



Crosslink Technology Inc.
Epoxies, Urethanes • Custom Cast Parts

Sustainability Report

2023





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Acknowledgments

A Message From Leadership

It is my privilege to present our first Crosslink Technology Inc. Sustainability Report. It showcases our journey and the initiatives we have taken throughout the year to advance our Environmental, Social, and Governance (ESG) performance. Since 1981, we have always cared about our people and the planet. We are driven by our vision of making products that keep the power on, and empower our communities. Our core values of health and safety, innovation, integrity, customer focus, respect, and sustainability guide our actions and decisions every day. This report reflects our efforts and achievements to date.



Edson Fariello, Chief
Executive Officer at
Crosslink Technology Inc.

Crosslink serves various industries, including automotive, aerospace, medical, energy, and construction. We are constantly looking for ways to improve our products, processes, and performance. We are also mindful of our impact on the environment and society, and we strive to operate in a responsible and ethical manner. That is why we have adopted an ESG strategy that aligns with our business objectives and stakeholder expectations.

To implement our ESG strategy, we rolled out eight initiatives in 2023 to further advance our commitment to sustainability. These initiatives included training our team on sustainability, reducing our water, waste, and energy consumption, tracking and reducing our greenhouse gas emissions, ensuring sustainable procurement, promoting health and safety, respecting human rights and ethics, establishing a whistleblower policy, and supporting charitable causes. We have also aligned ourselves with the United Nations Sustainable Development Goals (UN SDGs), which are a global blueprint for achieving a better and more sustainable future for all.

I would personally like to thank my Crosslink team for their dedication, passion, and collaboration. We need every single person to make the change and I am convinced that our employees are the fundamental part of our transformation. I would also like to thank our customers, suppliers, shareholders, and communities for their trust and confidence in us. We invite you to join us on our journey of innovation and sustainability.

UN Sustainable Development Goals

The United Nations Sustainable Development Goals are a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030. In this report, Crosslink focuses on four SDGs that are most relevant to our business and stakeholders:

- **SDG 8** (Decent Work and Economic Growth) - living wages, strong health and safety
- **SDG 9** (Industry, Innovation, and Infrastructure) - automation to increase efficiency in manufacturing
- **SDG 12** (Responsible Consumption and Production) - recycling programs, tracking waste and setting targets
- **SDG 13** (Climate Action) - training staff and GHG emissions tracking

We highlight our achievements and initiatives in these areas, and outline our goals and strategies for the future.



SDG 8: DECENT WORK & ECONOMIC GROWTH

Crosslink Technology Inc. is committed to providing fair and decent working conditions for our employees, as well as opportunities to grow and advance in their careers. We believe that by enhancing our employees' well-being, concerning ourselves with living wages, and creating a positive work culture, it will also support the economic and social development of our community.



SDG 9: INDUSTRY, INNOVATION & INFRASTRUCTURE

As a company that specializes in mold making and chemical production, we are in a position to foster innovation and build resilient infrastructure that is vital for sustainable development. We aim to achieve this by embracing innovative and sustainable manufacturing practices, investing in research and development for greener technologies, and improving our infrastructure for better resource utilization.



SDG 12: RESPONSIBLE CONSUMPTION & PRODUCTION

As a chemical manufacturer, we have a responsibility to minimize our environmental footprint and promote sustainable consumption and production patterns. This involves implementing waste reduction strategies, optimizing energy and resource efficiency, adopting eco-friendly materials, and promoting recycling and reuse practices within Crosslink's operations.



SDG 13: CLIMATE ACTION

We are dedicated to contributing to climate action by tracking and lowering our greenhouse gas emissions, switching to renewable energy sources, and taking steps to address climate-related risks. We plan to do this by investing in energy-efficient technologies, offering sustainable transportation options for our employees, and participating in carbon offset programs.

Making A Difference

Crosslink has undertaken several initiatives over the past few years to get involved with the local community, attain baselines, review policies, assess materiality and gaps in current ESG programs, and train staff. We are excited to share them here.



Our products enhance community power stability through the development of customized bushings and epoxy solutions that improve the reliability and longevity of electrical transformers. Their innovations aim to reduce electrical discharge and introduce self-cleaning properties, addressing challenges in polluted environments. We focus on specialized manufacturing and design collaboration for efficient and durable power infrastructure for communities.



Crosslink actively contributes to societal and educational welfare by donating epoxy materials to the University of Toronto's engineering department, supporting the development of future engineers. Additionally, we address local food insecurity issues by making several annual donations to Malton food banks, reinforcing our dedication to community support. These actions exemplify Crosslink's commitment to fostering education and community.



We value open communication and continuous learning among employees, evident through regular town hall meetings that foster a culture of transparency and engagement. Crosslink is dedicated to the professional and personal development of its staff, offering training courses focused on workplace life balance and harassment prevention. These initiatives highlight our commitment to creating a supportive and respectful work environment.



