

An aerial photograph of a valley at sunset. The sky is a mix of orange, yellow, and blue. In the foreground, there are dark, forested hills. In the middle ground, a town is visible with its lights glowing. In the background, there are large, rugged mountains. The text 'PROFOUND IMPACTS' is written in white, bold, uppercase letters across the top of the image.

PROFOUND IMPACTS

2022

NEXII

Sustainability Report



Land Acknowledgement Engaging with Indigenous Peoples

We respectfully acknowledge that we live and work on the traditional, ancestral and unceded territories of the Coast Salish, specifically the Sk̓wx̓wú7mesh (Squamish), sə́lilwətaʔt / selílwitulh (Tseil-Waututh), Lkwungen (Lekwungen), and x̣ʷməθkʷəỵəm (Musqueam) Nations, as well as the Treaty 4 Territory - the original lands of the Cree, Ojibwe (OJIB-WĒ), Saulteaux (SO-TO), Dakota, Nakota, Lakota and on the homeland of the Métis Nation.

Our work spans many territories and treaty areas and we are grateful for the traditional Knowledge Keepers and Elders who are with us today, those who came before us, and the next generations that inspire us. With our sustainable building technology, bolstered by our team's focus on creating a vibrant future for people and planet, we are committed to supporting the goals of Indigenous Peoples.

We are committed to advancing the path of Reconciliation in partnership with Indigenous Peoples and are dedicated to fulfilling our roles and responsibilities to this movement. We believe in taking accountability for constructive actions moving forward and recognize that reciprocity is the foundation of respectful relations.

We are committed to inclusive dialogue, learning and evolving to become aligned with Indigenous-led Reconciliation frameworks. We will be flexible and accountable while engaging, listening, and growing.

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A Note from Nexii

We are a green construction company - designing and manufacturing low-carbon buildings and products to minimize the negative impacts of the built environment. Our Nexii system cuts waste to near-zero, reduces build times and community disruption, eliminates toxic materials, and significantly lowers both the embodied and operational carbon footprint of buildings.

As climate disasters mount and the world grapples with cutting our climate emissions in half by 2030, we are taking aggressive action to reduce our carbon footprint and minimize our impact on people and the planet.

With buildings and construction responsible for nearly 40% of climate pollution, these sustainable and scalable solutions are urgently needed.

2022 was an incredible year of growth for Nexii with some significant highlights:

- Completed new projects – 10 New York State Thruway commercial plazas, a 9-storey Courtyard by Marriott hotel, and many more
- Forged innovative partnerships, including the design and launch of a new EV fleet charging product with **Siemens**
- Deepened Nexii's leadership in sustainability, through best-in-class green metrics and certifications
- Expanded industry collaborations and thought leadership
- Evaluated our pay equity baseline and closed identified pay gaps
- Launched Equity, Diversity, and Inclusion (EDI) Advisory and Executive Councils



We share our progress, achievements, and challenges over the past year to encourage all industry and government leaders to embrace rigorous sustainability and scale up clean construction. We are proud of the work we have accomplished - and recognize that there is so much more to be done.

Along the way, we were featured in the [New York Times](#) and recognized by Fast Company as one of the [World's Most Innovative Companies for 2022](#).

In 2022, Nexii completed a [Design for Reuse case study](#), the first of its kind in North America, and published a related [Office Reconstruction](#) project. Together, these advances validate the feasibility and positive impact of reusing building products - accelerating build times and dramatically reducing carbon and waste.

We also joined the WorldGBC's [Net Zero Carbon Buildings Commitment](#), became [Climate Smart Certified](#), signed [the Climate Pledge](#), and did trailblazing work to become the first construction manufacturer in North America to be [TRUE Certified for Zero Waste](#).

We share our progress, achievements, and challenges over the past year to encourage industry and government leaders to embrace rigorous sustainability and scale up clean construction. We are proud of the work we have accomplished and recognize that there is so much more to be done.

This report is about transparency and accountability with our sustainability journey, and we hope it inspires you to join our mission to build a vibrant future for people and the planet. We are committed to continuing to work with you to be global leaders in sustainable living!



Stephen Sidwell

Chief Executive Officer



Gregor Robertson

Executive Vice President
Impacts, Strategy, Partnerships



Zosia Brown

PHD, LEED AP BD+C, WELL AP
Vice President, Sustainability



NEXII

Mission

Build a vibrant future for people and the planet.

Vision

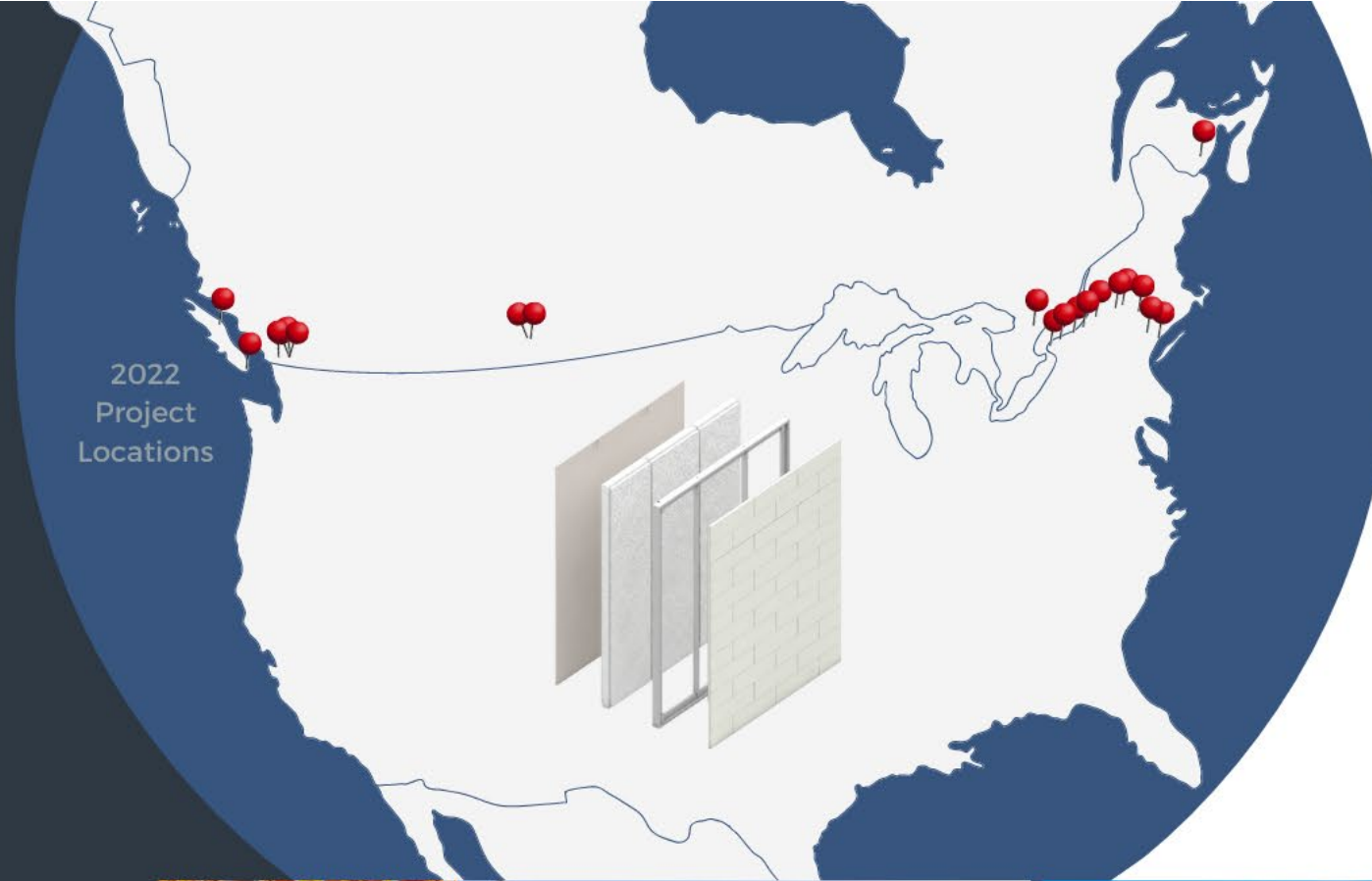
Be a global leader in sustainable living.

Nexii designs and manufactures low carbon buildings and products to tackle the climate impact of our built environment.

Our approach cuts waste to near zero, reduces build times, and significantly lowers both the embodied and operational carbon of buildings.

OMICRON

Nexii acquired Omicron, a premier design build firm in Western Canada, as a wholly owned subsidiary. Omicron offers full development, design and construction services to maximize value for our clients.



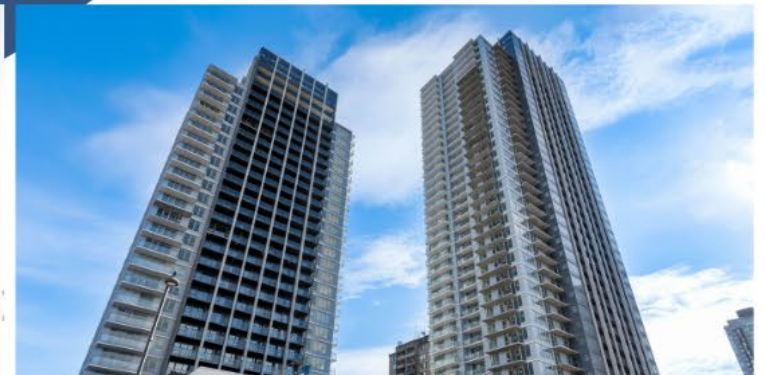
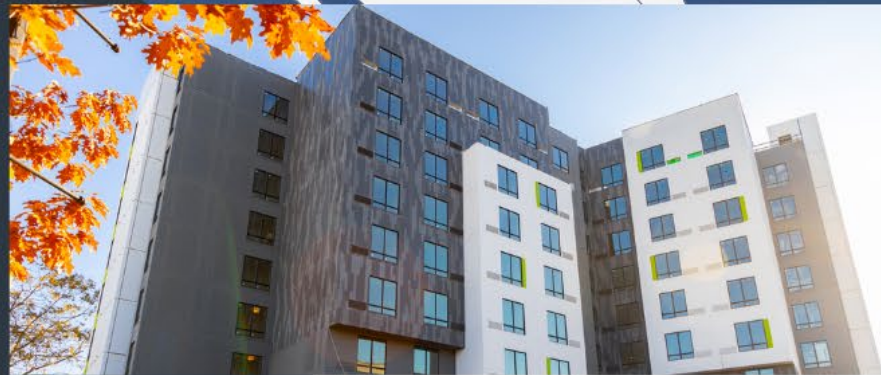
2022
Project
Locations

**FAST
COMPANY**

**World's Most
Innovative
Companies
List for 2022**



REUTERS EVENTS™
**2021 Reuters
Responsible
Business Product
Innovation Award**



What role does sustainability play in different areas of the business?

ZB: Sustainability is a team sport at Nexii. It's part of everyone's job and woven into our mission and constitution. We have robust climate and sustainability learning content in our onboarding process, and we welcome ideas from every team member on how we can continuously improve through our Bring Your Genius program.

From finance to procurement, manufacturing, and people, we all need to paddle in the same direction if we are going to deliver on our 2025 and 2030 commitments. I'm proud to work for a company that takes sustainability seriously and embraces revolutionary innovation as part of our constitution.

What are you most proud of this year?

ZB: Our biggest accomplishment was without a doubt securing TRUE certification for zero waste for our Squamish plant, a first for construction manufacturing in North America! This was a year-long process that engaged so many different teams and departments, and really showcases our commitment to sustainability through every aspect of the business.



Dr. Zosia Brown

PHD, LEED AP BD+C, WELL AP
VP, SUSTAINABILITY

What challenges do you see in the future and how will we tackle them?

ZB: The biggest challenge is industry inertia and doing things “the way we’ve always done things”. The building and construction industry is large, complex and notoriously slow to change. How do we leapfrog from being one of the worst – responsible for 37% of global GHG emissions – to an industry that’s net positive for people and the planet?

We need a combination of the right policies, financial incentives, material innovation, and training and workforce development to accelerate the decarbonization of buildings. If there was ever a time for businesses and government leaders to collaborate to scale net-zero construction, it's now.

Why is sustainability leadership important, particularly now?

ZB: First, we all have a responsibility to our kids and grandkids to dramatically reduce our impact on climate and nature in this decade.

Leading is important because for many people entering the workforce, climate anxiety is a real and growing concern. They are looking to work for companies aligned with their values. Companies that walk the talk are attracting great people with purpose.

Sustainability leaders are also becoming more influential as global challenges mount – climate disasters, increased regulatory pressure, and unprecedented investor support are driving better integration of sustainability with corporate strategy.

What are you most excited about in the year ahead?

ZB: I'm most excited about our ongoing work in embodied carbon. We have a couple of projects in design currently that pair Nexii's climate-resilient envelope with mass timber elements, which is a fantastic whole building low-carbon solution. We are aiming to complete our Environmental Product Declaration (EPD) this year. And we continue to scan the horizon for innovative new materials that can lighten the carbon footprint of our products.

Certifications & Commitments



TRUE is a whole systems approach resulting in no waste. Nexii has adopted sustainable resource management and waste reduction practices contributing to positive environmental, health and economic outcomes. Nexii's Squamish Plant is **TRUE Gold Certified for Zero Waste**.



Nexii is committed to the **Science Based Targets initiative (SBTi) Net-Zero Carbon** standard that provides a clearly defined path to reduce emissions in line with the Paris Agreement goals.



Nexii has published **Health Product Declarations (HPD)** for Nexii Envelope Panels, Nexii Structural Envelope Panels and Nexii Roof Panels. HPDs are part of Nexii's commitment to meeting the highest standard of material health and transparency through third-party certification.



Nexii has joined the **World Green Building Council's (WorldGBC) Net Zero Buildings Commitment**, demonstrating our leadership to decarbonize the built environment while inspiring others to take similar action.



Nexii has signed **The Climate Pledge**. Co-founded by Global Optimism and Amazon, The Climate Pledge is a commitment to reach net-zero carbon emissions by 2040. It has been signed by over 375 companies in 34 countries.



Nexii is a **Climate Smart Certified Business** – an award-winning program from BMO Radicle Inc. that measures and qualifies greenhouse gas emissions, and provides businesses with data and training to profitably reduce their carbon footprint.

Sustainability Milestones



Environmental Stewardship

Lower Carbon

↓ $\frac{1}{3}$ less embodied carbon

Nexii products have an average of 33% less embodied carbon than conventional construction.

↓ 45% reduction

Our EV charging infrastructure results in 45% less embodied carbon when disassembled for reuse.

↓ 41% lower carbon emissions

Nexiite has up to 41% lower carbon emissions than GFRC (glass fibre reinforced concrete).

Energy Savings

↓ $\frac{1}{3}$ less energy overall

↓ $\frac{1}{2}$ the heating energy

Nexii buildings use on average $\frac{1}{3}$ less energy overall and $\frac{1}{2}$ the heating energy than standard builds meeting code compliant requirements (excluding process loads).

Near-Zero Waste

↓ 13,500 lbs saved from landfill

Nexii's assembly process produces near zero on-site construction waste, **saving up to 13,500 lbs** from the landfill per commercial retail unit.

Zero Waste TRUE Gold Certified

Nexii's Squamish Plant is the **FIRST Certified Zero Waste** construction manufacturing facility in North America.

Water Savings

↓ ~60% less freshwater

Our panels use **~60% less freshwater** in manufacturing than tilt-up concrete equivalent.

Non-Toxic Buildings

⊘ No LBC Red List Substances

Nexii panels have third-party HPDs available and no LBC Red List substances at >1000 ppm concentration.

Healthier Indoor Environment

↑ 50% more airtight

Nexii's building envelope air tightness is **>50% better** than conventional construction.

Well-Insulated

↑ 40% higher R-value

Nexii envelopes typically provide **R-values of R34 (nominal) for a 10" thick panel**, equivalent to a 14" conventionally constructed wall.

Green Buildings and Certification

We can help advance credit achievement for **LEED, Living Building, Zero Carbon / Zero Energy and Passive House**.



Commitments Dashboard



See footnotes in appendix.

Profound Positive Impacts

Sustainability is core to our mission to build a vibrant future for people and the planet. We are committed to driving towards eight long-term impacts across environmental, social, and economic realms. These are long term changes we hope to see in the world as a result of Nexii's work and partnerships.



NET ZERO CARBON POLLUTION

Reduce, remove or offset more carbon emissions than we generate through our operations and supply chain



ELIMINATE WASTE

Adopt a circular value model and eliminate the waste of natural resources across our product's life cycle



SUPPORT HEALTHY ECOSYSTEMS

Protect and support healthy, functioning ecosystems by integrating green infrastructure and biodiversity into our approach



REINVENT HOW THE WORLD BUILDS

Advance the building industry through revolutionary innovation, leadership, collaboration and continuous improvement



DRIVE LOW-CARBON GROWTH

Support skill development, create green jobs and provide economic opportunity in diverse local communities



BUILD EQUITY AND INCLUSION

Embrace and promote diversity, equity and inclusion through our workforce, culture and partnerships



TRANSFORM LIVING STANDARDS

Provide sustainable, healthy environments for all through building retrofits, affordable housing, and disaster relief



STRENGTHEN COMMUNITY RESILIENCE

Reduce climate risk and strengthen the resilience of communities most impacted by natural disasters through project work, and volunteering staff time and expertise



Guiding Growth with Global Goals

The United Nations Sustainable Development Goals (UN SDGs) are a set of 17 interconnected global goals that were adopted by all 193 member states of the United Nations in September 2015. The SDGs are designed to serve as a blueprint for achieving a more sustainable and equitable world by addressing social, economic, and environmental challenges facing humanity by the year 2030.

The SDGs serve as a guide for governments, businesses, civil society organizations, and individuals to work together to tackle pressing global challenges and create a more just, equitable, and sustainable world for present and future generations.

As Nexii grows our business and operations, we will do so in a way that actively supports the 2030 UN SDGs. Our Blueprint is aligned with the highlighted global challenges.

For more on how Nexii is delivering the UN SDGs, please see appendix.



Sustainability Governance

As a core part of Nexii's mission, sustainability is woven into our Constitution – our North Star that shapes our beliefs and our actions to ensure we are always doing the right thing.

Read our full Constitution [here](#).

