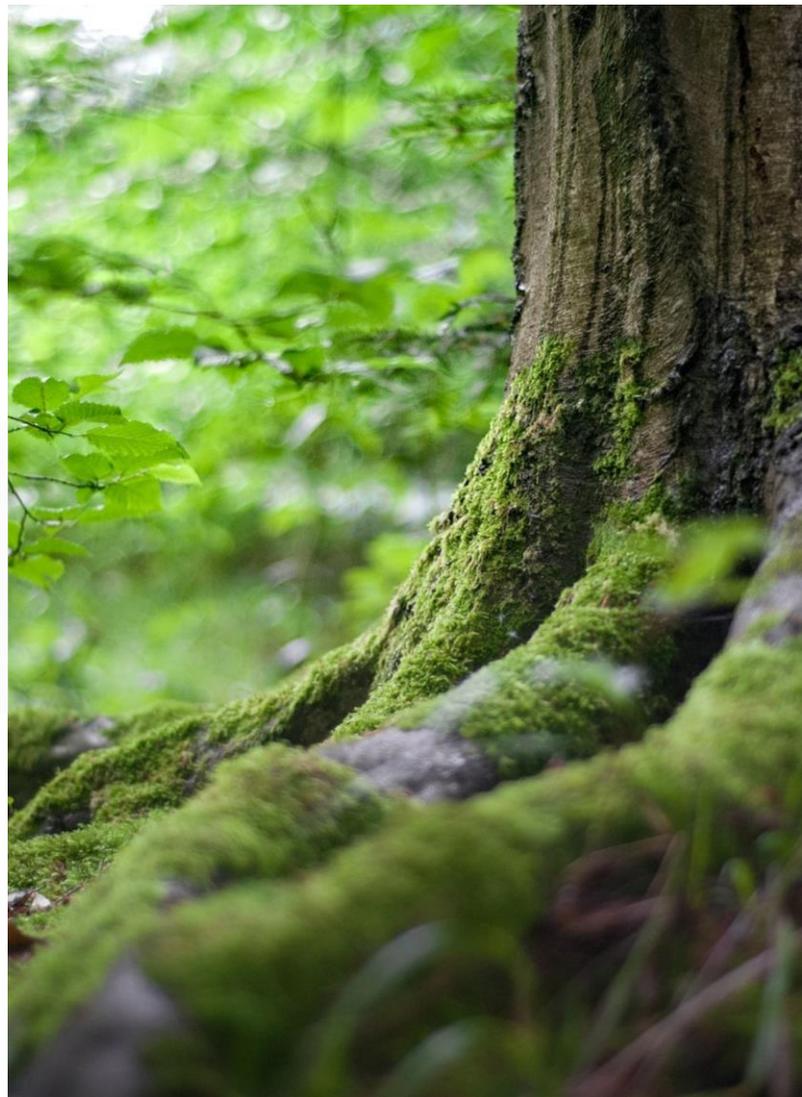




**Environmental, Social and  
Governance ("ESG")  
Report**

December 31, 2023





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## A Message from Our CEO

Our inaugural ESG report, published in November 2021, marked the beginning of a new trajectory for Itafos. Since then, the global landscape, our industry, and our daily lives have undergone significant changes from technological advancements, evolving environmental regulations, and a heightened focus on sustainability and ethical practices. Amid this, we remain committed to enhancing the well-being of our team members and the communities we serve.

We continuously look for ways to improve our operations and to bring long-term value to our stakeholders, all while upholding the highest standards of integrity. We strive to elevate safety, efficiency, and quality in every facet of our operations and business practices. Our core values drive our pursuit of excellence and we refuse to cut corners or compromise on safety, a fundamental priority within our business.

Our activities are anchored in integrity and applying an ethical and compliance-driven mindset. We recognize that our planet is our shared home, and we have a responsibility to minimize our environmental footprint. We understand the vital role the fertilizer industry plays in providing food security to the world's growing population. Consequently, we are dedicated to supporting the United Nations Sustainable Development Goals ("UN SDGs") and the idea that no one should be left behind.

As I shared in our inaugural ESG report, at the core of Itafos is our exceptionally talented and diverse team, individuals who instill a sense of pride within our organization, their own families and the communities we serve.

We are proud of our achievements over the last two years. A noteworthy milestone in 2023 was the successful culmination of a multi-year process where we worked collaboratively with federal and state agencies, as well as local stakeholders, to obtain approval of our Husky 1/North Dry Ridge ("H1/NDR") mine development project. This is one of the most significant events for Itafos in the last few years.

As you will see throughout this report, our focus on our ESG goals has produced tangible results. We highlight a number of the success stories made possible by our committed teams and the support and involvement of a variety of stakeholders. We remain excited about what lies ahead as we continue to strengthen our ESG strategy now and in the years ahead.

On behalf of our Board of Directors (the "Board"), the entire executive team, and all of our employees around the world, I am proud to present to you our 2023 ESG Report. I am confident that you will enjoy reading this report and I thank you for your interest in Itafos.



**David Delaney,**  
**Director and Chief Executive Officer**

# About This Report

## General Statement

The Itafos Inc. (“Itafos” or the “Company”) 2023 ESG report is designed to provide investors and other stakeholders with information about how the Company operates and performs within our ESG framework.

We actively collaborate with key stakeholders to gain insights into their concerns and incorporate feedback into our strategy and reporting. For instance, in 2022 and 2023, Itafos hosted or participated in several investor relations initiatives that included discussions about our ESG focus. We further conducted a survey to collect input from our employees about their perspective on our ESG disclosures and areas of focus. Based on the feedback collected, we redefined certain aspects of our ESG framework and realigned some topics contained in this report, as compared to our disclosures from 2021.

As a company with an international footprint, we proactively monitor and respond to ESG trends and developments across various markets. This is integral to our risk management and has played a significant role in shaping the content of this report.

Amounts with “\$” represent US dollars and “mm” indicates millions.

This report covers the activities of operations and projects under Company control. Unless stated, this report details the Company’s progress, activities, results and accomplishments from October 1, 2021, to December 31, 2023 (since our previous ESG report covered activities and results as of September 30, 2021).

Other publicly filed reports regarding the Company are available on our website at [www.itafos.com](http://www.itafos.com) and on our profile at [www.sedarplus.ca](http://www.sedarplus.ca). Our 2021 inaugural ESG Report is also available on our website.

## Reporting Standards and Frameworks

The Company is not required by law to publish an ESG report. We prepared this report because we seek to be transparent in our ESG efforts and recognize the importance of these disclosures to our stakeholders.

There are various ESG disclosure regimes emerging in many jurisdictions, globally. Consensus and consolidation of reporting standards remains an ongoing endeavor that we monitor closely. This report is not based on any specific framework or standard, although we intend to adapt our future reporting as disclosure standards evolve. Refer to the Disclaimer section of this report for additional information.

