain.

Education & Knowledge Sharing

Austin Powder supports educational initiatives and academic partnerships that contribute to the development of future professionals in mining and blasting. By sponsoring conferences, hosting student visits and collaborating with technical institutions, the company reinforces its commitment to responsible industry leadership.



Industry Leadership & Regulatory Dialogue

Active participation in industry associations and technical bodies enables Austin Powder to contribute to the development of safety standards, policy discussions and regulatory frameworks that shape the future of the explosives industry.



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 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 and data protection remain critical elements of the company's long-term sustainability strategy. By treating security as a continuous governance discipline rather than a one-time initiative, the organization is strengthening operational resilience, improving compliance readiness, and ensuring that its digital infrastructure can support sustainable growth in the years ahead.

In 2025, Austin Powder further strengthened its cybersecurity and data protection capabilities through a focused, governance-driven program designed to reduce enterprise risk and enhance long-term resilience. Following a comprehensive cyber risk assessment, management implemented targeted improvements that enhanced oversight, strengthened internal controls, and improved audit readiness across the organization.

Strengthening Core Security Practices

A series of foundational security enhancements were delivered throughout the year:

- ◆ **Account Security & Access Controls:** The company implemented stronger access control mechanisms and introduced improved methods for measuring their effectiveness, ensuring that account governance remains both consistent and verifiable.
- ◆ **Data Protection & Document Destruction:** New physical document destruction controls were deployed enterprise-wide, enabling the organization to close or eliminate previously identified risks related to sensitive information handling.
- ◆ **Mobile Device Security:** Material improvements to mobile device protections reduced workforce mobility risks and reinforced secure access to corporate systems.
- ◆ **Perimeter Security & Patch Management:** Defensive consistency was strengthened through more disciplined patching practices, reducing exposure to known vulnerabilities and improving the organization's overall security posture.
- ◆ **Vulnerability Management:** An internal vulnerability scanning program was established, enabling continuous oversight and more proactive identification of potential threats.

Collectively, these initiatives resulted in a measurable reduction in identified risks and a clear improvement in security maturity aligned with enterprise governance expectations.

Governance, Privacy & Identity Protection

Austin Powder also advanced its governance and privacy frameworks to ensure clarity, accountability, and global consistency.

- ◆ **Written Information Security Policy:** A formal, enterprise-wide Written Information Security Policy was implemented, establishing a unified governance foundation and ensuring audit-ready documentation of security expectations.
- ◆ **Global Employee Privacy Notice:** On December 15, 2025, the company launched a comprehensive Global Employee Privacy Notice, approved by all business unit leaders and covering the full spectrum of employee data categories.

Identity protection was further strengthened through enhanced password and access controls. Company devices now automatically lock after periods of inactivity, global password standards were communicated to all employees, and a controlled, documented process was established for rare IT password access needs. These controls were informed by real-world social engineering attack patterns, ensuring that safeguards reflect the evolving threat landscape. Together, these measures improved compliance readiness and reinforced accountability across the organization.

Cybersecurity & Data Protection

Workforce Readiness & Forward Focus (2026)

Recognizing that cybersecurity resilience depends on both technology and people, cybersecurity awareness training has been embedded as a mandatory control within the Written Information Security Policy.

All employees now participate in monthly cybersecurity training sessions, while new hires complete enhanced onboarding training that includes weekly sessions during their first four weeks of employment.

A minimum completion requirement—10 of 12 annual episodes— has been established, and investments are underway to enable individual-level compliance measurement and enforcement.

Looking ahead to 2026, Austin Powder will continue to mature its cybersecurity capabilities with a focus on:

- ◆ Advancing asset management maturity
- ◆ Further strengthening account security and endpoint protection
- ◆ Standardizing disaster recovery documentation and testing globally
- ◆ Continuing annual independent cyber risk assessments

Achievements in 2025

- ◆ Implementation of enhanced access control mechanisms and improved measurement of account security effectiveness.
- ◆ Deployment of enterprise-wide physical document destruction controls to strengthen data protection.
- ◆ Significant improvements to mobile device security and workforce mobility protections.
- ◆ Introduction of disciplined patch management practices to reduce exposure to vulnerabilities.
- ◆ Establishment of an internal vulnerability scanning program for continuous security monitoring.
- ◆ Implementation of an enterprise-wide Written Information Security Policy.
- ◆ Launch of a Global Employee Privacy Notice covering all employee data categories.
- ◆ Introduction of enhanced password standards, automatic device locking, and controlled IT password access procedures.
- ◆ Expansion of mandatory cybersecurity awareness training for all employees.

