

ESG and ANNUAL REPORT

January - December 2022

Welcome

From Our Board Chair

Impossible Metals was explicitly founded to address some of the most difficult environmental and societal challenges facing the green energy revolution. As a registered Delaware Public Benefit "B" corporation we are committed, and legally obligated, to both deliver a fair financial return to our investors, and contribute to society.

This, our first Annual ESG & Annual Report, addresses both our ESG status and our overall technical progress. During December 2022 we demonstrated Eureka 1, the proof of concept for our autonomous underwater robot that will selectively harvest polymetallic nodules on the seabed floor. The robot successfully operated in shallow water and the uniquely designed robot arm recovered simulated nodules.

We are looking forward in 2023 to demonstrating full functionality including our

proprietary buoyancy engine, fast robotic arm and AI driven computer vision system to detect nodules and marine life on the nodules.

Also in 2022 we demonstrated our proprietary, environmentally friendly bioextraction system for recovering critical metals from polymetallic nodules using bacteria respiration. While this initial proof of concept was at laboratory scale, it did demonstrate recovery rates approaching commercial levels.

We are excited to be a leader in making the green energy revolution more environmentally sustainable and more socially responsible.

Dan Lankford

Dan Lankford Board of Directors Chair

From Our CEO & Co-founder

The idea of Impossible Metals was formed I then spent many months searching for in the fall of 2020 after directly experiencing co-founders who shared my values and had the worst wildfires in California. 'Orange Day' the experience and knowledge to build a as it is known was my inspiration to try to business. I am thrilled to be working today help solve the climate crisis. I came to realize with co-founders Professor Ken Nealson, that we need to electrify everything and that Jason Gillham, and Renee Grogan to deliver batteries were critical. Unfortunately we are on this vision. Looking back at 2022, I am incredibly proud of the amazing team we running out of the critical battery metals. The traditional extraction and refining processes have built and what we have delivered. have significant ESG impacts and the largest Many are skeptical, but in 2023 we plan to supplies of both nickel and cobalt are now held by non-democratic nations.

After becoming aware of seabed polymetallic nodules as a potential critical metals resource, I was horrified to learn that dredging technology was being proposed to vacuum them up from the seabed, bringing significant impacts to the seabed ecosystem, and potential large-scale loss of seafloor biodiversity. After becoming aware of seabed polymetallic nodules as a potential critical metals resource, I was horrified to learn that dredging technology was being proposed to vacuum them up from the seabed, bringing significant impacts to the seabed ecosystem, and potential large-scale loss of seafloor biodiversity.

Having spent over 30 years working in the technology industry and the last 17 years in silicon valley, it seemed obvious to me that using cutting edge technology and autonomous systems could both protect the seabed ecosystem while harvesting the nodules, and potentially be much less expensive than the proposed dredging solutions. Many are skeptical, but in 2023 we plan to show an AUV which can harvest nodules from 5 kilometers deep with minimal damage to the habitat. We also expect to demonstrate refining metals with low energy and no toxic waste.

Oliver Gunasekara

Oliver Gunasekara CEO & Co-Founder



A Year in Review

In 2022 Impossible Metals raised over \$10 million in funding and welcomed 15 new professionals to the team, including engineers, scientists and managers.

Our robotics team hit multiple milestones on the road to transforming selective harvesting from an idea to a reality, and our bioextraction team has achieved successful proof of concept, demonstrating dissolution of cobalt, nickel and copper at laboratory scales.

Seabed harvesting without destroying the habitat.



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Appendix A.

Internal Impossible Metals Annual ESG & Performance Requirements Checklist

Appendix B.

Impossible Metals Contributions to UN Sustainable Development Goals

Appendix C...

Impossible Metals Compliance with Workers RightsTrend analysis

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Introduction

Impossible Metals was established in September 2020 and since then we have been building our team and rapidly progressing on technical milestones. This report showcases not only our technical progress, but how we are embedding the highest levels of environmental, social and governance oversight into our technology development, and the way we conduct ourselves. At all stages of our technology development and deployment, we seek to align with, and transparently report our performance against, our Core Values.

Impossible Metals aims to deliver mining solutions that are vastly better for people and planet than existing land based mining and concept seabed mining approaches. We believe these solutions will be responsible, ethical, sustainable, cost effective and profitable. In time, it may be possible to stop mining new minerals completely and rely on recycling. Until that time comes, we believe that mining can, and should, be dramatically different. We want to show that it is possible to raise the bar on environmental and social metrics, while still competing on cost.

Impossible Metals is developing technology in two key areas; Selective Harvesting of marine minerals and mineral processing using Bio-extraction. Our technology development goals are synonymous with our Public Benefit Statement,

"To deliver responsibly mined and processed battery metals to the market in a manner which promotes sustainability, transparency, and accountability, and to render a public benefit by acceleration of the world's transition to sustainable energy to mitigate the climate crisis."

Vision, Mission & Core Values

Vision: Accelerating clean energy by delivering the most sustainable critical metals.

Mission: To harvest and process critical metals from the seabed, while protecting the environment.

What we do: We are building underwater robotic vehicles for harvesting critical metals and have invented a new form of mineral processing that uses bacteria metal respiration.

Core Values:

- 1. Planet comes first: environment and people before profit
- 2. We are determined, striving to make the impossible possible
- 3. We encourage, share and respect all perspectives
- 4. We move fast, separating what must be done now from what can be improved later
- 5. We embrace and learn from every success and failure
- 6. We act as owners, managing resources responsibility and efficiency

Selective Harvesting (Robotics)

Impossible Metals is developing proof of concept engineering for selective harvesting of deep sea polymetallic nodules. An Autonomous Underwater Vehicle (AUV) robotics fleet is in development that will use "pick and place" manipulator technology to harvest nodules individually, minimizing disturbance of the sediment and seafloor ecosystems. Image sensing technology will identify megafauna present on the nodules and will leave those nodules untouched, allowing for the preservation of nodule-dependent fauna.





The major advantages of this system include:

- Low environmental impacts avoidance of nodule fauna, no significant plume, no return water, no impact to sediment structure or sediment fauna, low noise and light pollution.
- Scalable no single point(s) of failure, ability to start with low production rate and increase over time.
- Lower cost Significantly less CAPEX and OPEX than dredging with riser pump systems!.

Mineral Processing (Bio-extraction)

Impossible Metals is developing a methodology to enable bio-extraction of minerals using bacterial respiration. This patented process will enable the use of specific bacterial strains to liberate metals into solution, without the use of acids, toxic chemicals, or extreme heat. When proven at scale, this process will integrate with traditional comminution (crushing and grinding) processes, and will disrupt existing mineral extraction technology such as flotation, roasting, and leaching.

Early laboratory studies show that the bacterial strains are able to dissolve numerous ore and waste types to liberate multiple target metals into solution simultaneously. Impossible Metals is working with IBC Advanced Technologies to investigate the viability of integration of molecular recognition technology into the processing flowsheet to deliver separated metals following dissolution via bioextraction. This work is ongoing, and Impossible Metals aims to report early results in the 2023 Annual ESG & Performance Report.

We expect that, when proven at scale, the major advantages of this system over traditional processing may include:

- No tailings or environmental pollutants
- No use of toxic chemicals or acids
- Low energy intensity
- Neutral pH wastewater stream
- Lower CAPEX and OPEX than traditional processing methodologies

24 Hour Bacterial Reaction



Responsible Metals

In line with our Core Values and Mission, we aim to deliver Responsible Metals, defined by BetterEV.org as meeting the eight criteria set out in Table 1 (at right).

Our Reporting Commitment

We are committed to reporting on our ESG and technical performance annually, including all topics described in our Annual ESG & Performance Reporting framework, publicly available on our website. The performance of this report compared to this policy is described in Appendix A. Additionally, this report aims to meet B Labs best practices for transparency as we work toward applying for B Corp certification.

Impossible Metals has stated our proposed contributions toward the United Nations' Sustainable Development Goals on our website. These are described in **Appendix B**, as well as how we worked toward those contributions in 2022. We will continue to report our contributions toward these goals in each Annual ESG & Performance Report.



Table 1: Description of how the Responsible Metals criteria are implemented through Impossible Metals' technology and processes.

Responsible Metals Criteria	Impossible M
1. Protects safety and human rights	Impossible Metals wi communities at the re Impossible Metals wi port, mineral process a manner that does n Impossible Metals im throughout all its ope Metals Board on an a As Impossible Metals undertake independer independent audits o
2. Is carbon neutral	Impossible Metals is
3. Maximizes the potential for recycling and circularity	In 2023/2024 Imposs (where possible) batt Impossible Metals air volume of waste, and
4. Eliminates toxic waste	Impossible Metals is de technologies, which eli
5. Avoids widespread habitat destruction	Impossible Metals is of floor to selectively has habitat destruction as Impossible Metals tal the <u>Seabed Mining So</u> impact assessment of Impossible Metals <u>en</u> on environmental cor methodology.
6. Avoids water scarcity	Impossible Metals is d base medium, thus av stream. Water reuse a pilot plant(s), to confirr
7. Avoids loss of biodiversity	Impossible Metals is of floor to selectively had the habitat destruction selectively excluded for Impossible Metals is of Science Statement to assessment criteria. Impossible Metals enge environmental consid
8. Avoids displacing Indigenous people or com- munities	Impossible Metals is that will enable mine communities. Further applications for terres

Netals Contribution

Il target seafloor resources, which will not displace or affect local esource location.

I work with host nations and impact assessment processes to ensure that sing and associated infrastructure is designed, constructed and operated in not negatively impact on local communities.

plements its Human Rights Policy and Workplace Health and Safety Policy erations. Performance against these policies is reviewed by the Impossible nnual basis.

