

EcoSynthetix Inc

Environmental, Social & Governance Policy

PURPOSE

Who we are: EcoSynthetix Inc. (“**we**”, “**us**”, “**our**”, “**EcoSynthetix**” or the “**Company**”) is a renewable chemicals company specializing in bio-based materials that are used as inputs in a wide range of products. The Company offers a range of sustainable biopolymers that allow manufacturers to reduce their use of harmful materials, such as formaldehyde and styrene-based chemicals, and enable carbon footprint reductions.

ESG Commitment: EcoSynthetix produces disruptive, low carbon footprint materials, which have a significant positive impact on the sustainability goals of our customers, while offering competitive performance and economics. The Company’s biopolymer manufacturing processes adhere to all 12 Principles of Green Chemistry, have low waste and no by-products. The Company seeks to continuously improve the carbon footprint of its discrete products and grow the overall use of its biopolymers to significantly improve its impact annually. In parallel, the Company will work to reduce the environmental footprint of its internal activities with the overall goal that the sustainability advantages of its products in the market increasingly outweigh its internal footprint.

ESG Policy: The Board of Directors (the “**Board**”) of the Corporation has adopted this Environmental & Social Governance Policy (the “**Policy**”) to set out a framework for the corporate objectives, goals, strategies, and activities relating to environmental, social and governance (“**ESG**”) responsibilities relating to our business performance and to guide our ESG disclosure in regulatory filings.

ESG Governance & Oversight: Our Governance & Nominating Committee (the “**Committee**”) will be responsible for overseeing this Policy and the Company’s operational controls for ESG risk. The Committee will meet regularly to review goals, budgets, and implementation timelines and monitor progress and results.

ESG Requirements: Under Canadian securities regulations, issuers must disclose all material information regarding their business and affairs. The Company is guided by the fundamental principle to provide all information that would be material to an investor’s investment decision, including material information about ESG issues.

ESG PRINCIPLES

As the Company continues to pursue its goal of sustained, profitable growth, it will do so while following an ESG strategy centered on the following three pillars:

- **People** - Reflects the ability of EcoSynthetix to attract and retain fully engaged, diverse employees and ensure the health and safety of our people. Measures include diversity, and health and safety reporting.
- **Planet** - Reflects EcoSynthetix’ dependencies and impacts on the natural environment. Measures in this pillar include greenhouse gas emissions from internal footprint, sustainability advantages of its products in the market, and product innovation.
- **Governance** - Reflects the Company’s purpose, strategy and accountability. Measures include criteria for managing risk and ethical behavior.

1. Environmental Stewardship

- a. *Overview:* The Company will aim to embed environmental stewardship in all aspects of its business. The Company believes it has a responsibility to minimize the energy, carbon, water and waste impacts of its business and recognize that these impacts occur not just in the daily operations of its portfolio but also through its entire value chain.
- b. *Carbon Commitment:* Carbon footprint reductions enabled by the use of our products by our customers are targeted to avoid 100% of the carbon emissions associated with our business in 2022, which would result in a 1:1 carbon cover and would result in EcoSynthetix being climate positive. The Company's mid-term goal is to have a 1.5:1 carbon cover by 2027, meaning that carbon footprint reductions enabled by the use of our products by our customers should avoid 150% of the carbon emissions associated with our business. Management will be responsible for measuring customer enabled carbon footprint reduction and internal carbon footprint annually and will identify improvement areas and track annual net impact.
- c. *Innovation:* The Company is committed to innovation and developing new products which will have a positive impact on the planet and stakeholders. The Company's product development efforts focus on sustainable chemistries which can be produced by manufacturing processes adhering to the 12 Principles of Green Chemistry where the customer value proposition is strong and commercial success will benefit the planet and our stakeholders. The Company will partner with recognized leaders to help them make a meaningful step in their carbon footprint goals. The Company will strive to invest greater than 3% of sales annually into research and development.
- d. *Certifications:* The Company's management system has been certified to ISO 9001 and ISO 14001 standards. These registrations are reviewed and audited by third parties for compliance. The Chief Executive Officer will oversee certifications and related audits, and will be responsible for reporting to the Committee.

2. Social Responsibility

- a. *Overview:* Our people form a diverse, highly trained and engaged team who have come together with a passion for creating materials which have a meaningful, positive impact on our planet and future generations. The Company's ability to attract and retain fully engaged, diverse employees while also ensuring workplace health and safety, is our top priority.
 - i. *Diversity* - We believe that diversity leads to better overall thinking and decisions. We have adopted the Diversity Policy to reflect our commitment to diversity and inclusion, applying to all levels of the organization, including at the Board level where the Company will strive to maintain at least two women nominees on the Board or a minimum 30% female member representation, whichever is greater.
 - ii. *Employment Standards* - We know that the first step in hiring and retaining the best talent is to create safe and inspiring workplaces where people feel valued. The Company is committed to upholding the highest employment

and labour standards, including with respect to human rights. The health and safety of our employees and vendors is of the utmost importance to us. We adhere to leading health and safety standards across our organization.

3. Governance:

- a. *Overview:* The Company is committed to remaining at the forefront of good corporate governance and recognizes the importance of appropriate corporate governance with respect to effective management. This includes a sound approach to corporate governance that complies with all applicable laws, rules, regulations and policies.
- b. *Board Governance:* The Company recruits nominees for an effective and highly skilled Board with three committees: Audit, Compensation and Corporate Governance and Nominating. The Company promotes board independence and embraces board diversity in all its facets, including skills, experience, gender, ethnicity, and race.
 - i. The following policies have been adopted to outline the key principles and rules to help our Board exercise its responsibilities and serve the best interests of the Company and its stakeholders:
 - 1. Mandate of the Board of Directors and Charters of the Compensation, Audit and Corporate Governance and Nominating Committees;
 - 2. Diversity Policy;
 - 3. Majority Voting Policy;
 - 4. Corporate Disclosure and Insider Trading Policy;
 - 5. Code of Conduct & Ethics;
 - 6. Anti-Hedging Policy;
 - 7. Share Ownership Policy; and
 - 8. Environmental, Social & Governance Policy
- c. *Commitments:*
 - i. The Board has separate, independent Chair and Chief Executive Officer roles.
 - ii. The Board has a majority of independent directors.
 - iii. The Board maintains a comprehensive Board assessment process, including annual individual & Board performance assessments.
- d. *Reporting:* The Company will publish information about ESG performance on a regular basis via website, investor presentations, and regulatory filings. The Committee will oversee preparation of any ESG disclosure.
- e. *Ethics:* The Company, its management, directors and all employees, conduct themselves in accordance with the highest moral and ethical standards, informed by

a robust Code of Business Conduct and Ethics. The Company also has a Whistleblower Policy that provides an alternative and anonymous method of reporting suspected compliance violations, unlawful or unethical behavior, or fraud.

REVIEW AND AMENDMENT OF POLICY

The Committee and the Board will proactively monitor the Company's performance in meeting the standards outlined in this Policy. This Policy is subject to change from time to time with approval by the Board. Any departure from this Policy may only be approved by the Board.

Dated: January 14, 2022