



**environmental,  
social and  
governance**

Investing in a Sustainable Future






# environmental, social and governance



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# Investing in a Sustainable Future





## Message from the CEO

*We proudly publish the first Environmental, Social and Governance (ESG) Report outlining our commitment and actions for an ESG framework.*

Over the last year, our company has undergone a transformation that has crystallized our focus on our core customers and markets, integrated our technologies and teams to strengthen our capabilities, and harmonized our processes and systems. We have also defined our company's purpose on a foundation of sustainability.

At Newterra, we provide leading solutions to treat the world's water by understanding our customer's unique challenges, leveraging a passionate, experienced workforce and employing innovative, dependable technologies. We support this mission with values defining how we work: *Customer Focus, Accountability, Environmental Stewardship, Results, and Safety.*

Our ESG framework builds upon our values and outlines the key areas of focus that drive our sustainable practices. It empowers us to take a broader perspective and evaluate our impact holistically, ensuring we are on track to achieve our goals while operating to improve environmental quality, community quality of life and resilience. By fostering diversity, prioritizing our employees' growth, supporting the well-being of our communities, and upholding strong governance standards, we continually strive to advance our commitment to ESG and generate value for our customers, employees, and stakeholders.

*“ We are extremely proud of what we do for our customers and the positive impact we make on our environment and local communities daily ”*

We are extremely proud of what we do for our customers and the positive impact we make on our environment and local communities daily. We have an incredibly dedicated team committed to excellence and fully engaged in our sustainability journey, eagerly embracing the opportunity to tackle our customers' water challenges, support our communities and help build a stronger Newterra.

**We are excited about what lies ahead!**

A handwritten signature in black ink that reads "Kevin". The signature is fluid and cursive, written in a professional style.

**Kevin Cassidy, CEO**

# Newterra at a Glance



*Newterra Membrane Bioreactor (MBR) Wastewater Treatment Plant servicing a year-round recreational vehicle and mobile home park located along the shores of Lake Ontario with strict regulatory requirements.*

# Renewing Precious Ecosystems for Current and Future Generations

At Newterra, we design, engineer, manufacture, and service environmental, water, and wastewater treatment solutions that renew our precious ecosystems. Our trouble-free technologies and a full offering of lifecycle solutions for municipal and industrial customers assure great performance, superb reliability, and the highest value. From drinking water to industrial water, wastewater, stormwater, and remediation, we tailor solutions to meet operational, regulatory, and safety goals. Our passionate experts provide flexible capital delivery solutions and a host of services to support ongoing customer operations, so that they can stay focused on other priorities.

## Our Values



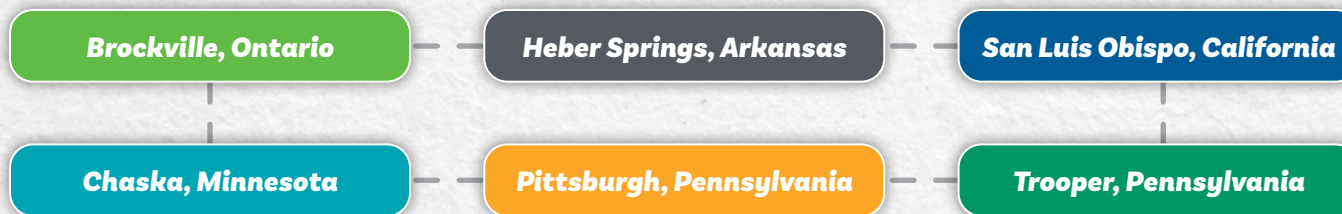
## Our Stakeholders

### Customers and Suppliers

We proudly serve customers across several applications and segments. The end markets we serve include municipalities and government facilities, commercial and private land development, and several industries. Our wide-ranging industrial experience includes agriculture, aquaculture, food and beverage, chemical processing, oil and gas, manufacturing, energy and utilities, recycling and landfills, mining, and transportation.

### Employees and Communities

**Newterra serves our global customers through an integrated organization.** Our sales, marketing, engineering, manufacturing, procurement, service, finance, human resources, technology, employee health and safety (EHS) and quality teams are ALL dedicated to serving the customer and upholding Newterra's core values. We are part of the communities we live in. We operate facilities across North America, including the following locations:



### Investors

**Newterra is a Frontenac portfolio company.** Frontenac is a private equity firm focused on investing in middle-market businesses in the consumer, industrial, and services industries. Through its executive-led approach called CEO1ST, Frontenac works in partnership with established business leaders to fuel growth and profitability and build market-leading companies through transformational acquisitions and operational excellence.

Frontenac selected HSBC to finance its acquisition of Newterra. In doing so, Frontenac became the first firm to receive a private equity loan in Canada under Green Loan Principles, requiring loan proceeds to be allocated to sustainable projects.







# ESG Performance Highlights

We are proud of the impact our team is making in the following key areas.

**200+**  
MILLION

Newterra water and wastewater systems treat over 200 million gallons of water daily

**energy**  
EFFICIENCY

Provided our clients with the most energy-efficient equipment in the industry to treat PFAS and emerging contaminants and achieve the most stringent regulatory requirements

**5+**  
YEARS

Consecutive time without a lost time injury

**1.5**  
MILLION

Over 15 years, we have removed 1.5 million pounds of pollutants from industrial stormwater

**<1.0**

Total Recordable Incident Rate (TRIR)

**>60%**  
ELECTRICITY

Used in our major facilities comes from renewable resources



### **Engaging and Developing Employees**

- Developed **global employee engagement and safety committees** that meet monthly
- Launched our formal **Diversity, Equity and Inclusion (DEI)**, and development and continuing education policies
- Expanded our efforts to **introduce our industry to young professionals** and **engaged with local educational leaders** to discuss water industry career development opportunities