's technology is deployed to full scale operations Impossible Metals will ent safety and human rights auditing and will report the outcomes of these on an annual basis in its ESG Report.

committed to achieving net-zero Scope 1 and 2 emissions by 2030.

sible Metals will trial bioextraction methods on waste streams including ery black mass/spent battery waste, and mineral waste streams. ms to apply bioextraction to these waste streams to both reduce the to facilitate the recycling of valuable metals in the battery industry.

eveloping bioextraction technology that aims to replace traditional ore processing iminates the production of toxic waste/tailings from mineral processing.

developing selective harvesting technology that hovers over the deep sea arvest mineral resources (polymetallic nodules). This technology avoids the ssociated with dredging technology.

kes into consideration the specific concerns of the scientists who signed cience Statement when developing our technology and environmental riteria.

gages with the scientific community early and often to gather input nsiderations/studies in order to create a robust impact assessment

eveloping its bioextraction technology using seawater or saline water as the oiding the need for large quantities of freshwater in the minerals processing nd recycling will also be investigated during the development of bioextraction m the volume of water that can be reused throughout the process.

developing selective harvesting technology that hovers over the deep sea arvest mineral resources (polymetallic nodules). This technology avoids on associated with dredging technology and will allow nodules to be from the harvesting process where they are identified to host seabed life.

using the specific concerns of the scientists who signed the Seabed Mining o inform the development of our technology and environmental impact

gages with the scientific community early and often to gather input on erations/studies in order to create a robust impact assessment methodology.

committed to developing technology for the seabed minerals industry ral extraction without the displacement of any indigenous peoples or , Impossible Metals aims to develop bioextraction technology that has strial mining that will reduce the impact on indigenous peoples and communities that are currently associated with traditional terrestrial mine footprints.

Technical & Strategic Performance

In 2022, the strong performance of our robotics and bio-extractions teams allowed us to reach the goals we set out to achieve. Impossible Metals will continue to support our teams in their work toward our 2023 goals.

As detailed in the Introduction section, each step we take toward our technical goals is another step toward achieving our public benefit statement, "To deliver responsibly mined and processed battery metals to the market in a manner which promotes sustainability, transparency, and accountability, and to render a public benefit by acceleration of the world's transition to sustainable energy to mitigate the climate crisis."

The future-looking goals laid out below represent a summary of Impossible Metals' Annual Operating Plan for 2023 and its 5 Year Plan.

Selective Harvesting (Robotics)

In 2022, the Impossible Metals robotics team achieved two major milestones. In March, the vision system and robotic arm were successfully tested in our workshop's test tank. By December, our Eureka 1 autonomous underwater vehicle (AUV) successfully completed selective harvesting of nodule-like rocks at approximately 25 meters (75 feet) depth. This achievement allows us to move into our next phase of development.

looking forward to a full-depth (~6,000 meters ~3.75 miles) test with Eureka 2 by the end of 2023. We have a Memorandum of Understanding (MOU) in place with Boskalis to collaborate on the feasibility of our robotics selective harvesting system.

2022 Goals

Goal 1 - Arm and Vision System (v0)

 Successful operation of the robotic arm and vision system in March 2022 (video)

Goal 2 - Shallow depth (~25 meters) AUV selective rock pick-up by Eureka 1 (v3)

- In early December 2022, the Eureka-1 autonomous underwater vehicle (AUV) successfully completed its first trial of selectively harvesting nodule-like rocks in an underwater environment. (video)
- This shallow water milestone demonstrates:
- Technical feasibility of using autonomous, Al-driven systems to over above the seabed and selectively harvest nodules
- Concrete progress toward a viable alternative to dredging technology that prevents biodiversity loss and large sediment plumes.

2023 Goals

Goal 1 - Full-depth (~5 km) AUV selective nodule pick-up by v4

- Where relevant for design of initial prototypes (v3 and v4) the environmental basis of design was considered through all stages of the design process, including relevant statutes. This test will put v4 on a deep sea nodule field (~6 km depth) to autonomously collect ~100 kg of polymetallic nodules autonomously.
- Independent scientists will be involved in the test, and will publish data on the findings related to environmental impact, including impact on biodiversity, habitat, and ecosystem function.

Goal 2 - Establish Component Sourcing, including ESG

- In sourcing v4 (Eureka 2) components, we are establishing strong, longterm vendor relationships that can last as we continue selective harvesting development into v5 and v6.
- Concurrently, we are establishing ESG screening processes for significant suppliers that align with the goals and values of B Labs, as part of our goal to achieve B Corp Certification.

2023 Goals (continued)

Goal 3 - Refine the techno economic model for AUV selective harvesting

• Update the techno economic model based on learnings from v4.

Beyond 2023

We have also developed goals for developing selective harvesting beyond 2023, as detailed in **Figure 1**, which identifies that we plan for our technology to be available for full scale deployment in 2026.



Figure 1 - Roadmap for development of Impossible Metals' selective harvesting technology.

Mineral Processing (Bioextraction)

The bioextraction team was established in 2022, working at the Pasadena Bio Collaborative Incubator. The team has made significant progress in establishing effective bioextraction at the laboratory scale on polymetallic nodules, including identifying bacterial strains targeted to polymetallic resources and improving efficacy of mineral dissolution using different media, electron transfer catalysts, and temperatures. In addition to working with polymetallic nodules, the team is progressing studies associated with applying bioextraction to terrestrial targets, including both mineral ore and waste streams. In 2023, we will continue to refine our process to improve efficacy, as well as scale up our experiments in preparation for future pilot plant studies.

Bioextraction works to separate ore minerals into constituent elements, liberating the metals present in the rock into solution. Impossible Metals is working with IBC Advanced Technologies, Inc. to investigate the viability of integration of molecular recognition technology into the processing flowsheet to deliver separated metals following dissolution via bioextraction. This work is ongoing, and Impossible Metals aims to be able to report early results in the 2023 Annual ESG & Performance Report.

2022 Goals

Goal 1 - Identify preferential strains and conditions for bioextraction

- In 2022 we identified numerous strains of bacteria that could undertake bioextraction, and have made considerable progress in identifying the optimal conditions for those strains to undertake the bioextraction processes. This progress is covered by patents pending.
- On polymetallic nodules, our small scale studies are achieving dissolution rates of between 65-98% for cobalt, copper and nickel, and concurrent manganese recovery of 55%.

Goal 2 - Consider conceptual application of bioextraction to terrestrial mining

· Early studies of terrestrial ore and waste streams show that bioextraction is also possible on terrestrial ores. This work is ongoing.



2023 Goals

Goal 1 - Optimize and Scale Polymetallic Nodule Processing

- Increase laboratory scale studies (in terms of both volume and weight to volume ratio) in preparation for pilot plant development, and continue optimizing processes to achieve ~85% dissolution of copper, cobalt and nickel from polymetallic nodules.
- Undertake design work for development of a processing pilot plant to confirm the efficacy of bioextraction at scale.
- Confirm viability of molecular recognition technology for separation and recovery of metals, and characterize any remaining waste stream to confirm the no-waste or low-waste status of bioextraction.

Goal 2 - Consider conceptual application of bioextraction to terrestrial mining

- Continue studying the application of bioextraction to terrestrial ore and waste streams, including the extent to which bioextraction processes may assist with reducing the volume of waste streams in terrestrial mineral processing, and the reclamation/reprocessing of existing waste stockpiles to increase the global availability of critical metals.
- Continue to develop and protect IP relating to bioextraction for terrestrial targets as well as seabed targets.

Beyond 2023

Goal 1 - Secure Implementation of Bioextraction

- Construct and operate a full scale bioextraction processing facility to enable responsible and sustainable processing of polymetallic nodules.
- Work with existing and/or new partners to implement pilot plants for terrestrial ore and/or waste targets, quantifying the additional volume of metals unlocked by this technology, and the volume of waste removal or reprocessing achieved.

The progress made in 2022 summarized above, and the objectives in place for 2023 and beyond provide a strong pathway for Impossible Metals to implement its public benefit "to deliver responsibly mined and processed battery metals to the market in a manner which promotes sustainability, transparency, and accountability and to render a public benefit by acceleration of the world's transition to sustainable energy to mitigate the climate crisis". Ultimately, achievement of this public benefit will come when we achieve full scale technology deployment (estimated for 2026). We will continue to report progress towards this outcome in our Annual ESG & Performance Reports.

Photo Courtesy: ROV-TEAM, GEOMAR

Environment

Environment is at the core of our business. We are developing sustainable technologies for harvesting and refining metals that are critical for the transition to a low-carbon economy.

As a new company, we are at the start of our environmental story. Our ultimate goals are to harvest and refine the metals in polymetallic nodules from the deep sea in a way that is truly sustainable - that means harvesting metals with no ecosystem destruction (and minimal disturbance), and refining those metals with no harsh chemicals. Also, we plan to do all of this in a carbon neutral way. We know it's a big goal, but we've already made progress and we have a plan to get there.

Carbon & Climate

Climate Mitigation - Carbon Footprint

Impossible Metals currently has two development facilities in Collingwood, Ontario, Canada and Pasadena Bio Collaborative Incubator, California, USA. Both of these facilities are rented as shared use space and Impossible Metals does not currently have access to electricity use data for these facilities. In 2023, our Collingwood team will move into a new facility, and data for that facility will be presented in our 2023 ESG Report. For 2022 we have collected relevant information in Table 1 about our facilities and how we minimize carbon emissions.

In 2023 Impossible Metals will undertake full carbon accounting for scope 1 and 2 according to the Greenhouse Gas Protocol, and will report these outcomes in the 2023 ESG Report. Where shared facilities still exist, scope 1 and 2 emissions will be estimated where data is not available.

As we grow, we will be implementing a path to net-zero, with a commitment to achieve net-zero Scope 1 and 2 emissions by 2030. This pathway is described in Table 3: Environmental Goals and will be further quantified in the 2023 ESG Report when we have our first full year of carbon emissions data available.

Climate Adaptation - Risk Assessment

Impossible Metals is committed to implementing its technology solutions in a manner that mitigates, as far as possible, the risks associated with climate adaptation. While still in early stage development, Impossible Metals is including in its technology development pathway:

- Launch and recovery technology that enables safe and effective operation in a wider window of weather variables;
- Design and construction of port and mineral processing infrastructure that considers 1:1000 year rainfall and storm events, and encompasses asset protection and spill/runoff containment infrastructure designed for this magnitude of climatic events;
- Incorporation of green energy and, where appropriate, off-grid energy into its operations to facilitate both the transition to carbon neutrality and the ability to operate and maintain infrastructure during power outages and/or extreme weather events:
- Incorporation of rainfall harvesting infrastructure, where possible, into its facilities.

We will work with host nations to ensure that all our infrastructure is designed, constructed and operated in accordance with relevant domestic climate adaptation guidelines and, where in existence, any National Adaptation Plans submitted under the United Nations Framework Convention on Climate Change (UNFCC) Upon commencement of full scale technology deployment, we will report transparently the extent to which our operations in host nations align with these domestic climate adaptation guidelines and/or National Adaptation Plans.