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# Company Background

## Our Business

Itafos is a pure-play phosphate and specialty fertilizer company with five assets located across three continents. The Company's businesses and projects are as follows:

- ✦ Conda – a vertically integrated phosphate fertilizer business located in Idaho, US;
- ✦ Arraias – a vertically integrated phosphate fertilizer business located in Tocantins, Brazil;
- ✦ Farim – a high-grade phosphate mine project located in Farim, Guinea-Bissau;
- ✦ Santana – a vertically integrated high-grade phosphate mine and fertilizer plant project located in Pará, Brazil; and
- ✦ Araxá – a vertically integrated rare earth elements and niobium mine and extraction plant project located in Minas Gerais, Brazil.



*Conda Plant  
Soda Springs, Idaho, USA*



*Arraias Plant  
Tocantins, Brazil*



*Farim Facility  
Farim, Guinea-Bissau*



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# Company Background

## Overview of Our Businesses and Projects

Key highlights of the Company's businesses and projects are as follows:

### Conda

*One of the few producing phosphate fertilizer producers in North America*

Location ..... Idaho, US  
 Ownership ..... 100%  
 Status ..... Operating  
 Products ..... MAP, MAP+, SPA, MGA, APP, HFSA  
 Annual production capacity ..... 550kt per year all except HFSA at 27kt

### Arraias

*Strategically located at the heart of Brazil's fastest growing agricultural market*

Location ..... Tocantins, Brazil  
 Ownership ..... 98.4%  
 Status ..... Sulfuric acid and mine operating, remainder idled  
 Products ..... SSP, SSP+, direct application phosphate rock ("DAPR"), excess sulfuric acid  
 Annual production capacity ..... 500kt per year all except excess sulfuric acid at 40kt (220kt gross sulfuric acid)

### Farim

*One of the highest grade known sedimentary phosphate greenfield projects*

Location ..... Farim, Guinea-Bissau  
 Ownership ..... 100%  
 Status ..... Construction ready  
 Products ..... Phosphate rock  
 Annual production capacity ..... 1.4Mt

### Araxá

*Rare earth elements and niobium mine rights in Brazil*

Location ..... Minas Gerais, Brazil  
 Ownership ..... 100%  
 Status ..... Maintaining option  
 Products ..... Rare earth oxides and niobium oxide  
 Annual production capacity ..... 8.7kt rare earth oxides and 0.7kt niobium oxide

### Santana

*One of the highest-grade undeveloped phosphate resources in Brazil*

Location ..... Pará, Brazil  
 Ownership ..... 100%  
 Status ..... Maintaining option  
 Products ..... SSP and excess sulfuric acid  
 Annual production capacity ..... 550kt SSP and 30kt excess sulfuric acid

Click [here](#) to see our glossary of product acronyms.



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## Business Highlights

The Company operates with a long-term vision in mind, and our performance and achievements over the last few years reflect this strategy. Below we highlight key initiatives and notable progress:

- ✓ We have realized a high level of safety by focusing on a behavior-based approach and applying industry best practices. In 2021, 2022 and 2023, we sustained a level of environmental and occupational safety excellence by completing 2021 and 2023 with no reportable releases and 2022 with one reportable environmental release. In 2021, we had three recordable incidents, and our consolidated Total Recordable Incident Frequency Rate (“TRIFR”)<sup>1</sup> was 0.41. In 2022, we had two recordable incidents and our TRIFR was 0.24, a record-setting year. We completed 2023 with five recordable incidents and a TRIFR of 0.57.
- ✓ In 2023, we obtained all approvals for the Notice to Proceed for the H1/NDR mine development project, which solidifies the potential for Conda’s long-lived operations with mineral resources to support a mine life through 2037.<sup>2</sup>
- ✓ During 2021 and 2022, we completed two refinancings which ultimately enhanced our financial flexibility, provided a non-dilutive source of capital and extended our debt maturity to 2025.
- ✓ In 2022, we reached revenues of \$593 mm, representing an increase of 44% from \$413 mm in 2021. In 2023, revenues were \$465.5 mm, down from 2022 primarily due to the spike in 2022 prices following the Russian invasion of Ukraine coupled with subsequent softer agriculture and phosphate fertilizer market supply and demand dynamics.
- ✓ In 2022, we resumed sulfuric acid production and sales at Arraias. We secured short-term sulfuric acid offtake agreements for our Arraias-based load capacity. In 2023, the mine was recommissioned, focusing on a lower production rate but at significant higher grade to produce DAPR. Arraias commenced sales of DAPR in the Brazilian market and the remainder of the infrastructure at Arraias, including its beneficiation, acidulation and granulation plants remained idled following best practices.
- ✓ In 2022, we began production and sales of hydrofluorosilicic acid (“HFSA”) at Conda. This is the realization of an organic growth opportunity. The development of the HFSA project allowed us to monetize a natural byproduct and we look forward to continuing to offer the product to the North American market.
- ✓ In 2022 and 2023, we revisited our governance practices. We updated the charters of our Board and its committees, as well as our Code of Conduct and Business Practices (“Code”). We also launched a refreshed internally-developed training course for our Code. The course is mandatory for all employees, officers and directors, and must be completed annually.
- ✓ In 2023, we completed and published the updated feasibility study for Farim. The study confirms that the Farim project has robust economics and the potential to be an important phosphate producing asset.
- ✓ In March 2023, we announced that the Company had commenced a process to explore and evaluate various strategic alternatives that may be available to Itafos in an effort to enhance shareholder value. The Board formed a committee of independent directors to oversee the process. As of December 2023, the committee continues to evaluate strategic alternatives.
- ✓ In September 2023, Conda entered into a new five-year MAP sales and a new ammonia supply contract with a term of two years. Both contracts, with separate parties, commence on January 1, 2024.

<sup>1</sup> TRIFR is a ratio measured on a 12-month rolling average calculated as number of recordable incidents x 200,000 hours divided by the total number of hours worked considering both employees and contractors.

<sup>2</sup> Timeline based on management estimates and subject to certain assumptions, including successful permitting and development activities. See additional information on Disclaimer section.



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# Our Approach to ESG

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Itafos' commitment to Environmental, Social, and Governance principles is ingrained in our corporate culture and business practices. We recognize that the landscape of ESG is constantly evolving, and we continually seek opportunities to improve our approach to ESG.