### **Collaborating with Communities to Better Understand Water Risks and Challenges**

- Engaged various groups in Brockville **to solve the current housing shortage** in Eastern Ontario
- Worked with **Arkansas Economic Development Commission** to implement training and development programs for welding professionals
- Reinforced our 20-year long **collaboration with the Minnesota State Trade Office**



### **Strengthening our Governance and Policies**

- **Refreshed our corporate governance policies** and published a revised Team Manual for all employees
- Continued to **build a culture of cyber risk awareness** through technology, policy, communication and training
- **Integrated the business across all geographies** and **harmonized data** in a single Enterprise Resource Planning (*ERP*) system to support increased visibility of business performance
- **Conducted a strengths, weakness, opportunities and threats (SWOT) assessment** of our businesses as part of our strategic plan to better address emerging risks and key trends in our industry

# The Newterra ESG Framework



*Newterra supplied this Wastewater Treatment System to a small private community in Telluride, Colorado, to replace a failing system. The project was awarded a Grand Prize by the American Academy of Environmental Engineers and Scientists® for Excellence in Environmental Engineering and Science™*

# Promoting Environmental Sustainability, Social Responsibility, and Prudent Governance for a Sustainable Future

We are stewards of water and promote Environmental sustainability, Social responsibility and prudent Governance in how we operate and the solutions we provide our clients. **For over 150 years**, everything we do is driven by our mission to solve our clients' water and wastewater challenges and sustain our planet's ecosystem for current and future generations. Our legacy provides the foundation for our ESG efforts. It inspires us to deliver sustainable solutions and develop our people, foster diversity and enhance the wellbeing of our communities, and operate responsibly to minimize risks and create value for our clients, people, and stakeholders.

## Our ESG Framework

To solidify our commitment to ESG and demonstrate our key achievements and progress, we evaluate our ESG performance across nine key aspects of the Newterra ESG framework. Each of these aspects will include performance indicators and metrics through which we will be monitoring and measuring our performance on an annual basis.



Our ESG Committee oversees the continuous development of our ESG framework and strategy. The ESG Committee's responsibilities include ensuring that our performance is monitored and evaluated appropriately, as well as defining and updating our key performance indicators (KPIs) and metrics so we can best address the ESG aspects that are most critical to Newterra and the priorities of our stakeholders. The ESG Committee reports directly to our Chief Executive Officer (CEO) and regularly updates our Board on ESG initiatives and progress made against our ESG goals.

We plan to evaluate our ESG performance quarterly, and we will be publishing our ESG report annually. We are also committed to transparently reporting to our stakeholders any issues of concern related to ESG that may arise outside of the regular ESG reporting period, including but not limited to support international ESG initiatives and goals, projects with notable ESG impacts, and new policies and community stewardship activities.



## Environmental Stewardship

**Environmental stewardship is one of our Values and a key part of our purpose and mission.** We are committed to following all relevant environmental laws and regulations and implementing responsible ecological management standards to minimize our environmental footprint in our offices and manufacturing facilities. Our solutions foster environmental sustainability and help preserve our planet's most precious natural resource, water.

Our Environmental, Health, Safety and Quality (EHSQ) policy specifies our strategic environmental management priorities. We continually improve and monitor our environmental performance through our EHSQ system, which complies with the requirements of **ISO 45001**, **Occupational Safety and Health Act (OSHA)** requirements, **Ontario's Occupational Health and Safety Act (OHSA)** and other applicable regional regulatory requirements.

### Environmentally Responsible Operations

Across our offices and manufacturing facilities, we support prudent waste management by installing and utilizing relevant waste bins to properly dispose of waste and promote recycling and reuse of paper, plastic products and electronic equipment. Our manufacturing facilities are the primary source of waste generation, and we always focus on separating waste to recycle and reuse steel, wood products, cardboard and paper. We strive to discourage single-use plastics such as plastic water bottles, straws, and cutlery.



*We recently upgraded our stormwater drainage systems in our manufacturing facility in Heber Springs, so we can properly manage stormwater on our site. Furthermore, we have established safeguards to avoid and properly manage liquid spills that are clearly defined in Safety Data Sheets that accompany all our products.*

Energy consumption is another major impact source, especially in our manufacturing facilities. In Brockville, we completed a comprehensive lighting upgrade, replacing metal halide and fluorescent lights with high-efficiency LEDs. The **energy usage in the first year was reduced by 76%**, translating into substantial energy savings and a notable reduction in the carbon footprint. In Heber Springs, we implemented a partial energy audit for new capital expenditures, and we installed expansion tanks to reduce energy by allowing air compressors to cycle off when not required. We aim to make energy audits a key part of our capital expenditure assessment process across all our offices and manufacturing facilities in the coming years. **Currently, more than 60% of electricity used in our major facilities comes from renewable resources.**



**Our products and systems result in measurable ESG impacts that help our clients achieve their ESG goals**



## Delivering Environmentally Sustainable Solutions

Our treatment systems help support sustainability globally by restoring water quality, fostering responsible stormwater and wastewater management, and protecting biodiversity and wildlife. Every day, Newterra environmental, water and wastewater systems treat **more than 200 million gallons of water and remove pollutants and illness-causing organisms**, including hazardous air pollutants, volatile organic compounds and emerging contaminants such as perfluoroalkyl and polyfluoroalkyl substances (PFAS). Over the last **15 years, our stormwater treatment systems have removed over 1.5 million pounds of pollutants** from industrial stormwater.