Water

Similar to carbon emissions, it is not possible to calculate the water footprint of current operations because we are operating in two rented, shared-use facilities with no submetering. These operations do not have significant water usage beyond normal office plumbing and filling our robotics lab water tanks (1500 Liter tank filled once and 500 Liter tank filled 4 times).

In 2023, the Impossible Metals robotics team will move into a new facility, and we will report the baseline water footprint for that facility in the next Annual ESG & Performance Report, as noted in Table 3: Environmental Goals.

Waste

In 2022, our waste was primarily general office waste (non-hazardous solid waste), primarily composed of packaging materials. Table 2 identifies the types of waste streams and how they were managed in 2022.

Table 2: Waste information for Collingwood, Ontario, Canada and Pasadena, California, USA facilities.

Facility	Collingwood	Pasadena
Waste Types	 Office waste such as paper, office supplies/packag- ing, food waste/packaging Robotics workshop waste such as packaging for parts/materials and office waste. 	 Office waste such as paper, office supplies/packaging, food waste/packaging Scientific lab waste such as very small volumes of chemicals.
Waste Management	 Wastes are separated on-site by staff into three categories (recyclables, organics, and garbage) that are put into designated bins. All three waste types are picked up weekly by the local municipal curbside waste collection system. 	 Non-hazardous solid waste all goes into one container. It is unknown if the waste is separated at the waste management facility after collection. Management of lab (chemical) waste is contracted to a specialized waste company

In 2023, Impossible Metals will implement a waste management policy that requires annual waste audits. The first waste audit will be performed in 2023 for all Impossible Metals controlled facilities. We will continue to estimate waste produced from our shared facilities where possible. The waste audit will include goals and measures to reach those goals over the following year. These goals are noted in Table 3: Environmental Goals.

Biodiversity

The most prevalent environmental concern about deep sea mining are impacts to biodiversity and habitat, so in turn, it's top of mind for our team. To that end, we are considering the specific concerns of the scientists who signed the Seabed Mining Science Statement:

- · Loss of species and populations as a result of destruction or elimination of habitat
- Production of large sediment plumes
- Interruption of ecological processes connecting midwater and benthic ecosystems
- Resuspension and release of sediment and toxins from dewatering discharge
- Noise pollution and impacts to marine species
- Impacts on carbon sequestration dynamics and deep ocean carbon storage.

Additionally, we are committed to engaging with marine scientists early and often to determine how we can best study potential impacts of our robotics technology on the seafloor ecosystem. Scientists with expertise in the field of benthic ecology and abyssal ecosystems, are encouraged to contact us if they would like to be involved in further scoping and subsequent environmental studies related to the selective harvesting methodology proposed by Impossible Metals. Outcomes of engagement with scientists are shared publicly on our website at impossiblemetals.com/sustainability/ scientific-engagement/

Engagement with the scientific community is described in the Stakeholder Engagement section of this document (under Social). In 2022, these scientists shared their input on the environmental aspects/objectives of our selective harvesting methodology, and subsequently our testing plans for both v3 and v4 of the selective harvesting robotics.

The input summarized below has been, and will continue to be, used to develop the design and implementation of environmental studies as part of both shallow-water (v3) and deep water (v4) prototype testing.

Preliminary Scientific Consideration of Selective Harvesting Methodology

- Consideration of Fauna sediment infauna, nodule fauna and megafauna, density and pattern of nodules left behind, mid-column fauna
- Consideration of Baseline Nodule Density effect of nodule density on species density/diversity, connectivity of nodules left behind, importance of adaptive management
- Potential for Artificial Nodule Placement more study required to determine practicality/benefits of artificial nodule placement and potentially "re-seeding" artificial nodules
- Concept of "Significant Harm" or "Significant Impacts" how this legal concept could be turned into a measurable concept, consideration for rarity and sensitivity, the concept that some minor impacts may be considered "not significant" or too difficult to measure, usefulness of proxy studies
- Potential Management Strategies wider exclusion zones around some fauna (i.e. long-tentacles), variety of nodule densities/patterns in early production to identify best practices, methodologies/studies that could be useful (i.e. high resolution imaging and sediment coring, box coring), the idea of effective management of an ecosystem that isn't fully understood (deep sea)
- Initial Study Recommendations based on above discussion

Feedback on Environmental Objectives for Testing V3

Scientists identified the following areas for consideration in relation to observations for v3 testing:

- Successful nodule identification confirmation that the system is able to effectively identify and pick up nodules with a low failure rate.
- Qualitative plume observations scientists indicated that the plumes were likely to be small with such a small test, and that the testing environment would not be a proxy for the deep ocean, and as such there is limited value in quantitative plume observations.

Feedback on Environmental Objectives for Testing V4

Scientists identified the following areas for consideration in relation to observations for v4 testing:

- Successful nodule identification confirmation that the system correctly identifies and selects nodules, and avoids nodules with life forms attached, with a low failure rate.
- Successful identification and avoidance of megafauna scientists were particularly interested in the system's ability to identify and avoid megafauna that may prevail over a larger area than a single nodule (e.g. long-tendrilled corals, stalked sponges, sea pens, Cerianthid anemones). It was recommended that Impossible Metals seek to use the pre-harvest survey to identify these organisms, and demonstrate that this information can be used to enforce a larger exclusion zone, in order to avoid contact with this fauna.
- Quantitative or qualitative plume observations were recommended, including the potential for 'cut and fill' survey, to determine where sediment had been removed and/or redeposited.
- Successful programming of percentage of nodules left behind given this will be a key management strategy associated with selective harvesting, scientists noted the need to demonstrate that the system can accurately leave behind a defined percentage of nodules within a given area. It was noted that high-resolution pre and post pickup survey would be required to quantify this outcome.
- Amount of sediment that adheres to the nodules scientists noted that understanding whether sediment adheres to the nodules following selective harvesting, and whether this sediment is transported to the surface or "washed" during ascent will be important to understand whether uncontrolled release of sediment occurs throughout the water column during transportation.
- One scientist suggested using Sediment Profile Imaging (SPI) pre and post harvesting to show sediment structure and bioturbation after pickup, and to measure sediment resettling, however there were also logistical challenges to this process identified during the discussion.

Feedback on Environmental Objectives for Testing V4 (continued)

- Nodule fauna biodiversity using either the computer vision and AI system on the selective harvesting AUV, or interpreting video imagery after the trial.
- One scientist also indicated that use of **fluorescence** to identify the presence/absence of biota may be valuable, indicating that it is currently being used in offshore oil and gas survey work quite effectively.
- **Anecdotal fauna observations** in relation to avoidance while the system will not be full scale so hydrophone data may not be relevant, scientists agreed that it would be interesting to note any anecdotal evidence of fauna avoiding the AUV due to noise or light emissions.

Green Building

At present, Impossible Metals does not have any building facilities of its own, and will continue to rent office and laboratory facilities that are existing buildings throughout 2023.

As we expand, and develop our own facilities, including manufacturing facilities and pilot plant facilities for bioextraction, these will be designed and constructed according to the Green Building Code(s) relevant to each jurisdiction.

Environmental Incidents/Complaints

There were no environmental incidents or complaints in 2022.

Environmental Goals

The goals for 2023 and beyond described throughout the Environmental section of this report are summarized in **Table 3** (at right).

Table 3: Environmental Goals

Environmental Aspect	2023 Goals	Beyond 2023
Carbon Emissions and Reporting	Baseline scope 1 and 2 carbon footprint for new Collingwood facility (targeted occupancy February 2023). Results will be reported in the 2023 Annual ESG & Performance Report.	 Baseline scope 1 and 2 carbon footprint for bio- extraction pilot plant (targeted for 2024). Results will be reported in the Annual ESG & Performance Report. Following delivery of baseline carbon data, develop- ment of transition plan to achieve net-zero Scope 1 and 2 emissions by 2030.
Water	Baseline water footprint for new Colling- wood facility (targeted occupancy Febru- ary 2023). Results will be reported in the 2023 Annual ESG & Performance Report.	 Projected pathway towards net zero freshwater use in mineral processing Develop plan for implementation of water recycling and reuse in all Impossible Metals owned or con- trolled facilities, with interim targets and pathway to achieving 100% water recycling or reuse by commencement of full scale technology production. These plans will be reported in the 2023 Annual ESG & Performance Report.
Biodiversity	Involve independent scientists in testing selective harvesting robot v4 (Eureka 2), who will then publish findings related to environmental impact, including biodi- versity, habitat, ecosystem function.	 Continue to engage with independent scientists throughout development of selective harvesting technology. Outcomes of studies undertaken as part of v4 testing will be reported in the 2023 Annual ESG & Performance Report (scientists engaged to undertake these studies may choose to independently report this data also).
Waste	Waste audits of Collingwood and Pasa- dena facilities. Results will be reported in the 2023 Annual ESG & Performance Report.	 Develop a circular resources plan with interim targets and the objective of achieving 80% resource recycling/reuse by the commencement of full scale technology production (est. 2026).
Supply Chain Sustainability	Establish and implement ESG screen- ing processes for significant suppliers ¹ that align with the goals and values of B Labs.	• We will report against the ESG metrics of our signifi- cant suppliers and track scope 3 emissions by 2024, and will, as part of that reporting, include scope 3 emission reduction targets in our carbon reporting by 2024.
Environmental Management System (EMS)	Establish an EMS for Impossible Metals including a continual improvement mechanism so it can grow with the company.	 Annual internal audit (as described in the EMS) to seek opportunities for improvement in our opera- tions or the EMS itself.

1 B Impact Assessment (used for the purpose of B Corporation certification) defines "significant supplier" as "those suppliers who collectively represent approximately 80% of your purchases in currency terms. Significant Suppliers can include both suppliers of physical items and service providers like accountants and web designers. Goods or services sourced through a cooperative should be considered one Significant Supplier."

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Social

As a public benefit corporation, Impossible Metals is committed to social responsibility. We know that a low-carbon future is beneficial to everyone around the world, and we are striving to provide a sustainable solution. Additionally. We understand that our social performance must go beyond our public benefit statement to include our employees' wellness, being a positive part of the community, and authentic and transparent stakeholder engagement.