Certain key elements of our approach:

- We understand that our stakeholders play a significant role in shaping our ESG priorities. We engage in ongoing dialogue with investors, customers, employees, and other stakeholders to gather valuable feedback and insights into their ESG expectations. This feedback helps us refine our ESG goals and strategies to better meet the needs of our diverse stakeholder base.
- We continuously evaluate our strategies and track specific metrics to ensure they remain aligned with industry best practices and overall stakeholder feedback without compromising business integrity.
- At Itafos, we firmly believe that ESG excellence is not a destination but a journey. Our commitment to continuous improvement is embedded in our corporate culture. We encourage innovation and collaboration across all levels of the organization, empowering employees to contribute ideas and solutions that enhance our ESG practices.
- Our approach to ESG is underpinned by a strong emphasis on risk management. We recognize the ESG issues, if left unaddressed, can present meaningful risks to our business. Therefore, our ESG strategy is designed to identify, assess, and mitigate ESG-related risks that protect the long-term sustainability of our company and the interests of our stakeholders.
- We acknowledge the significance of staying informed about ESG best practices within our industry. We continually evaluate the relevance and applicability of various standards and frameworks; however, Itafos has not adopted or reported based on specific frameworks and standards.

The Itafos' Board, consisting primarily of independent directors, provides strategic oversight of our ESG program. The Board also works with management on key ESG focus areas, which includes environmental, health, safety and security ("EHS&S") programs and systems, enterprise-wide risk management ("EWRM") efforts, employee-related initiatives, and corporate governance matters.

We identified our reportable ESG topics through a combination of activities, including peer benchmarking, internal reviews and engagement with various external stakeholders. Examples of stakeholder engagement included:

- › Dialogue with local community leaders;
- › Meetings with current and potential investors and candid discussions with customers and suppliers;
- › Membership in industry groups and associations;
- › Active participation in industry-specific events, conferences, symposiums and seminars;
- › Transparent engagement with government officials; and
- › Employee surveys and questionnaires, periodic town hall meetings and other internal meetings.



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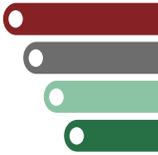
# Our Approach to ESG

## Refocus Our Key ESG Topics

Through our stakeholder engagement work, the Company refreshed and refined its ESG focus areas in 2023. Most significantly, this included the addition of biodiversity, an emerging topic for the fertilizer industry, as well as cybersecurity. The other ESG topics remain relatively consistent with our inaugural 2021 ESG report.

Environmental	Social	Governance
2021 Key ESG Topics		
<ol style="list-style-type: none"> <li>1. Environmental Compliance</li> <li>2. Pollution and Waste Management</li> <li>3. Environmental Protection</li> <li>4. Energy Efficiency</li> </ol>	<ol style="list-style-type: none"> <li>1. Workplace Safety</li> <li>2. Community Outreach</li> <li>3. Employee and Labor Relations</li> <li>4. Human Rights</li> <li>5. Product Safety</li> </ol>	<ol style="list-style-type: none"> <li>1. Corporate Governance</li> <li>2. Financial Transparency</li> <li>3. Ethics and Anti-Corruption</li> <li>4. Risk Management</li> <li>5. Compensation Practices</li> </ol>

2023 Key ESG Topics		
<ol style="list-style-type: none"> <li>1. Environmental Protection and Compliance</li> <li>2. Pollution and Waste Management</li> <li>3. Energy Efficiency</li> <li>4. Biodiversity</li> </ol>	<ol style="list-style-type: none"> <li>1. Workplace Safety</li> <li>2. Investment in Community</li> <li>3. Diversity, Equity and Inclusion</li> <li>4. Career Development</li> </ol>	<ol style="list-style-type: none"> <li>1. Corporate Governance</li> <li>2. Financial and Policy Transparency</li> <li>3. Ethics and Anti-Corruption</li> <li>4. Risk Management</li> <li>5. Compensation Practices</li> <li>6. Cybersecurity</li> </ol>



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# Our Approach to ESG

## Our Core Values

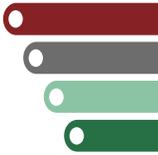
Our core values serve as the compass for our business practices, influencing our approach to ESG. In 2022, the Board and executive management embarked on a refresh of our core values. While the majority of our values and their definitions remained mostly unchanged, we made two primary updates. First, we rebranded our previous “Zero Harm” core value to “Sustainability” in order to use a more industry consistent term. Secondly, we integrated operational excellence into the definition of our “Ownership” core value. Below are the Company’s core values and their definitions:



## Supporting the UN SDGs

Itafos supports the UN SDGs. Given our industry, our efforts are primarily linked to addressing SDG 2: Zero Hunger, although many of our initiatives serve to advance other goals. Throughout this report, we map our activities and efforts to the corresponding SDG, as applicable.





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# Our Approach to ESG

## Our Goals

We are proud of the progress made against our 2021 ESG goals. We recognize this is an ongoing journey and continue to refine the measurement and monitoring of our ESG objectives. Below are Itafos' ESG goals. In the following tables, for each goal, we share our progress and highlights of our success, as well as next steps towards further improvement in the coming years.

### Environmental

- 1 **Climate**  
Reduce energy consumption and green house gas emissions through evaluation of various projects to improve energy efficiency.
- 2 **Water**  
Protect and preserve water in the areas we operate through evaluation of various projects and participation in support programs.
- 3 **Environmental**  
Sustain environmental excellence, including no reportable environmental releases.

### Social

- 1 **Diversity and Inclusion**  
Foster, cultivate and preserve a culture of diversity and inclusion.
- 2 **Health and Safety**  
Sustain health and safety excellence by reducing our incident rates under our "do it safely or not at all" approach.
- 3 **Community Involvement**  
Actively participate in the local communities where we operate through allocation of resources to support programs dedicated to improving our local communities.

### Governance

- 1 **Ethics**  
Conduct annual Code of Ethics and Anti-Corruption training for all directors, management and employees.
- 2 **Cybersecurity**  
Conduct annual Cybersecurity training for all directors, management and employees.
- 3 **ESG Reporting**  
Evaluate ESG disclosure standards and reporting framework(s).
- 4 **EWRM Program**  
Implement a formal enterprise-wide risk management program.



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# Our Approach to ESG

## Environmental

Directional Goal	Progress	Highlights*
<p><b>1 Climate</b></p> <p>Reduce energy consumption and greenhouse gas emissions through evaluation of various projects to improve energy efficiency.</p>	 <p><b>Ongoing</b></p>	<p>By using heat generated from our sulfuric acid plants, we reduce our energy demands. Consistent with our 2021 ESG report, the steam generated at Conda offsets our natural gas demand by 276,000 MMBtu. At Conda's production site, we also replaced inefficient lightings with high-efficiency LEDs. Arraias continues to maintain its annual plant-a-tree campaigns.</p> <p>Our teams remain focused on identifying more opportunities in energy efficiency by utilizing green sources to mitigate our emissions footprint. We consider this as an ongoing goal.</p>
<p><b>2 Water</b></p> <p>Protect and preserve water in the areas we operate through evaluation of various projects and participation in support programs.</p>	 <p><b>Ongoing</b></p>	<p>At Conda, water generated from our operations continues to be recycled into our production processes and is evaporated, reused, or incorporated into fertilizer products. At Arraias, approximately 70% of the water we consume is recovered from the tailings dam.</p> <p>We also maintain stringent stormwater controls and support river restoration efforts. In 2023, we completed a land reclamation process of over 65 acres of the Lanes Creek mine pit at Conda. The Lanes Creek reclamation project included the use of stormwater to provide suitable surface water and groundwater quality for downstream aquatic habitat. We consider this as an ongoing goal.</p>
<p><b>3 Environmental</b></p> <p>Sustain environmental excellence, including no reportable environmental releases.</p>	 <p><b>Achieved and ongoing</b></p>	<p>Environmental stewardship and compliance remains of utmost importance to Itafos. We completed 2021 and 2023 without a reportable release. We had a reportable environmental release in 2022.</p> <p>In April 2023, we also successfully completed the National Environmental Policy Act process for our H1/NDR mine development project.</p> <p>While we proudly achieved this goal for the reported period, we consider our commitment to environmental excellence an ongoing objective.</p>