Crosslink depends on the services and products of many businesses. To meet the new demands of our largest customers on our sustainability journey, we have begun reviewing our top 10 suppliers. We assessed their involvement with ESG, and have an aim to encourage them to share and expand their own sustainability actions and targets.

Environmental Metrics

KEY ISSUES	BASELINE (2023) Aug 1 2022 to July 31 2023	TARGETS	INITIATIVES
MATERIAL WASTE	<ul style="list-style-type: none"> Crosslink's hazardous recorded waste is 11,138.60 Liters, and 898 KG for Aug 2022 to July 2023 and 303448 KG from waste & 34.99 MT for waste temp. 	<ul style="list-style-type: none"> Aim is to reduce waste by 5% in 2025 from our baseline year 2023. 	<ul style="list-style-type: none"> Recycling initiatives (lunch room) Employee Training and Awareness Training Getting advice from hazardous waste vendor about reducing impact Look into bio-based products to reduce recycling
ENERGY CONSUMPTION	<ul style="list-style-type: none"> Total energy consumption: 564,683.461 kWh 	<ul style="list-style-type: none"> Aim to reduce energy consumption by 5% in 2025 from 2023 baselines. 	<ul style="list-style-type: none"> Automate cast parts production in 2024 Seek Alectra's advice on energy reduction Educate employees on energy conservation Turn off unused equipment Collaborate with utilities on energy-saving programs Improve manufacturing efficiency Use energy-efficient lighting and devices Upgrade to greener machines and equipment
GREENHOUSE GAS (GHG) CONSUMPTION	<ul style="list-style-type: none"> Scope 1: 63.546 tonnes CO₂e (natural gas combustion, refrigerant emissions). Scope 2 (Purchased Electricity) 16.122 tonnes CO₂e (location-based electricity) Scope 3 : 917.151 tonnes CO₂e 	<ul style="list-style-type: none"> Aim to reduce our total emissions by 5% by 2025 from the 2023 baseline year. 	<ul style="list-style-type: none"> Join Canada's Net Zero Challenge. Launch 2 suggested initiatives for GHG reduction inside our carbon tool.
WATER POLICIES (INCLUDING WASTEWATER)	<ul style="list-style-type: none"> 4263 m3 of water used from August 2022 to July 2023. This is our baseline year. Surface Water Information Management (SWIM) REPORT 	<ul style="list-style-type: none"> Our aim is to reduce water consumption by 5% by 2025. 	<ul style="list-style-type: none"> Installing high-efficiency boiler to reduce water consumption in 2024. Investigating water cooling efficiencies.
BIODIVERSITY	<ul style="list-style-type: none"> Not tracking this ahead of 2023 	<ul style="list-style-type: none"> We strive to understand and put a policy in place for Biodiversity by 2024. 	<ul style="list-style-type: none"> Researching peer and competitive companies to find ideas of how best for Crosslink to address biodiversity in future.
AIR POLLUTION	<ul style="list-style-type: none"> Air quality report showed no significant signs of pollution in 2023. 	<ul style="list-style-type: none"> No significant signs of air pollution from stacks in 2024. 	<ul style="list-style-type: none"> Continue tracking air pollution and getting employee health checks annually.
CUSTOMER HEALTH & SAFETY	<ul style="list-style-type: none"> Our baseline year is 2023, and we had 0 H&S incidents from customers. 	<ul style="list-style-type: none"> Aim for zero (0) health and safety incidents from our customers in 2024 and 2025. 	<ul style="list-style-type: none"> Log in JHSE and non-conformance reports.