Employees Health & Safety

Impossible Metals recognizes that the health and safety of all employees, contractors and directors is of the utmost importance and is vital to the achievement of our mission. We believe that the provision of a safe working and learning environment is an integral and essential part of our responsibility. As per our Workplace Health & Safety Policy, all employees share a responsibility for a safe work environment to minimize on-the-job accidents and injuries. Additionally, the company leadership team and Board of Directors have specific responsibilities.

In 2023, Impossible Metals will create and implement additional Health & Safety policies as we continue to develop and grow our business.

Lost Time Injuries

In 2022, Impossible Metals had no lost time injuries.

Employee Numbers

The Impossible Metals team grew significantly from 2021 to 2022, and 25% of employees were promoted to new roles, as described in Table 4.

Table 4: Comparison of Impossible Metals employee numbers in 2021 vs. 2022 for various criteria.

Criteria	2021	2022
Number of full time employees at end of year	Salary: 6 Hourly: 0	Salary: 18 Hourly: 0
Number of part time employees at end of year	Salary: 1 Hourly: 0	Salary: 2 Hourly: 0
Number of temporary workers	0	0
Number of interns	0	4
Number of promotions	0	5 (25% of employees)

Employee Demographics

Impossible Metals provides equal employment opportunities to all applicants, without regard to unlawful considerations of or discrimination against race, religion, creed, color, nationality, sex, sexual orientation, gender identity, age, ancestry, physical or mental disability, medical condition or characteristics, marital status, or any other classification prohibited by applicable local, state, or federal laws. Impossible Metals employees and Board of Directors are diverse in ethnic background, gender, and age, as noted in Table 5.

Table 5: Percentages of racial or ethnic minorities1, female,
 and age diversity of Impossible Metals' employees.

	% Racial or Ethnic Minorities	% Gender Diverse ²	% age <24 or >50
mployees ³	33%	33%	29%
Senior Management	33%	33%	33%
Board of Directors	14%	29%	29%

- traditionally hold the majority of social power"
- 2 Includes female, non-binary, and transgender

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3 IncludesIncludes full-time employees, part-time employees, and interns. Does not include senior management.

1 Defined by B Labs as follows: "Ethnic minorities are groups that have a distinct cultural tradition that is contrasted with those who

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Impossible Metals aims to continue its progress building diversity in the workplace, with the target of achieving 40% female and/or non-binary and 33% ethnic minorities across the three employee levels, by the time we are deploying full scale production technology (estimated 2026). Percentage of female employees currently, our interim target, and end target when entering production are described in **Table 6**. We note, however, that Impossible Metals does not compulsorily require its employees or directors to disclose either gender or ethnic origins, and as such, we may not always report a full dataset.

Table 6: % gender¹ diverse employees, leadership and Board members currently, interim targets, and future targets.

Metric	Current Status	Interim Target (end 2023)	Target Entering Production (~2026)
% gender diverse - non-leadership employees	33%	40%	45%
% gender diverse - leadership	33%	33%	40%
% gender diverse - Board of Directors	29%	40%	50%

Table 7: Report on percentage of Impossible Metals employees' wages compared to individual living wage and living family wage in three relevant jurisdictions. [Wage/year is based on 40 hours per week, 50 weeks per year.]

Jurisdiction	Living Wage	Living Family Wage	Percentage of employees receiving living wage
Pasadena, California, USA (<u>Los Angeles County</u>)	\$21.89 USD / hour (\$43,780 USD / year)	\$30.73 USD / hour (\$61,460 USD / year)	Living Wage: 100% Family Living Wage: 100%
Collingwood, Ontario, Canada (<u>Grey Bruce Perth Huron Simcoe</u>)	\$20.70 CAD / hr² (\$41,400 CAD / year)		100%

1 Includes full-time and part-time employees. Does not include interns.

2 The Ontario Living Wage Network calculates the living wage as a weighted average of costs for three different household types (family of four, single parent with one child, single adult). <u>Full report available here</u>.

Living Wage

A living wage is defined as "The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events."

(Global Living Wage Coalition)

100% of Impossible Metals employees earn a living wage (at 100% full time equivalent for part time employees) as identified in **Table 7**. The calculation of Impossible Metals' wages include salary only, therefore any other benefits are above and beyond a living wage. Living wages for both Impossible Metals locations, Pasadena (<u>MIT Living Wage Calculator</u>) and Collingwood (<u>Ontario Living Wage Network</u>), are recognized by B Labs as accepted benchmarks.

Benefits & Wellness

Company Ownership

One of our <u>core values</u> at Impossible Metals is *"We act as owners because we are"*. 100% of our permanent employees are granted stock options at the start of employment. This includes full-time (30+ hours per week) and part-time . It does not include interns. As at the end of 2022, Impossible Metals was over two-thirds owned by employees and advisors, with approximately 8.5% ownership (stock options) by non-executive employees.

Employee Retirement Plan

Impossible Metals instituted an Employee Retirement plan in November 2022. Under this plan, Impossible Metals matches employee contributions, up to a maximum of 1% of their salary annually. Full time and and part time employees are eligible after 3 months of employment.

Employee Healthcare Plan

All permanent full-time employees are enrolled in the Impossible Metals employee healthcare plan. This plan varies for employees in different jurisdictions (California, USA and Ontario, Canada) as government programs vary widely. All employees have at least base coverage, including varying packages relating to health, dental, prescriptions, eye care, physiotherapy and other wellness services including mental health.

Paid Time Off (Vacation, Sickness, and Parental Leave)

Impossible Metals provides more paid time off than required in all jurisdictions where we operate. Paid days off (above and beyond statutory holidays) for full-time employees 21 days per year at the start of employment, increasing by 1 day per year to a maximum of 23 days per year. Additionally, 10 days of sick leave are provided per year for days when the employee cannot perform their duties due to their own sickness, or to care for a member of their immediate family. This policy goes above and beyond the requirements of both the <u>Ontario</u> and <u>California</u> jurisdictions, where our workforces are currently based.

In 2023, we will establish a Parental Leave Policy that provides benefits beyond those required in the jurisdictions in which we operate.

Other Wellness Initiatives

- Monthly lunch & learns, including wellness topics, industry-related topics, and other topics of interest that may be suggested or nominated by staff
- Employees have flexible working locations, including remote working options where feasible.
- As part of our Pledge 1% commitment, we pay staff for 2 volunteer days per year.

Employee Satisfaction

Impossible Metals uses <u>Officevibe</u> to track our employee satisfaction across a number of metrics, to give and receive both named and anonymous feedback, and to assist the leadership team to interpret trends and feedback in a manner that promotes our values and culture. In 2022, the company recorded the average scores listed in **Table 8**.
 Table 8: 2022 Impossible Metals employee engagement metrics.

Metric

Engagement (staff who completed surveys)
Relationship with manager
Alignment
Feedback
Satisfaction
Happiness
Ambassadorship
Relationship with peers
Personal growth
Recognition
Wellness

The Impossible Metals leadership team reviews these scores on a monthly basis and takes actions to actively address any downward trends, as well as specific feedback provided through the Officevibe site (both anonymous and named). Impossible Metals has the objective to maintain average scores of 8/10 for the above metrics on an ongoing basis.

Annual Review of Working Conditions

Impossible Metals has committed to providing a summary of internal and (where relevant) external auditing of labor conditions and employee benefits according to relevant best practice guidelines and the legislative framework(s) in which we operate. Employee benefits are described above in the Benefits and Wellness section and a summary of how Impossible Metals is compliant with basic workers rights requirements in both jurisdictions where we operate (Ontario, Canada and California, USA) is located in **Appendix C**.

As part of our goal to submit an application for B Corp certification in 2023, we will undertake a full audit of working conditions for all employees. We will report the outcomes of this audit in our 2023 Annual ESG and Performance Report and incorporate any required changes into required policies or procedures.

Average Score in 2022 (out of 10)
8.5
9.0
8.8
8.7
8.4
8.2
8.9
8.8
8.7
8.2
7.7

Community

Impossible Metals strives to be a positive member of the communities we are part of or work with. We are proud to report our community involvement for 2022 and our goals for 2023.

Giving Back

In 2022, we committed to giving back in a tangible way by committing 1% of our equity, time, and profit to non-profit organizations by becoming a Pledge 1% member.



1% equity: 1% of our company equity has been officially designated for donation to non-profit organizations via a Tides Capital Warrant.

1% time: Starting in 2023, employees will receive 2 paid volunteer days per year (1% of work time per year) that they can use during company-organized volunteer events, or with organizations they are passionate about.

1% profit: 1% of future profits will be donated to non-profit organizations.

We will report on our Pledge 1% performance in the 2023 Annual ESG and Performance Report.

Local Community

We are grateful to be members of strong local communities both in Collingwood and Pasadena. In 2022, we provided meeting space for the Nottawasaga Lighthouse Preservation Society at our Collingwood facility. In 2023, we plan on giving back to the places where we live and work as part of our Pledge 1% commitment, including volunteering in our communities.

Industry

Impossible Metals aims to be an active member and sustainability leader in the industries in which we operate (mining and cleantech) and in which our customers operate (electric vehicle companies, battery manufacturers, etc.) To that end, we participate in industry cooperation through a number of working groups and councils, in addition to attending and participating in events like conferences and tradeshows (Table 9).

Additionally, Oliver Gunasekara (CEO) leverages his 30+ years of entrepreneurial experience to mentor other start-up companies. He held approximately 10 such meetings in 2022.

Industry Cooperation Groups

In 2022, Impossible Metals participated in and/or was a member of the following:

- International Marine Minerals Society (member)
- Suppliers Partnership for the Environment (member)
- SP Responsible Battery Work Group (participant)
- Forbes Technology Council
- Oliver Gunasekara (member profile)
- Renee Grogan (member profile)
- NAATBatt International (member)
- Signatory to Terra Carta
- Volta Foundation (member)
- Battery Brunch (speaker and participant)
- Annual Battery Report (contributor)

Renee Grogan (CSO) provided guest lectures on the ecological and policy implications of deep sea mining for the Fennoscandian Association for Metals and Minerals Professionals and the Duke University Gillman Climate Leaders Series.

Conferences and Tradeshows

We are excited to spread awareness of our developing technology and the potential for sustainably-sourced critical metals. In 2022, we took our message on the road and participated in several conferences and trade shows, as described in Table 9.

Table 9: 2022 conferences and tradeshows in which Impossible Metals participated.