Key constitutional elements guiding our Sustainability strategy:

- Lead with love
- Walk the talk
- Find balance
- Cultivate curiosity
- Make it safe
- Create efficiencies
- Include everyone
- Share generously
- Leave it better
- Initiate revolutionary innovation



Sustainability Management System

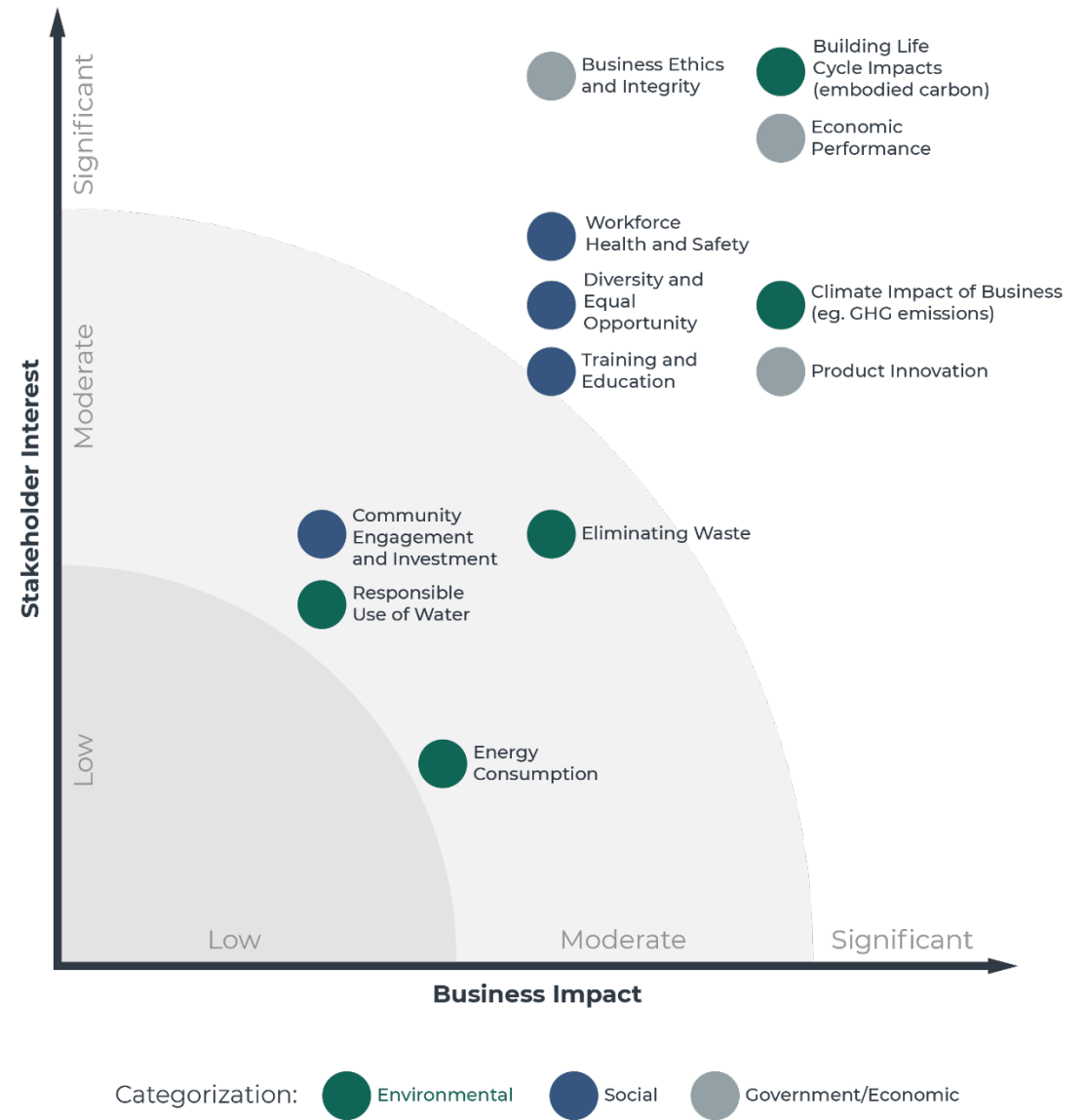
Nexii's sustainability data management efforts are led by our Impacts team and include regular coordination with our Finance and Procurement Departments as well as Nexii offices and plants. In 2022, we rolled out a new Enterprise Resource Planning (ERP) system as well as expense reimbursement software across the organization. Working closely with our IT team, we have advanced the automation of greenhouse gas emissions, travel, waste, and supply chain data management. This creates efficiencies and built in quality checks as part of our annual reporting. In 2023, we plan to advance our sustainability management system with a 'readiness review' of KPIs in preparation for Profound Impacts Report data assurance and ISO 14001 certification.

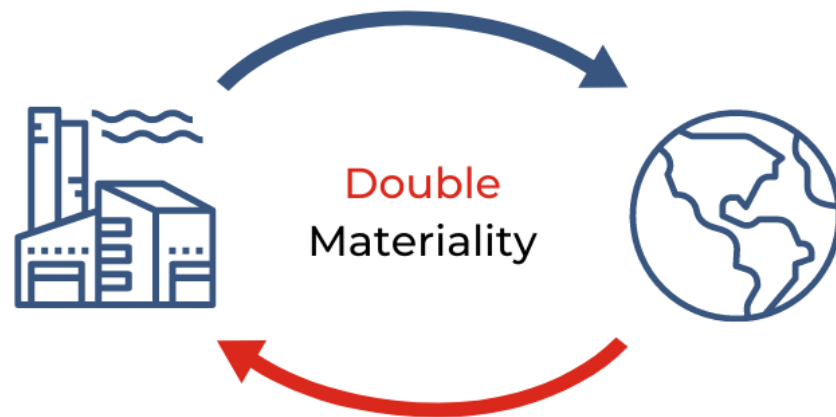
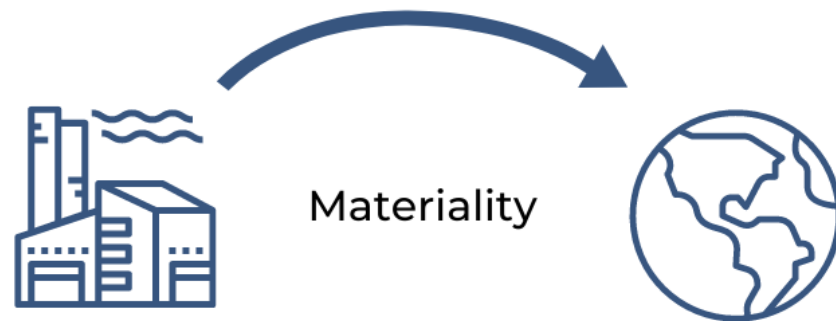
Stakeholder Engagement and Materiality Assessment

Nexii's materiality matrix captures sustainability issues and impact areas of greatest importance to our stakeholders. Our most recent (2021) formal materiality assessment included internal and external stakeholder consultation, trends analysis, and benchmarking against peers, competitors and international standards e.g. SASB and GRI. These inputs allowed us to determine areas of greatest business interest, short versus long term impact, and Nexii's perceived preparedness on each issue.

In 2022, we re-evaluated the impact and importance of material topics to better align with shifts in Nexii's short and medium-term growth strategy. The **nine** topics that are the most important to the organization with moderate-high to significant business impact and stakeholder interest are:

- Business ethics and integrity
- Climate impact of business
- Diversity, equity, and inclusion opportunity
- Economic performance
- Eliminating waste
- Embodied carbon
- Product innovation
- Training & education
- Workforce health, safety, and wellness





Other material topics:

- Community engagement and investment
- End-of-life impacts
- Energy consumption
- Employee engagement
- Ethical supply chain
- ESG governance
- External partnerships
- Fairness in employee compensation
- Material health and transparency
- Responsible use of water
- Senior leadership compensation linked to ESG outcomes
- Talent attraction and retention
- Third-party verification of product

We regularly evaluate all topics identified in our stakeholder engagement process to determine whether they have become more material as Nexii continues to evolve. In 2023 and the years to follow, we intend to extend our assessment to one of double materiality.



We will explore impacts of our organization on the economy, environment, and people (impacts outwards).



We will explore sustainability issues that influence our organization and financial value (impacts inwards).

TCFD Assessment

In 2022, Nexii undertook a high-level climate risk assessment based on the TCFD Framework. The [Task Force on Climate-related Financial Disclosures](#) (TCFD) was created in 2015 by the Financial Stability Board (FSB) and is the leading standard used by organizations in sharing information about climate-related risks and opportunities with stakeholders. Nexii is committed to following best practices across our sustainability and ESG strategies which include robust physical and transition risk disclosure. By undertaking an early stage TCFD assessment we can better position ourselves to adapt and respond to climate risk while supporting our clients in doing the same.

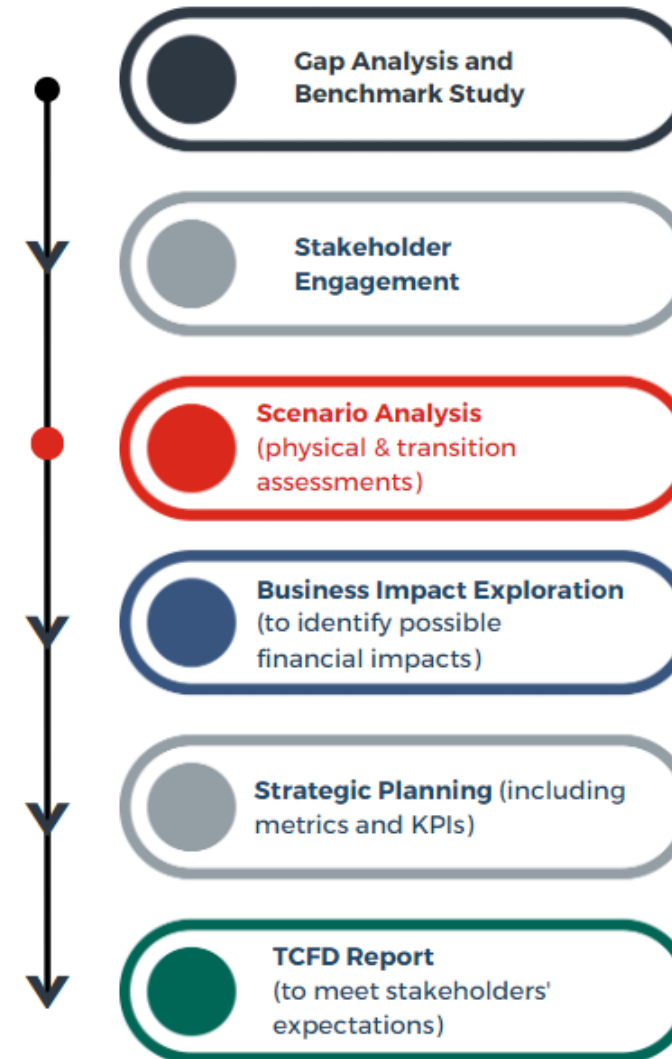
Our first TCFD engagement had a primary focus on climate scenario analysis, which investigates how a company's performance may be impacted under various possible circumstances in the future. Results of the scenario analysis can inform business decisions that better enable resiliency.

Physical Risk Analysis

Three sites across our portfolio were selected for **physical risk analysis**: our Squamish manufacturing plant and two prospective locations in the United States. The risks were evaluated under three IPCC scenarios:

- SSP5-8.5 : the worst-case scenario, where the world continues to rely heavily on fossil fuels
- SSP2-4.5 : the middle-of-the-road scenario, where some forms of climate mitigation exist but environmental systems still degrade
- SSP1-1.9 : the best-case scenario, where society is stringent in its actions to mitigate emissions

Site physical risk exposure was assessed within short (2022-2025), medium (2026-2030) and long term (2031-2050) horizons.



The TCFD assessment suggested that the greatest physical risks posed to Nexii sites include **heat waves**, **wildfires**, and **drought** (low to medium risk), with some additional regional **flood**ing risk related to sea level rise. Results of this assessment will serve as factors in determining the location of future Nexii manufacturing plants, as well as informing resiliency measures for existing sites.



Based on benchmarking and qualitative research, the building and construction sector is exposed to multiple transition risks and opportunities.

Transition Risk	Exposure Likelihood	Summary	Potential opportunities / resiliency measures
Current Regulation	Medium	<ul style="list-style-type: none"> Operations in current regions with carbon pricing and carbon taxing regulations 	<ul style="list-style-type: none"> Reducing operational and value chain emissions will put Nexii at an advantage against its peers facing the same cost burdens
Emerging regulation	Very Likely	<ul style="list-style-type: none"> Cap and trade and other forms of carbon pricing could deeply impact Nexii if emissions increase Policy changes affecting Nexii's suppliers could affect cost of production if the suppliers pass through a percentage of carbon price to Nexii 	<ul style="list-style-type: none"> Get ahead of increased carbon costs by further limiting carbon output; long-term net-zero with high emissions reduction. Actively engaging with suppliers on this issue
Increased capital expenses	Very Likely	<ul style="list-style-type: none"> The need for research and development and the ability to shift to net-zero may come with increased expenses, higher than the cost of carbon pricing 	<ul style="list-style-type: none"> Take advantage of the current costs of renewables and unique carbon solutions Invest in climate related R&D to support revenue growth and protect against risking energy and carbon pricing costs
Products and services	Likely	<ul style="list-style-type: none"> Necessary substitution of products and services to less carbon intensive options Lowering long-term running costs and the environmental impact of buildings 	<ul style="list-style-type: none"> Get ahead of policies or requirements further limiting carbon output now; long-term net-zero with high emissions reduction Be the market leader in the most advanced sustainable solutions and materials in the construction industry
Market	Medium	<ul style="list-style-type: none"> Increased costs associated with shifting materials sources Reduced demand for goods and services due to shift in consumer preferences or changes in purchasing power 	<ul style="list-style-type: none"> Diversification of suppliers Target climate mature supply chain partners who are more likely to shift towards low-carbon materials

Transition Risk Analysis

Using transition risk analysis, we explored the risks and opportunities that Nexii would be exposed to in a future where the global community is successful in achieving net-zero. To do so, we conducted our assessment against the IEA Net Zero Economy 2050 scenario, which incorporates projected carbon prices that are influenced by the global transition.

The transition risk assessment found that the level of intensity of Nexii's future emissions will greatly impact our transition costs into a net-zero economy. In order to minimize the transition costs of carbon pricing, Nexii will track towards both short term and long term targets aligned with the SBTi and with the Net-Zero Climate Pledge, respectively.

Broader transition risks for the building and construction sector, including exposure level and potential opportunities or resilience measures, are summarized in the table to the left.

Looking ahead

Nexii considers climate risk awareness an essential part of our business model. Throughout this first TCFD engagement, senior leadership has maintained active awareness over key findings of the assessment, which has been integrated into the company's overall strategy. In 2023 and the years to follow we will advance our TCFD reporting, including the expansion of the assessment scope to include supply chain risk exposure from key material groups.

Sustainability Commitments

How do we measure and manage our progress? How do we bring our long-term impacts to life in our everyday work? This is where our Sustainability Commitments come in – industry leading commitments shaped by our Sustainability Council, with stakeholder input, that demonstrate Nexii’s core constitutional promise to Walk the Talk. Our commitments are focused around four strategic pillars: Climate, Nature, People and Community.



CLIMATE



NATURE



PEOPLE



COMMUNITY



CLIMATE

Innovative and
industry-leading
carbon reduction

50% less embodied carbon in Nexii products² by 2025

Context

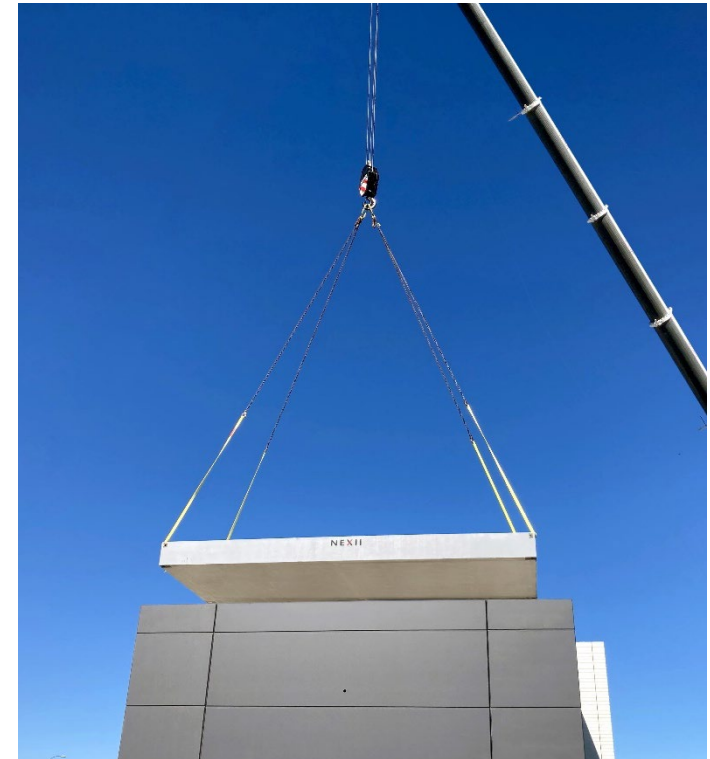
Embodied carbon is the GHG emissions associated with extracting, manufacturing, assembling, and end of life treatment of buildings. As new construction becomes more energy efficient with stronger codes, and as we make progress in decarbonizing our energy grid, embodied carbon is taking on an increasingly important role in building whole life carbon impact. Between now and 2050, it is estimated that embodied carbon will be responsible for almost half of total new construction emissions.³

A large fraction of embodied carbon impacts is released at the front end of the construction process – through designing and specifying high-carbon building materials and products.

Nexii is committed to achieving 50% less embodied carbon in our products than the conventional construction baseline by 2025. To meet this target, we are pursuing a suite of strategies including: zero emission manufacturing plants, innovative materials, innovative panel design, integration with mass timber and design for reuse.

Progress So Far

Determined through third-party Life Cycle Assessments (LCAs) and averaged across our projects modelled to-date, **Nexii walls are estimated to have an average of 33% lower embodied carbon than conventional construction, such as equivalent designs with precast or tilt-up concrete.**⁴ Our proprietary material, **Nexiite, has up to 41% less carbon emissions during production than comparable products such as glass-fiber reinforced concrete (GFRC).**⁵ Further emissions reductions can be attributed to the quantity of material used and reduced weight in transportation.

