

## **Sustainability Governance Policy**

### **Purpose & Scope**

Calko Group is committed to achieving net-zero greenhouse gas (GHG) emissions by 2050, in alignment with Canada's national climate targets and its participation in the federal Net-Zero Challenge. This policy outlines the company's approach to reducing Scope 1 and Scope 2 emissions across its Canadian operations and supports long-term sustainability goals by embedding climate action into operational decision-making. This policy specifically applies to all activities within the company's Canadian facilities located in Montreal, QC and Concord, ON, such as emissions from stationary combustion and electricity use under Calko's operational control.

### **Governance Structure & Accountability**

Executive leadership has assigned a senior representative, Joanna Gliatis, to oversee overall compliance with the Net-Zero Challenge, including the submission of required reports, monitoring progress toward targets, allocating resources for sustainability initiatives, and ensuring the integration of climate goals into broader business planning.

A sustainability lead, Ramon Grullon, in conjunction with Vince Tilli will be responsible for implementing emissions reduction initiatives, conducting regular tracking of Scope 1 and 2 emissions and coordinating mitigation strategies across sites.

Employee engagement is critical to building a company-wide commitment to sustainability, and individual contributions will be encouraged and recognized by educating staff about energy efficiency measures and by linking sustainable actions to performance recognition and fostering a culture where environmental responsibility is embedded in day-to-day operations.

### **Decision-Making & Integration**

Calko Group embeds sustainability in its business strategy by making environmentally responsible choices in daily operations and long-term planning. Initiatives, such as using recycled yarns, replacing halogen lights, regulating HVAC systems, optimizing equipment use, and introducing reusable materials on production floors, demonstrate how sustainability is embedded in day-to-day operations.

Sustainability also plays a key role in procurement and investment decisions. Calko prioritizes purchasing equipment with Energy Star certification and working with suppliers offering sustainable raw materials, considering both environmental and financial impacts when planning operational upgrades. Measures like carpooling between sites, enabling remote work, and

encouraging mindful resource use further demonstrate how sustainability is integrated into everyday decisions across the company.

With respect to the Net Zero Challenge, Calko Group will follow the actions in its Net Zero Plan, which aim to reduce both Scope 1 and Scope 2 emissions. The Net Zero Plan will be updated every 5 years.

### **Transparency & Reporting**

Calko Group is committed to transparent, consistent reporting as part of its participation in Canada's Net-Zero Challenge. In accordance with the program's requirements, Calko will submit an Annual Progress Participation Checklist within 18 months of submitting its Comprehensive Questionnaire and will continue submissions on an annual basis. Each report will include updated Scope 1 and 2 GHG emissions data, a comparison to baseline levels, a summary of mitigation actions taken, progress toward targets, and any use of carbon offsets. The reporting process is led by the Joanna Gliatis in conjunction with our consulting partner, covering all Canadian operations. To ensure openness with stakeholders, Calko intends to publish key reporting documents on the company website for public access and continued accountability.

### **Sustainability Policy Reviews**

This sustainability policy will be reviewed every 5 years and updated as necessary to reflect Calko's commitment to embed sustainability in business strategy and operations.