Date(s)	Conference/Trade Show	Type of Participation
February 7-10, 2022	NaatBaat 2022	Presentation and Poster
April 23, 2022	Battery Brunch	Presentation - How Seabed Mining Can Solve the Battery Metals Crunch
September 13-15, 2022	The Battery Show North America 2022	Presentation
October 2-7, 2022	Underwater Minerals Conference (UMC 2022)	Presentations on Selective Harvesting and Bioextraction technology
October 18-20, 2022	2022 TechCrunch Disrupt	Exhibit
October 26-27, 2022	Deep Sea Minerals	Presentation
November 14-18, 2022	Benchmark Week 2022	Impossible Metals Booth and Presentation
December 12-13, 2022	10th Annual Asia-Pacific Deep Sea Mining Summit	Presentation - Economically Viable Selective Harvesting & Green Processing of Polymetallic Nodules

Academia

Impossible Metals understands the importance of industry cooperation and partnership with academia. We are fortunate to have strong connections through internships, presentations, and informal mentorship.



Internships

In the summer of 2022, we welcomed our first intern to the Impossible Metals robotics team through WaterlooWorks

(University of Waterloo). This first success led to the hiring of 3 interns in the fall term, and we plan to continue hiring interns in 2023 and beyond. Our interns gain valuable experience through meaningful work that contributes to our team goals.

In 2023, we are launching an internship policy that will enable interns to provide anonymous feedback about their experience. We will report the results of this feedback in our 2023 Annual ESG & Performance Report.

Lectures & Presentations

We are fortunate to have team members who are experts on a variety of topics. In particular, our Chief Sustainability Officer, Renee Grogan is a sought after guest lecturer at a variety of institutions. In 2022. Renee gave several guest lectures, including Duke University and the Norwegian University of Science and Technology.

Mentorship

Sharing our expertise and experience through one-on-one student mentorship is both our responsibility and our pleasure. Eager and dedicated students are the future of our industry, and inspire us with their questions and ideas. Our interns receive regular mentorship throughout their work terms with our robotics team, and our CSO Renee held approximately 15 mentoring meetings with students around the world, many of whom were seeking her expertise in relation to careers in sustainability and deep sea mining. We will continue to keep our doors open to students who wish to learn about our industry, what we do, and how they can have an impactful career in the future.

Stakeholder Engagement

Impossible Metals understands the importance and benefits for all parties of genuine and transparent stakeholder engagement. We embrace the core values of public participation set forth by the International Association of Public Participation (IAP2), identified in **Figure X**.

IAP2 Federation's Core Values for Public Partic participation process. Processes based on the	Core Valu
Public participation is based on the belie those who are affected by a decision have a r to be involved in the decision-making process	f that ight
2 Public participation includes the promis the public's contribution will influence the dec	o that ision,
Public participation promotes sustainab decisions by recognizing and communicating needs and interests of all participants, includi decision-makers.	le tha 19

Figure X: IAP2 Core Values of for Public Participation¹



Stakeholder Engagement Plan

Impossible Metals maintains a stakeholder engagement plan, which is written in a phased approach. In 2022, we were in Phase 1 of our business development, which has an associated Phase 1 Stakeholder Engagement Plan.

In 2023, we will prepare a stakeholder engagement plan for Phase 2 of our business development plan, and we will report on our goals and progress in our 2023 Annual ESG & Performance Report.

Objectives

The objectives of the Phase 1 Stakeholder Engagement Plan are as follows:

- To establish positive connections and relationships with stakeholders, and raise the profile of Impossible Mining;
- To listen to current concerns and priorities for each stakeholder group, and to capture these concerns and priorities as part of project planning and development;
- To create and maintain a reputation for transparency and information sharing with stakeholders that fosters trust and builds a positive reputation;
- To obtain input from stakeholders in relation to the sustainability and environmental aspects of technology and engineering in order to ensure that the outputs reflect the sustainability objectives of Impossible Metals as well as, to the greatest extent practicable, the priorities and concerns of stakeholders;
- To develop the pathway for independent, external verification of the • ESG performance of Impossible Metals.

Identification of Stakeholder Groups

Impossible Metals identified the following stakeholder engagement groups in our stakeholder engagement plan (alphabetical):

- Government agencies/regulators
- Non-government organizations
- Partners/potential partners
- Scientific community
- Standards bodies & market intelligence publishers
- Traditional and community stakeholders
- Customers who use critical metals

Required Consultation

Impossible Metals was not required to undertake any consultation in 2022 (i.e. as the result of regulatory or permitting requirements).

Summary of Stakeholder Engagement Undertaken in 2022

A summary of stakeholder engagement undertaken in 2022, in accordance with the Stakeholder Engagement Plan, is provided in Table 10 (see next page).





Table 10: Summary of 2022 stakeholder engagement and outcomes by stakeholder group (alphabetical).

Stakeholder Group	2022 Engagement	Outcomes
Government agencies/regulators	Regulators in Cook Islands, USA (BOEM, NOAA), ISA	Provided introductory presentations to Impossible Metals' objectives and project timelines.
Non-government organizations (NGOs) including scientific bodies	Numerous meetings to discuss deep sea mining and the goals of Impossible Metals to provide a sustainable solution for harvesting and refining critical metals from the deep sea to meet the global need for these metals in order to transition to a low-carbon economy. Meetings with NGOs include: • <u>Deep Ocean Stewardship Initiative</u> • <u>Ocean Frontier Institute</u> • <u>Ocean Conservancy</u>	Key concern raised by these stakeholders is the potential impact of robotics technology on deep sea nodule field ecology (biodiversity, habitat, ecosystem function). Impossible Metals has published summaries of two meetings with scientists and NGOs in relation to input to project design and approaches to assessing the impacts of selective harvesting. We will continue to engage with NGOs and consider their input through- out the development and impact assessment(s) of our technology.
Partners/potential partners	Regular updates to terrestrial mining com- panies with whom we are engaging to see if similar bioextraction principles can be ap- plied to terrestrial ore and waste streams. Regular updates to Boskalis, with whom we have a MOU in place to collaborate on the feasibility of our robotics selective harvesting system. Meetings with potential partners to develop both our selective harvesting and bio-extrac- tion technologies.	We continue to work with our partners to understand the feasibility of integrating our technology into both seabed and terrestrial mineral harvesting. The scope(s) of this work reflect both Impossible Metals priorities and the opportunities to positively impact on mineral supply more broadly, aligning with the goals of our partner organizations.
Scientific experts	Two scientific roundtables with leading experts to discuss the concept of selective harvesting, as well as a follow-up discussion regarding environmental objectives for v3 and v4 robotics testing (see section Scientific Community below).	 Preliminary Scientific Consideration of Selective Harvesting Methodology Proposed by Impossible Mining Scientific Community Input on Environmental Objectives for V3 and V4 Testing
Standards bodies market intelligence publisher	 Meetings with standards bodies, including: Initiative for Responsible Mining Assurance (IRMA) Fair Trade Benchmark Mineral Intelligence 	Impossible Metals continues to engage with stan- dards bodies (both industry and consumer facing) to advocate for the development of an independent ESG standard or certification for seabed minerals.
Traditional and community stakeholders		In 2023 Impossible Metals will engage with traditional and community stakeholders as part of v3 and v4 testing and demonstrations to the public and scientific communities.
Customers who use critical metals	Numerous meetings to discuss the concepts and sustainability of our selective harvesting and bio-extraction technologies currently in development.	Users of critical metals are interested in sustainably sourced metals to achieve their own sustainability objectives and meet the expectations of customers. Numerous cathode, battery and automotive manu- facturers are actively following Impossible Metals's progress, and we have signed over \$1 Billion in Let- ters of Intent for the supply of sustainable metals to customers.

Scientific Community

Impossible Metals is developing sustainable technology to harvest polymetallic nodules from the deep ocean, which means ocean conservation is an essential part of values. We have engaged with ocean scientists and non-government organizations (NGOs) who focus on ocean health and conservation.

Impossible Metals is committed to designing its selective harvesting system in a way that ensures "serious adverse impacts" and "serious harm" are engineered out, or avoided, from the design phase onwards. In developing its preliminary concept design for selective harvesting of nodules, Impossible Metals has considered the specific concerns of the marine science and policy experts who signed the <u>Seabed</u> <u>Mining Science Statement</u>, as noted in the Biodiversity section of this report.

Preliminary Scientific Consideration of Selective Harvesting Methodology

In April and May 2022, Impossible Metals held two roundtable sessions to gather initial feedback from leading scientists in relation to studying the impacts and management of selective nodule harvesting and to discuss what is needed for an environmental impact assessment for this harvesting method that has not been previously considered.

The result of these roundtables is the Preliminary Scientific Consideration of Selective Harvesting Methodology Proposed by Impossible Mining¹, which is <u>publicly available on our website</u>. The document summarizes the issues and considerations brought forward by the attendees, including recommendations for study and further work to be done. These issues are also summarized in the Biodiversity section of this document (under Environment). We will continue to consult with leading scientists in the development of our selective harvesting technology and the studies we will carry out to determine environmental impacts.

Scientific Community Input on Environmental Objectives for V3 and V4 Testing

In October 2022, Impossible Metals held a meeting with scientists to gather input on environmental objectives for testing versions 3 and 4 (v3 and v4) of our selective harvesting robotics. In other words, we posed the question - what environmental data should we gather during our testing? This input was recorded and is <u>publicly available on our website</u>. and is summarized in the Biodiversity section of this document (under Environment). Impossible Metals is committed to designing and implementing data collection and environmental studies that are in line with recommendations made during this meeting.

Media

While not a stakeholder per se, media plays an important role in stakeholder engagement. Impossible Metals aims to contribute to meaningful dialogue in the public arena, with the objective of furthering and enhancing public knowledge around both deep sea mining and the issue of critical metals supply. To this end, we engage transparently with the media to answer questions about deep sea mining, provide our viewpoint, and discuss the technologies we are developing.

The following is a selection of media from 2022:

March 28 - Offshore Engineer - Sustainable Seabed Mining: Impossible Mining Partners Up with Boskalis

April 13 - Time Magazine - This Mining Executive is Fighting Her Own Industry to Protect the Environment

June 7 - CleanTechnica - Interview with Impossible Mining CEO Oliver Gunasekara (Part 1) (Part 2)

June 21 - TechCrunch - Impossible Mining is combing the seafloor for battery metals

August 12 - The Sun - Meet the underwater robots that will make electric cars CHEAPER - and combat child labour

November 1 - Drive.com - Search for electric-car battery minerals hits bottom of the ocean

December 6 - Financial Post - Eureka! Impossible Metals Reveals Successful Proof of Concept for Sustainable Seabed Mining of Critical **Minerals**

December 9 - Fast Company - This massive robot is designed to harvest EV metals from the ocean. But can it be done sustainably?