Human Rights And Ethics Metrics

KEY ISSUES	BASELINE (2023) Aug 1 2022 to July 31 2023	TARGETS	INITIATIVES
WORKING CONDITIONS	<ul style="list-style-type: none"> Our baseline year for tracking accidents is 2023 - from August 1 2022 to July 31 2023. We had 1 incident. 	<ul style="list-style-type: none"> We strive for zero (0) accidents in 2024 and 2025. Lost time incidents. 	<ul style="list-style-type: none"> Ongoing safety training, and safer and more automated equipment to ensure limited stress on employees.
CAREER MANAGEMENT	<ul style="list-style-type: none"> Our baseline metric for employee training hours annually is 4 hours per person in 2023 (from Aug 2022 to July 2023.) We also strive for 100% of employees receiving an annual review each year. 100% baseline metric for 2023. 	<ul style="list-style-type: none"> We aim for 5 hours of training per employee in 2024. 	<ul style="list-style-type: none"> Striving for 100% of employees getting an annual review in 2024.
FORCED LABOUR	<ul style="list-style-type: none"> Baseline for child labour in 2023 is 0. Our company employs zero (0) migrant workers. 	<ul style="list-style-type: none"> We strive for zero incidents of forced child labour. 	<ul style="list-style-type: none"> No tolerance for forced labour.
DIVERSITY & INCLUSION	<ul style="list-style-type: none"> Our baseline metric is 84% Male (37) and 16% Female (7). 	<ul style="list-style-type: none"> We strive to add one (1) female in 2024. Begin looking into gender diverse people statistics for 2024. 	<ul style="list-style-type: none"> Crosslink has started reporting on workplace diversity for gender. This included students. Goal for future would be to look into ethnic and age diversity too.
EXTERNAL STAKEHOLDERS	<ul style="list-style-type: none"> Started Sustainable Procurement work in 2023. Top 10 suppliers. 	<ul style="list-style-type: none"> Implement a self-assessment matrix for suppliers in 2026, rolling out to 90% of suppliers. 	<ul style="list-style-type: none"> Develop a Supplier Code of Conduct for strategic suppliers to sign in 2025.
ASSEMBLY AND OPEN COMMUNICATIONS	<ul style="list-style-type: none"> Our baseline for 2023 was one (1) Town Hall meeting each quarter. 	<ul style="list-style-type: none"> We strive to host four (4) Town Halls in 2024. 	<ul style="list-style-type: none"> Continue fostering open assembly and communications.
MODERN SLAVERY	<ul style="list-style-type: none"> As of 2023, these stats are unknown/not yet tracked. 	<ul style="list-style-type: none"> We are committed to ensuring no modern slavery occurs at Crosslink. 	<ul style="list-style-type: none"> Crosslink is dedicated to preventing modern slavery. Our commitment is reflected in our human rights policy.
ANTI-CORRUPTION	<ul style="list-style-type: none"> Our baseline is 2023 with 0 incidents of corruption and bribery reported. 	<ul style="list-style-type: none"> With training for all employees, we strive for 0 incidents of corruption in 2024. 	<ul style="list-style-type: none"> We will conduct annual corruption risk assessments & Awareness training performed to prevent corruption and bribery
INFORMATION TECHNOLOGY	<ul style="list-style-type: none"> Our baseline is 2023 with zero (0) breaches. 	<ul style="list-style-type: none"> We strive for no (0) IT and information security breaches in 2024. 	<ul style="list-style-type: none"> Continue with quarterly information and security employee training (Know B4).
FRAUD	<ul style="list-style-type: none"> We didn't track this ahead of 2023. 	<ul style="list-style-type: none"> Our goal is 0% incidences of bribery and fraud in 2024. 	<ul style="list-style-type: none"> Training on fraud policy and fraud mitigation.
CONFLICT OF INTEREST	<ul style="list-style-type: none"> We didn't track this ahead of 2023. 	<ul style="list-style-type: none"> In 2024, roll out a specific approval process for sensitive transactions, such as gifts over \$50 CDN, and travel, vacations, etc. 	<ul style="list-style-type: none"> Training on conflict of interest definitions and reduction of risk.
ETHICAL TRAINING	<ul style="list-style-type: none"> We didn't train on ethics ahead of 2023. 	<ul style="list-style-type: none"> The goal is to have 100% of employees take it by the end of 2024 fiscal year. 	<ul style="list-style-type: none"> Training on ethics - such as anti-corruption and anti-bribery; new policy and reduction of risk.

Next Steps

Where do we go from here? Crosslink's Sustainability Report is about both reflecting on the past and planning for the future. While we understand that sustainability is a journey, not a destination, we are making big strides this year. Our team is excited to have started 4 new measures (or projects) for 2024.

Our 4 Measures for 2024

No. 01

Overall: Training our Team on Sustainability

We launched a new course for employees to take: Sustainability 101. It covers topics such as environmental impact, and it addresses ways for all of us to work towards a goal of lessening our impact. We are also training staff on ethics, human rights, and sustainable procurement policies.

No. 02

Environmental: Reducing, Tracking & Procurement

We have kicked off Greenhouse Gas (GHG) tracking, making a baseline year of 2022, and we are pulling in Scope 1, 2, and a few categories of Scope 3. Crosslink also uses Carbonhound, a carbon tracking tool, to measure and provide suggested initiatives for impact reduction.

No. 03

Social: Health & Safety, and Human Rights

We continue to track the wellness and safety of our employees and customers. Several of our ESG targets are now embedded in our monthly Joint Health and Safety Committee meeting. Plus, we will continue supporting communities with food donations, and materials for student programs.

No. 04

Governance & Community

Transparency and integrity are at the heart of what we do. Our Whistleblower Policy encourages and protects individuals who report unethical practices, ensuring our governance is always held to the highest standards.

Acknowledgements

Crosslink Technology Inc. wanted to conclude by acknowledging the contributions of the people who worked tirelessly on the projects mentioned within. Those committed to these projects include:

- CEO and Management Team
- Sales and Marketing Operations
- Human Resources
- Accounting and Bookkeeping
- Plant Management
- Lab Management
- Joint Health & Safety Committee

We strive towards sustainability and meaningful contribution, shaping a brighter future together.

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