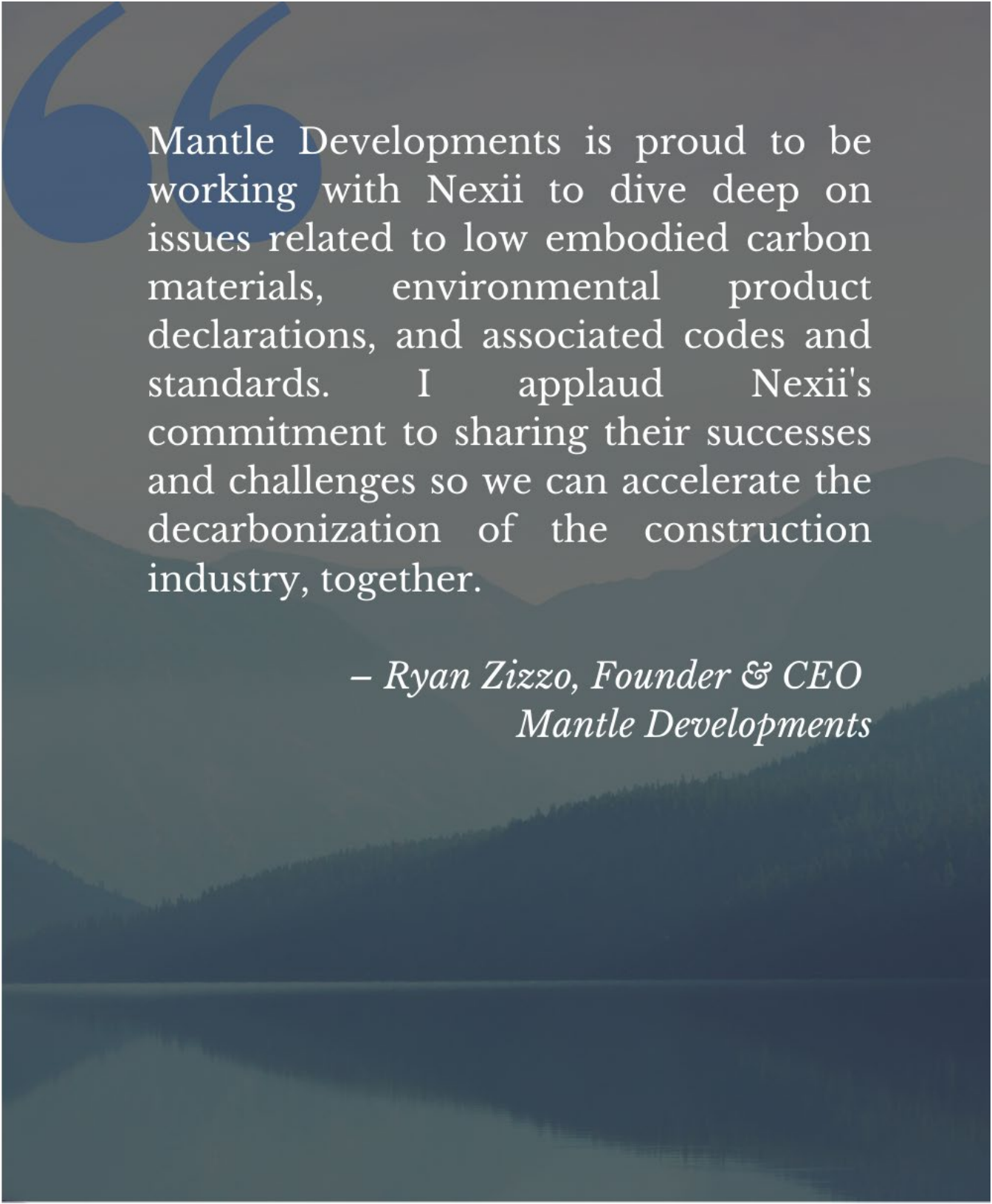


² Versus 2021 conventional construction baseline, such as steel stud, high performance tilt-up, and insulated pre-cast concrete

³ <https://architecture2030.org/new-buildings-embodied/>

⁴ Determined through third-party LCA versus conventional construction baseline, and averaged across projects modelled to date

⁵ Based on third-party LCA research, preliminary results (cradle-to-gate) suggest that Nexiite ST is up to 41% lower GWP than equivalent strength glass-fibre reinforced concrete (GFRC). To be validated by independent critical review as required by ISO standards



Mantle Developments is proud to be working with Nexii to dive deep on issues related to low embodied carbon materials, environmental product declarations, and associated codes and standards. I applaud Nexii's commitment to sharing their successes and challenges so we can accelerate the decarbonization of the construction industry, together.

*– Ryan Zizzo, Founder & CEO
Mantle Developments*

In 2022, we updated our suite of modeling tools to include One Click LCA and the EC3 database to align with industry best practice. We are using One Click LCA to model our Environmental Product Declaration (EPD), currently in third-party review and expected to be published in 2023.

Nexii is involved with advocacy work through RMI's Advanced Building Consortium Embodied Carbon Working Group and the Carbon Leadership Forum, as well as direct engagement with Buy Clean legislators.

We continue to advance mass timber integration with our projects. In 2022, we conducted testing of wood products with Nexiite, demonstrating compatibility between the two materials. The design of Nexii's first building with a mass timber roof also commenced. The pairing of Nexii climate and fire resilient building envelope products with low-carbon mass timber structures continue to show promising results.

Looking Ahead

In 2023, we look forward to publishing EPDs for our envelope panel, structural envelope panel, and roof panel. We will continue to emphasize facility-level data collection, whole life carbon reporting where possible, supplier-specific data to improve the accuracy of our metrics, and manage product environmental impact. As we maximize panel production capacity in our plants, our embodied carbon numbers will improve, and we will continuously monitor our performance to solidify these gains.

As practicing architects, we are seeing the power that embodied carbon accounting data can have on real estate investment decisions which are increasingly driven by corporate ESG commitments. Choosing a major building retrofit over building new, sourcing low carbon materials high in recycled content, and prefabrication are all reduction strategies that rely on carbon accounting data being considered alongside cost and schedule. With knowledge comes the power to be impactful for our planet.

*- Pablo Yuste, Vice President,
Architecture, Omicron*



OMICRON 

**“But What
about Existing
Buildings?”**

411 Dunsmuir, retrofit of a 100-year-old heritage office building located in downtown Vancouver

Ensuring that the construction industry is innovating in the direction of low carbon materials is a key aspect of decarbonization, but tackling emissions-intensive existing buildings is equally important. Omicron has a long track record of low-carbon building retrofits and renewal work that prioritizes both energy efficiency and climate resiliency. Omicron's Renewals Group conducts building condition assessments, net zero energy feasibility studies, and whole building system upgrades.

Future proofing existing public and private sector buildings means implementing retrofit upgrades that can handle extreme temperature and weather events, such as an air-tight and highly insulated envelope, or ultra-efficient electrical/mechanical systems with increased zonal control. Repositioning existing assets helps preserve materials, reduce costs, and lower embodied carbon at the same time.

Net zero operational carbon achieved by Nexii buildings⁶ by 2025

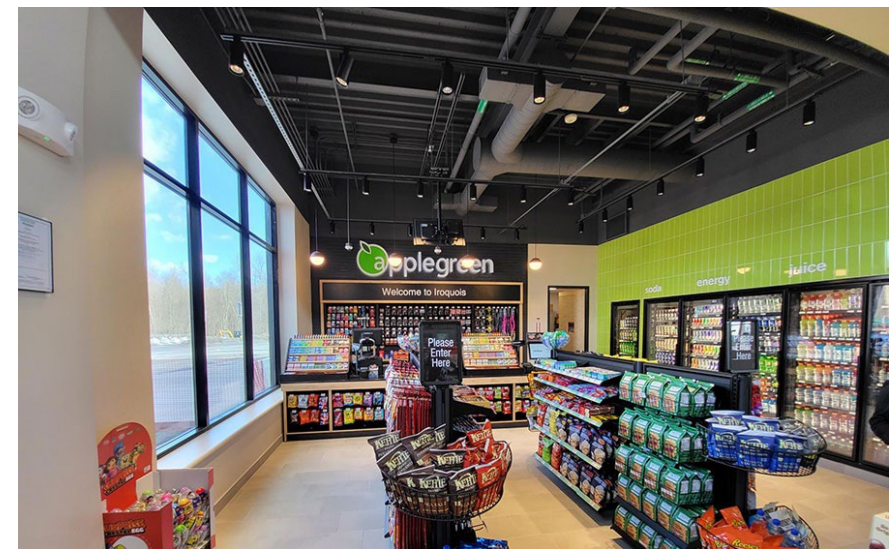
Context

Nexii is committed to leading and advocating for a rapid transition to a net zero carbon future, with buildings at the forefront of significant emissions reductions. Nexii's high performance wall and roof panels form an insulated and air-tight building envelope that serves as the first line of defense in driving down heating and cooling loads, and therefore an overall reduction in energy use. When paired with high efficiency building systems, controls, windows and doors, and on-site renewables, net zero carbon buildings are possible to build in any climate zone in the world.

Operational Energy and Carbon refers to the energy consumption and associated GHG emissions of buildings in-use, primarily from heating, cooling, and ventilation. Nexii's in-house energy modelling team and third-party consultants assess and review the energy performance of our buildings, using building code as baseline and as-built drawings provided by the client.

Progress So Far

Nexii buildings use on average 1/3 less energy overall and 1/2 the heating energy when compared with standard builds meeting code compliant requirements (excluding process loads). In 2021, our energy modelling teams demonstrated the potential for Nexii's whole building solution delivered with Integrated Technology Partners (ITPs) to reduce energy and carbon to Net Zero Ready level.

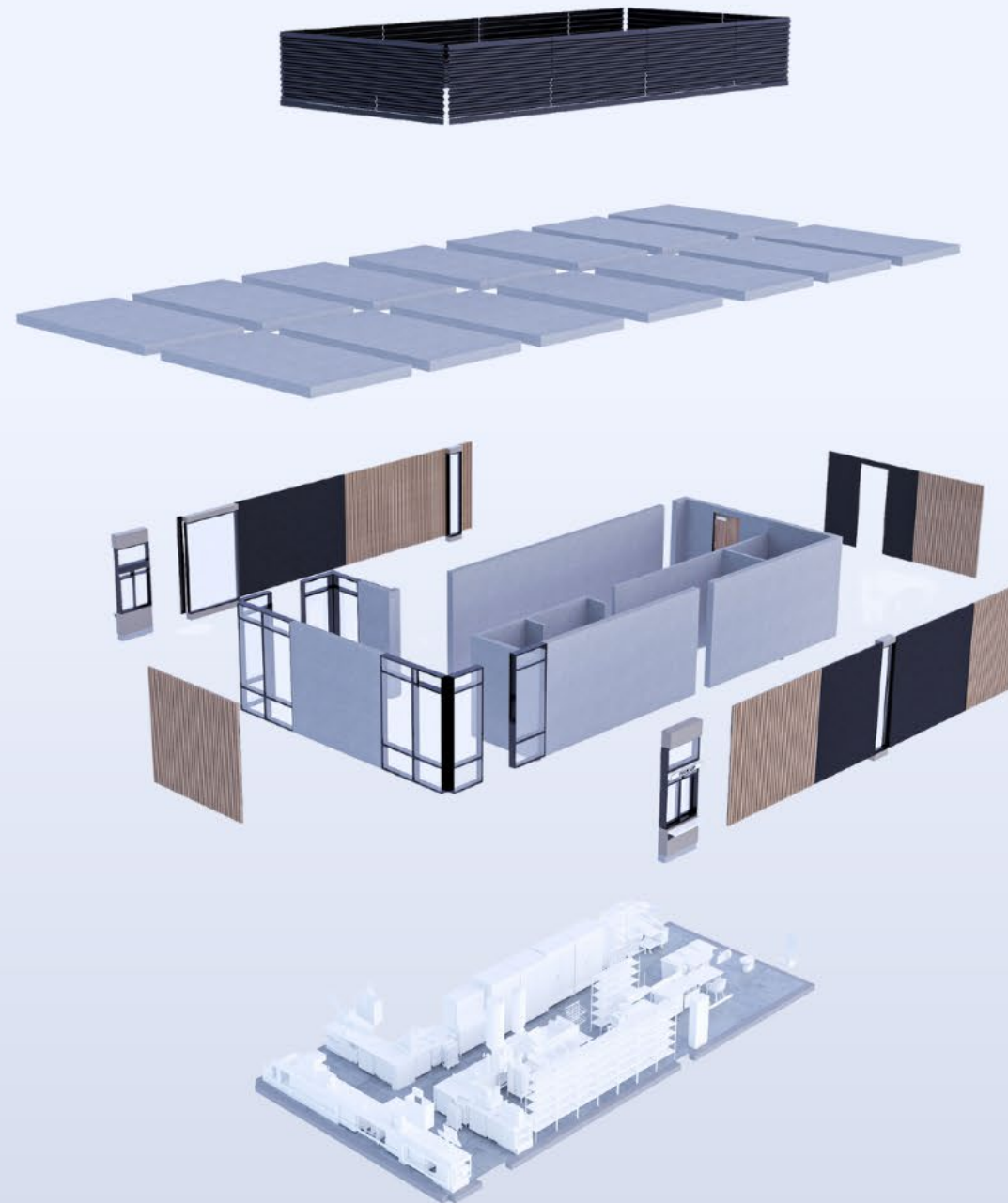


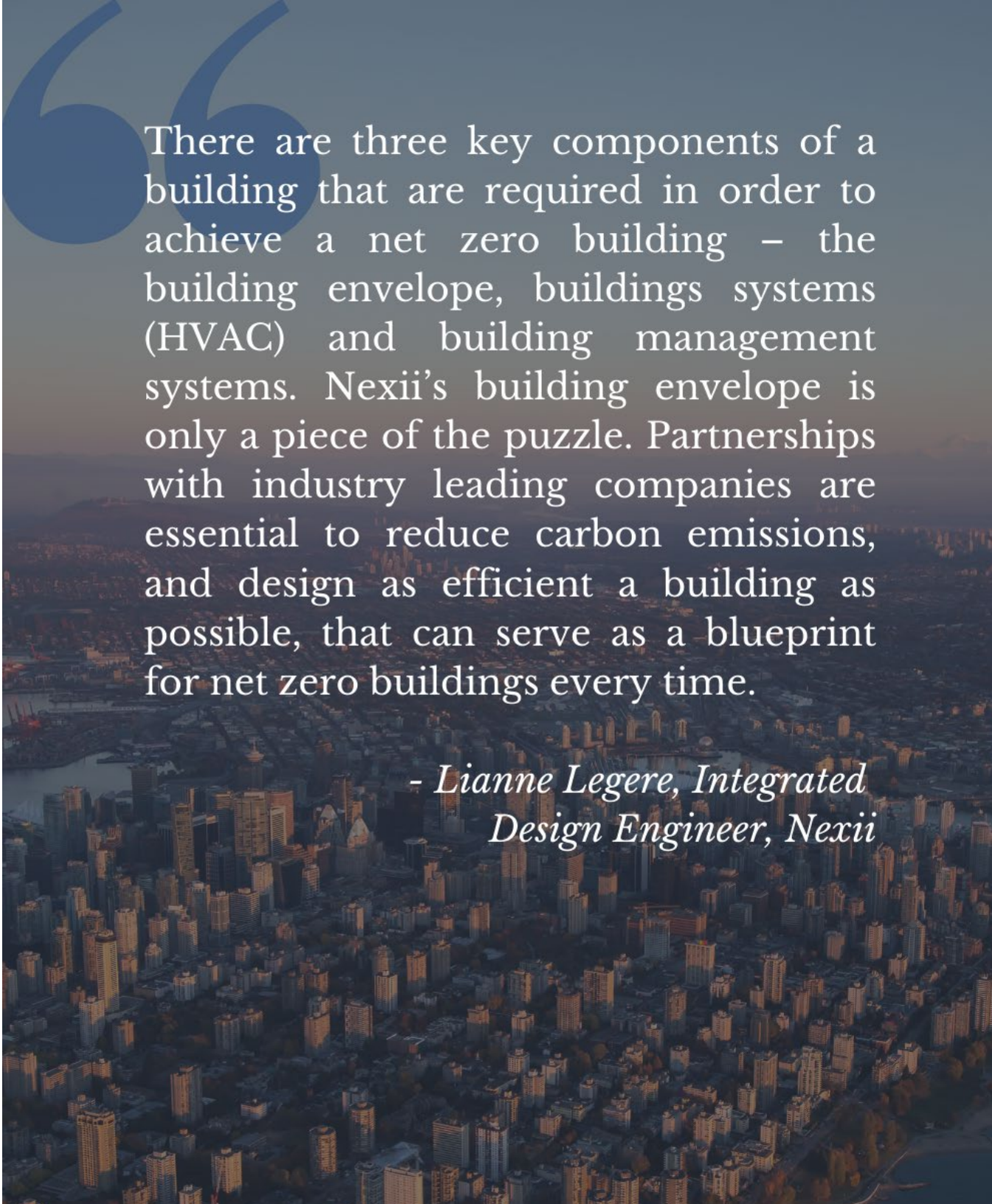
⁶ Nexii 'buildings' means our standard whole building delivered with Integrated Technology Partners (excluding process loads)

In 2022, we put theory into practice by designing the first-of-its-kind commercial building (CRU 3.0), based in Torrance, CA, that combines a Nexii envelope with Trane HVAC and Modern Niagara modular racking. Energy modelling projects energy savings of 59% over baseline and GHG reduction of 50% by integrating high performance building technologies. A thermal energy demand reduction of 70% is driven primarily by Nexii's insulated and airtight building envelope. With rooftop solar PV maximized and paired with additional pavement-integrated solar PV technology (PIPV), a Net Zero or possibly Net Positive building is within reach.

Our strategic alliances include:

- **Honeywell** – integrating their advanced building controls and smart monitoring systems into Nexii's new commercial retail buildings
- **Trane Technologies** – enabling healthy indoor environmental quality systems and supplying low carbon HVAC equipment for Nexii buildings
- **Siemens** – combining Nexii's green building products with Siemens' power distribution solutions and electric vehicle (EV) charging equipment
- **Pella** – enhancing Nexii's innovative commercial buildings with Pella's high-performance windows
- **Rycom** – providing a holistic data aggregation for building system monitoring
- **Modern Niagara** – developing modular MEP/Racking systems to simplify assembly and speed of build
- **Solar Earth Technologies** – offering pavement-integrated solar panels to generate energy from hard surfaces adjacent to Nexii buildings





There are three key components of a building that are required in order to achieve a net zero building – the building envelope, buildings systems (HVAC) and building management systems. Nexii’s building envelope is only a piece of the puzzle. Partnerships with industry leading companies are essential to reduce carbon emissions, and design as efficient a building as possible, that can serve as a blueprint for net zero buildings every time.