December 12 - Evening Standard - The robot that hunts for rare metals on the seabed (carefully)

December 16 - Forbes Technology Council - Deep Sea Mining: The Biggest Climate Issue You've Never Heard Of (authored by Renee Grogan)

We also engage with media and content producers via podcasts. Podcasts featuring Impossible Metals representatives can be found on the Podcasts page of our website.

Contractors & Suppliers

At Impossible Metals, we understand that our impacts go beyond our operations. Our interactions with and the actions of our contractors and suppliers are an essential aspect of our company's social sustainability. In 2023, we will implement a procurement policy that includes measures to screen the social and environmental sustainability of contractors and suppliers, as well as set out initial sustainable purchasing plans. We will report our performance and the performance of our contractors and suppliers against this policy in our 2023 report.

Social Incidents/Complaints

There were no social incidents or complaints in 2022.



Social Goals

The goals listed below are a summary of those described in the Social section above.

Social Goal 1: Health & Safety

In 2023, Impossible Metals will create and implement additional Health & Safety procedures and systems appropriate to the size and nature of our operations, as we continue to develop and grow our business.

Social Goal 2: Interim Diversity Targets

In our 2023 Annual ESG & Performance Report, we will report on our performance against our 2023 interim diversity targets as described in Table 6.

Social Goal 3: Parental Leave Policy

Since 2023, our parental leave policy relied heavily on local jurisdictional requirements, with additional maternity leave allowance for our US facility. In 2023, we will establish a Parental Leave Policy that provides additional benefits beyond those required in the jurisdictions in which we operate. Parental Leave is provided to both birthing and non-birthing parents.

Social Goal 4: Audit of Working Conditions

As part of our goal to submit an application for B Corp certification in 2023, we will undertake a full audit of working conditions for all employees. We will report the outcomes of this audit in our 2023 Annual ESG and Performance Report and incorporate any required changes into required policies or procedures.

Social Goal 5: Pledge 1% of Time

Starting in 2023, we will commit two paid volunteer days per year (1% of work time per year) that our employees can use during company-organized volunteer events, or with organizations they are passionate about. We will report data regarding the use of volunteer time in our 2023 Annual ESG & Performance Report.

Social Goal 6: Internship Policy & Feedback Mechanism

In 2023, we are launching an internship policy that will enable interns to provide anonymous feedback about their experience. We will report the results of this feedback in our 2023 Annual ESG & Performance Report.

Social Goal 7: Stakeholder Engagement Plan

In 2023, we will prepare a stakeholder engagement plan for Phase 2 of our business development plan, and we will report on our goals and progress in our 2023 Annual ESG & Performance Report.

Social Goal 8: Contractors & Suppliers

In 2023, we will implement a procurement policy that includes measures to screen the social and environmental sustainability of contractors and suppliers, as well as set out initial sustainable purchasing plans. We will report our performance and the performance of our contractors and suppliers against this policy in our 2023 Annual ESG & Performance Report.

Governance

Strong, transparent governance structures are the foundation on which a sustainable and ethical company is built. The transparent reporting of governance structures and performance is an integral part of our ESG reporting, and our commitment to transparent reporting to our stakeholders.

In 2023, we will strive to achieve best practices in all areas of governance, allowing us ultimately to submit an application for independent certification as B Corporation.

Board of Directors

The highest level of oversight at Impossible Metals is the Board of Directors (BOD). Profiles of our Board members are publicly available on our website. The BOD meets guarterly and consists of 7 individuals, including 2 independent members¹ and 5 owners/executive members. The current board consists of two women and 5 men.

Quarterly meetings include review of financial information, as well as our performance against technical and ESG objectives, strategy, risk and financial reporting. Additionally, our performance against our policies and procedures is reviewed in detail as part of the annual policy review.

In 2022, we set environmental and social targets as identified in preceding sections, and performance against these targets was reported to the Board in December 2022. This process identified several actions outstanding, in order to achieve the rigorous level of governance we aim for. These actions are reflected in our governance goals for 2023 outlined further below.

We report our performance against our ongoing environmental and social targets to our Board of Directors annually each December, and will provide updated reporting on our performance in relation to governance metrics in our 2023 Annual Performance and ESG Report.

Ethics and Transparency Ethics

Directors, employees and contractors of Impossible Metals are expected to conduct themselves to the highest ethical standards, and with integrity, professionalism and honesty at all times. We have the following Policies in place to set the standards for ethical conduct at Impossible Metals:

- Complaints & Disputes Policy describes steps Impossible Metals takes to ensure the actions and behavior of employees, contractors and directors is at all times of the highest ethical standard
- Ethical Conduct Policy describes the steps Impossible Metals takes to ensure the actions and behavior of employees, contractors and directors is at all times of the highest ethical standard
- Human Rights Policy describes our commitment to ensuring its operations and supply chains comply with the United Nations Guiding Principles on Business and Human Rights
- <u>Whistleblower Protection Policy</u> describes how Impossible Metals protects persons who identify and call out misconduct or harm

Transparency

As per our Transparency & Knowledge Sharing Policy, Impossible Metals is committed to transparently sharing knowledge and data for the purposes of:

- Increasing the understanding of the environmental values of the ocean;
- Continuously improving technical engineering and organizational practices to ensure the ongoing sustainable use of ocean resources;
- Being held accountable for our performance; and
- Development of capacity in the communities and nations in which we operate.

Table 11 outlines our approach to transparency and knowledge sharing, and notes how we have acted on this approach in the last year.

1 An independent Board Member is defined as someone who is: not an employee of the company, not a material investor (i.e. owns less than 5% or represents an investor who owns less than 5%), and not a spouse or immediate family member of a material owner.

Table 11:

Impossible Metals performance against our stated transparency and knowledge sharing approach.

Approach	Actions in 2022
All environmental reports, including baseline environmental study reports, modeling reports and operational environmental monitoring reports will be made publicly available on our website.	No reports of this nature were commissioned or developed in 2022.
We will collaborate with respected institutions and scientists, and encourage independent publishing amongst the scientific community.	To our knowledge there have been no independent studies published using data obtained from Impossible Metals. One independent article published in 2022 (Weaver et. al. 2022) refers to Impossible Metals and the development of selective harvesting technology.
We will share the processes of collaboration we use to ensure that scientific studies inform our project design, operations and monitoring.	No work on these types of reports was carried out in 2022.
We will use independent peer reviewers to review scientific reports and operational environmental data, and we will publish these peer review findings on our website.	There were no scientific reports or operational environmenta data in 2022.
Where appropriate external standards can be applied to our project (such as the Standards of the Initiative for Responsible Mining Assurance) we will apply those standards, undertake external auditing of our performance against those standards, and publish these audit reports on our website.	We began the process of auditing ourselves for B Corp certification.
We will report our environmental, social and governance performance to the highest level of transparency, and in collaboration with our stakeholders, to ensure that our reporting data is aligned with the expectations, interests and priorities of our stakeholders.	This Annual ESG & Performance Report document contains the public reporting of our environmental, social, and governance performance.



Internal Policies

In 2022, Impossible Metals had the following policies in place, which are publicly available on our website:

- Climate Policy
- Community Policy
- Complaints and Disputes Policy
- Ethical Conduct Policy
- Human Rights Policy
- Risk Management Policy

All policies were reviewed by the Chief Sustainability Officer in Q4 of 2022, and our performance against these policies was presented during the Q4 Board of Directors Meeting in December 2022.

In 2023, we will add and implement additional policy and procedure elements by creating new policies or amending existing policies to cover the following issues:

- Ethical Marketing
- Financial Controls
- Emergency Response
- Hiring and Promotions
- Wellness

Additionally, in 2023 we will update our policies as required to achieve our goal of submitting an application for BCorp certification. All new policies and policy updates are reviewed by the Board of Directors prior to finalization, and our policies are available on our website.

- Sustainability Policy Transparency & Knowledge Sharing Policy Whistleblower Protection Policy Workplace Health & Safety Policy • Privacy Statement

- Internships
- Procurement
- Stakeholder Engagement

Risk Management

We implement risk management according to our <u>Risk Policy</u> and our Risk Management Procedure. We assess risk on the basis of likelihood and consequence, and document these risks for internal review and board oversight.

At present, we have no extreme or catastrophic risks relating to environment, social, health and safety, or governance risks. However, Impossible Metals acknowledges:

- Assessment of our risks will change as conceptual strategies move into prefeasibility and feasibility development stages. We will continue to assess, manage and report on our environmental, social and governance risks, as we move through these developmental stages.
- A full risk register will be completed for all operations in 2023, reflecting our current project stages for both bioextraction and selective harvesting.

Governance Goals

The goals listed below are a summary of those described in the Governance section above.

Governance Goal 1: Submit B Corp Certification Application

In 2023, we will submit our application to become a Certified B Corporation. To achieve this, we will be working toward putting best practices in place across our business, including environmental, social, and governance policies, procedures, and metrics.

Governance Goal 2: Policies & Procedures

Add and implement new policies and procedures to enhance our governance structure, as described in the Policies and Procedures section above.

Governance Goal 3: Risk Register

A full risk register will be completed for all operations in 2023, reflecting our current project stages for both bioextraction and selective harvesting.



APPENDIX A Internal Impossible Metals Annual ESG & Performance Report Requirements Checklist

Technical and Strategic Performance

Requirement	Reference
Summary of the progress towards technical and strategic milestones.	page 14-17
Summary of the progress of engineering design and construction in accordance with the Environmental Basis of Design, including summary of the aspects of engineering developed to specifically meet environmental or social targets, including those related to end-of-life product/component reclamation.	page 14-17
Summary of our performance in relation to our public benefit statement – "to deliver responsibly mined and processed battery metals to the market in a manner which promotes sustainability, transparency, and accountability and to render a public benefit by acceleration of the world's transition to sustainable energy to mitigate the climate crisis".	Technical progress pages 14-17 This report is prepared to promote transparency and accountability for our sustainability performance.