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## Social

Directional Goal	Progress	Highlights*
<p><b>1 Diversity and Inclusion</b></p> <p>Foster, cultivate and preserve a culture of diversity and inclusion.</p>	<p><b>Ongoing</b></p>	<p>We believe our employees are the most valuable asset that we have, and we embrace the uniqueness of our teams. Our policy on employee diversity and inclusion is designed to foster a workplace environment that promotes fair treatment; considers unique circumstances; recognizes the importance of respecting all employees and ensuring they feel valued; and provides an equal opportunity for success. In 2023, we updated our diversity and inclusion policy to include an equity component.</p> <p>We continue to explore opportunities to improve recruitment and enhance training and development options for all our employees.</p>
<p><b>2 Health and Safety</b></p> <p>Sustain health and safety excellence by reducing our incident rates following our “do it safely or not at all” approach.</p>	<p><b>Achieved and ongoing</b></p>	<p>Every aspect of our operations is anchored in safety. We believe all incidents are avoidable and we remain committed to high standards of employee health and safety across our business. Each segment is required to meet or exceed all applicable EHS&amp;S rules, laws, and regulations; each segment is further required to establish an effective and sustainable EHS&amp;S management system to help identify and manage business risks and opportunities in this area.</p> <p>Over the last three years, we have maintained outstanding safety performance, outperforming industry peers. Despite having achieved our goal for the reported period, we consider this an ongoing objective.</p>
<p><b>3 Community Involvement</b></p> <p>Actively participate in the local communities where we operate through allocation of resources to support programs dedicated to improving our local communities.</p>	<p><b>Achieved and ongoing</b></p>	<p>Our Conda employees, in their capacity, serve as leaders and members of various public service organizations. They also play an important role in organizing and supporting various local events.</p> <p>We supported several community initiatives such as the renovation of a sports complex in Farim and promoted educational programs in our surrounding communities in Arraias. Despite having achieved our goal for the reported period, we consider this an ongoing commitment.</p>



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## Governance

Directional Goal	Progress	Highlights*
<p><b>1 Ethics</b></p> <p>Conduct annual Code of Ethics and Anti-Corruption training for all directors, management and employees.</p>	<p><b>Ongoing</b></p>	<p>As part of the onboarding process, new hires must complete our Code training. All directors, officers and employees are also required to complete this Code training on an annual basis.</p> <p>In 2023, we introduced and deployed a new Code course that includes anti-corruption as a key topic. Our regular ethics and integrity training and awareness programs remind all directors, officers and employees to conduct business in compliance with applicable rules, laws, and regulations.</p> <p>We are in the process of developing a stand-alone Anti-Corruption course.</p>
<p><b>2 Cybersecurity</b></p> <p>Conduct annual Cybersecurity training for all directors, management and employees.</p>	<p><b>Achieved</b></p>	<p>In the last two years, we have implemented a set of controls to enhance our ability to detect possible cybersecurity breaches.</p> <p>As part of the onboarding process, new hires must complete our Cybersecurity Awareness training. Directors, officers and employees are also required to complete this training annually.</p> <p>In addition, every year we conduct several cybersecurity awareness campaigns to ensure our teams remain vigilant to cybersecurity risk.</p>
<p><b>3 ESG Reporting</b></p> <p>Evaluate ESG disclosure standards and reporting framework(s).</p>	<p><b>Achieved</b></p>	<p>Given the fluidity in ESG standards and frameworks across jurisdictions, the Company has decided not to adopt a specific set of standards or reporting framework at this time. However, we continue to monitor key ESG and regulatory trends. Management reports to the Board at least quarterly on these matters.</p>
<p><b>4 EWRM Program</b></p> <p>Implement a formal enterprise-wide risk management program.</p>	<p><b>Achieved and ongoing</b></p>	<p>In 2022, with oversight from the Board, the Company initiated the development of an EWRM framework. A key executive sponsor was designated to oversee our EWRM efforts and senior management reports progress to the Board on a quarterly basis.</p> <p>We have established guidelines and definitions for risk concepts and developed consequence risk matrices to monitor unwanted events and control procedures and incident response processes are in place should such an event occur.</p>



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# Environmental

## What does “Environmental” mean to Itafos as a pillar of our ESG program?

To Itafos, the “Environmental” pillar represents the broad responsibility we all have for environmental stewardship of the planet.

We seek and analyze improvement opportunities in areas such as resource conservation and energy efficiency. We are always exploring and implementing new pollution reduction and waste management initiatives in our operations, such as finding ways to use or recycle waste streams and byproducts.

Our environmental efforts also include initiatives to promote habitat preservation and minimize disturbances to flora and fauna in the areas in which we operate. We work diligently on land reclamation projects at our sites.

Additionally, the “Environmental” pillar also includes improving, as needed, our rigorous systems and processes to ensure compliance with all applicable environmental rules, laws, and regulations, as well as other internal requirements and practices related to our environmental management strategy.

Our efforts have not gone unnoticed. In 2022, Conda received the Environmental Excellence Award from the Idaho Association of Commerce and Industry. This honor was in recognition of our deep commitment to environmental stewardship in the communities in which we work, live, and play.

### Philosophy

To reduce the environmental impacts of our operations, products and innovative solutions; to be environmental stewards, including restoring the environment we operate; and to follow our belief that all incidents are preventable.

“

*We are continually assessing our environmental management systems and implementing enhancements where needed. We also remain committed to minimizing our environmental footprint and are continuously evaluating opportunities that can yield positive results in energy efficiency, pollution control, and water management.*

”

*Brandon Green,  
Conda Environmental, Health, and Safety Manager*

Background picture: Campos Belos, Brazil



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# Environmental

## 1) Environmental Protection and Compliance

To support environmental protection efforts, Itafos' policies, processes and procedures must meet or exceed all relevant environmental laws, rules, and regulations. This is a foundational requirement for our business, not a goal. Our EHS&S policy underscores the importance of protecting the environment and caring for each other's health, safety, and security.