We address our clients' water and wastewater challenges effectively and efficiently, whether they face operating old and inefficient infrastructure, high operational costs or complying with increasingly complex regulatory requirements. Our solutions help our clients maximize energy efficiency and water reuse, reduce water loss, and minimize Greenhouse Gas Emissions (GHG) emissions. We are a leader in developing modular, scalable decentralized systems that enable smaller and decentralized communities to access sustainable and cost-effective solutions that can be modified according to their specific needs, thus achieving outstanding levels of efficiency and reliability.

## Focusing on PFAS and Emerging Contaminants

We are especially proud of our solutions that remove PFAS and other emerging contaminants from water sources. PFAS compounds don't break down in the environment easily and are known as "forever chemicals". Newterra designs custom, easy-to-operate systems that remove PFAS compounds efficiently and reliably, keeping our water sources and communities safe.

From small municipalities to larger cities, industrial facilities and military installations, we provide optimal PFAS removal systems. We account for each water source's composition, type and concentration of PFAS compounds. Our engineers design treatment equipment that maximizes energy efficiency and reliability, thus allowing our clients to optimize their budgets. Our unique engineering capabilities enable us to develop treatment systems with the lowest pressure drop in the industry, significantly reducing energy usage while providing maximum filtration. Our systems allow our clients to reach non-detect PFAS contamination levels and achieve the most stringent regulatory requirements for PFAS and contaminant removal.



### Helping Our Clients Achieve Their ESG Goals

Our products and systems result in measurable ESG impacts that help our clients achieve their ESG goals. For example, our Triton® 2.0 Aerator helps reduce energy consumption by up to 50%, and our pressure vessels have a lower pressure drop, requiring less energy to operate. Our experts can help measure, quantify and document water, energy and GHG emissions savings and any other relevant operational improvements in a project. We help our clients demonstrate alignment with international initiatives and goals, such as the **United Nations Sustainable Development Goals (UN SDGs)**, as well as achieve sustainability certifications.



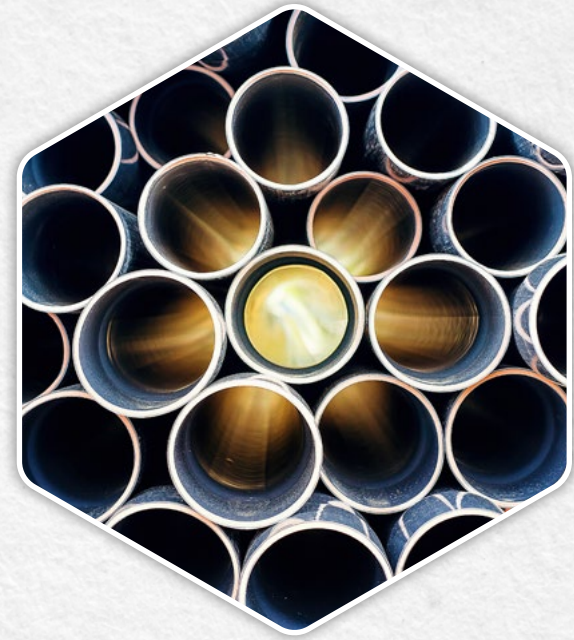


*“Newterra designs custom, easy-to-operate systems that remove PFAS compounds efficiently and reliably, keeping our water sources and communities safe”*

## Project Highlights:

### *US Midwest Industrial Manufacturing Stormwater Collection and Treatment with Process Reuse*

Newterra collaborated with a major US producer of galvanized pipe products to design, supply and commission a novel stormwater capture and treatment solution for an older manufacturing facility facing new zinc discharge limits. The solution included large capacity underground stormwater and treated water storage and a mix of treatment technologies, including point source passive treatment, oil and suspended solids removal, and a custom containerized 250 Gallons Per Minute (GPM) treatment process for metals removal. Treated water is collected and provided to the plant to be used in the manufacturing process, replacing potable city water demand. This comprehensive solution simultaneously protects the environment and saves municipal water.



### *Emergency Installation of PFAS Treatment System for a Water Authority in Long Island, New York*

The Water Authority at Nassau County, NY, contacted Newterra and their emergency response contractor requesting an emergency PFAS removal solution at their drinking water well site. During the summer peak water times, the demands totaled 1.4 MGD and high contamination above New York State limits. Newterra supplied a dual 12' diameter vessel system with an interconnecting piping manifold and 80,000 lbs of granular activated carbon within six weeks. Usually, the lead times for such a project would be 12-18 months. However, Newterra was flexible and adept at responding to this emergency. The Newterra solution resulted in the Water Authority water site being compliant and providing clean drinking water to the public.

### **Showcasing Green Leadership and Innovation by the Regional District of Nanaimo, British Columbia, at the Church Road Transfer Station**

Newterra supplied a package MBR wastewater treatment plant (WWTP) to treat the on-site wastewater and was critical to helping Church Road Transfer Station (CRTS) achieve Leadership in Energy and Environmental Design (LEED) Gold certification status. CRTS's expansion under the Regional District of Nanaimo's Green Building Policy transformed it into a zero-waste facility. Incorporating integrated wastewater management and water conservation measures was essential in achieving LEED Gold certification. Newterra's MBR system had to meet the effluent reuse requirements of the BC Environmental Management Act Municipal Sewage Regulation. The 790 Gallons Per Day (GPD) (3m<sup>3</sup>/day) of reclaimed water - representing 100% of the WWTP effluent - is now suitable for reuse at the transfer station for toilet flushing, floor washing, and green roof irrigation.



### **Leadership in Energy and Environmental Design (LEED) Certification for the Education City Campus in Doha, Qatar**

Newterra worked on the Education City Campus project for the Qatar Foundation in Doha, Qatar. Greywater was treated to be safely reused for toilet flushing across the campus, thus promoting water conservation and minimizing impacts on the region's scarce freshwater resources. This helped the project achieve the LEED Rating System certification, the leading green building rating system and certification in the world.