Environmental Performance

Requirement	Reference
Energy use and efficiency measures implemented, including performance against stated targets.	page 20
Water use and efficiency measures implemented, including performance against stated targets.	page 20-21
Information regarding emissions from our facilities (if any), including performance against stated targets.	page 20
Waste minimization and recycling measures, including performance against stated targets.	page 22
Summary of the measures in place (or planned) for our facilities to meet the requirements of accredited green building programs.	page 26
Summary of Board oversight of environmental performance against stated targets.	page 46
Summary of the most significant environmental risks, and management strategies currently in place to manage those risks.	page 50
Summary of environmental incidents and/or complaints, and measure taken to both address those complaints and any underlying causes.	page 26

Social Performance

Requirement

Summary of the most significant social and community risks, and manage those risks.

Summary of independent contractor and supplier practices, includ supply chain and contractor parties, with performance against stat targets.

Summary of stakeholder engagement undertaken in accordance w measures taken to address stakeholder concerns.

Summary of Board oversight of social performance against stated

Summary of social incidents and/or complaints, and measure take underlying causes.

Summary of demographics of employees and contractors, includin gender and cultural diversity, and pay equality.

Summary of internal and (where relevant) external auditing of labor to relevant best practice guidelines and the legislative framework

Summary of employee satisfaction surveys, including reporting of against targets in relation to employee satisfaction.

Summary of in-kind or financial contributions to social, environment including disclosure of organizations and/or institutions supported

Governance

Requirement

Governance structures, including the report of the Board of Direct

Summary of bonuses and incentives paid to employees, including used to measure performance.

Composition and representation of the Board of Directors.

List of Impossible Metals policies and confirmation of annual review

Summary of governance risks, and management strategies curren

Statement of the independent auditor in relation to company finan

	Reference
management strategies currently in place to	page 50
ling the extent of auditing and oversight of ted governance, social and environmental	page 43
with the Stakeholder Engagement Plan, and	page 39-40
targets.	page 46
n to both address those complaints and any	page 43
ng performance against targets in relation to	page 29-30
or conditions and employee benefits according (s) in which we operate.	page 33, Appendix C
any trends, attrition rates and performance	page 32-33
ntal and corporate citizenship programs, I.	page 34-37

	Reference
tors.	page 46
Leadership Team members, and the metrics	- company is not yet publicly traded
	page 46
ew process for all policies.	page 49
ntly in place to manage those risks.	page 50
ncials, endorsed by the Board of Directors.	- company is not yet publicly traded

APPENDIX B Impossible Metals Contributions to UN Sustainable Development Goals

All Impossible Metals proposed contributions to SDG goals on our website.



<u>SDG 5</u> - Achieve Gender Equality And Empower **All Women And Girls**

Proposed Contributions	2022 Performance	Planned Actions
Provide equal opportunities to all genders in regard to hiring, promotion, compensation, schedules, job assignments, discipline, training, working conditions, and all other aspects of employment.	Ethical Conduct Policy describes commitments.	Interim (2023) and start of production (~2026) goals regarding gender diversity. Data will be reported annually.
Clearly communicate expectations for the ethical conduct of our employees, including zero tolerance for gender or other types of discrimination, harassment, or bullying.	Ethical Conduct Policy describes expectations and commitments.	Continue enforcement of the ethical conduct policy and review the policy annually and after a related issue if it should arise.
Provide paid parental leave for both birthing and non-birthing parents that meets or exceeds the requirements of the local jurisdiction.	No parental leave was taken in 2022. Commitment to implement a Parental Leave Policy in 2023.	2023 implementation of a Parental Leave Policy that, at minimum, meets jurisdictional requirements, with an aim to implement best B Labs best practices where feasible.
Measure and report on company diversity (including gender) for employees, management, and board of directors annually, including goal setting and progres reporting.	Company diversity, as well as interim and longer-term goals are reported in the Social section of this Annual ESG & Performance s Report.	Continue to report on our company diversity, goals, and actions taken to achieve goals.
Work with our host nations to support the development and/or strengthening of gende equality policy and legislation, and the actions that support those policies in the communities where we work.	At present, our teams are located in cities and towns in the United States and Canada, where gender equality legislation is in place.	We anticipate broadening our geographic footprint in 2023, and therefore our 2023 Annual ESG & Performance Report will include a more detailed set of commitments. As we move into broader community settings, we will work with government and community partners to contribute both financially and in-kind to meaningful, effective projects that align with the needs of the community and the relevant government framework.



SDG 6 - Clean Water And Sanitation

Proposed Contributions 2022 Performance Access to safe drinking water: At present, our teams are located in cities and towns in • Ensure access at all times for our workforce to safely the United States and Canada, managed drinking water and sanitation

• Contribute to government and community programs in the communities in which we operate

processing as well as processing of seabed minerals.

Reduce stress on water resources by bringing to market a mineral processing methodology that does not use freshwater, and therefore does not compete with, or place pressure on, freshwater resources. This would be a considerable innovation and step forward for the mining industry as a whole, particularly (See section Technical & if it were able to be deployed for terrestrial mineral

7 AFFORDABLE AND CLEAN ENERGY ک

SDG 7 - Affordable and Clean Energy

Proposed Contributions	2022 Performance	Planned Actions
 Work with our host countries to ensure any energy generation and use by Impossible Metals: Complies with their targets Contributes to the development of renewable energy infrastructure and services in the host country Does not impact negatively on the host country's targets and pathway for achieving carbon neutrality Energy generation and use by Impossible Metals meets the energy efficiency targets of the host country, or in the absence of targets, the guidance provided by the World Bank 	Committed to a baseline carbon footprint in 2023.	 Baseline scope 1 and 2 carbon footprint for new Collingwood facility (targeted occupancy February 2023). Results will be reported in the 2023 Annual ESG & Performance Report. Baseline scope 1 and 2 carbon footprint for bioextraction pilot plant (targeted for 2024). Results will be reported in the Annual ESG & Performance Report. Following delivery of baseline carbon data, development of transition plan to achieve net- zero Scope 1 and 2 emissions by 2030.
Power our bioextration plant(s) by renewable energy, which we will develop in the context of our host country's national plans for renewable energy and pathway for achieving carbon neutrality.		Given our bioextraction technology is still in the proof of concept stage, we anticipate reporting the formulation of these metrics and strategies as part of our 2023 Annual Plan.

where government-provided infrastructure is already achieving this goal.

Planned Actions

As we move into broader community settings, we will work with government and community partners to contribute both financially and in-kind to meaningful, effective projects that align with the needs of the community and the relevant government framework.

We anticipate broadening our geographic footprint in 2023, and therefore our 2023 Annual Report will include a more detailed set of commitments, including measurable objectives, to achieving this goal.

Reporting on our progress in developing new mineral processing technology (bioextraction) in this Annual ESG & Performance Report. Strategic Performance).

Continue to invest in and report on our progress in developing this significantly more sustainable mineral processing technology.



<u>SDG 9</u> - Innovation, Industry and Infrastructure

Proposed Contributions	2022 Performance	Planned Actions
Work with our host countries to ensure any infrastructure developed by Impossible Metals (such as port and energy generation infrastructure) is developed in consultation with host nations, and to the highest quality of innovation, sustainability, and climate resilience. Further, any infrastructure developed by Impossible Metals in collaboration with host nations and other partners will be developed in accordance with the National Plan(s) of those host countries, with the objective of contributing to economic development, human well-being, equality and sustainable development, both during and following closure of any projects we are involved in.	No infrastructure development in 2022.	Meet our proposed contribution commitment when applicable during our business development.
Apply innovations to the critical metals industry that deliver ground-breaking progress towards sustainable industrialization, making significant contributions to the industrialization of our host nations, particularly any developing nations or small island states with whom we collaborate. We will prioritize the implementation of the technology enabling sustainable industrialization in developing and small island states, in alignment with the National Plans of those nations, and in close collaboration with the host nation governments.	Reporting on our progress in developing new deep sea mining (<u>robotics</u>) and mineral processing technology (<u>bioextraction</u>) in this Annual ESG & Performance Report. (See section Technical & Strategic Performance).	Continue to invest in and report on our progress in developing this significantly more sustainable mineral processing technology, as well as how we are prioritizing sustainable technology development and implementation in consultation with host nations.
Transparently share any scientific advancements in relation to sustainable development and sustainable industrialization, including the support of, and collaboration with, host nation educational and research institutions.	Engagement with scientists is described in this report, and documentation can be found on our <u>Scientific Engagement webpage</u> .	We will continue to share scientific engagement and any advances transparently, as well as encourage independent publishing.



<u>SDG 13</u> - Climate Action

Proposed Contributions	2022 Performance	Planned Actions
Measure and report our GHG emissions annually.	Committed to a baseline carbon footprint in 2023.	Baseline scope 1 and 2 carbon footprint for new Collingwood facility (targeted occupancy February 2023). Results will be reported in the 2023 Annual ESG & Performance Report.
Implement a pathway to net-zero by the commencement of production, including the setting and reporting of interim targets to measure our progress		Baseline scope 1 and 2 carbon footprint for bioextraction pilot plant (targeted for 2024). Results will be reported in the Annual ESG & Performance Report.
		Following delivery of baseline carbon data, development of transition plan to achieve net- zero by commencement of full scale technology production (est. 2026).
Improve education and awareness-raising by transparently publishing our scientific data, encouraging independent publishing by scientists who work together, and, as we expand into other communities, working with educational institutions to further the scientific knowledge of the seabed environment.	Engagement with scientists is described in this report, and documentation can be found on our <u>Scientific Engagement</u> webpage.	We will continue to share scientific engagement and any advances transparently, as well as encourage independent publishing.
Work with our host nations to develop and implement climate-change related infrastructure, including (where relevant) renewable energy infrastructure and climate resilient port infrastructure.	-	Meet our proposed contribution commitment when applicable during our business development.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

<u>SDG 12</u> - Responsible Consumption & Production

Proposed Contributions	2022 Performance	Planned Actions
Develop robotics technology to sustainably collect mineral resources from the deep sea floor.	Reporting on our progress in developing new deep sea mining (robotics) and mineral processing technology (bioextration) in this Annual ESG & Performance Report. (See section Technical & Strategic Performance).	In 2023 we are aiming to deliver prototype or "proof of concept" outcomes for both our robotics and bioextraction technology. We consider the commercialization of this technology to be our goal in contributing to
Develop bio-extraction technology to extract metal resources from ore, avoiding the use of harsh chemicals like arsenic, delivering improved energy efficiency, and reducing waste generation.		& Performance Report. (See section Technical & Strategic Performance).