We track our incidents, reportable events and citations as well as take any actions necessary to address root causes and prevent future occurrence. This may include implementing new controls or resolving matters with the appropriate governmental agencies.

Our environmental release history is a record we are very proud to have achieved. We completed 2021 and 2023 with no reportable environmental releases and we had one reportable release in 2022.

Our Conda site has implemented over 20 environmental programs in order to meet requirements of the Clean Air Act, Clean Water Act, National Environmental Policy Act, the U.S. Environmental Protection Agency, and the Idaho Department of Environmental Quality. At Arraias, we have 23 programs in place to comply with applicable national, state, and local regulations, including those from the Brazilian National Water Agency and the National Mining Agency. Additionally, all of our sites and operations maintain compliance with all applicable regulatory permits and licenses.



*Before and after pictures showing the pristine results of the reclamation project at Conda's Lanes Creek mine.*



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# Environmental

## 2) Pollution and Waste Management

The Company takes a proactive approach when it comes to pollution and waste management practices. Annually, Conda utilizes 918,000 gallons of water, which is recycled back into our manufacturing processes and is either evaporated, reused or incorporated into fertilizer products.

Industrial waste volumes are largely driven by maintenance and turnaround activities. In our operations, we secure licensed companies to properly treat and handle our industrial waste.

Our fertilizer production activities generates tailings and phosphogypsum (“gypsum”). At Conda, we safely store gypsum in stockpiles which are subject to remediation and reclamation requirements. At Arraias, our tailing dams are duly registered and licensed by the corresponding inspection and control agencies. We perform weekly and quarterly water collections at over 23 sampling points to monitor water quality at the dams and report to the relevant authorities as required.

At Conda, our manufacturing process utilizes a large amount of waste streams and byproducts (e.g., sulfuric acid, sulfur) from other industrial sectors to the benefit of the agricultural value chain. Without domestic phosphoric acid production this waste would need to be managed in other ways.

In June 2022, Conda completed a large project with positive environmental impacts. We placed in service the new HFSA plant. The successful completion of this project opened up the opportunity to produce a new saleable product from a historic waste stream. Approximately 3,900 tons per year of fluoride emissions are now captured in the product and shipped offsite for use in water treatment systems.

### Success Story – Arraias waste management

In 2022, Arraias launched the “From Garbage to Luxury” campaign to eliminate the use of single-use plastic. As part of this initiative, we provided every employee and on-site contractor a kit containing a reusable metal coffee mug, water bottle, and cup. We emphasized everyone’s responsibility to eliminate single-use plastic in the workplace. Since the campaign launched, we have prevented more than 8,000 disposable cups and bottles.

Additionally, we have implemented local waste management efforts and awareness campaigns to ensure that the waste generated at the Arraias plant has the appropriate destination. For example, 100% of the organic waste generated from food consumed on the premises is composted and eventually becomes fertilizer for our seedling nursery.



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## 3) Energy Efficiency

Electricity to power our equipment and manufacturing is one of our most significant sources of energy consumption. Where possible, we look for opportunities to procure renewable energy.

Itafos continues to save energy by using heat generated from our sulfuric acid plants. The steam generated at Conda offsets our natural gas demand by 276,000 MMBtu per year, and in Brazil, our Arraias turbogenerator produces up to 60% of the energy consumed by the site when running at full capacity.

We have also implemented variable-frequency drives in our Conda manufacturing site, which support our energy and cost-saving initiatives.

In August 2023, we completed the relocation of our Houston corporate offices to a LEED Gold Certified building. In addition to being an energy-efficient building, it offers healthier spaces with cleaner air and more exposure to sunlight. The new location is surrounded by walkable dining and shopping options, which reduces the need for our corporate employees to drive.

## 4) Biodiversity

Biodiversity is an increasingly important topic for the fertilizer industry. We support industry advocacy for the proper application of fertilizers, such as The Fertilizer Institute's 4R Program.\* We understand that our products are critical for soil health and play a role in preserving natural ecosystems. This is because higher crop yields translate to less land needed for farming activities and in turn, less disruption to forests and other ecosystems.

The Company also understands the importance of protecting natural habitats and carefully addressing the impact that our operations and products may have on the flora and fauna. We monitor against stringent technical and operational standards at our mining and production sites to protect the environment from leakages, spills and pollution. We are also subject to land reclamation mandates by various regulatory agencies, and we execute these efforts following detailed plans and with considerable investments.

*Arraias team member collecting water samples at the water dam in the Bezerra River.*



\* The 4R program provides a framework to achieve cropping system goals such as increased production, enhanced environmental protection and improved sustainability. To achieve those goals, the 4R concept incorporates the following practices: right fertilizer source, at the right rate, at the right time, and in the right place.



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*Conda is an active member of Idaho's Upper Blackfoot Confluence.*

## 4) Biodiversity (cont.)

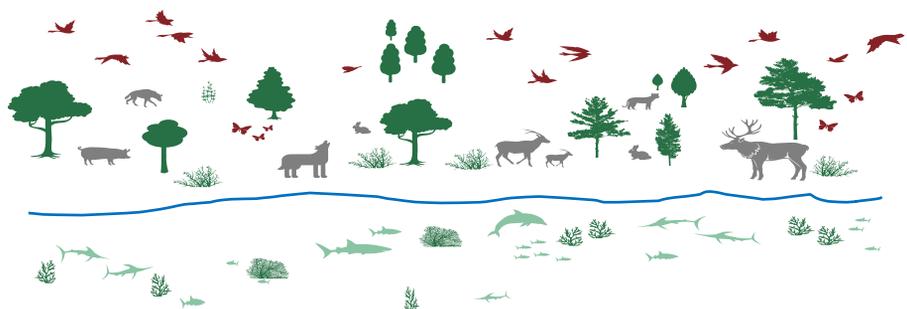
Our Lanes Creek mine in Idaho reached its end of mine life in 2020. In 2022 and 2023, we completed a land reclamation process where we reclaimed over 65 acres of the Lanes Creek mine pit, managing a reclamation costs project estimated to total \$21.5 mm. Reclamation efforts included planting a mix of grasses, shrubs, and forbs. This mix of flora and fauna promotes a long-term stable landscape that supports cattle, wildlife, and insects while preventing soil erosion and noxious weeds. We also installed a cap and cover which is an engineered earthen cover that propagates the run-on and run-off of stormwater to provide suitable surface water and groundwater quality for downstream aquatic habitat.

We annually estimate the cost and timing of our future environmental obligations, which include gypstack closure and land reclamation expenditures. As of December 2023, our consolidated environmental and asset retirement obligations totaled approximately \$149.3 mm, which are partially guaranteed by surety bonds.