## Water Stress and Aquatic Ecosystems

Water scarcity, ecosystem degradation and biodiversity loss are interconnected challenges that jeopardize safe access to clean water for an increasingly large number of people globally. At Newterra, we are particularly proud of our focus on water-stressed regions and our efforts to design our products and systems to operate safely and reliably in areas with pristine natural environments under the most extreme weather conditions. From northern areas with severely cold ambient weather environments to Africa, the Middle East, and other regions with semi-arid climate conditions, we provide our clients with solutions that optimize the management of their resources and supply clean water that can be reused safely to increase water availability, minimize or eliminate discharges and help sustain freshwater sources.

Our products and systems are designed to minimize the overall footprint of treatment facilities and supply clean, safe water for reuse or direct discharge, even in the most environmentally sensitive ecosystems. Our experts design water treatment systems that help our municipal, commercial, and industrial clients treat tap, well, brackish, and seawater into high-quality water. Our MBR wastewater treatment systems treat industrial wastewater and process water into high-quality effluent that is safe for reuse or direct discharge. Our Aerators feature the Aqua Guard Propeller Guard to protect fish in surrounding waters while not negatively impacting their performance.

## Project Highlights:

### Promoting Sustainable Agriculture

Agriculture is a major source of pollution in many countries worldwide, with pesticides, fertilizers and other chemicals degrading freshwater sources, ecosystems, and soil. It also consumes around 70% of freshwater supplies globally and is a significant contributor to GHG emissions. Newterra provides specialized solutions to help our clients develop more sustainable industrial and agricultural projects. We are proud of our unique capabilities to support Controlled Environment Agriculture (CEA) operations with sustainable water solutions to safely treat process water for reuse, address wastewater and contaminant removal challenges and maximize their product yield.

Our offerings enable our clients to filter and reuse irrigation water, raw water, rainwater and wash water to reduce water usage and fertilizer requirements, maintain low levels of bacteria, yeast and molds, keep irrigation water fresh, and improve plant growth and reduce crop losses. As such, our products help develop CEA projects that **consume 95% less water**, require **97% less land and less energy** and produce less waste than conventional farms.



**95% LESS WATER**  
**97% LESS LAND**



### ***Pioneering Zero-effluent Wastewater Solution for a Pulp and Paper Plant in Northern Saskatchewan, Canada***

In Northern Saskatchewan, Canada, a pulp and paper plant had trouble operating its aeration equipment to treat wastewater in extreme cold conditions. Newterra delivered its Aeration System, known for its superior performance under severe cold weather. Our solution provided constant reliability and lowered maintenance requirements. It prevented short-circuiting and heat loss, thus realizing substantial energy savings. It enabled our clients to reuse their process water up to six times, significantly reducing discharges to the pristine local environment.

### ***Aquaculture Stewardship Council (ASC) Certification for the Pacific Reef Fisheries Aquaculture Farm in North Queensland, Australia***

Newterra provided products and services to enhance the aeration processes and achieve stringent wastewater effluent limits in the Pacific Reef Fisheries Black Tiger Prawn aquaculture farm in North Queensland, Australia. The aquaculture farm is located in the pristine natural environment of North Queensland and next to the Great Barrier Reef, the world's largest coral reef system and a United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Site. As such, the farm must operate following stringent effluent discharge standards. Our products helped significantly improve the aeration process and efficiency while reducing energy consumption, improving yields, meeting the required wastewater effluent limits, and maintaining the ASC certification, the highest global standard for sustainable and responsible aquaculture.





## Greenhouse Gas Emissions and Climate Risk

GHG emissions continue to rise globally, posing major potential risks for Newterra, our clients and the communities in which we operate. If we want to achieve our mission to sustain our planet's ecosystem for current and future generations, we must contribute to GHG emissions reduction efforts in our industry and globally. Over the next two years, we plan to complete Newterra's first GHG emissions footprint evaluation. As a company with manufacturing facilities, we have already started implementing energy efficiency initiatives to optimize our processes and conserve energy, which helps reduce our GHG emissions. Our recycling initiatives also help us reuse products and materials, thus avoiding landfill disposal and the associated emissions.

We are committed to exploring more ways to reduce energy consumption over the next year across all our offices and manufacturing facilities. We plan to identify opportunities for energy efficiency initiatives and consider how we could best utilize renewable energy applications. At the same time, we plan to have an open dialogue with our suppliers on their evaluation of their GHG emissions so that we can evaluate the true scale of our supply chain GHG emissions.

*“ We are committed to exploring more ways to reduce energy consumption over the next year across all our offices and manufacturing facilities ”*



We achieve a much larger impact through the products and systems we provide our clients that make their projects more energy-efficient and resilient. Newterra is unique in its ability to provide innovative project solutions that reduce energy consumption and facilitate water recycling and reuse, thus significantly reducing GHG emissions. Starting this year, we will evaluate our contributions to GHG emissions reduction efforts through our products and systems more closely and work with our clients to find new ways to reduce the carbon footprint of our projects and services.

GHG emissions affect our climate and the ecosystems we strive to protect and impact our business in many other indirect ways. A changing environment comes with potential increases in the frequency and severity of extreme weather events and natural hazards. Water projects are particularly susceptible to climate-related impacts. Our projects cannot be designed considering similar operating conditions as those 20 years ago, and the principles of resilience and climate risk assessment should become an integral component of project designs. From this year on, we intend for our business strategy to encompass climate risk assessment aspects so that we can properly identify risks that are most material to Newterra and help develop more resilient projects. We plan to transparently report our climate-related risk assessments to our stakeholders through our ESG reports and other climate-specific disclosures.