- Lianne Legere, Integrated Design Engineer, Nexii

Looking Ahead

In practice, there are challenges to accelerating market uptake of a Net Zero “kit of parts” or whole building solution with integrated technologies. Inertia within the construction industry, reticence to adopt new technologies or design approaches, and hierarchical decision-making can often result in a disconnect between corporate net zero goals and construction management delivering projects on the ground, with compromises made along the way. In 2023, we will:

- Strengthen our market assessment to advance Nexii’s business model for Net Zero buildings
- Develop a parametric modelling tool to visualize net zero compliant building component packages with benefits for a range of stakeholders
- Explore new mission aligned clients and products to apply and extend the ITP model



Green Building Standards

Nexii can help advance credit achievement for a variety of green building rating programs and certification schemes. Our high-performance envelopes deliver reduced embodied carbon and improved energy efficiency and thermal performance, contributing to energy code compliance. Our healthy material selection supports non-toxic indoor environments and occupant wellbeing. Our commitment to zero waste and circularity in resource management can help meet material optimization and construction waste reduction requirements.





OMICRON

TELUS LIVING NANAIMO

Zero Carbon Living



TELUS LIVING SECHELT

Green building standards are tools that guide design teams towards developing higher performance buildings. The Zero Carbon Building Standard, developed by Canada's Green Building Council, tackles both the operational and embodied carbon of a new building or retrofit to reduce greenhouse gas emissions to zero.

Three Omicron projects in Nanaimo and Sechelt are targeting the Zero Carbon Standard, reducing annual CO2 emissions up to 99.8%. Significant reductions in embodied carbon are also seen due to the inclusion of mass timber materials in the design.

Net zero carbon across our operations and value chain⁷ by 2030

Context


Net zero carbon refers to the atmospheric balance between creating and sequestering GHGs. A science-based net zero carbon target is a commitment to peaking GHG emissions, driving absolute emissions reductions, and neutralizing emissions that cannot be reduced directly through investment in protecting and growing natural carbon sinks and/or carbon removal.

Nexii committed to the Science Based Targets initiative (SBTi) Net Zero Standard to align our net zero roadmap with climate science and the goal to limit our planet to 1.5 degrees C° of global warming. In addition to SBTi, Nexii signed the Climate Pledge – a commitment to reach net-zero carbon emissions by 2040 – 10 years ahead of the Paris Agreement.

Key elements of our net zero roadmap include:

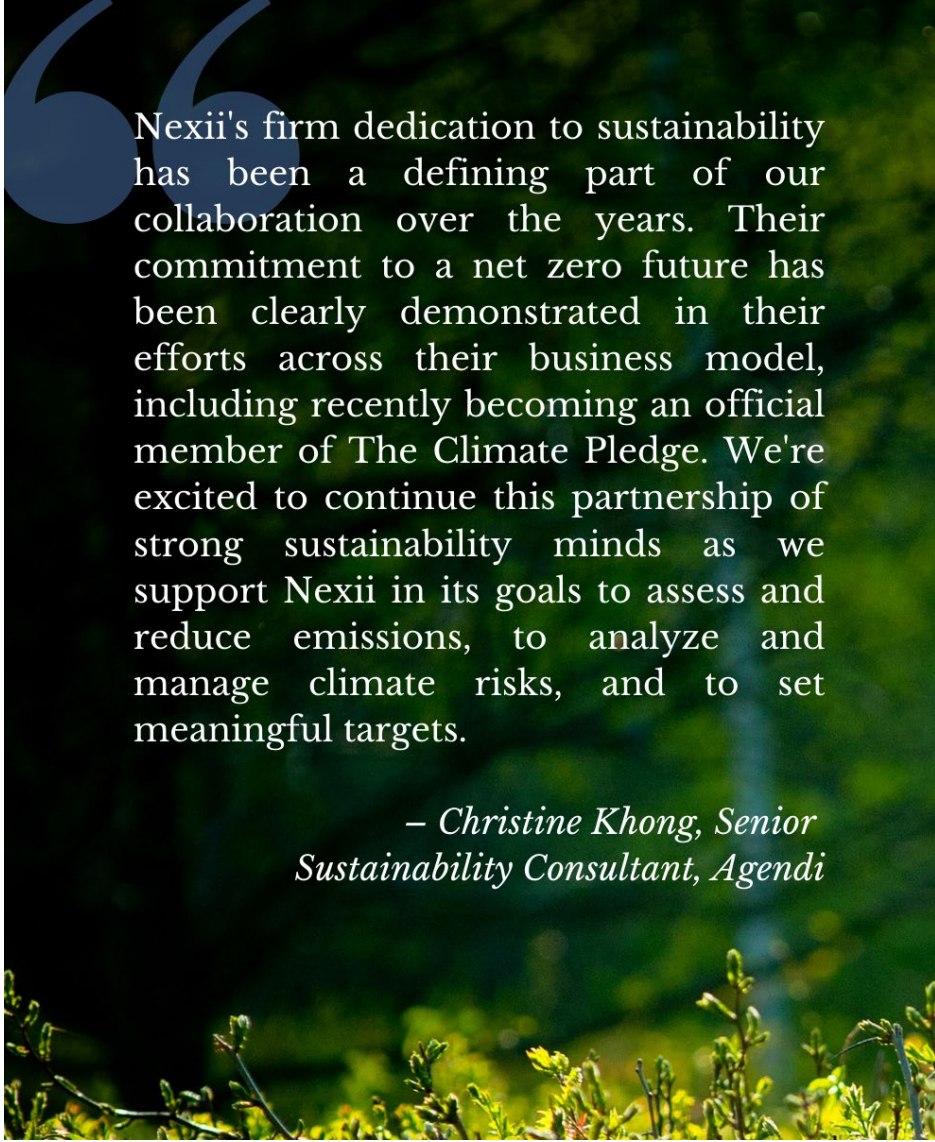
- Retrofitting and designing new low carbon facilities
- Electrification and fuel switching; renewable energy sourcing
- Prioritizing low-carbon transportation and business travel
- Building strategic supply chain relationships

⁷ Value chain refers to the full range of activities required to create a Nexii product from start to finish. Nexii's near-term science-based target (SBT) will include absolute reductions for Scopes 1 and 2, while our Scope 3 targets may include a hybrid of SBT methodologies



Our procurement and supply chain management groups are engaging our third-party manufacturers and suppliers to bring them along on our climate action journey. Our supply chain includes our raw material suppliers, fabricators, logistics partners and other service providers. Working together on improving our suppliers' operational efficiency will also have a positive impact on Nexii's emissions.

*- Natalia Dumitrescu, Director,
Supply Chain Management, Nexii*



Nexii's firm dedication to sustainability has been a defining part of our collaboration over the years. Their commitment to a net zero future has been clearly demonstrated in their efforts across their business model, including recently becoming an official member of The Climate Pledge. We're excited to continue this partnership of strong sustainability minds as we support Nexii in its goals to assess and reduce emissions, to analyze and manage climate risks, and to set meaningful targets.

– Christine Khong, Senior Sustainability Consultant, Agendi

Nexii's dedication to sustainability and decarbonizing the built environment are underlined through our 2022 World Green Building Council's (WorldGBC) Net Zero Buildings and UN Global Compact commitments.

Progress So Far

In 2021, we established our corporate GHG baseline which highlights how much of our GHG emissions come from Scope 1 (direct), Scope 2 (indirect), or Scope 3 (indirect value chain) activities. This year, we continue to track and monitor our emissions and for the first time, share progress against our baseline.

Trends Analysis

Our GHG data reporting and analysis spans January through December 2022. This past year, compared to the same time period in 2021, Nexii's production numbers (panel throughput) increased 62%. Accordingly, Scope 1 and 2 direct emissions also shifted, with a 16% increase at our Moosejaw plant, and a 22% decrease for our Squamish facility.

Overall, our Scope 1 and 2 emissions decreased by 12% across all facilities for which we have direct operational control – despite more than doubling our production throughput during the same time period.

These efficiency gains are driven largely by dedicated efforts to upgrade our building envelope and equipment at our Squamish manufacturing plant, and the resulting absolute reduction in GHG emissions is in line with Nexii's net zero roadmap and SBTi commitment. To continue to drive GHG emissions reductions, we secured renewable natural gas supply for our Squamish facility for the 2023 year. This is viewed as an interim measure as we continue to prioritize facility electrification and decarbonization.

From 2021 to 2022, our Scope 3 emissions increased by 26%. This movement is primarily driven by increased volume of materials, goods, and services to support our increased panel throughput. We are encouraged by the efficiency gains seen in our supply chain this year – both in terms of spend and shipping logistics.

Business travel also increased due to a return to post-COVID conferences and in-person meeting attendance. We continue to encourage team members to optimize travel, combine multiple events where possible, and attend events virtually when it makes sense. Commuting emissions remained relatively stable between 2021 and 2022, with Nexii and Omicron prioritizing a flexible, hybrid workplace.

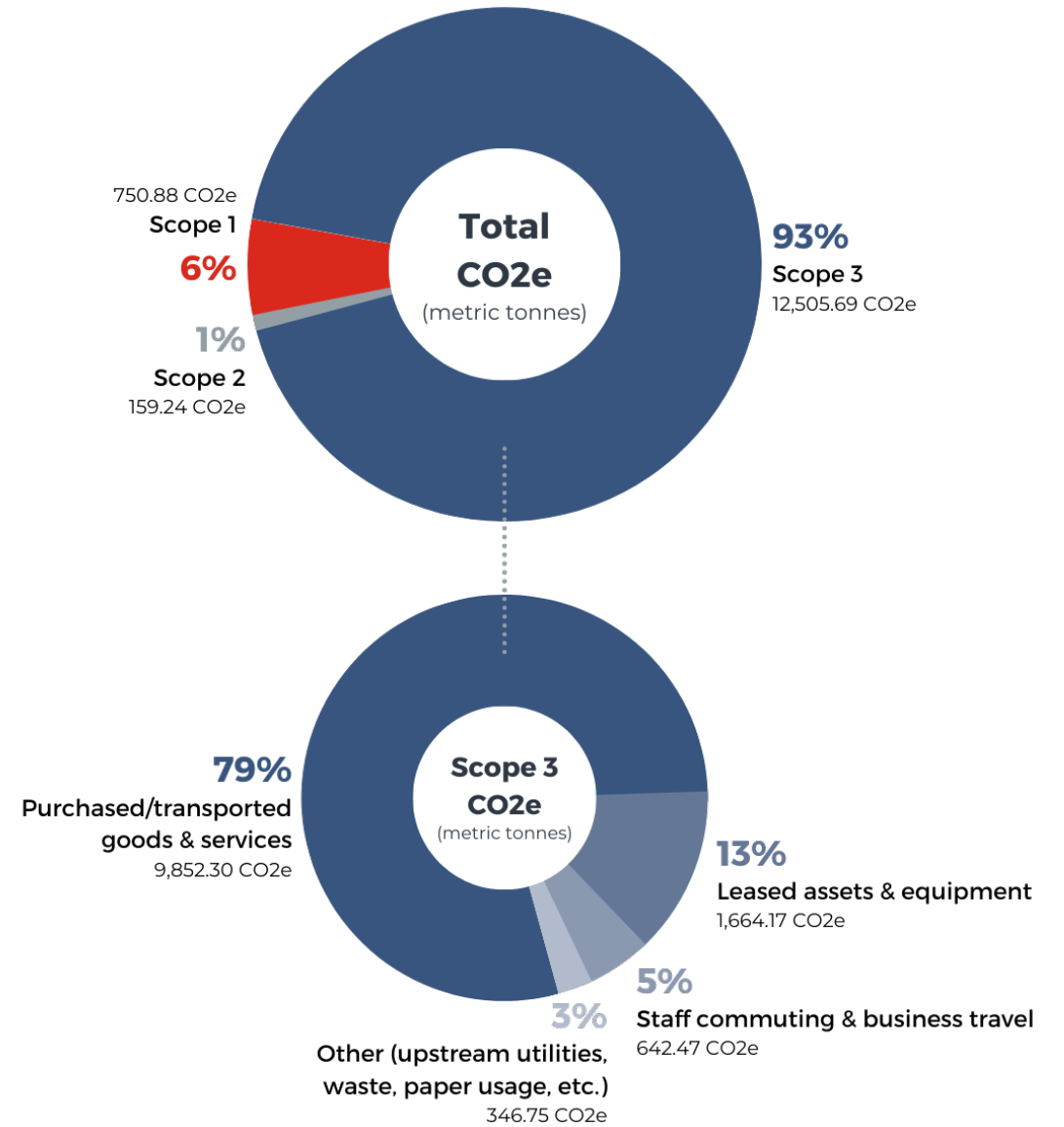
Looking Ahead

Nexii committed to the SBTi Net-Zero Standard and we are in the process of finalizing our submission. Our near-term science-based target (SBT) will include absolute reductions for scopes 1 and 2, while our scope 3 targets may include a hybrid of SBT methodologies. We expect these near-term targets, across each scope, to be validated by the SBTi within the next year. As these targets play an integral part of our operational strategy going forward, we are very focused on increasing the technical knowledge around GHG emissions and target setting for our entire leadership team with several workshops over the past year.

As Nexii expands, our site selection team has built out location criteria that carefully considers the impact of new locations to our corporate GHG emissions, climate risk, and resilience. We also completed preliminary energy models and development budgets for net zero new build and retrofit plants. While a detailed plant design is driven by site selection, these standard design energy models and budgets will inform Nexii's net zero expansion strategy.

In 2023, Nexii will continue to consolidate tracking and collection of GHG data from company and supply chain activities. More frequent data collection will allow us to make informed decisions on our plant operations as increases in emissions occur. We aim to raise awareness around monthly energy consumption in each facility to build engagement around emissions activity among staff.

Incorporating renewable natural gas into our utility data for 2023 will greatly improve our plant performance until we are able to begin electrifying our plants. Upon finalizing our SBTi targets and submitting them for approval, a roadmap with phased target setting will be developed to support electrification and decarbonization of our plants, both existing and prospective. In addition, we seek to expand our corporate plants to include more locations in Canada and the US, improving our market reach and reducing transportation distances.



Towards Net Zero Manufacturing

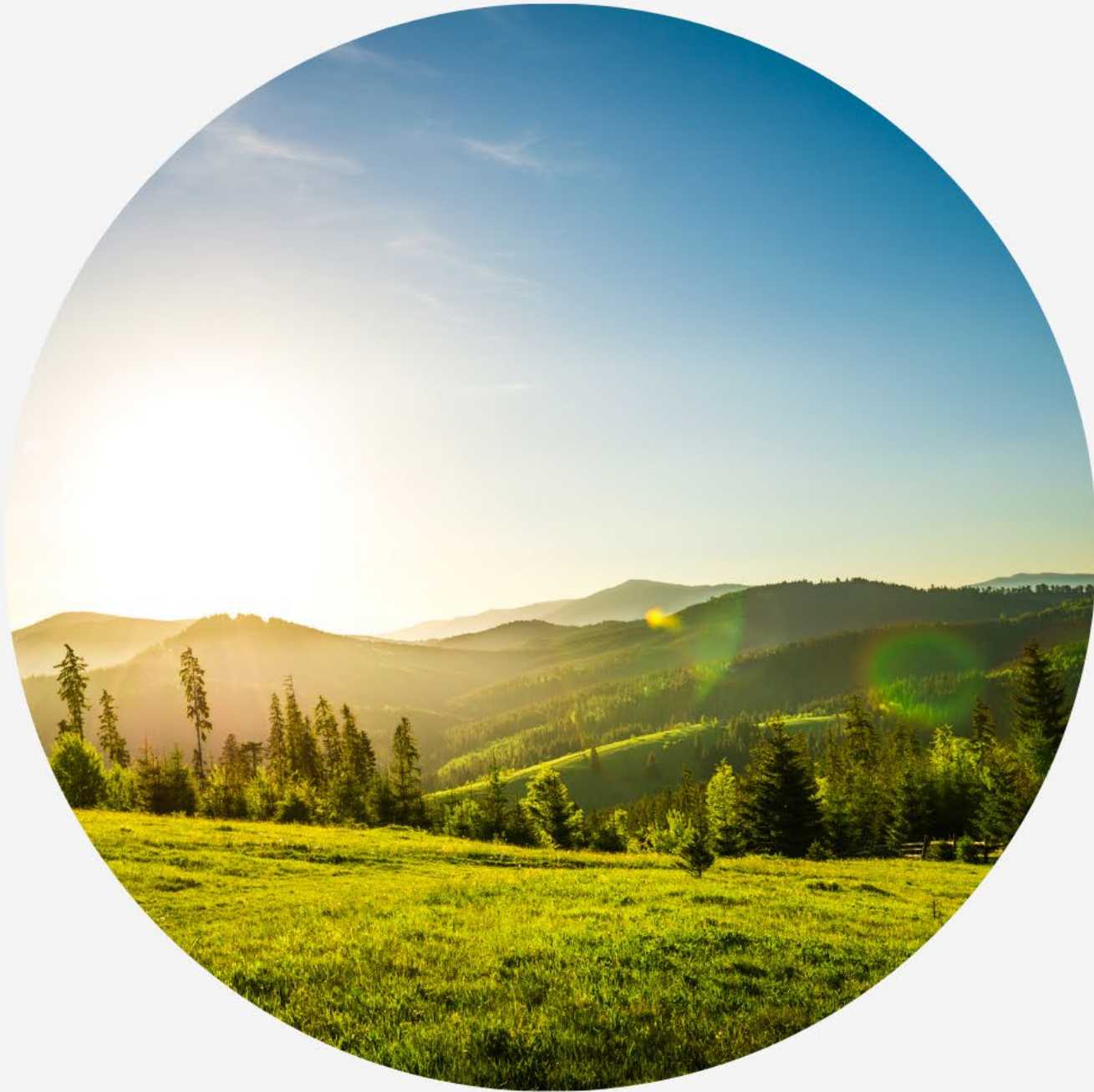
Nexii is committed to leading and advocating for a rapid transition to a net zero carbon future, with buildings at the forefront of significant emissions reductions. Decarbonizing our manufacturing plants is critical to both Nexii's embodied carbon metrics and to delivering on our corporate net zero targets. Nexii's growth strategy carefully considers future plant location, climate risk, renewable energy potential, and whole life carbon impact of new construction versus major renovation of an existing facility.