Our Conda operation is also a member of the Upper Blackfoot Confluence (“UBC”), a conservation partnership with other mining companies and two conservation groups dedicated to improving the streams and trout fishery of Idaho’s Upper Blackfoot River. As a member partner of the UBC, we were involved in the river’s multi-year stream restoration project alongside several parties, including the U.S. Department of Agriculture’s Natural Resource Conservation Service. We donate \$25,000 annually to the organization.

In 2022, our Conda segment also donated over 200 cubic yards of rock that was utilized at a separate riverbank restoration project to mitigate erosion and restore natural waterflow.

These restoration projects have various objectives, such as decreasing stream temperatures, minimizing sediment loading into the downstream section, and improving spawning grounds in the upper portion of the river. In addition to enhancing the environment for livestock that graze the grassy meadows along the river, the most significant impact is the restoration of the Yellowstone cutthroat trout’s habitat.



# Environmental

## Success Story – Conda receives national recognition

### 2022 Conservation Leadership Partner Award

In March 2022, Conda received national recognition at the 87th North American Wildlife and Natural Resources Conference. The U.S. Bureau of Land Management (“BLM”) awarded the Conservation Leadership Partner of the Year Award to the Southeast Idaho Habitat Mitigation Fund, which was developed and funded by Conda related to the Rasmussen Valley Mine. As stated by the BLM, “the award recognizes external organizations or individuals representing a conservation organization for outstanding partnership in the development and implementation of conservation programs and activities that have directly benefited fish, wildlife, and/or native plants on public lands.”

Back in 2017, Itafos donated \$1.2 mm to establish the regional Habitat Mitigation Fund to mitigate the impacts of the Rasmussen Valley phosphate mine. BLM officials worked with the Sagebrush Steppe Land Trust in Pocatello and tribal, state, and federal agency partners to leverage the initial \$1.2 mm Habitat Mitigation Fund and expand the funding and scope of habitat-mitigation projects. The Company’s contribution was followed by an additional investments of \$3.5 mm in federal, state, and private funds for a total of \$4.7 mm investment to create or enhance wildlife habitat. A representative from the BLM highlighted, “Itafos and the Habitat Improvement Team were a powerful combination resulting in the enhancement of off-site wildlife habitat mitigation to ensure sustainability of wildlife in Eastern Idaho.”



*Conda team members receive the prestigious 2022 President’s Award.*

### 2022 Society for Range Management President’s Award

Two Conda employees received the 2022 President’s Award from the Idaho Section of the Society for Rangeland Management (“SRM”) for their “Public-Private Partnerships for Conservation” efforts. SRM is a professional scientific society and conservation organization whose members are focused on studying, conserving, managing and sustaining the varied resources of the rangelands. SRM consists of over 4,000 members in 48 countries.

The President’s Award was given in recognition of the numerous activities managed and supported by our two Conda employees. These activities included providing peers with learning opportunities about mine development and reclamation; involvement in biodiversity initiatives; and participation in habitat restoration projects between the public and private sectors.

# Environmental

## Success Story – Arraias nursery initiatives

The Itafos Arraias Plantae nursery was established in 2017. Since its creation, the nursery has produced more than 22,000 native seedlings that have been planted in the Brazilian Cerrado, a vast ecoregion in the country and Brazil’s second largest major biome after the Amazonian rainforest.

The nursery’s main activities consist of seed capturing, seedling generation, reforestation, and the donation of seedlings to Arraias employees and the entire community. The nursery also supports the “Bloom and Remember Project” in the city of Arraias in the state of Tocantins. The project provides each baby born in the city with a fruit tree seedling.

In addition, our Arraias operation donates seeds and seedling trees to local schools and supports educational campaigns on the importance of environmental preservation.



*Donation of tree seedlings at the Zulmira Magalhães School in Canabrava, Brazil, with participants from the Quilombola community.*



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# Social

## What does “Social” mean to Itafos as a pillar of our ESG program?

To Itafos, “Social” means being a partner of choice in the communities in which we operate, keeping our people safe, and having a positive impact on those around us. Our employment opportunities, supply chain collaborations and partnerships, and other social initiatives support our approach to building stronger and more resilient communities.

Workplace safety remains a top priority for the Company, and our commitment to safety is non-negotiable. We maintain operational safety programs and require each business segment to abide by high safety standards.

We understand the need for the Company to uphold its “social license.” With this in mind, we maintain positive relationships and dialogue with our communities and invest locally by supporting a variety of social programs and initiatives.

“Social” also means supporting diversity, equity and inclusion initiatives within our workplace.

## Philosophy

We continuously seek to develop respectful, positive and constructive relationships with our employees, contractors, suppliers, customers, and local communities, and to contribute positively to society as a whole.

“

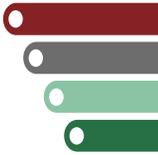
*One of the beauties of human beings is the ability to grow and change, to constantly seek development, and to search for a more sustainable world. At Itafos, the social component of ESG represents our commitment to contribute, to create meaningful experiences for our teams and communities, and to have a positive impact in a respectful and equitable way.*

”

*Claudia Regina Estevan,  
Arraias ESG and Communications Coordinator*

Background picture: Conda’s Safety First Approach





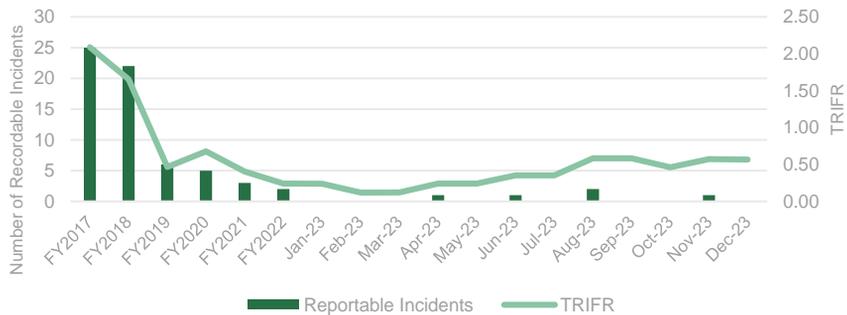
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## 1) Workplace Safety

Itafos is proud of its success in creating a culture of excellence in workplace safety. We devote significant time and resources to safety as we understand that our long-term success depends on the safety of our employees and those that live near our areas of operation. We stand by our "do it safely or not at all" approach.

Through December 2023, we have achieved a consolidated TRIFR of 0.57, which is notably below the national average rate for the mining sector of 1.7\*. Where necessary, we conducted in-depth analysis for each near miss and incident and implemented remediation actions in efforts to prevent reoccurrence. Arraias and Farim records are worthy of mention. Since January 2020, Arraias only had one incident in the early part of 2022 and Farim has not had any incidents since 2019. See our incidents and TRIFR trends in the graph below.