*“ We achieve a much larger impact through the products and systems that make client projects more energy-efficient and resilient ”*

environmental, social *and* governance





## Diversity, Equity and Inclusion

Our employees, the human resources team and our leadership are committed to fostering a culture of respect, integrity, and belonging. We strongly believe that having employees from various backgrounds brings a differentiated and enhanced perspective across our workplaces that encourages innovation and adds value to our culture and the services we provide our clients.

This year we launched our Diversity, Equity and Inclusion (DEI) policy to support diversity further, celebrate our employees' unique characteristics and maintain a discrimination-free workplace. Newterra strictly prohibits any form of discrimination based on life and work experience, culture, ethnicity, gender, age, sexual orientation and any other characteristics. We are an equal employer and fairly treat all our employees based on their demonstrated ability. We stand by that commitment in everything we do and include DEI considerations across all our practices and policies, including recruiting, compensation, benefits and employee development.

We encourage our employees to voice their concerns and report any behavior they experience or witness that violates our DEI policy to their manager and the Human Resources team without fear of retaliation or disciplinary action. A welcoming and supportive work environment allows all our employees to perform to their full potential and do what they do best: *develop innovative solutions to solve our clients' most complex water challenges.*

“...we launched our Diversity, Equity and Inclusion policy to support diversity further, celebrate our employees' unique characteristics and maintain a discrimination-free workplace.”

**Over the next two years, we plan to evaluate and implement strategic initiatives to improve DEI in Newterra.** Areas we are working on include enhanced DEI metrics, diverse supplier programs and expanding employee training. We will identify the DEI metrics that are most important to Newterra and set performance goals, so we can move faster in enhancing DEI across our company and assess our progress more comprehensively. We also plan to evaluate how to develop a diverse supplier program appropriate for companies our size and with our purchasing portfolio. We anticipate working collaboratively with our suppliers to understand better the processes and actions required to make a diverse supplier program functional and effective. Finally, we plan to expand current DEI training and identify additional DEI-focused training initiatives to help our employees be more conscious of DEI aspects in their daily activities and the work they complete for our clients.



## Health, Safety and Employee Development

Newterra is committed to protecting the health, safety, and wellbeing of our employees, customers and the communities we work and impact through our business and technology.

### Health and Wellbeing

At Newterra, we care deeply about the wellbeing of our employees, and we want to provide them with the opportunity and resources to excel in their professional and personal lives. Our benefits program is designed to best meet the most important needs of our employees, starting with their wellbeing. All our employees have access to a formal Employee Assistance Program (EAP) that provides access to professional counseling services and various wellness initiatives.

We have established a Global Employee Engagement Committee focused on keeping our employees engaged and active. The Global Employee Engagement Committee meets monthly and organizes monthly and quarterly activities, such as fitness challenges, sports, health and wellness activities, and company events. Furthermore, our internal newsletter, "The Splash," provides various wellness articles. We also utilize a company-wide Microsoft Viva Engage channel to share additional information and engage employees.

“ Our workplace safety protocols facilitate a clean, hazard-free environment ... ”

## Safety

We have made Safety one of our values to solidify our commitment to exceptional safety performance. We comply with **ISO 45001, Occupational Safety and Health Act (OSHA)** requirements, **Ontario's Occupational Health and Safety Act (OHSA)** and all other relevant federal, state, and local occupational health and safety laws and regulations. Our workplace safety protocols facilitate a clean, hazard-free environment where employees feel safe and motivated to perform their work. Furthermore, we have established strict safety rules and continuously engage our employees in responsible work practices that minimize risks. We have made health and safety a key priority across our training programs. Employees must report any incidents and accidents to their manager immediately, regardless of their severity or lack of injury. All employees have the right to stop work if they feel they are in an unsafe situation.



### Workplace Safety

Production employees participate in weekly safety meetings and hold formal health and safety training sessions annually. We are especially proud of our safety training initiatives, where we address more than 50 health and safety topics to provide our employees

with the skills and knowledge to eliminate hazards and unsafe conditions in their workplace. We also empower our employees, contractors and visitors to our facilities and project sites to report any occupational health and safety concerns, non-conformances, unsafe situations and near-miss events, even if they did not result in apparent injury, so we can ensure they are properly addressed.

Over the last two years, we focused on further improving our workplace safety protocols. We conduct routine audits and inspections throughout our operations. Furthermore, we formed a Global Safety Committee that meets monthly to address critical safety aspects for Newterra. The Safety Committee discusses a unique safety topic each month and provides recommendations to ensure it is properly addressed in our business processes. The Safety Committee also reviews all safety-related incidents to identify vulnerabilities and ensure that similar incidents do not happen again.

In our Heber Springs manufacturing facility, we recently made several improvements, including upgrading the internal systems for employee safety, providing additional filters, blast suits with internal cooling, and extra plasma table ventilation and repairing the facility's filter system to minimize dust generation. We also hired a consultant to conduct an annual audit of our health and safety program.

**2022**  
SAFETY STATISTICS

Total Recordable Incident Rate  
**(TRIR): 0.90**

Days Away Restricted Time  
**(DART): 0**

**No lost time accidents in the past  
5 years of Newterra operations**



### *Product Safety and Quality*

At Newterra, we are passionate about delivering outstanding treatment systems and creating value for our clients. Safety is designed into our products and integrated throughout the manufacturing process so that our treatment systems can be manufactured, installed, operated, and maintained as safely and efficiently as possible.