SUCCESS STORY

Cybersecurity awareness is a core element of Austin Powder’s operational sustainability and risk resilience. During the reporting period, a targeted and highly sophisticated invoice-fraud attempt sought to redirect a \$135,000 payment by impersonating legitimate internal communication and leveraging accurate organizational details. An employee outside the United States immediately recognized the indicators of fraud, reported the incident to IT, and proactively alerted colleagues—preventing financial loss and limiting exposure. This outcome reflects the effectiveness of Austin Powder’s **strong, ongoing monthly cybersecurity awareness training program**, which equips employees globally to identify increasingly advanced social-engineering attacks, pause before acting, and respond collaboratively. As cyber threats continue to evolve, consistent investment in employee awareness remains one of the company’s most effective and scalable risk-mitigation controls.



“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

About This Report

Austin Powder is a worldwide leader in the production and supply of industrial explosives and blasting technologies. With a history dating back to 1833, the company serves diverse industries such as mining, quarrying, construction, and seismic exploration. Operating with a workforce of over 4,800 employees globally, Austin Powder is dedicated to upholding the highest standards in safety, innovation, and sustainability.

This document outlines Austin Powder's sustainability initiatives and accomplishments throughout fiscal year 2025. It provides a detailed analysis of the company's Environmental, Social, and Governance (ESG) performance, addressing key areas including Workplace Safety, Workforce Development, Climate Impact, Environmental Performance, Stakeholder Relations, Ethical Business Practices, Cybersecurity Measures, Technology and Innovation, and Community Engagement.

The report covers Austin Powder's operations worldwide, with a particular emphasis on key regions such as North America, Latin America, Asia, Africa, Europe and Detonator Companies.

To ensure a thorough and accurate assessment of sustainability performance, Austin Powder has implemented a structured data collection framework. Regional units submit their respective data, which is then consolidated to provide a comprehensive company-wide perspective. The report incorporates both qualitative insights and quantitative performance metrics, such as greenhouse gas emissions, energy usage, and workplace safety statistics.

Where applicable, Austin Powder follows the Global Reporting Initiative (GRI) Standards, referring to relevant guidelines to maintain a transparent and structured approach to sustainability reporting.

The preparation of this report involved close collaboration with internal stakeholders, including the Sustainability Team and the Global Leadership Team.

Their contributions have been invaluable in maintaining the integrity and relevance of the disclosed information.

Commitment to Progress & Transparency

Recognizing that sustainability reporting is an evolving process, the company remains dedicated to continuously enhancing its data collection, accuracy, and transparency. Looking ahead, Austin Powder will further strengthen its sustainability reporting framework to provide deeper insights into its environmental and social impact.

This report has been prepared for general informational purposes to provide stakeholders with an overview of the Company's environmental, social, and governance (ESG) initiatives, practices, and performance. The information contained herein is based on data available at the time of preparation and reflects the Company's current expectations, estimates, and assumptions. This report contains forward-looking statements, including statements regarding future plans, objectives, targets, initiatives, and expected performance. These statements are inherently subject to risks, uncertainties, and assumptions that are difficult to predict and are beyond the Company's control. Actual results may differ materially from those expressed or implied in such statements. The Company continues to develop its ESG data collection, measurement, and reporting processes. As a result, certain disclosures may be based on estimates, evolving methodologies, or limited data, and may be subject to change in future reporting periods. This report does not constitute, and should not be interpreted as, a commitment, guarantee, or representation regarding future performance or outcomes, nor does it constitute legal, financial, or investment advice. The Company disclaims any liability with respect to this report, and no contractual obligations or rights are formed either directly or indirectly. All rights reserved.