Through 2023, Conda maintained its recognition as a Star site, a designation granted by the U.S. Department of Labor’s Occupational Safety and Health Administration (“OSHA”) to sites that implement exemplary and comprehensive safety and health management systems and maintain injury and illness rates below national averages for their respective industries. This is a distinction that our Conda segment has held since 1995.

Additionally, since 2018, Conda has consecutively received the annual Pinnacle Award from Union Pacific Railroad. This award honors shippers for their release prevention protocols, corrective action plans, and for achieving zero non-accidental releases of regulated hazardous materials.

## 2) Investment in Community

Fostering strong community relationships and connections is essential to Itafos. Our commitment to our communities and the delivery of long-term benefits are important to us. These communities are not only the places where we work, they are also the places where we live. That is why we demonstrate our community commitment through a variety of outreach programs.

Over the past year, Conda has donated approximately \$100,000 to more than 25 charitable and civic organizations. In addition to direct donations from Itafos, Conda’s United Way donation campaigns have exceeded \$30,000 in employee contributions in each of the last three years. Our support is not only financial. Our Conda employees volunteer thousands of hours each year.

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### 2) Investment in Community (cont.)

Since 2021, our Conda Manager of Corporate Operations has served as the president of the Idaho Mining Association (“IMA”). In this capacity, he advocates for the mining industry by working with elected officials to update mining regulations while striving to execute the IMA’s mission to maintain a sustainable mining industry, emphasizing good paying jobs, economic development, and environmental stewardship.

Our Arraias operation executes a variety of projects year-round. For the past two years, Arraias has offered many free learning opportunities to the community. These classes covered a range of topics from horticulture to sheep and goat care to computer literacy. In 2023, Arraias team members hosted computing courses and related activities for children. The activities provided basic computing skills for children in the Quilomba community and information on computer equipment maintenance to the local school in the town of Canabrava.

Additionally, since 2021, Arraias has supported the Annual Arraias Local Farmers Fair to reinforce the local culture and educate on the importance of sustainability. In 2022 and 2023, we hosted an annual donation of diapers to public nursing homes in the towns of Campos Belos and Arraias. The nursing homes provide care for the elderly and mobility-challenged members within the community.

In 2022, our Farim team partnered with Guinea-Bissau’s National Diagnostics Laboratory to devise a program offering free health checks to all staff. The initiative provided the opportunity for the laboratory to pilot its cooperation efforts with the private sector. Through a voluntary program, 100% of our Farim workforce enthusiastically enrolled in a two-day health fair. Each team member was tested on a range of common diseases and subsequently provided with a confidential report on the state of their health, along with recommendations for improvement. Amongst the key findings were that a certain portion of the workforce had pre-diabetic blood sugar levels and high blood pressure. The program allowed practitioners to provide preventative guidance to each Itafos staff member, who can now take steps to improve their health.

The Covid-19 pandemic had a significant impact on the populations surrounding Farim, with few national resources available to assist. Understanding that Itafos had the opportunity to help protect and promote the health of our local community, the Company quickly mobilized support, focusing on the local school system. Efforts continued through 2021 and 2022, where we provided hand sanitizer, face masks, and other protective materials to all local schools in the towns of Farim and Chugue. Our Farim team staff also developed and delivered tutorials to every school in the area, covering personal hygiene and how to limit the spread of the virus at home and school. In total, over 800 local children, plus their educators, benefitted from this initiative, which was highly commended by the government of Guinea-Bissau.



*Students in Farim surrounding areas using face masks provided by Itafos.*

*Arraias team member hosting community relations public meeting.*



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*Group of fourth grade students from Soda Springs' Thirkill Elementary School. Conda sponsors a mine tour with the fourth-grade class every year.*



*Soda Springs High School softball team, supported by funds contributed by Conda to the team and to the school's Athletic Department.*

## Success Story – Conda’s volunteering spirit

In Soda Springs and surrounding areas, Conda is a major sponsor of local events, community services, and a variety of statewide scholarship funds supporting critical technical skills.

Conda employees, in their capacity as members of various public service organizations, play an important role in organizing, supporting, and bringing these activities and programs to life. For instance, over 20 Conda employees volunteer every year in emergency services, such as ambulance services, fire departments, search and rescue teams, and as ski patrolmen. Other examples of Conda’s volunteering spirit include:

- Annual Fourth of July Parade and Celebration
- U.S. Forest Service Weed Spraying Day
- Traveling Vietnam Memorial Wall
- Classroom readings
- Coaching youth and little league football, baseball, and basketball teams
- Coaching high school and middle school football, basketball, and wrestling teams
- Board membership in a variety of local and state organizations such as the Caribou County Senior Citizens Center, Caribou Medical Center Foundation, and the Associated Taxpayers of Idaho

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## Success Story – Farim Central Sports Complex

The renovation of the Central Sports Complex in the town of Farim is an example of the Company’s cooperation with local authorities and our commitment to the community. In 2023, Itafos completed the renovation of Farim’s only public sports facility. The Company made multiple improvements to ensure the facility was safe for use, after decades of disrepair.

The Company engaged local contractors as well as its own staff, who volunteered their spare time, with the support and permission of local and national authorities.

The renovation included a full overhaul of the concrete surface of the facility, the construction of a perimeter wall, and a refresh of the on-site basketball court. The Company also provided equipment for soccer, basketball, tennis and volleyball activities and contributed to the installation of a children’s playground adjacent to the public park. This is the first facility of its kind outside of Bissau, Guinea-Bissau’s capital.

As a result of this work, young people now make use of the facility daily, and the community benefits from access to physical education opportunities, and spaces for more social gathering.



*Farim team members working in the renovation of the complex’s basketball court near the Cacheu River.*





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### 3) Diversity, Equity and Inclusion

The Company is committed to fostering, cultivating and preserving a culture of diversity, equity and inclusion throughout its business and operations. We also remain focused on representing our local markets across all of our workforce job categories.

We maintain anti-discrimination and anti-harassment policies and continue making progress in tracking diversity data of our workforce (e.g., by gender, age, ethnicity). We have furthermore assessed and implemented various employee well-being programs such as flexible work schedules and other initiatives to support minority employees.

In 2023, management and the Board finalized their review of our previous Diversity and Inclusion Policy, which is now our Diversity, Equity and Inclusion Policy. This small, but significant, change reflects our commitment to create a workplace environment that provides an equal opportunity for success; one that fosters the fair and merit-based treatment of all people and promotes a safe space for active employee participation.

Additionally, our refreshed Code course devotes a specific section around zero tolerance for workplace harassment and provides specific examples of prohibited behavior and conduct. Our Code and policies explicitly prohibit all forms of retaliation.