*We have several examples of designing safety into our products and systems:*

- ~ To simplify chemical handling for our customers, we have removed the need for operators to add and mix chemicals in their wastewater treatment plants for the chemically enhanced backwash system. The new design is fully automated with a chemical injection directly into the process line, removing the need for operators to physically load chemicals into the backwash tank. This reduces operator strain and reduces the risk of an operator mishandling the chemicals during the process.
- ~ We also further drive safety and simplification for customers with our testing protocols. The design of our systems allows us to conduct full rigorous tests in our facilities so that our products achieve MET and/or Underwriters Laboratories (UL) certifications before being shipped, eliminating the need for electrical inspections at the project site.
- ~ We continually solicit feedback and work with our customers to provide safety enhancements to our products and systems. One example is our patent-pending custom float railing system designed for operator safety on our Aeration Systems. Designed by our engineers, it features "quick attach" posts, and the handrail assembly mounts seamlessly to our standard float system.
- ~ Some customers prefer to maintain and service equipment on land instead of over water. We developed a new winch retrieval system, including a custom mooring that allows operators to retrieve the equipment to shore for maintenance without working over water.



We have similar safety rigor in our manufacturing processes. Our pressure vessel manufacturing facility is equipped with cutting, forming, fitting, welding, testing, blasting and finishing equipment. It holds the highest safety and quality management certifications, such as **the American Society of Mechanical Engineers (ASME)** code fabrication, with **ASME National Board U and R Certification Stamps**. We also have **NSF certification** and proudly produce several systems for safe drinking water applications. Our highly skilled and certified in-house team of welders, painters and assembly personnel work in customer-focused teams to oversee the development of our products from the start. This ensures that every product we manufacture meets the highest standards for safety and quality.

We ensure that our employees participate in regular OSHA-related training to achieve and maintain the certifications to perform the most specialized and challenging installation tasks, such as exchanging activated carbon media to package and transport carbon for disposal or reactivation.

## Employee Development

### *Education and Professional Development*

We always encourage our employees to further their education and training to master new skills, increase their performance and advance their careers. We have established an Employee Continuing Education policy specifying the responsibilities and resources available for our employees to participate in continuing education programs or courses at accredited colleges, universities, and vocational-technical schools.

We have also adopted a Professional Registration and Licensing policy to support our employees to obtain and maintain relevant professional licenses, registrations and certificates. Our employees are provided with resources that cover preparation, registration materials, expenses, and the required paid hours to sit for the professional licensing exams. Finally, we have established a Professional Society Membership policy to encourage our employees to participate in relevant professional societies for career path growth.

### *Performance Evaluations and Mentoring*

Newterra is committed to continuously supporting and guiding our employees throughout their professional journey. We have established an annual performance evaluation process to help our employees better evaluate their strengths and areas for improvement and visualize their career paths. We view performance evaluations as a notable opportunity for our employees to engage more closely with their managers, specify mutually agreed goals and think critically about areas for further development.

In 2022, we launched the **One Newterra Engaged (ONE) bonus plan**. This new plan aligns goals and incentives for the entire company and celebrates and rewards our employees for achieving goals, outstanding performance and demonstrating our values.

Over the next year, we plan to expand our employee engagement efforts. Newterra will always be an organization that encourages an employee-centric work culture, and we want our people to feel proud about working at a company that genuinely cares about their personal and professional development.



## Community Impact

Our mission at Newterra is to sustain our planet's ecosystem in an environmentally sustainable way that supports and improves the quality of life of the communities we serve. We are passionate about generating a positive impact through our products, services and actions and building capacity so our communities can become better water stewards.

We maintain a socially responsible work environment, encourage our employees to engage with their local community, and support philanthropic and charitable events, especially those related to water conservation or a global water challenge. We want to lead by example so that we can collectively take action to manage water resources better, one step at a time.

### Helping Develop the Next Generation of Water Professionals

Over the last two years, we expanded our efforts to introduce our industry to young professionals and engage with local educational leaders to discuss career development aspects for high school and college students that want to pursue a career in the water industry. In Brockville, Ontario, we have had engineering coop positions for the last several years where second- and third-year engineering students can expand their skills and learn more about our business. We also have high school coop students working in trades including, electricians, welders, and millwrights. We also met with high school and technical college leaders in both Brockville and Heber Springs to discuss how we can attract students to Newterra and collaborate to develop a curriculum for students to acquire the skills so they can get involved in the water industry. We met with the University of Minnesota to discuss initiatives to provide students with internships and full-time job opportunities after graduation.



*“ ...we expanded our efforts to introduce our industry to young professionals and engage with local educational leaders to discuss career development aspects... ”*

### Stimulating Local Economic Development

Newterra strives to find opportunities to contribute to local economic development by prioritizing local and regional suppliers and engaging with local leaders to understand better the water risks and challenges they face across their community. This year, we met with the Arkansas Economic Development Commission to discuss and implement training and professional development programs for welding professionals. We also attended one of their meetings to meet local community leaders and introduce the water industry and

our need for welding expertise. Newterra has also collaborated with the Minnesota State Trade Office for more than 20 years, during which we have supported various events and activities. In Brockville, Newterra has been working with multiple groups, including the St. Lawrence Corridor Economic Development Commission (SLCEDC), Frontenac County and the Township of Elizabethtown Kitley, to solve the current housing shortage in Eastern Ontario. The Newterra decentralized drinking water and domestic wastewater solutions can be a critical enabler of residential development in rural areas that do not have access to municipal infrastructure.

## Supporting Indigenous Communities Address Water Challenges

Newterra has always supported smaller, remote communities in treating water and wastewater in an economically efficient and environmentally sustainable way. Indigenous communities are no exception. Newterra has participated in water events and symposiums organized specifically for Indigenous communities to help build awareness among Indigenous communities on how to address their water challenges better. Over the last few years, we have engaged with decision-makers, including members of the Canadian parliament, to discuss potential solutions to Indigenous communities' water challenges. As we advance, we will continue to help build awareness and advocate for sustainable solutions so Indigenous communities can enjoy access to reliable water services.