GRI Content Index

GRI Code	Description of the Indicators	Reference & Answers
GRI 2: General Disclosures 2021		
2-1	Organizational Details	Organization: Austin Powder
		<table border="1"> <tr> <td> Headquarters: 25800 Science Park Drive Cleveland, Ohio 44122 United States </td> <td> Reporting Period: January 1, 2025 – December 31, 2025 Reporting Frequency: Annual </td> </tr> </table>
Headquarters: 25800 Science Park Drive Cleveland, Ohio 44122 United States	Reporting Period: January 1, 2025 – December 31, 2025 Reporting Frequency: Annual	
		Phone: +1 (216) 464-2400
		1.1 – 1.2 About This Report; Creating Future Value
2-2	Entities Included	About This Report
2-3	Reporting Period, Frequency and Contact Point	About This Report
2-6	Activities, Value Chain and Business Relationships	1.4 Our Value Proposition
		1.5 Corporate Strategy
2-7	Employees	3.2 Workforce
		3.3 Our Team
2-22	Statement on Sustainable Development Strategy	1.6 Sustainability Strategy (all subsections)
2-23	Policy Commitments	2.2 SHES Management System & Policy
		2.2 SHES Policy
		6.1 Ethics
2-23	Activities, Value Chain and Business Relationships	6.3 Human Rights
		6.1 Compliance Framework
2-27	Compliance with Laws and Regulations	6.1 Compliance Framework
2-28	Membership Associations	7.3 Partnerships & Collaborations
2-29	Approach to Stakeholder Engagement	8.1 – 8.3 Stakeholder Engagement

GRI Code	Description of the Indicators	Reference & Answers
GRI 3: Material Topics 2021		
3-1	Process to Determine Material Topics	1.6.4 Materiality Analysis: Methodology, Materiality Matrix and Prioritization
3-2	List of Material Topics	
3-3	Management of Material Topics	
NOTE: GRI 3-3 is addressed transversally across Environmental, Social and Governance chapters.		

Environmental Topics

GRI 305: Emissions		
305-1	Direct (Scope 1) GHG Emissions	5.2.1 Climate Action
305-2	Energy Indirect (Scope 2) GHG Emissions	5.2.2 Climate Action
305-4	GHG Emissions Intensity	5.2.1 Climate Action
305-5	Reduction of GHG Emissions	NACAG Climate Action
GRI 302: Energy		
302-1	Energy Consumption Within Organization	5.2.3 Energy Efficiency
GRI 303: Water & Effluents		
303-3	Water Withdrawal	5.3.1 Water
303-4	Water Discharge	
303-5	Water Consumption	
GRI 306: Waste		
306-1	Waste Generation and Impacts	5.3.2 Waste Management
306-2	Management of Impacts	
306-3	Waste Generated	
306-4	Waste Diverted from Disposal	
306-5	Waste Directed to Disposal	

GRI Code	Description of the Indicators	Reference & Answers
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Social Topics

GRI 403: Occupational Health & Safety

403-1	Occupational Health and Safety Management System	2.2 SHES Management System
403-2	Hazard Identification and Incident Investigation	2.3 Risk Assessment & Investigation
403-4	Worker Participation	2.4 Worker Participation
403-5	Worker Training	2.5 Training & Competence
403-6	Promotion of Worker Health	2.6 Worker Health
403-8	Workers Covered by an Occupational Health and Safety Management System	2.2 SHES Management System
403-9	Work-Related Injuries	2.8 KPIs
403-10	Work-Related Ill Health	

GRI 413: Local Communities

413-1	Operations with Local Community Engagement	7.1–7.2 Our Communities
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Governance Topics

Ethics & Human Rights

2-27	Compliance with Laws and Regulations	6.1 Compliance Framework (Reported)
2-23	Policy Commitments	6.1–6.3 Ethics & Human Rights (Reported)

GRI 203: Indirect Economic Impacts 2016

203-1	Infrastructure Investments and Services Supported	Community Engagement & Social Impact
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GRI 201: Economic Performance 2016

201-1	Direct Economic Value Generated and Distributed	Community Engagement & Social Impact
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Attraction & Development of the Best Talent

405-1	Diversity of Governance Dodies and Employees	Our Team, Professional Growth
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AUSTIN POWDER