SDG 14 - Life Below Water

Proposed Contributions	2022 Performance	Planned Actions	
We are working to develop selective harvesting technology that minimizes impacts to the seafloor ecosystem in a way that is measurable and observable. We will communicate our performance in respect to this objective transparently to all stakeholders.	Reporting on our progress in developing new deep sea mining (<u>robotics</u>) technology in this Annual ESG & Performance Report. (See section Technical & Strategic Performance).	Continue to invest in the development of selective harvesting and transparently report our performance.	
Work with our suppliers to develop technologies that are based on closed loop supply chains and recyclable materials, to reduce the volume of waste to landfill.	Committed to implementation of Procurement Policy in 2023.	In 2023 we will implement a Procurement Policy that includes measures to screen the social and environmental sustainability of contractors and suppliers, as well as set out initial sustainable purchasing plans. We will report our performance and the performance of our contractors and suppliers against this policy in our 2023 report.	
Work to implement technology that does not require the use of large volumes of hydrocarbons in the subsea environment, to minimize the risk of spills to the marine environment.	Robotics technology developed in 2022 utilizes batteries rather than hydrocarbon fuels.	Water protection will continue to be an environmental criterion for technology development.	
Monitor and report our waste management strategies, and waste volumes, both in our on-shore and off-shore operations, and will ensure all off-shore operations comply with the International Convention on the Prevention of Pollution from Ships (MARPOL).	Committed to baseline waste audit in 2023.	In 2023 we will complete a baseline waste audit of all operations and waste minimization will continue to be an environmental criterion for technology development.	
Comply with all domestic and international laws, including the provisions of the United Nations Convention on the Law of the Sea (UNCLOS) at all times, and will transparently report any incidents or breaches of any relevant domestic or international legislation, including the outcome of any investigations.	Impossible Metals complied with all relevant legislation in 2022.	We will continue to comply with all relevant legislation, implement policies and procedures as applicable to assist in compliance, and report any incidents.	
Work with our host countries to ensure any infrastructure developed by Impossible Metals (such as port, mineral processing and energy generation infrastructure) is designed to minimize or eliminate waste production and the potential for offsite impacts, spills and pollution.	Not relevant to 2022 operations (no significant infrastructure development).	Meet our proposed contribution commitment when applicable during our business development.	
Develop our bioextraction technology, which we believe will minimize or eliminate the generation of waste from mineral processing. In an industry where this waste has historically been disposed of in ocean environments, we aim to deliver mineral processing technology that can not only prevent pollution from our operations, but can be applied to existing terrestrial mining operations to further reduce impacts of pollution to the ocean from the minerals industry.	Reporting on our progress in developing new deep sea mining (robotics) and mineral processing technology (bioextraction) in this Annual ESG & Performance Report. (See section Technical & Strategic Performance).	Continue to invest in and report on our progress in developing this significantly more sustainable mineral processing technology, as well as how we are prioritizing sustainable technology development and implementation in consultation with host nations.	
Transparently share any scientific advancements in relation to marine science, ocean health and the ecosystems in which the seabed minerals are located, including the support of, and collaboration with, host nation educational and research institutions.	Engagement with scientists is described in this report, and documentation can be found on our <u>Scientific Engagement</u> webpage.	We will continue to share scientific engagement and any advances transparently, as well as encourage independent publishing.	



<u>SDG 15</u> - Life on Land

Proposed Contributions

We believe the responsible development of seafloor minerals can, and will, replace proposed terrestrial mines in fragile ecosystems in mountain, forest and alpine regions. While it is critical that seafloor mines are developed in a manner that also protects biodiversity and natural habitats, we believe that selective harvesting will make this possible, and will have the added benefit of displacing lower grade, higher risk mines in fragile terrestrial ecosystems.

Work to develop bioextraction technology for both seabed mining and terrestrial mining to minimize or eliminate the generation of tailings (waste liquid and crushed ore) that results from traditional mineral processing. This would significantly reduce the impact, and future risk of impact, to terrestrial and freshwater ecosystems which is currently occurring as a result of long term terrestrial tailings liabilities.

2022 Performance

Reporting on our progress in developing new deep sea mining (robotics) and mineral processing technology (bioextration) in this Annual ESG & Performance Report. processing technology, (See section Technical & Strategic Performance).

Planned Actions

Continue to invest in and report on our progress in developing this significantly more sustainable mineral as well as how we are prioritizing sustainable technology development and implementation in consultation with host nations.



APPENDIX C Impossible Metals Compliance with Workers Rights

Worker Rights	Ontario Requirements	California Requirements	Impos
Hours of Work Links: • <u>Ontario</u> • <u>California</u>	 Unless there is written agreement, Employers can require employees to work a maximum of: Daily: 8 hours Weekly: 48 hours Written agreement does not absolve employer of <u>overtime pay requirements</u> 	With some exceptions, there is a maximum of 40 hours per week that employees can be required to work. This can be 8 hours over 5 days, 10 hours over 4 days, or 12 hours over 3 days. Overtime is paid for any hours over this number.	Complia Full-time e hours) with be taken. employee
Rest Periods Links: • <u>Ontario</u> • <u>California</u>	 Relevant requirements: 30 minute eating period for 5+ hour work periods 11 consecutive hours off each 24 hour period 24 hours off each week or 48 every 2 weeks 8 hours off between shifts 	 An uninterrupted 30-minute unpaid meal break when working more than five hours in a day. An additional 30-minute unpaid meal break when working more than 12 hours in a day. A paid 10-minute rest period for every four hours worked. 	Complia All employ employees regarding
Minimum Wage Links: • <u>Ontario</u> • <u>California</u>	 Employers must pay at least the minimum hourly wage. Jan - Sep 2022: \$15.00/hour Sep - Dec 2022: \$15.50/hour 	Employers must pay at least the minimum hourly wage. Jan - Dec 2022: • \$14.00/hour for 25 employees or less • \$15.00/hour for 26 or more employees	Complia All employ Wage sect
Public Holidays Links: • <u>Ontario</u> • <u>California</u>	Employees are entitled to take public holidays off work and be paid public holiday pay (with some alternatives and exceptions). There are 9 public holidays observed in Ontario each year.	No requirement to provide employees with paid holidays, that it close its business on any holiday, or that employees be given the day off for any particular holiday. Additionally, there is nothing in the law that mandates an employer pay an employee a special premium for work performed on a holiday, Saturday, or Sunday. There are 11 public holidays observed in California each year.	Complia All employ decide wit which is ag
Vacation Time Links: • <u>Ontario</u> • <u>California</u>	 <5 years of work at the organization: 2 weeks (business days) 5+ years of work at the organization: 3 weeks (business days) 	There is no legal requirement in California that an employer provide its employees with either paid or unpaid vacation time. However, if an employer does have an established policy, practice, or agreement to provide paid vacation, then <u>certain</u> restrictions are placed on the employer as to how it fulfills its obligation to provide vacation pay.	Complia Full-time e increasing
Pregnancy & Parental Leave Links: • <u>Ontario</u> • <u>California</u>	 Up to 18 months of maternity/parental leave Continue company-provided medical benefits for for employees during parental leave Count parental leave into employee's length of service at the organization Upon return from parental leave, provide the same job or a comparable job if the employee's previous role no longer exists (including equal or higher salary and benefits) 	 Up to 12 weeks of bonding time with new child Continue company-provided medical benefits for for employees during parental leave Upon return from parental leave, provide the same job or a comparable job if the employee's previous role no longer exists (including equal or higher salary and benefits) 	Complia Impossible in the juris expanded
Paid Sick Days Links: • <u>Ontario</u> • <u>California</u>	Employees are entitled to 10 days of personal emergency leave per year with pay (with some alternatives and exceptions).	Employees are entitled to 24 hours (3 days) of Paid Sick Leave (PSL) per year with pay (with some alternatives and exceptions).	Complic All full-time employee member o
Health and safety Links: • <u>Ontario</u> • <u>California</u>	 Employees have the right to: Know about dangerous materials or equipment used in your work. Your employer has to give you this information. Say no to work that is not safe. They do not have to do that work until it is safe. You must tell your boss right away. They cannot be suspended, fired, or not get paid for saying no to work that is not safe. 	 Employees have the right to: Be brained in the company's injury and illness prevention program (IIPP) that includes instruction on safe work practices and the system for effective communication about health & safety with co-workers and the employer. Right to refuse hazardous work without retaliation from the employer in any form. 	Complia Employees equipment Employees Impossible & safety pr
Anti-discrimination Links: • <u>Ontario</u> • <u>California</u>	Employers cannot treat you unfairly or discriminate against you because of your race, ancestry, place of origin, ethnic origin, citizenship, religion, sex, sexual orientation, gender expression, gender identity, ag, family status or marital status, disability	It is illegal for employers of 5 or more employees to discriminate against job applicants and employees because of a <u>protected category</u> , or retaliate against them because they have asserted their rights under the law.	Complia Impossible commitme

ssible Metals Implementation

ant:

employees are expected to work 8 hours per day, 5 days per week (40 ch some flexibility as needed for additional hours, for which lieu time can Additionally, Impossible Metals uses <u>OfficeVibe</u> to monitor and measure engagement indicators, including work-life balance.

ant:

yees have rest periods meeting the minimum requirements. Typical full-time is have at least 16 hours off between each work day and have flexibility breaks and lunch periods.

ant:

yees make more than the minimum wage and the living wage (see Living tion of this report).

ant:

yees are able to take public holidays off with pay. In some cases, they may th their manager to take an alternative day off in lieu of the public holiday, greed to in advance.

ant:

employees receive 21 vacation days per year at the start of employment, g by 1 day per year to a maximum of 23 days per year.

ant:

e Metals complies with all requirements for pregnancy and parental leave sdictions where it operates. The Parental Leave Policy will be updated and I in 2023.

ant:

the employees receive 10 days of sick leave per year for days when the e cannot perform their duties due to their own sickness, or to care for a of their immediate family.

ant:

es receive training after employment regarding dangerous materials or it used in their work.

s may say no to unsafe work without repercussions.

e Metals has a <u>Workplace Health & Safety Policy</u> and will implement health procedures as needed during company growth/development.

ant:

e Metals has an <u>Ethical Conduct Policy</u> that includes equal opportunity ents.

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