## Strengthening Our Industry and Building Awareness

At Newterra, we are passionate about contributing to developing a stronger and more resilient water and wastewater industry. We strive to disseminate knowledge and share important project findings with our industry peers. We have designed a range of education and training offerings for water professionals, where we share our expertise and knowledge of the latest trends in water and wastewater.

Our water-focused education and training courses contribute to professional development education for water professionals through the Registered Continuing Education Program (RCEP), a national portal for professional development education for Architecture/Engineering/Construction (A/E/C) industry professionals. Participants in our courses receive a certificate of completion, and the credit earned is reported to RCEP to be counted towards their professional development credit requirements.

In addition, we regularly organize webinars that address the latest trends and technologies in the water and wastewater industry. Our website has a dedicated section where the completed webinars are available for everyone to access at their convenience. Currently, our webinar portal has 65 on-demand water technology-based webinars that can be accessed for free.

Furthermore, we offer Lunch & Learn sessions in both online and in-person formats for water and wastewater firms that want to address specific current and emerging water and wastewater topics. These might include decentralized water and wastewater treatment for emerging contaminants and environmental remediation.

Each month, we publish the Newterra Waterline newsletter, highlighting important news and events in the water and wastewater industry and our most recent project work to keep industry professionals up to speed with the latest trends and developments in water and wastewater.



The Municipality of Wembley, Alberta, had a rapidly failing potable water system, so the community needed an urgent replacement. Being a remote community with no access to water supply from neighboring grids, a Newterra pre-packaged plant was the ideal solution for this town of 1,500 residents, ensuring safe drinking water.





## Responsible Supply Chain

We strive to maintain a responsible supply chain by establishing stringent governance standards and collaborating with our suppliers to understand better how we can minimize the environmental footprint and improve the resiliency of our supply chains. Every supplier that works with Newterra is expected to comply with all applicable laws and regulations, follow our policies, and commit to meeting or exceeding our standards for safety and quality. Our suppliers are expected to operate ethically and have the necessary policies and risk management protocols in place to ensure proper environmental, health and safety, labor rights, and corporate governance.

Our operating activities comply with international human rights principles and standards specified by the United Nations and the International Labor Organization (*ILO*). Newterra strongly prohibits any form of abuse, forced labor, harassment and violation of human rights principles. We expect our suppliers to respect international human rights standards and have the right safeguards to ensure any violations are properly identified and managed. Across our operations and projects, we are committed to avoiding using materials and minerals from conflict-affected and high-risk areas that may directly or indirectly benefit armed conflict. We require our suppliers to share this commitment and follow the same standards.

Newterra participates in and completes projects in various countries around the world. However, our products and systems are designed, engineered, and manufactured in our manufacturing facilities. Our products and systems require minimal sitework and can be installed quickly and effectively. This minimizes and often eliminates the need for local contractors and suppliers in the country where the project is being developed. Nevertheless, we always expect suppliers to share our commitments and responsible supply chain priorities.



## Innovation and Partnerships

At Newterra, we are committed to providing the absolute best solutions to solve our clients' water and wastewater challenges. Our history of innovating to provide efficient, **clean water solutions dates back to 1863**. Ever since, we have been evaluating and testing new ways to make our products more effective and energy efficient while ensuring that they can be installed and operated as seamlessly as possible.

### Innovation

A notable example is our Triton Process Aerator and Mixer. Over two years, through mechanical design improvements and rigorous in-house and project field testing, we developed the Triton 2.0 Series that increases aeration capacity by 18% and mixing capacity by 54% while reducing power consumption by 18% compared to its predecessor. We have invested significantly to develop more innovative, optimized propellers for our Aerators. As a result, Newterra Aerators are the only aerators in the industry certified by the US Environmental Protection Agency (EPA) as fine-bubble aerators.



Many of our products have been successfully tested and validated in practice by major universities and institutions, such as Auburn University, Texas A&M University, the University of Minnesota, Louisiana State University and the Northwest Center for Biological Research in Mexico (CIBNOR). We also listen carefully to the feedback of project owners and operators so we can make our treatment systems easier to install, operate and maintain. Most recently, the Newterra Aquip Enhanced Filtration System received the General Use Level Designation (GULD) performance approval and certification from the Washington State Department of Ecology through its Technology Assessment

Protocol - Ecology (TAPE). With this certification, the Aquip System can be used on new and redevelopment projects with Total Suspended Solids (TSS), dissolved copper, and zinc.

*“ ...we are committed to providing the absolute best solutions to solve our clients' water and wastewater challenges ”*

Newterra has proudly **supplied the United States Navy with innovative water treatment applications since 1934**, when we provided the first atomizing deaerator for use in the US Navy that allowed ships to steam more quickly and efficiently while minimizing maintenance and repair requirements. Newterra is the only company certified by the US Navy to provide deaerators for its fleet of aircraft carriers, including Nimitz-class nuclear-powered supercarriers.

## Partnerships

We are always evaluating opportunities to establish partnerships with our industry peers, research institutions and government to tackle emerging challenges in our industry and improve our solution offerings.

### *Universities: Developing More Effective Disinfection Technology for Water Reuse in Agriculture*

Newterra is working with the California Polytechnic State University and the City of San Luis Obispo in California to evaluate innovative, more effective disinfection technology for water reuse in agriculture.

### *Government: Reducing the Environmental Impact on Highly Sensitive Water Bodies*

In collaboration with the Municipality of Brockville, Newterra installed a pilot MBR at the municipal wastewater treatment plant. The pilot allows Newterra to test membrane performance and the impacts of operational adjustments in a controlled environment. It also allows us to test an experimental two-stage approach to producing treatment effluent with ultra-low concentrations of phosphorus that would reduce the environmental impact on highly sensitive water bodies such as Lake Simcoe, Ontario. To ensure compliance with the city's Environmental Compliance Approval, Newterra and the City of Brockville submitted a report to the Ministry of the Environment, Conservation and Parks outlining the design and purpose of the pilot, and the overall impact to the municipal wastewater treatment plant.