To that end, we modelled net zero pathways for new construction standard plants in British Columbia and Ontario. Results from our energy modelling and estimating work demonstrate that plant decarbonization is possible in a range of geographical locations.



Nexii deliberately designed its product with multiple crucial factors aimed at minimizing its environmental footprint. Additionally, Nexii has taken proactive steps to minimize their manufacturing emissions. I have enjoyed my time working with Nexii, gaining insight into their product, processes, and overall philosophy. Their relentless pursuit of reducing their environmental impact is truly admirable.

*- Nick Galardi, LCA & EPD
Consultant, One Click LCA*



NATURE

Protect and support
healthy ecosystems

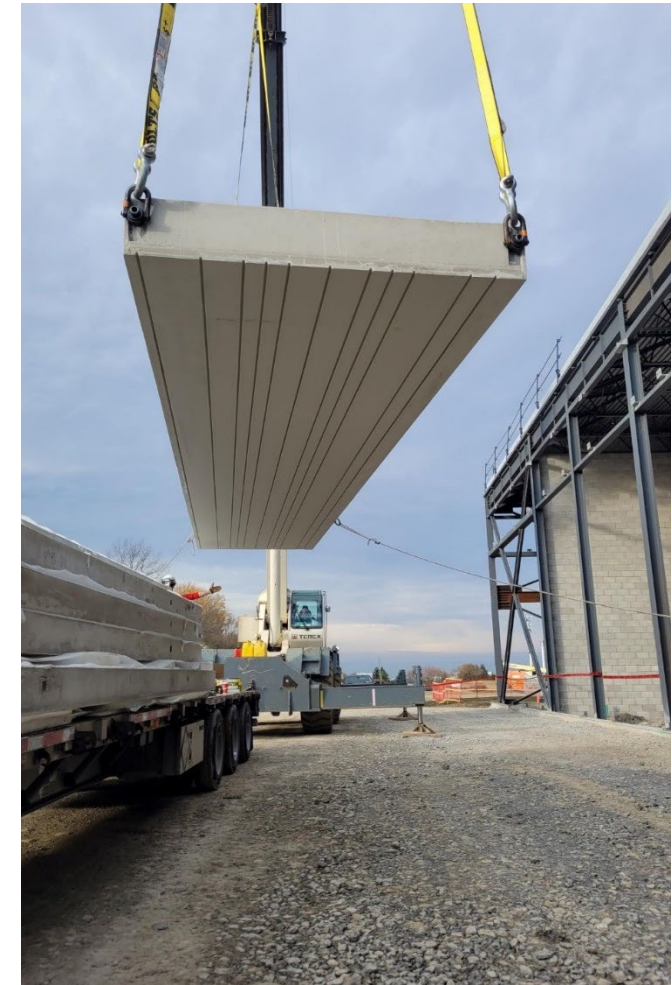
Ensure no use of materials known to pose serious risks to human and ecosystem health

Context

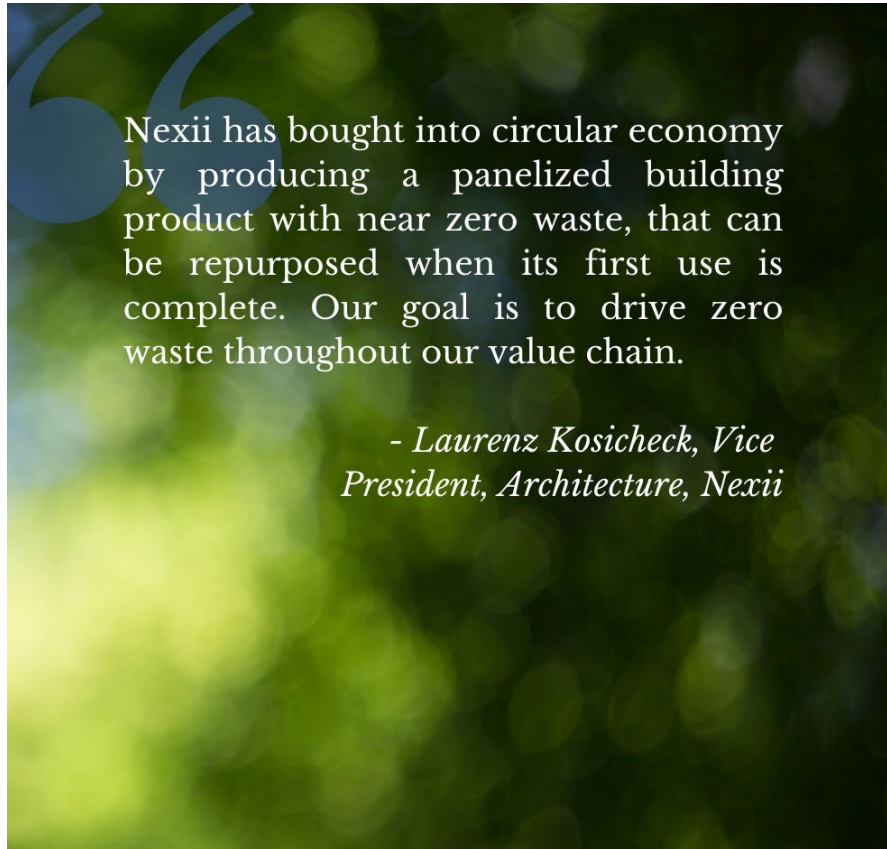
Nexii product design and material selection is optimized for a range of factors, including sustainability, manufacturability, strength, safety, durability, and resilience. We continue to explore innovative materials that can help drive our performance metrics while maintaining Nexii quality standards. Three primary materials currently used in our panels are Nexiite, an insulative core and structural reinforcement.

Nexiite is our proprietary polymer concrete material, with a high strength-to-weight ratio, no Portland cement, and no Living Building Challenge (LBC) Red List ingredients. When compared to similar concrete 'skin' products, such as Glass Fibre Reinforced Concrete, Nexiite has up to 41% lower embodied carbon in manufacturing.⁸ Nexiite is cast in 1/2" layers, forming a covalent bond with our insulative core and eliminating the need for adhesives. Assembled Nexii panels weigh 15-20% the weight of insulated pre-cast concrete equivalent products.

Insulation forms the core in our panel system and provides a thermal break to our exterior skin. We currently use type 2 expanded polystyrene (EPS) between Nexiite layers. Our goal is for a light, water resistant core with low vapour permeance while providing efficient thermal performance. EPS can be recycled at many stages of its life cycle. We use EPS offcuts from manufacturing to protect panels in transit and our in plant densifier helps return smaller EPS pieces to a recyclable or reusable format. Nexii is testing supplementary bio-based insulation materials as part of our commitment to drive down the embodied carbon of our products.



⁸ Based on third-party LCA research, preliminary results (cradle-to-gate) suggest that Nexiite ST is up to 41% lower GWP than equivalent strength glass-fibre reinforced concrete (GFRC). To be validated by independent critical review as required by ISO standards



Nexii has bought into circular economy by producing a panelized building product with near zero waste, that can be repurposed when its first use is complete. Our goal is to drive zero waste throughout our value chain.

- Laurenz Kosicheck, Vice President, Architecture, Nexii

Structural reinforcement to add strength and integrity to Nexii panels is achieved with structural members and connector hardware. Nexii is actively working with our suppliers to source the most sustainable steel products available. We prioritize steel manufactured using electric arc furnaces powered by renewable electricity, with high recycled content. We are also pursuing low carbon alternatives such as reinforced Nexiite for structural members.

Progress So Far

Nexii is committed to meeting the highest standard of material transparency through third-party certifications, such as Healthy Product Declarations (HPDs), Declare, or Cradle-to-Cradle. Our R&D team evaluates every new material that goes into a Nexii panel against the LBC Red List material Watch and Active lists. Nexiite itself contains no Red List Materials.

Nexii engaged third-party preparation and verification services to publish HPDs for our Envelope Panels, Structural Envelope Panels and Roof Panels. The HPD Open Standard is the building industry's most widely used open standard for transparency and material health. Since its initial release in 2012, the Standard has provided a rigorously defined specification to report the material contents of a building product and associated health information accurately, reliably, and consistently.

Nexii's HPDs are available as of March 2023 on the HPD Public Repository and are valid for 3 years. The most recent version of HPD (v2.3) includes an "Additional Listings" section that reports when substances appear on key restricted substances lists, including the LBC Red List. As reported in Nexii's 2023 HPDs, no LBC Red List ingredients appear in our panel products at >/1000ppm concentration levels.

Looking Ahead

In 2023, we will continue to strengthen our Red List screening process for new incoming ingredients, look to extend our HPD to subsequent panel types, and prioritize the integration of recycled content materials within the Nexiite formulation as well as our panel more broadly.

We will also initiate research, testing, and development to better integrate material environmental data across multiple software platforms we use for building and product design. Combined with data from our vendors, the intent is to form a material library database which can be applied to all projects as a foundation for early stage carbon and energy analysis of our projects.

Commitment #5

Zero Waste certified manufacturing within 2 years of opening new plants⁹

Context

The construction industry has a significant impact on land, air quality, and water supply due to the standard practice to dispose of building products or a building at their end-of-life. Construction and demolition projects filled U.S. landfills with almost 145 million tons of waste in 2018.¹⁰ As much as 30% of all building materials delivered to a typical construction site can end up as waste.¹¹

At Nexii, we are committed to doing better by embedding Zero Waste principles into our design and manufacturing process, **achieving zero waste certification** at our plants, eliminating waste on our construction sites, and developing relationships with suppliers and local reuse markets for any end-of-life materials we generate. Nexii's Zero Waste working group includes team members from Sustainability, Purchasing, Plant Operations, and Safety departments.

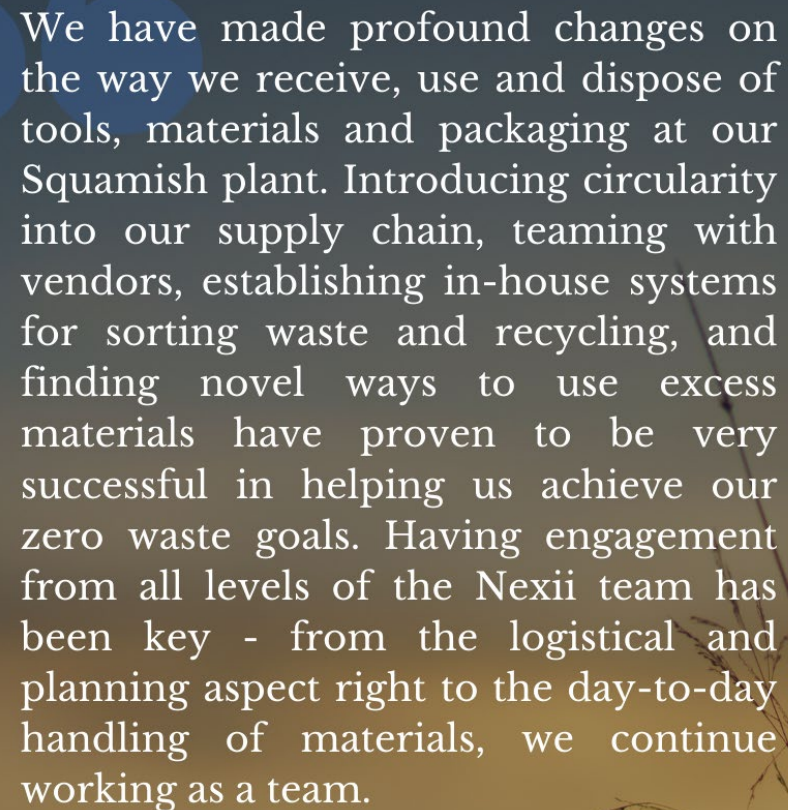
Our precision off-site manufacturing of panels and rapid assembly of buildings enables us to generate near zero construction waste. All the transportation materials we bring with us to a project site (primarily to protect panels in transit) are returned to the plant for reuse/recycling. Similarly, our manufacturing plants are designed with Lean principles that reduce waste at every stage of operation.



⁹ Commitment language adjusted to apply to new plants. Zero Waste certification for existing corporate plants may fall outside of 2 years of opening

¹⁰ <https://www.epa.gov/smm/sustainable-management-construction-and-demolition-materials>

¹¹ <https://digibuild.com/new-methods-and-technologies-to-reduce-construction-waste/>



We have made profound changes on the way we receive, use and dispose of tools, materials and packaging at our Squamish plant. Introducing circularity into our supply chain, teaming with vendors, establishing in-house systems for sorting waste and recycling, and finding novel ways to use excess materials have proven to be very successful in helping us achieve our zero waste goals. Having engagement from all levels of the Nexii team has been key - from the logistical and planning aspect right to the day-to-day handling of materials, we continue working as a team.

*- Joanna Siemens, Production
Team Lead, Nexii*

Progress So Far

In 2022, we worked towards certifying our Squamish manufacturing plant as a Zero Waste facility, through the TRUE standard by the GBCI.¹² This included:

- Conducting a plant-wide waste audit
- Creating a material reuse and recycling program to further divert waste from the landfill
- Developing educational training resources for plant staff, including a Zero Waste Policy, Zero Waste content in orientation materials, and a Zero Waste Purchasing Policy
- Creating clear waste and recycling signage informed by best practice guidance
- Working closely with haulers to confirm selection of the best and highest use for each material stream leaving the site
- Supporting material reuse and recycling programs for high throughput materials, such as Nexiite and EPS
- Pursuing credits and associated requirements in categories including: redesign, reduce, reuse, recycle, zero waste reporting, diversion, purchasing, leadership, training, zero waste analysis, hazardous waste prevention, closed loop, and innovation

As a result of our efforts, Nexii achieved 47 credits and in March 2023, our Squamish plant secured [TRUE Gold certification for Zero Waste](#), a first for construction manufacturing in North America! This milestone demonstrates our commitment to eliminating waste by implementing best practices at every stage of our manufacturing process.

¹² <https://true.gbci.org/>

Looking Ahead

In 2023, we will:

- Publish a case study on zero waste certification in construction manufacturing
- Continue to seek sustainable end of life options for hard-to-divert streams
- Improve tracking of reused materials
- Advance Nexii's zero waste education for Nexii team members, cleaning staff, and sourcing partners
- Progress dialogue around packaging waste directly with our suppliers
- Initiate the process for TRUE certification of Nexii's Moose Jaw plant

In addition to Zero Waste in our manufacturing plants, Nexii will explore the pursuit of Zero Waste Construction Certification for our assembly process.

Circular Materials and Products

Nexii is committed to eliminating waste at every stage of the value chain. Our buildings are designed and manufactured with deconstruction in mind and facilitate both rapid assembly and disassembly for reuse at the end of life. Nexii products enable a commitment to end-of-life circularity practice. With heightened attention on circularity in the construction sector, Nexii is proud to be leading the way in the construction industry for zero waste and circular practices.

In 2022, we added language specific to deconstruction in Nexii's Product Maintenance Manual with reference to preferred end of life practices for Nexii products. We worked with One Click LCA to factor in end-of-life or reuse benefits (Modules A-D Reuse) into our EPDs under development. We published a case study on [Building Deconstruction and Reuse](#). To extend our proof-of-concept, in 2022, we completed a project highlight on the interior fit-out of an [Office Reconstruction Project](#) using second-life panel products.





Nexii successfully deconstructed and reassembled an early-design showroom that now serves as an office space in Moose Jaw, Saskatchewan. The office is located adjacent to a 21,000 sq.ft. Metro Manufacturing building, also constructed from Nexii panels. Nexii's adaptable and flexible panelized technology allowed for a seamless interface with the Metro industrial building.

Project features:

- **Adaptive reuse:** The office was reconstructed with an addition of 4 new wall panels and 2 new roof panels, adding 466 square feet to the building and increasing its footprint by 75%.
- **Waste savings:** On-site waste was limited to the caulked seals within panels, which could fit into two 5-gallon buckets. In comparison, on an equivalent conventional construction site, a 6-yard garbage bin would typically be used to haul away waste materials.
- **Speed and ease of construction:** The showroom was deconstructed in two days, transported to a new site, and reconstructed in a further two days. The construction crew comprised of just two crew members.

Designing Nexii buildings for deconstruction and reuse reduces material use (and associated waste and carbon emissions), lowers costs for the owner, and preserves the value of Nexii products beyond their first life. Read more about this project [here](#).

Supporting Nexii to obtain TRUE Gold level certification at their Squamish facility has been a rewarding experience. The team's dedication to waste reduction was clear from the beginning and led to their success in achieving a 90% diversion rate of materials away from landfills, waste-to-energy facilities, and the environment. Nexii's creativity in eliminating waste sources through redesign, reduction, reuse and recycling throughout their operations is admirable.