### *Research Institutions: Treating Process Water and Secondary/Tertiary Wastewater Effluent for Reuse*

Through a Water Reuse Research Foundation research program, we developed the TOrcsOx<sup>®</sup> technology that uses ozone to treat process water and secondary/tertiary wastewater effluent for reuse. Carollo Engineers validated that our technology complies with Title 22 of California's Code of Regulations, which specifies how and under which conditions treated and recycled water can be discharged and reused. Our self-contained systems are safe and reliable and can be used in many applications such as disinfection, Total Organic Carbon (TOC) removal, and mitigation of trace organic compounds.



### **Highlights:**

- ~ Newterra Aerators (pictured above) are the only aerators in the industry certified by the US Environmental Protection Agency (EPA) as fine-bubble aerators.
- ~ The Aquip Stormwater System (pictured below) is one of the only GULD-approved technologies designed for above-grade municipal or industrial retrofit applications.
- ~ Newterra is the only company certified by the US Navy to provide deaerators for its fleet of aircraft carriers, including Nimitz-class nuclear-powered supercarriers.





## Governance

### Ethical and Professional Conduct

Newterra is committed to the highest ethical business conduct and practice standards. Accountability is one of our Values, and we operate based on the principles of integrity, ethical behavior, and creating value for our employees, clients, and stakeholders. We all stand by the responsibility to produce high-quality work in compliance with all relevant federal, state and local laws and regulations.

We have a Team Manual specifying the policies, procedures, and work rules everyone at Newterra must comply with daily. It provides the foundation for our governance framework that all our employees can peruse for detailed information on how to act responsibly in accordance with all applicable laws and regulations in the regions we operate.

This year we updated our Team Manual with a new set of policies to improve our governance framework and address recent regulatory developments across our operations. We also reinforced our processes to ensure our employees are encouraged to communicate with one another openly and with their managers and leadership team about any concerns they might have. We developed an Open Door Policy and support our employees to express their concerns directly to their manager, the Human Resources team or the leadership team through various means, including a dedicated internal communication system.



We focus particularly on ensuring that our business practices eliminate the likelihood of conflicts of interest or preferential treatment. We have created a dedicated Conflicts of Interest policy and integrated it into our Team Manual to ensure our employees are aware of their responsibilities in promoting and protecting the best interests of Newterra. Employees must immediately disclose to the Human Resources group any potential conflicts of interest so that appropriate safeguards can be applied.

Our employees are also encouraged to report any violations of a Newterra policy or other federal, state, or local laws that could adversely impact Newterra, our customers, and our stakeholders. We have created a Whistleblower Policy to ensure our employees feel confident to report wrongdoing without fear of an adverse response from the company and its stakeholders.

## Risk Management

Risk management is integrated into our business processes and ERP system. Our leadership team oversees the Newterra risk management protocols to ensure that we properly identify and mitigate operational, financial and legal risks across our operating regions. Our CEO, Chief Financial Officer (CFO) and Human Resources team collaborate on various operational risk management elements and are responsible for auditing that our daily activities comply with our operational policies and all relevant laws and regulations.

As part of our strategic enterprise planning process, we conducted a Strengths, Weaknesses, Opportunities and Threats (SWOT) assessment of our businesses and operations to better address emerging risks and key trends in our industry. Results from the SWOT assessment are reported to our leadership, are included in our strategic plans, goals and objectives, and are evaluated at our board meetings.



### Cybersecurity

At Newterra, we manage our cyber risk and ensure it's integrated throughout the company with oversight from our leadership team and board of directors. Our Communications and Information Technology policy outlines the responsibilities of our employees and contractors in safely using Newterra's equipment and information technology systems. We safeguard our systems and information in various ways, including employee awareness and training, yearly penetration testing, third-party audits and maintenance to ensure all systems are patched and up to date.

Cybersecurity awareness is always a key discussion point during major team meetings and is communicated frequently by our IT manager to all our employees to help them better understand how to manage specific cybersecurity risks as they arise.

We continue to invest in a layered security model which includes enterprise endpoint detection/response tools, monitoring email security gateways and a least-privileged approach to security.

# Our Commitment to a Sustainable Future

*Newterra Surface Aerators agitate a state-of-the-art hatchery in Australia with a primary focus on sustainable production.*

## Our Commitment to a Sustainable Future Flows Strong

At Newterra, we are driven by our mission to renew our planet's precious ecosystems for current and future generations. Every day, we take pride in the positive impact our solutions make on the environment, our commitment to social responsibility, transparency, and ethical business practices, and the satisfaction we bring to our customers by solving their water challenges.

Our first ESG report comes at a crucial time as water challenges continue to evolve worldwide and serves as a testament to our dedication and concrete actions toward achieving tangible environmental, social, and governance progress. However, we recognize that this is just the first step in a long journey that requires commitment, perseverance and continuous improvement. Our ESG framework provides the foundation for us to continue building upon our initiatives, ensure we remain on track to achieve our goals and drive even greater positive impact.

Providing leading solutions to treat the world's water is a responsibility we proudly embrace, and we will continue to invest in research and development, innovation, and collaboration to advance the sustainability of our solutions and operations. By engaging with our employees, customers, original equipment manufacturing (OEM) partners, and stakeholders, we will actively seek opportunities to create meaningful change in our industry.

Our team is wholeheartedly committed to our sustainability journey, and their unwavering dedication fuels our excitement for the promising path that lies ahead. As we forge ahead, we remain steadfast in pursuing a more sustainable world and look forward to creating lasting positive change in collaboration with our stakeholders. ♻️