*- Caeleigh Marshall, Associate PM,
Light House Sustainability Society*



Restore equal amounts of habitat as the land footprint of our corporate projects by 2025

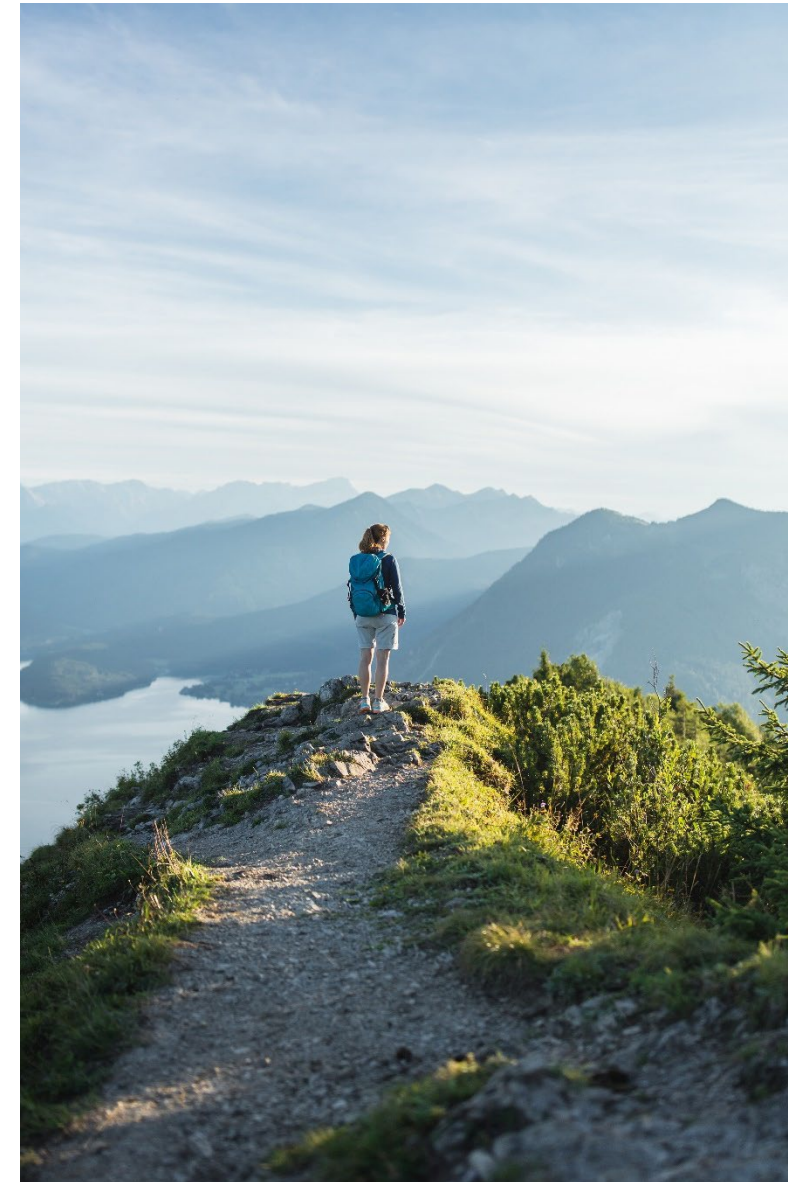
Context

Ecosystems play a vital role in sustaining the environment and natural resources on which we depend. Human activities – such as deforestation, fragmentation, pollution, and over-exploitation of species – threaten the ability for these ecosystems to maintain biodiversity and health. Land use and construction are major contributors to the destruction of natural habitats, with negative impacts on wildlife and biodiversity.

Scientists overwhelmingly agree that nature is critical to meeting the Sustainable Development Goals and limiting global warming to 1.5 degrees. At the 2022 UN Biodiversity Summit (COP 15), for the first time in history, a global biodiversity framework was adopted that addresses the key drivers of nature loss to secure our own health and well-being alongside that of the planet.¹³

The construction industry can lead the way in restoring nature through promoting a “biodiversity net gain” approach to design and keeping existing buildings and materials in use to reduce pressure on natural resources. It’s also critical to promote awareness of the numerous environmental, social, and climate resilience benefits that biodiversity and nature health provide.

At Nexii, we define “land footprint” as the amount of land that Nexii buildings stand on. Every building has a footprint, and underneath that footprint is land that has been impacted and removed from natural processes. There are also land and natural resources impacted by the extraction of materials to make building products. By 2025, we are committed to calculating the land footprint of our corporate projects and restoring equal amounts of natural habitat.



¹³ <https://www.unep.org/un-biodiversity-conference-cop-15>

Progress So Far

We have begun to build strategic partnerships to protect, restore, and sustain nature and biodiversity with an emphasis on the Salish Sea bioregion, where our operations are headquartered and some of our materials are sourced. Priority nature-positive criteria include restoring ecosystem processes, supporting habitat connectivity, building climate resilience through green infrastructure, and supporting indigenous peoples' rights and contributions as stewards of nature.

Our Habitat Conservation Working Group is establishing our program, along with the accompanying tracking system, partnerships, program criteria, and KPIs.

Looking Ahead

Our next steps for habitat conservation include:

- Expand our sustainability data management system to include the land footprint of our projects as well as developed, protected, managed, and restored area.
- Strengthen regional conservation partnerships in the communities in which we operate.
- Co-develop high level habitat restoration criteria aligned with Nexii's long term profound positive impacts.



OMICRON 

Habitat Restoration with Green Spaces

From a landfill to the largest business park campus in the history of Metro Vancouver

Richmond Industrial Brownfield Redevelopment

Habitat restoration is especially important in industrially polluted areas, often referred to as brownfield sites. Ecowaste Industries and Omicron partnered to turn a decommissioned landfill in Richmond BC (operating since the 1980s) into a state-of-the-art industrial park, comprising of 12 buildings and totaling 3 million square feet. The site preparation was complex, and the project timeline extended from 2010 to present (2023), with the first building having been completed in 2020. Once complete, 170 acres of polluted land will be repurposed, including 40 acres of restored green spaces.



PEOPLE

Develop a culture of safety, ethics, and integrity, and expect the same of our partners

Maintain safety incident rates 50% below industry average; target 85% below industry average by 2025

Context

Core to Nexii's Constitution is to "Make it Safe". When it comes to wellbeing, we don't compromise. At the plant, on site, at the office, at home, and every point in between—health, wellness, and safety are our foundation. We take the time to go through the steps and hold each other accountable, both for living well and staying safe.

At Nexii, our goal is to achieve an injury free and healthy workplace by maintaining a positive safety culture, with Total Recordable and Lost Time Incident Rates (TRIR + LTIR) at least 50% below industry averages. We believe that excellence in Occupational Health and Safety (OH&S) is key to our long-term success and we are committed to providing resources to have a safe, healthy, and inclusive workplace for all employees, consultants, and visitors.

Progress So Far

Nexii provides the safe tools, equipment and PPE required for our team alongside safety training, and ongoing enforcement of safe work procedures and practices. We have regular and ongoing safety touchpoints in our plants including:

- Plant-level hazard assessments (PLHAs) to identify tasks, potential hazards, and relevant mitigations for the week ahead
- All Hands meetings including safety topic presentations to the whole team
- Toolbox topics presented at a team level on a weekly basis
- A "take five" program for team members to formally reassess hazards when operational situations have changed



By conducting risk assessments of critical manufacturing tasks, Nexii provides up-to-date programs to ensure our entire team is trained and competent in the safe use of tools and heavy equipment.

We target a minimum of 30 ongoing inspections (all types) per month. Formal inspections also occur as part of our Joint Health and Safety Committee (JHSC) responsibilities and Health and Safety Team responsibilities.

Key lagging indicators include LTIR - Lost Time Incident Rate, which measures the number of incidents that led to an employee being unable to work per total hours worked; and TRIR - Total Recordable Incident Rate, which measures the number of on-the-job incidents per hours worked.

Nexii's performance for LTIR in 2022 was 1.7 for our corporate plants, 19% better than industry average.

While this has gone up compared to 2021, we are encouraged with a below baseline result for Nexii's first year of full operation, during which we had one additional major manufacturing plant come online. As a young company in the early stages of manufacturing, Nexii has more manual work than manufacturing industry standards. As our products and processes evolve to include more automation, we anticipate that our OHS numbers will improve to meet our commitment.

Our TRIR tracking process continues to stabilize, along with our workforce. Overall, we expect the accuracy of our systems and reporting to improve looking ahead to 2023.

Nexii's leading indicators of near miss and hazard reporting frequency rates are very strong, which is indicative of our health and safety culture. To date in 2023, between January and April, we reported 19 Near Misses, 55 Hazard Identifications and only 1 Lost time incident across our corporate plants.



Safety is a leading constitutional element at Nexii. In 2022 we trained 6 new level 2 first aiders and ran numerous crane and forklift and telehandler courses. We added parameters around the use of overtime, and introduced engineering controls throughout the plant to make it a safer place to work. We have an active and engaged JOHSC (Joint Occupational Health and Safety Committee) that helps to bring forward ideas every month.

- Sheila Sovereign, Health, Safety, and Environment Lead, Nexii

Looking Ahead

In 2023, we will focus on:

- Stabilizing our tracking process for TRIR and Near Miss Frequency Rate (NMFR) to improve accuracy of reporting
- Build in quarterly progress checks for key OHS metrics reported to senior leadership
- Target 90% closure rates for corrective actions in less than 30 days
- Implement administrative controls for Repetitive Strain Injury (RSI) prevention, with each department identifying tasks that are low-moderate-high risk and daily time maximums set
- Apply engineering controls for hazard management, including automated cleaning equipment, recycled water controls, and expanded scissor lift use
- Continue to seek zero waste solutions for PPE, including ongoing use of recycled content gloves

Develop a culture of ethics and integrity, and expect the same of our partners

Context

At Nexii, we take our commitment to sustainability and ethical business practices seriously. We firmly believe in upholding the highest standards of human rights, labour laws, environmental practices, and anti-corruption, and we expect nothing less from our partners and suppliers.

As part of this commitment, we aim to clearly communicate our expectations to our employees and consultants on issues such as managing conflicts of interest, dealing with laws and regulations, and preventing corruption.

We fully support the Ten Principles of the United Nations Global Compact on human rights, labour, environment, and anti-corruption, and we are committed to integrating these principles into our company's strategy, culture, and day-to-day operations. At Nexii, we believe that upholding these values is not only the right thing to do, but it is also crucial for the long-term success and sustainability of our business.

- **Commitment: 100% of employees complete updated Code of Ethics Training by 2024¹⁴**
- **Commitment: 100% of major suppliers sign Nexii's Code of Conduct¹⁵**

Progress So Far

Nexii's existing Code of Ethics is integrated within our Employee Handbook and signed accordingly by all team

¹⁴ Nexii's Code of Ethics is integrated within our Employee Handbook and signed by all team members joining the company. Nexii is in the process of updating our Code of Ethics. Target year has been adjusted to allow for adequate time to build out training

¹⁵ Signing of Nexii's Supplier Code of Conduct is required for all major suppliers to Nexii corporate offices and plants



Omicron has made significant strides this year related to EDI, with the further organization of our IDEA (Inclusivity, Diversity, Equity and Allyship) committee and the development of an Executive EDI council that provides support to the IDEA committee. We have had a full year with monthly events to celebrate and bring awareness to various cultural events and ongoing educational awareness campaigns on EDI related topics. It is great to see the sharing and camaraderie that is being developed in our teams through EDI.

*- Alisa Bailey, Vice President,
Industrial and Integration, Omicron*

members joining the company. We are in the process of revising our Code of Ethics in alignment with best practice and to better reflect Nexii's culture and Constitution – our guiding values. As such, we adjusted our target year from 2022 to 2024 to allow for adequate time to build accompanying training and extend this training to all employees.

We continue to maintain a Nexii-wide Speak-Up Policy and Speak-Up Hotline as a framework whereby employees can raise and escalate concerns when faced with behaviors that do not meet Nexii's ethical standards and policies.

Any reportable items are communicated quarterly, through both internal channels and the Speak-Up Hotline, to our Audit Committee.

In 2022, Nexii's Supplier Code of Conduct was updated with review from our Procurement, Sustainability, People, and Legal teams. Adherence with Nexii's Supplier Code of Conduct is managed centrally through our Procurement team. All major suppliers are required to sign Nexii's Code of Conduct as a precursor for engagement.

Looking Ahead

Our next steps include:

- Finalizing and reviewing our updated Code of Ethics with Employment Council
- Developing and launching our Code of Ethics Training via Nexii's Learning Management System (LMS)
- Empowering our people to cultivate a culture of sound judgements and ethical decision-making in day-to-day operations through our Speak-Up Policy and Hotline
- Ongoing review of Nexii's Supplier Code of Conduct and Supplier Questionnaire response database to seek areas for continuous improvement



PEOPLE

Create a diverse and
empowered workforce

Create a diverse and empowered workforce, and provide equal pay for work of equal value across genders

Context

"Include Everyone" is one of Nexii's core Constitutional elements. There is power in diversity. We make space, recognize bias, embrace dialogue, and model inclusivity in beliefs, words, and actions at every level. We celebrate diversity in backgrounds, thoughts, and skills.

At Nexii we recognize that our workforce is comprised of individuals from many different backgrounds. We aim to understand the scope of our diversity and work towards a culture that is inclusive for all. Our goal is to create an environment where all team members feel valued, respected, and safe to be themselves, enabling them to reach their full potential.

- **Commitment: Equal pay for work of equal value across genders**
- **Commitment: >20% non-male and URCs¹⁶ in our Senior Leadership¹⁷ and Board by 2025; 35% by 2030**

Progress So Far

In 2022, we completed our Equity, Diversity, and Inclusion (EDI) audit, which was invaluable in helping us identify barriers and opportunities for establishing more equitable and inclusive practices across the company. As a result of this initiative, we evaluated our pay equity baseline and closed identified pay gaps. We now ensure

¹⁶ Underrepresented communities (URCs): groups whose representation has been historically low — Black, Hispanic/Latinx, Asian, Multiracial, Indigenous peoples, LGBTQ+

¹⁷ Senior Leadership: Director level and above



that 100% of our permanent staff are compensated¹⁸ at or above the Living Wage¹⁹. We consistently build more diverse candidate pools and prioritize inclusive hiring practices. We include an EDI module as part of our Leadership Training offering for Nexii people managers.

In addition, we actively engage our team members in supporting diversity in the workplace through the creation of both an EDI Advisory Council and an EDI Executive Council. To better track our progress, we developed an internal employee diversity reporting structure that allows us to analyze trends over time.

In 2022, Nexii's representation of women was 28.5%, which is more than double the average in the Construction industry and on par with the average in the Manufacturing industry.

We are currently meeting our EDI Commitment in our Senior Leadership team (31% non-male / 21% URC). Recently Nexii Shareholders voted to add Board seats, providing room to improve our diversity at the Board of Directors level. There is much work still to be done – we are targeting 35% URC representation in our Senior Leadership and Board by 2030 and parity beyond that.


Looking Ahead

In 2023, we will look to:

- Continue to integrate pay equity into our internal structure and anchor our compensation against best practices.
- Empower our new EDI Advisory and Executive Councils to engage our team members in fostering an inclusive culture.
- Recognize that we can all take a role in recruiting diverse talent, developing, and mentoring leaders internally, and rewarding our people accordingly.
- Continue to support and empower women and under-represented communities, at Nexii and throughout our industry.

¹⁸ Includes paid time off and health/dental benefits

¹⁹ Defined by region as the minimum income necessary for a worker to meet their basic needs



Here at Nexii's Squamish manufacturing facility, we pride ourselves on our diverse, inclusive, and high performing team. We are lucky to have a talented group of employees from 18 different countries with 15% of our Production roles being held by women. We are committed to developing the next generation of green construction and manufacturing leaders.

– Matt Backhouse, Senior People and Culture Specialist, Nexii

Increased engagement in sustainability at all levels, and senior leadership compensation linked to ESG outcomes by 2025²⁰

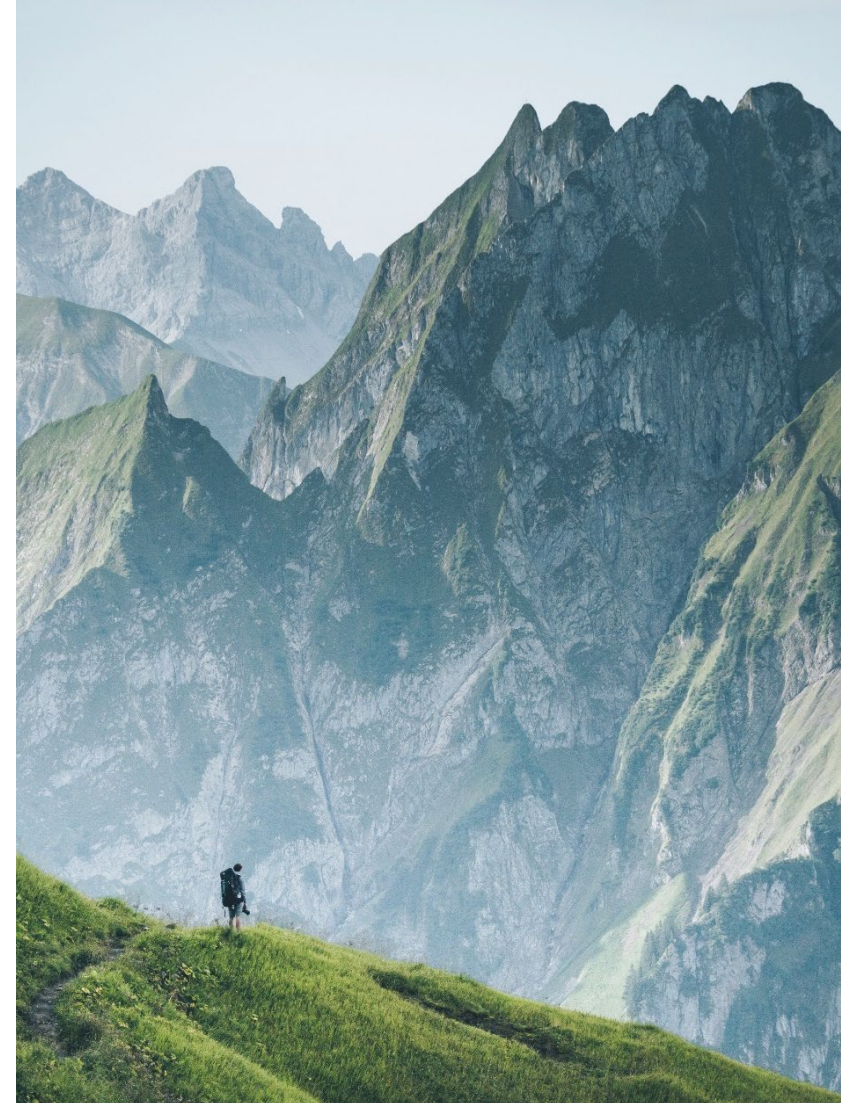
Context

Our greatest sustainability asset is our people. Delivering Nexii's sustainability mission to build a vibrant future for people and the planet, relies on each team member doing their part to bring our Constitution to life in their everyday work and lives.

Our People team delivers cutting edge training around climate change, sustainability, greenhouse gas accounting, and product green metrics to ensure a common basis of understanding on who we are and what we stand for.

All Nexii team members have access to sustainability training through our Learning Management System (LMS) and are encouraged to apply concepts to their roles. We walk the talk at all levels of the organization by aligning our compensation review with our Constitutional Principles, throughout which sustainability is a core component.

Nexii's commitment to sustainability is part of our company culture and is integrated into all aspects of our business, including our products, operations, people, and leadership.



²⁰ Increased sustainability engagement is an annual commitment. Target year for senior leadership compensation linked to ESG outcomes has been adjusted due to Committee turnover



Progress So Far

In 2022, following the successful launch of Nexii's Sustainability 101 course, we paired this offering with two additional modules with Nexii's Sustainability Commitments (102) and our product Green Metrics (103). In addition, we developed educational material on GHG accounting fundamentals, with the intent that every department recognizes the essential role they play in helping Nexii get to net zero carbon in our operations and value chain.

In all, over 160 employees have participated in our Sustainability learning offerings, with 80% of team members surveyed strongly agreeing with the statement "I would recommend this course to a colleague" (Sustainability 101).

A team member explains, "the terms 'carbon, carbon reduction and green building' are used broadly these days and at times, are glossed over and the true impact is not felt. This course has given everyone more insight into carbon reduction, sustainability, and our personal contribution in affecting change."

We updated our compensation review process with stronger integration of Nexii's Constitution and sustainability values. Nexii's Talent and Compensation Committee continues to evaluate formal mechanisms to link senior leadership compensation with ESG outcomes.

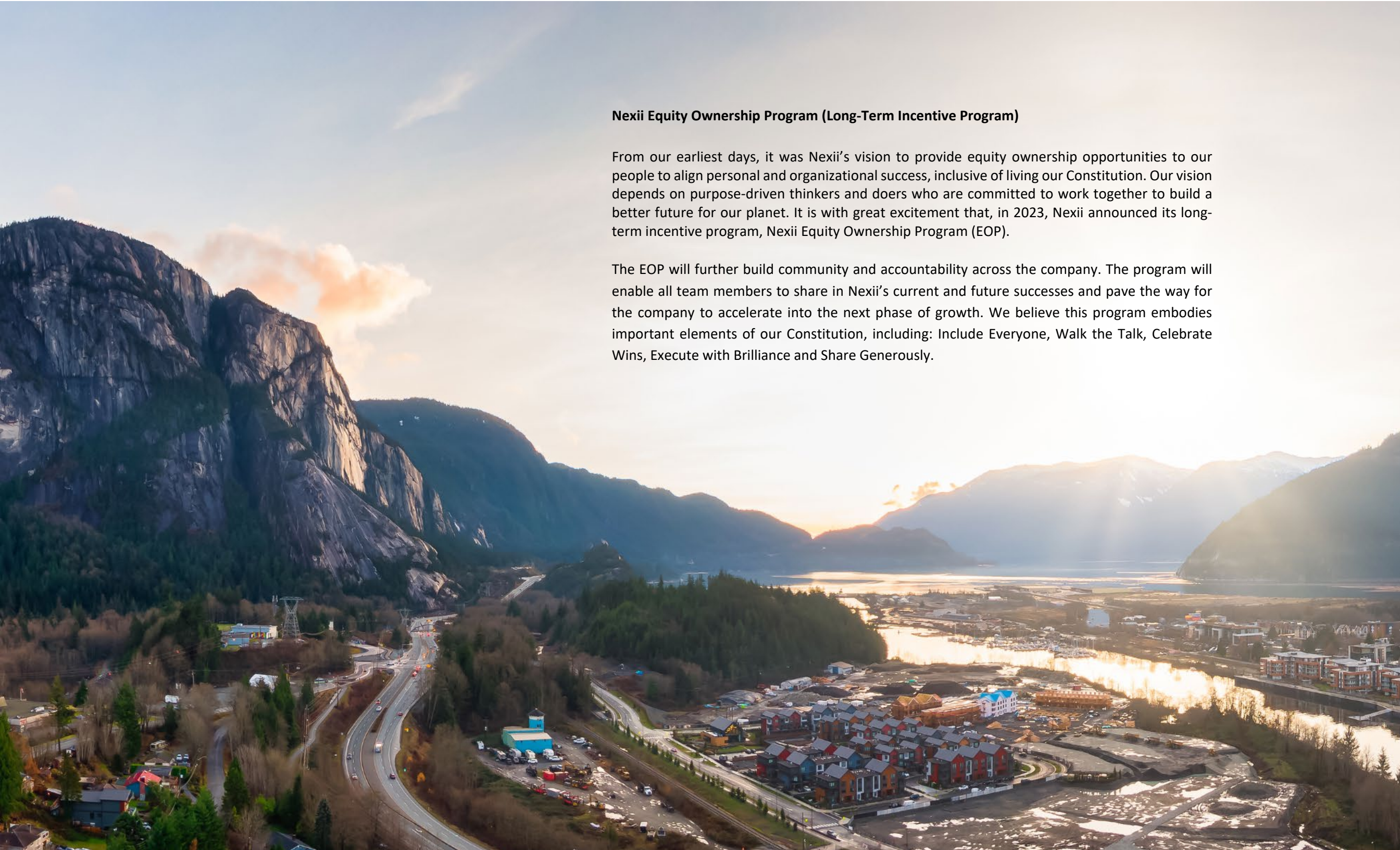
We were unable to implement this program in 2022 in full due to Committee turnover. However, as a first step and upon development of our Employee Ownership Program (our long-term incentive plan), we have tied employee awards to our Constitution, which highlights core values of sustainability and safety.

Finally, we launched weekly all-staff communications to highlight Nexii sustainability news ("Sustainability Corner") as well as a placeholder for EDI resources and perspectives ("Include Everyone").

Looking Ahead

Our next steps for increasing sustainability engagement at all levels include:

- Consolidate LMS sustainability course feedback and utilize this to refresh content
- Continue constitutional alignment with Employee Ownership Program
- Further develop structure to tie ESG goals to compensation, with an emphasis on Product Sustainability, Safety, and Diversity

An aerial photograph of a coastal town at sunset. The scene is dominated by a large, rugged mountain on the left side, with a winding road leading down towards the town. The town itself is built on a valley floor, with a mix of residential buildings and commercial structures. A large body of water, likely a bay or harbor, is visible in the background, reflecting the warm light of the setting sun. The sky is filled with soft, golden clouds, and the overall atmosphere is peaceful and scenic.

Nexii Equity Ownership Program (Long-Term Incentive Program)

From our earliest days, it was Nexii's vision to provide equity ownership opportunities to our people to align personal and organizational success, inclusive of living our Constitution. Our vision depends on purpose-driven thinkers and doers who are committed to work together to build a better future for our planet. It is with great excitement that, in 2023, Nexii announced its long-term incentive program, Nexii Equity Ownership Program (EOP).

The EOP will further build community and accountability across the company. The program will enable all team members to share in Nexii's current and future successes and pave the way for the company to accelerate into the next phase of growth. We believe this program embodies important elements of our Constitution, including: Include Everyone, Walk the Talk, Celebrate Wins, Execute with Brilliance and Share Generously.



COMMUNITY

Partner with, develop, and
invest in our communities

Up to 40 paid volunteer hours/employee/year in sustainability-aligned areas

Context

At the heart of Nexii's mission is to give generously and serve those most in need. Everywhere we operate, we aim to improve communities. Employee volunteerism is one of several avenues to partner with and invest in our communities.

We are dedicated to creating a culture that encourages community engagement, volunteering and giving. To this end, our volunteer working group, Nexii CARES, is tasked with actively building relationships with Constitutionally-aligned organizations and opportunities.

Our commitment is to establish a paid volunteering program of up to 40 hours per year and a donation matching program (that is aligned with our sustainability commitment areas) that both strengthens and deepens our community impact.

Progress So Far

In 2022, we established a paid volunteering program aligned with our Profound Positive Impact areas. Our Nexii CARES team built out a platform highlighting volunteer organizations and opportunities available locally, while our People team created the structure for employees to log and track volunteering time. We are currently finalizing our timeline for rolling out this program, which has been impacted by constrained resources.

Even with limited resources, the Nexii and Omicron teams have been able to give back to our local communities with creative and fun initiatives.



Sharing with, and within our communities is one way we try to leave it better. Our life stories and experiences drive our love to support and care for people, community and environment. A Giving Tree was a joyful way to create holiday spirit while contributing to a good cause by subbing out the ornaments with donatable items.

– Ivana Drazic, Manager, People Operations, Nexii

Omicron team members found time to dedicate to volunteer activities, events, and initiatives that drive positive change in our community:

- [Ronald McDonald House](#) – The team spent fun-filled afternoons at the Ronald McDonald House in Vancouver facilitating a BBQ during the first day of summer and a Halloween dinner in October.
- [Richmond Industrial Centre](#) Clean-up – Omicron teamed up with Montrose Properties and Make Project Ltd., to do a shoreline clean-up at Tait Riverfront Park in Richmond. This was a celebration of partnership and collaboration between our team, our client, and the owner representative.
- [Eagle Creek Park](#) Blackberry Removal – Members of our Victoria office volunteered for the Town of Royal View to remove the invasive Himalayan blackberries which out-compete the area's native plants.
- [Don't Go Hungry](#) – Team volunteered on Saturdays throughout the year to help with food packaging and distribution. Don't Go Hungry provides free groceries to hundreds of families every week.





Our IMPACTS team volunteered as a team-building exercise through the City of Vancouver's Neighbourhood Cleanup Party. We spent an afternoon picking up garbage from English Bay's beach area. Getting out in the sunshine making our public spaces cleaner and safer for all felt super rewarding. We want to make this a monthly activity now!

*- Sara Turner, Sustainability
Manager, Nexii*

Looking Ahead

Our next steps include:

- Expanding Nexii CARES working group and officially launching our paid volunteer program and tracking system
- Developing shared volunteer opportunities between Omicron and Nexii as we continue to give back to our local communities
- Setting targets for volunteer hours in mission-aligned areas (habitat restoration, affordable housing, addressing poverty, harm reduction, etc.)
- Integrating volunteering with onboarding and leadership training
- Encouraging recurring volunteering sessions for team-building

Develop green education & career pathways, and target 25% uptake by URCs²¹ by 2025²²

Context

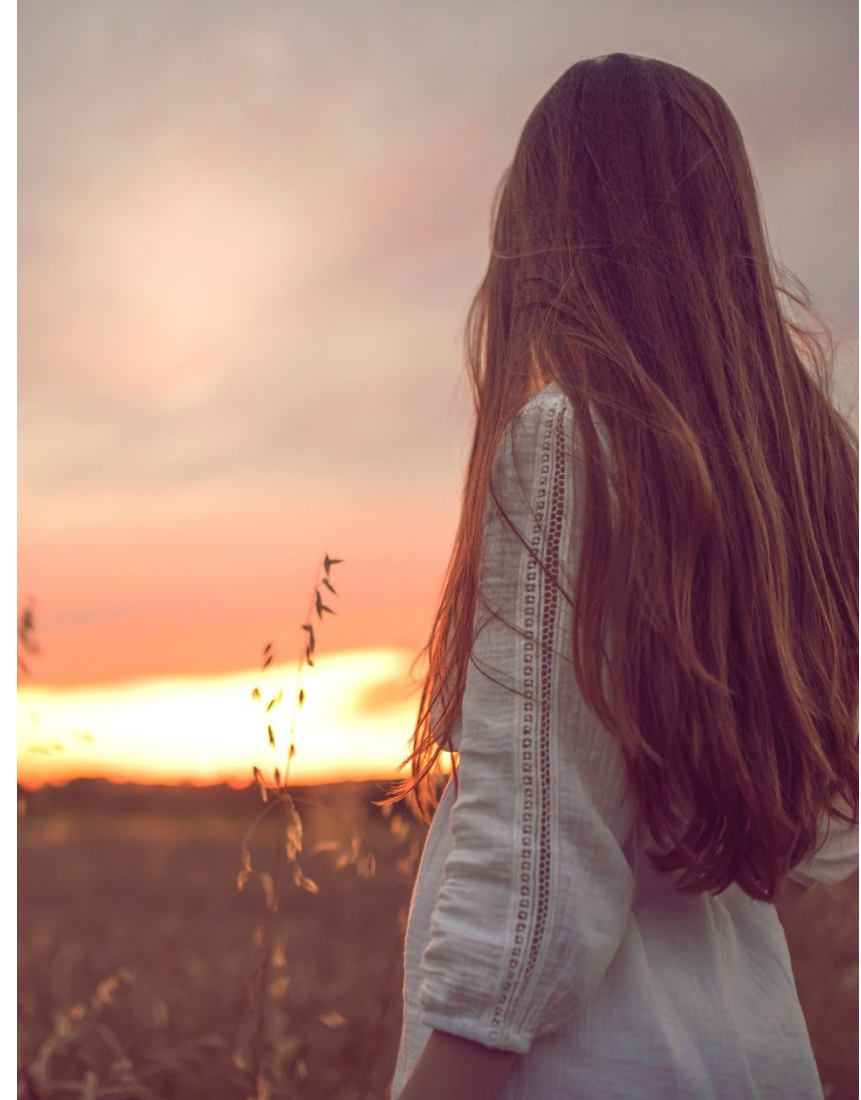
We are passionately committed to the pursuit of a better world through positive change. To meet the complex challenges of today and tomorrow, we seek the best talent and help them reach their full potential. Nexii not only supports growth and development to bring out the best in our people, but we are committed to sharing our skills and experience in the broader green building and construction industry.

The decarbonization of our sector will require skill development, training, and cleantech jobs provided in diverse communities. We are committed to hiring locally and establishing partnerships to develop sustainable building and construction career opportunities, with a focus on under-represented communities.

Progress So Far

In 2022, we provided co-op and internship opportunities for students in sustainability-related fields of study. Nexii leaders contributed guest lectures and presentations for applied university and college courses in sustainable building. In addition, we supported the Green Bricks Group, an organization dedicated to helping young children learn about sustainability jobs and green career pathways.

We also recently established a new Engineer in Training (EIT) program to provide practical experience and grow technical skills. Participants will have the opportunity to work alongside experienced professionals, gaining hands-on experience in project management, design, construction, and quality control. We are committed to investing in the development of our future leaders in the industry.



²¹ Underrepresented communities (URCs): groups whose representation has been historically low — Black, Hispanic/Latinx, Asian, Multiracial, Indigenous peoples, LGBTQ+

²² Development of green education and career pathways is an annual commitment. Target year for >25% uptake by URC has been adjusted to allow adequate time for tracking system to be developed

Finally, in 2022, Nexii launched a Leadership Essentials course for People Managers at Nexii, with a focus on developing competence and confidence in essential leadership skills – from goal setting to conflict to coaching and feedback. This program was custom built in-house and grounded in Nexii’s daily reality, Constitution, and culture, and aimed at helping build the leaders of tomorrow.

Looking Ahead

Looking ahead, we aim to:

- Play a stronger role in advocating for gender diversity in construction through Canadian Construction Women (CCW) engagement and related events
- Speak at events and educational seminars for URC groups
- Continue to explore co-op and internships at Nexii with a sustainability and ESG project focus for teams across the organization
- Continue to offer sustainability courses internally, and continuous education credits externally through recognized educational provider partners

From the first session of the Leadership Essentials program, leaders are guided in thinking about their leadership as an extension of their own, and the company’s, commitment to ourselves and others, to Nexii, and to the world. The nine-session program connects leaders from across Nexii’s disciplines, encouraging diverse perspectives and a shared sense of purpose. This inner work coupled with the exchange of ideas and perspectives is the essence of what it means to lead from the Nexii Constitution and to support our sustainability mission.

- Krysty Ng, Manager, Organizational Development, Omicron



Launching our Leadership Essentials Course

During 2022, seventy-one (71) Nexii and Omicron leaders graduated from our newly launched program. Participants reported an improvement in leadership performance (reported by peers, their leader, or their direct reports), increased and improved 1:1s with team members, collaboration resulting in less duplicated work between teams, and showing up with more confidence keeping projects moving forward.

- 94% of Leadership Essentials agree or strongly agree that they are more confident leaders
- 91% feel better equipped with knowledge and skills to be an effective leader
- 88% have developed better relationships with others across the company
- 91% have a better understanding of how to lead with the Constitution

We look forward to continuing to expand this program in 2023 and beyond to train a diverse and upcoming generation of Nexii and Omicron leaders.

Product Innovation

Nexii's Innovation and Growth team focused on the electric vehicle (EV) and energy transition space in 2022. A successful partnership with Siemens brought VersiCharge XL EV fleet charging system to market. The team also developed an EV pedestal and post to support traditional EV charging infrastructure and expand Nexii's product portfolio.

VersiCharge XL

VersiCharge XL is a modular, prefabricated EV charging infrastructure product, designed to be compatible with all types of electric vehicles and very suitable for fleet charging. It offers a variety of features including modular design, lighting, and compatibility with any level 2 charger. Built using Nexii's sustainable building material, Nexiite, and developed in a modular design, VersiCharge XL prototype makes installing EV chargers faster, more cost-effective, and with reduced impacts to the environment. Installation and anchoring of the panels are achieved with screw piles allowing for quick system assembly into existing parking lots with minimal on-site disruption while also facilitating rapid disassembly and system reuse.

In 2022, Nexii conducted third-party life cycle research comparing the embodied carbon of the VersiCharge XL system with a commercial charging station baseline, including complete site refurbishment (site move) at 15 years. The baseline design requires complete re-manufacturing, trenching, new asphalt, and installation, whereas the VersiCharge XL design enables disassembly and installation of reused components. Preliminary results suggest significant reduction in embodied carbon for on-site disassembly and dramatic reduction if the system is used for a second life.²³

²³ To be validated by independent critical review, as required by ISO standards.





EV Pedestal and Post

Nexii's EV Pedestal and Post are designed to support EV charging infrastructure with more sustainable materials. The pedestal and post provide a durable and secure mounting point for the charging station with integrated bollards, which eliminates the need for additional external elements and keeps the parking lot clean and tidy. The Nexii EV Pedestal and Post are a valuable addition to Nexii's product portfolio, that will help to make EV charging more accessible to businesses and residents alike.

VersiCharge XL is the first EV infrastructure product to be developed by Nexii and it is the result of our team's commitment to innovation and sustainability. We believe that VersiCharge XL will help accelerate the adoption of electric vehicles and do so in a more sustainable manner. The launch of this product marks the first of its kind between Nexii and Siemens and solidifies the joint development partnership between the two companies.

Thought Leadership

Thought leadership is important to Nexii as it enables us to drive innovation, build credibility, influence the industry, foster business growth, and attract and retain top talent. It positions Nexii as a leader in the industry and aligns with our vision to be a global leader in sustainable living.

In 2022, Nexii's experts spoke at Building Carbon 20x20, Verge 2022 by GreenBiz, Autodesk University, Greenbuild, Construction Institute Leadership Conference, Sustainable Brands 2022, Get in the Loop: Circular Reverse Pitch 2.0, and BC Construction Roundtable – Circular Economy Mindset and Opportunities for Construction.



Industry Collaboration

Nexii is leading and advocating for a rapid transition to net zero carbon, with buildings at the forefront of significant emissions reductions. Decarbonizing the built environment at the pace needed will require deep collaboration at every level of the industry, public, and private sectors. To this end, Nexii leaders are members of and active in industry groups advocating for change, including: Canada Green Building Council Sustainable Materials Accelerator, National Zero Waste Council Construction, Renovation and Demolition Working Group, RMI ABC Collaborative Embodied Carbon Working Group, Canadian Construction Women Board of Directors, Carbon Leadership Forum Sponsoring Member, Engineers Geoscientist BC Board of Directors, Forestry Innovation Investment in BC Wood First Advisory Council, Ontario Association of Architects Council, iMasons Climate Accord Sustainability Committee, US Green Building Council, and International Coalition for Sustainable Infrastructure.



Acknowledgements

We would like to acknowledge the contributions made by people and organizations who provided feedback during our sustainability strategy and report drafting. We'd also like to highlight the strong commitment of Nexii team members across our offices and plants, for taking ownership of integrating sustainability into our operations.

Report Team	Sustainability Council and Working Group Members	Technical Partners	Equity, Diversity, and Inclusion Councils	Nexii Board of Directors	
<p>Zosia Brown – VP Sustainability Sara Turner – Sustainability Manager Olivia Tam – Impacts Manager Nancy Maribel – VP, Marketing and Communications Harneil Lilly – Marketing Manager Gregor Robertson – EVP Impacts, Strategy, Partnerships</p>	<p>Ben Dombowsky Bonnie Dawe Brian Carter Bryan Morgan Christina Karney Costel Serbea Gregor Robertson Hilary Loudon Ivana Drazic Joanna Siemens Johanna Sullivan John Catalano John Riley Kipling Cancade Lauren Lofano Laurenz Kosichek Lianne Legere Lisa Robitaille Lynn Kulli Mark Dombowsky Mark Porter Marla Gerein</p>	<p>Megan Neale Michael Dombowsky Michal Simhon Nancy Maribel Natalia Dumitrescu Natasa Samardzic Newton Wong Pablo Yuste Patricia van de Sande Paula Causti Priya Saggu Ryan Ramikie Sara Turner Sheila Sovereign Stephanie Sidwell Suzanne Mercier Tim Tsang Tom Montagu Tricia Hollyer Zosia Brown</p>	<p>Agendi Partners Climate Smart (BMO Radicle) HRx Kevin Day Light House Sustainability Society Omicron Estimating Team One Click LCA Praveen Singh Rob Sianchuk SCS Global Services Shaun Martin Consulting Strategic Energy Innovations (SEI) ToxServices LLC</p>	<p>Executive Council Bonnie Dawe Brian Carter Gregor Robertson Lauren Lofano – <i>Chair</i></p> <p>Advisory Council Christina Karney Gregory Lai Krysty Ng Madiha Hassan Sara Turner – <i>Chair</i> Tallyann Talbot</p>	<p>David S. Taylor Dennis Carey F. William McNabb III Marillyn Hewson Michael S. Burke Peter Mogan Ram Charan Dr. Ronald Sugar Stephen Sidwell</p> <p>Government</p> <p>Government of BC CleanBC Building Innovation Fund</p> <p>Government of Canada Scientific Research and Experimental Development (SR&ED) Program</p>



Our Mission:

**BUILD A VIBRANT
FUTURE FOR
PEOPLE &
PLANET**

Appendix

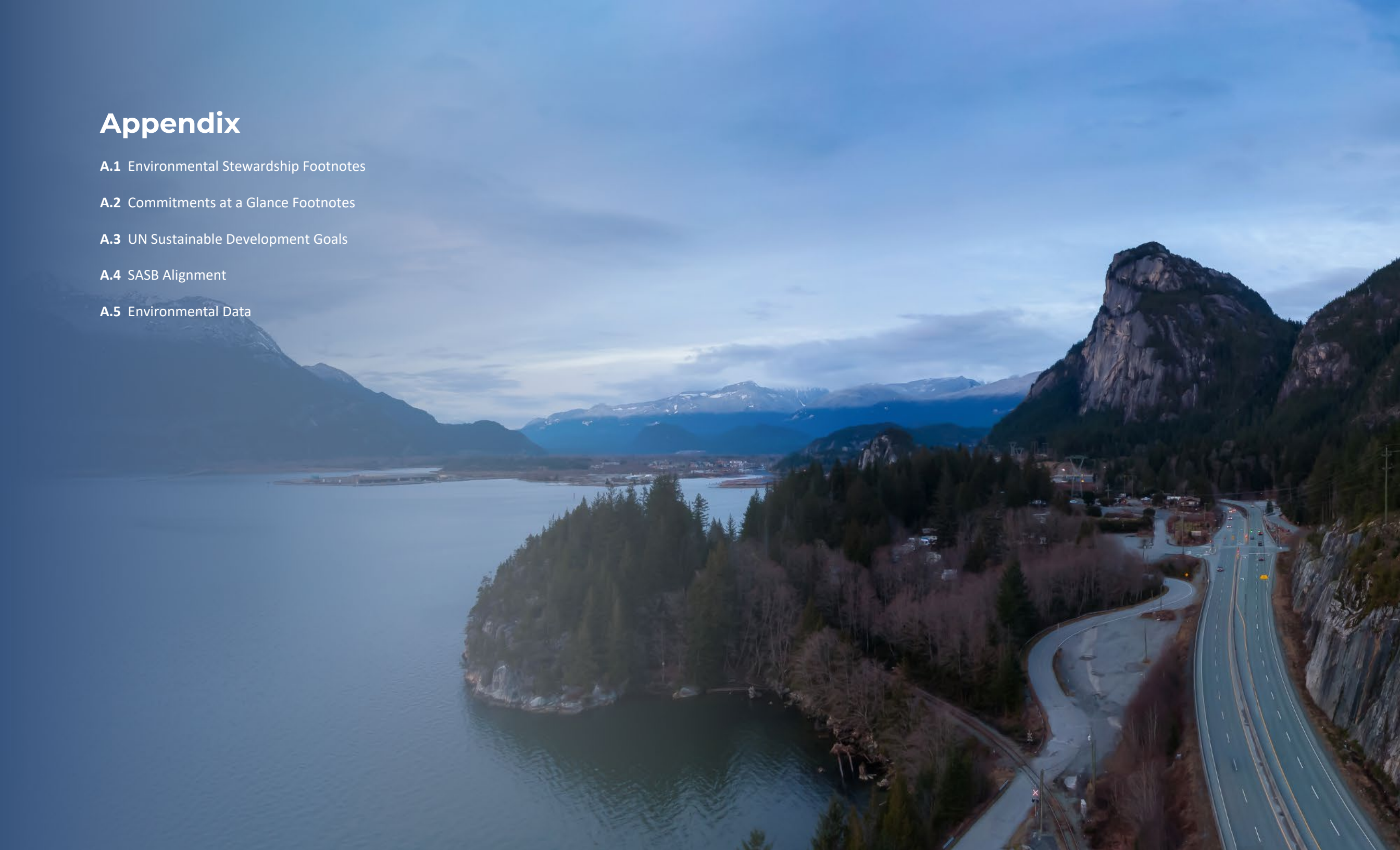
A.1 Environmental Stewardship Footnotes

A.2 Commitments at a Glance Footnotes

A.3 UN Sustainable Development Goals

A.4 SASB Alignment

A.5 Environmental Data



A.1 Environmental Stewardship Footnotes

Lower Carbon

- Determined through third-party Life Cycle Assessment (LCA), versus conventional construction baseline such as steel stud, precast insulated, and tilt-up concrete, and averaged across projects modelled to date. Results may vary depending on embodied carbon data sources, modelling tool utilized and boundaries of the analysis (LCA modules).
- Third-party LCA modelling for Nexii's EV charging infrastructure suggest a 45% reduction in embodied carbon compared to conventional commercial charging station baseline factoring in on-site disassembly and reuse, and up to a 95% reduction if the Nexii system is moved to a new location for a second life.
- Based on preliminary third-party LCA analysis, Nexiite has approximately 41% less carbon emissions during production than 45MPa adjusted Smooth-On premix Glass Fibre Reinforced Concrete (GFRC) with polymer.

Well-Insulated

- Nexii envelopes typically provide a nominal R-value of R34 for a 10" thick panel, and effective R values in the high 20s, with ability to increase or decrease insulation depending on building typology and climate.

Water Savings

- Preliminary third-party LCA modelling for an industrial / warehouse building typology suggests Nexii's industrial panel design uses approximately 60% less freshwater in manufacturing than the high-performance concrete tilt-up envelope equivalent.

Healthier Indoor Environment

- Upon construction completion, third-party blower door tests of Nexii buildings show air leakage rates 47-74% lower than conventional construction baseline (ASHRAE 90.1-2016), with an average of 57%. Nexii's design permits fewer and improved air sealing details.

Energy Savings

- Energy and carbon savings compare Nexii design to an equivalent standard build meeting energy code compliant requirements. Projected savings vary depending on building typology, panel design, process energy loads and location.
- Current estimates provided are based on energy modelling with third-party review and averaged across Nexii projects to-date. Energy use is often driven by the tools and equipment specific to the business in the building – known as process loads. With these loads included energy savings average 24%, without, energy savings average 32%.
- Nexii's whole building solution delivered with Integrated Technology Partners shows greater overall energy savings than the Nexii envelope alone.

Non-Toxic Buildings

- Our R&D team evaluate every new material that goes into a Nexii panel against the International Living Future Institute (ILFI)'s Living Building Challenge (LBC) Red List material Watch and Active lists. Nexiite itself contains zero Red List Materials.
- Version 2.3 of the Health Product Declaration (HPD) includes "Additional listings" section that reports when ingredients appear on key restricted substances lists, including the LBC Red List. As reported in Nexii's 2023 HPDs ([HPD Public Repository - March 2023](#)), no LBC Red List ingredients appear in our panel products at >/ 1000pm concentration.

Near Zero Waste

- Nexii's whole building solution reduces on-site construction waste to near zero through a combination of precision manufacturing, flat-pack transportation, and on-site assembly.
- Nexii's Squamish plant is TRUE Gold certified for zero waste as of March 2023.

A.2 Commitments Dashboard Footnotes

1. Versus 2021 conventional construction baseline, such as steel stud, high performance tilt-up, and insulated pre-cast concrete.
2. Nexii 'buildings' means our standard whole building delivered with Integrated Technology Partners (excluding process loads).
3. Value chain refers to the full range of activities required to create a Nexii product from start to finish. Nexii's near-term science-based target (SBT) will include absolute reductions for Scopes 1 and 2, while our Scope 3 targets may include a hybrid of SBT methodologies.
4. Commitment language adjusted to apply to new plants. Zero Waste certification for existing corporate plants may fall outside of 2 years of opening.
5. Nexii's Code of Ethics is integrated within our Employee Handbook and signed by all team members joining the company. Nexii is in the process of updating our Code of Ethics. Target year has been adjusted to allow for adequate time to build out training.
6. Signing of Nexii's Supplier Code of Conduct is required for all major suppliers to Nexii corporate offices and plants.
7. Underrepresented communities (URCs): groups whose representation has been historically low — Black, Hispanic/Latinx, Asian, Multiracial, Indigenous peoples, LGBTQ+.
8. Senior Leadership: Director level and above.
9. Increased sustainability engagement is an annual commitment. Target year for senior leadership compensation linked to ESG outcomes has been adjusted due to Committee turnover.
10. Development of green education and career pathways is an annual commitment. Target year for >25% uptake by URC has been adjusted to allow adequate time for tracking system to be developed.

A.3 UN Sustainable Development Goals

As we grow our business and operations, we aim to do so in a way that actively supports the United Nations Sustainable Development Goals (UN SDGs) to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. Nexii became a signatory to the UN Global Compact in March 2022. Our sustainability strategy is aligned with the following global challenges:

#3 Good Health and Well being – Humans on average spend 80 percent of our lives indoors. Nexii's air-tight envelopes and healthy materials result in very high standards of air quality and comfort. Our durable and disaster resilient buildings improve long term wellbeing and the ability for communities to adapt to climate change.

#7 Affordable and Clean Energy – Nexii advances the construction industry's ability to retrofit and design new buildings to net-zero standards. Integrating high performance envelopes with energy efficient systems and renewables means buildings are more affordable to run over the long term.

#8 Decent Work and Economic Growth – Nexii's green construction technology and growth of our operations creates jobs in widespread communities while boosting the economy. Our commitment to responsible sourcing throughout our value chain creates economic opportunity for diverse suppliers.

#9 Industry Innovation and Infrastructure – Nexii products challenge the status quo. We are pushing the envelope for what is possible in sustainable construction and bringing the industry along with us.

#11 Sustainable Cities and Communities – Low carbon, climate resilient buildings are the fabric of sustainable cities and communities. Nexii transforms living standards by increasing the supply of affordable buildings and housing.

#12 Responsible Consumption and Production – Our precision off-site manufacturing and near zero-waste assembly process embodies circular principles. We set high standards for manufacturing and construction to ensure resources aren't wasted and strive to embed recycled material wherever possible in our product design.

#13 Climate Action – Building retrofits and net-zero new buildings represent an enormous opportunity to combat climate change. We work with partners equally committed to tackling the climate crisis through low carbon construction.

#15 Life on Land – Nexii's low-carbon products and buildings help protect forest ecosystems and support healthy habitats. Our streamlined manufacturing process saves material and water resources, and we are committed to helping protect, restore, and sustain nature and biodiversity.

#17 Partnerships for the Goals – Nexii forges internal and external partnerships to improve the design and construction process, material innovation, technology integration and improved access to sustainable buildings.

A.4 SASB Alignment

SASB Standard	Topic	Accounting Metric	Location	SASB Code	
Construction Materials	Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Sustainability Commitments, Climate, Commitment #3, A.5 Environmental Data Appendix. No Scope 1 emissions are subject to emissions limiting regulations.	EM-CM-110a.1	
		Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Sustainability Commitments, Climate, Commitment #3.	EM-CM-110a.2	
	Energy Management	Total energy consumed	A.5 Environmental Data Appendix.	EM-CM-120a.1	
		Percentage grid electricity	A.5 Environmental Data Appendix.	EM-CM-120a.1	
		Percentage alternative	A.5 Environmental Data Appendix.	EM-CM-120a.1	
		Percentage renewable	A.5 Environmental Data Appendix.	EM-CM-120a.1	
	Water Management	Total fresh water withdrawn	Nexii is working to compile this data across our locations for future reporting.	EM-CM-140a.1	
		Percentage recycled	Nexii's manufacturing process includes closed loop water management. We are working to compile this data across our locations for future reporting.	EM-CM-140a.1	
		Percentage in regions with High or Extremely High Baseline Water Stress	This physical hazard will be considered as part of future climate risk evaluations. See the TCFD Assessment section for more information.	EM-CM-140a.1	
	Waste Management	Amount of waste generated	A.5 Environmental Data Appendix.	EM-CM-150a.1	
		Percentage hazardous	A.5 Environmental Data Appendix.	EM-CM-150a.1	
		Percentage recycled	A.5 Environmental Data Appendix.	EM-CM-150a.1	
	Biodiversity Impacts	Description of environmental management policies and practices for active sites	Nexii's ISO 14001-compliant Environmental Policy Manual .	EM-CM-160a.1	
		Terrestrial acreage disturbed, percentage of impacted area restored	Nexii is committed to 100% of impacted area to be restored by 2025. See Sustainability Commitments, Nature, Commitment #4 for more information.	EM-CM-160a.2	
	Workforce Health & Safety	Total recordable incident rate (TRIR)	Nexii is stabilizing the TRIR tracking process to include in future reporting. See Sustainability Commitments, People, Commitment #7 for more information.	EM-CM-320a.1	
		Near miss frequency rate (NMFR) for fulltime employees and contract employees	Nexii is stabilizing the NMFR tracking process to include in future reporting. See Sustainability Commitments, People, Commitment #7 for more information.	EM-CM-320a.1	
		Number of reported cases of silicosis	There have been no reported cases of silicosis.	EM-CM-320a.2	
	Product Innovation	Percentage of products that qualify for credits in sustainable building design and construction certifications	100% of Nexii products qualify. See Sustainability Commitments, Climate, Green Building Standards for more information.	EM-CM-410a.1	
	Engineering and Construction Services	Workforce Health & Safety	Total recordable incident rate (TRIR)	Nexii is stabilizing the TRIR tracking process to include in future reporting. See Sustainability Commitments, People, Commitment #7 for more information.	F-EN-320a.1
			Fatality rate for direct employees and contract employees.	There have been no fatalities among direct employees or contract employees.	F-EN-320a.1
Lifecycle Impacts of Buildings and Infrastructure		Number of commissioned projects certified to a third-party multi-attribute sustainability standard and active projects seeking such certification	Nexii is developing a tracking system around our clients' design goals. See Sustainability Commitments, Climate, Green Building Standards for more information.	IF-EN-410a.1	
		Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design.	Sustainability Commitments, Climate, Commitment #2.	F-EN-410a.2	
Business Ethics		Description of policies and practices for prevention of bribery and corruption, and anti-competitive behavior in the project bidding processes	Sustainability Commitments, People, Commitment #8.	IF-EN-510a.3	

A.5 Environmental Data

GHG Emissions Management		
Emissions Category	2021	2022
Scope 1 Emissions (tCO ₂ e)	877.67	750.88
Scope 2 Emissions (tCO ₂ e)	146.09	159.24
Scope 3 Emissions (tCO ₂ e)	9,200.06	12,511.87
Total (tCO₂e)	10,223.82	13,421.99

Energy Management	
Energy Category	2022
Total Energy Consumed (GJ)	44,295.37
Percentage Thermal Energy	74%
Percentage Electricity	26%
Percentage from Grid*	100%
Percentage from On-site or Direct Purchased Renewable	0%

*In BC, 87% of the grid mix comes from hydro, 5% biomass, 4% from wind (96% renewable electricity sources). In Saskatchewan 19% of the grid mix comes from renewable electricity sources, primarily hydro.

Squamish Plant Waste Management	
Amount of waste generated (metric tonnes)*	74.4
Percentage hazardous	<1%
Percentage diverted from landfill (recycled, upcycled, composted, reused)	90.3%

*Note that these values are for the Squamish plant only, as granular waste data has not been gathered for the Moose Jaw facility yet.