*Arraias team members participate in anti-harassment live training in September 2023. The session reinforced the importance of maintaining a culture of respect and equality.*

### 4) Career Development

We believe that supporting career development for all our employees empowers everyone to own their career and play an active role in their professional growth and progress. Career development is an important contributor to the Company's success as it impacts our employee engagement and retention efforts, while simultaneously also elevating our employees' performance and contribution. Throughout the Company, employees participate in the annual performance review and appraisal process. At any time however, employees are encouraged to discuss opportunities to further define their career aspirations, professional interests, areas for development, and, where applicable, potential opportunities for internal talent mobility. Itafos maintains a continuous process of communication among team leaders and team members throughout the year about career development.



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## 4) Career Development (cont.)

Our Conda and Arraias segments invest in on-the-job training for its operators and production personnel. For example, Conda personnel have access to over 20 compulsory and optional courses in our learning management system. These courses extend beyond safety and operational training. As another example, Arraias maintains an Internal University program, which offers a variety of training options such as management skills for leaders, free English courses available to all employees with a private teacher, and access to dozens of lectures on topics such as personal health and well-being. Over the last two years, the availability of these courses at Arraias resulted in an increase of more than 10,000 hours of annual training.

Conda's educational reimbursement program reimburses employees up to \$5,000 per year when pursuing post-secondary education in a field related to our industry. Many Conda employees have leveraged this support to grow their careers and pursue other career interests.

As a testament to our employee satisfaction, since 2021, Arraias has been recognized as an employer of choice and overall great place to work in the categories of agribusiness, best small companies, and best company in the Brazil's northern region.



*Arraias has received numerous accolades over the last three years.*



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# Governance

## What does “Governance” mean to Itafos as a pillar of our ESG program?

To Itafos, “Governance” represents the foundation of our business practices. Governance means a commitment to high integrity and shapes the compliance-driven approach embedded in our operations. Governance sets up our processes around decision-making to achieve our objectives and promote transparency, responsiveness and resilience.

Governance is the backbone of how we make decisions and of our actions. Our respect for others, along with our commitment to act in compliance with all regulatory requirements, underpin our internal and external interactions.

Our corporate governance system is focused on reducing risk. We approach this by implementing policies and procedures that assign responsibilities to appropriate personnel, and promote a culture of accountability, alongside transparent reporting.

Information about our company and our operations are made publicly available and we go above and beyond the disclosures required by applicable laws and regulations. For instance, our website’s Governance section ([click here](#)) includes governance documents and policies such as our Board committees’ charters and our anti-corruption and whistleblower policies, which are not required to be made public.

Finally, we acknowledge the ever-evolving cybersecurity risks and have established measures to detect and prevent cyber-related incidents that could lead to the unintended disclosure of confidential and/or personally identifiable information.

## Philosophy

To foster strong corporate governance systems and principles; conduct our business with integrity, transparency and fairness; and to maintain rigorous controls with accountability practices.



***Our governance framework and supporting systems and processes are designed to enhance accountability, integrity, and transparency. Our commitment is to act ethically and comply, both in letter and in spirit, with all applicable laws, rules and regulations at all times and in every situation.***



***Elena Viyella de Paliza,  
Independent Director and Member of the Audit Committee  
and the Governance and Nominating Committee***

Background picture: Conda Administration Building



# Governance

## 1) Corporate Governance

The Itafos Board is responsible for the general supervision and oversight of the business and for acting in the best interests of the shareholders of the Company. The Board discharges its responsibilities directly and through its committees, currently consisting of an Audit Committee, a Compensation Committee, and a Governance and Nominating Committee. Any responsibility not delegated to a committee of the Board or an individual member of the Board remains with the Board as a whole.

The Board has adopted a set of corporate governance guidelines (“Guidelines”) that, in conjunction with Itafos’ certificate of incorporation, bylaws, and the committee charters, form the framework of our governance practices. The governance structure of Itafos is grounded in principled actions, effective decision-making, and appropriate monitoring of both compliance and performance.

In 2022, we completed a full revision of the Guidelines and the charters for each committee of the Board. In addition to ensuring that our Guidelines and charters remain in compliance with all applicable regulatory requirements, the review also ensured we were current with best governance practices. Following approval by the Board, we published the updated Guidelines and charters on the Itafos corporate website.

The Board holds quarterly standing meetings, in addition to any ad hoc meetings that may be necessary from time-to-time. This includes separate sessions with independent and non-executive members, without the presence of management. In March 2023, the Board formed a committee of independent directors to oversee the review of strategic alternatives for the company.

We maintain a separate Board Chair and Chief Executive Officer. Further, only independent directors serve as Board Chair or Chair of any standing Board committee. In 2022 and 2023, Itafos completed its periodic assessment of the Board and its committees, which is an ongoing practice. Finally, all of our directors are elected annually by our shareholders.

## 2) Financial and Policy Transparency

Itafos is listed on Canada’s TSX-V and is compliant with all applicable Canadian securities laws and listing requirements. We have retained PricewaterhouseCoopers to audit our annual financial statements. The appointment of our independent auditors is ratified annually by the Itafos shareholders. We publish copies of our annual and quarterly financial reports on our corporate website and on the Company’s profile at [www.sedarplus.ca](http://www.sedarplus.ca).

As a company listed on a Canadian stock exchange, we are required to submit to the Canadian government an annual Extractive Sector Transparency Measures Act (“ESTMA”) report. Under ESTMA, we are required to file our reports within 150 days from our fiscal year-end. In 2022 and 2023, we filed our 2021 and 2022 reports with Natural Resources Canada within 85 days from our fiscal year-end. We also comply with other ESTMA requirements, which include publishing our reports online for at least five years. Copies of our ESTMA reports are available on the Company’s website at [www.itafos.com](http://www.itafos.com).

The Company is also required to comply with Canada’s recently implemented legislation regarding forced and child labour in supply chains. The Company’s first report under this legislation will be filed later this year and will be available on the Company’s website at [www.itafos.com](http://www.itafos.com) and on the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

The Company maintains a set of corporate policies designed to guide and promote high performance and compliance in a variety of areas. All corporate policies are widely accessible and available to all directors, officers and employees. We maintain copies of all our corporate policies, in English and Portuguese, in a centralized repository.



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## 2) Financial and Policy Transparency (cont.)

Every policy has a policy owner, who is typically a member of our executive management team, and anyone with questions about the policy is encouraged to contact either the policy owner directly or our Legal Department.

We regularly review our policies as a measure of best practice. Between October 2021 and December 2023, we completed the review of twelve policies to ensure each one met our current needs and circumstances as well as reflected good governance practices and regulatory requirements. Copies of many corporate policies are available on the Company's website.

## 3) Ethics and Anti-Corruption

As a global company, we conduct business around the world. Itafos is committed to doing business in an ethical and transparent way.

We do not merely follow a “speak up” philosophy. Our approach goes beyond that. We established a “speak up, listen up and act accordingly” philosophy because we understand that it is not only important for people to speak up, but it is important for us to attentively listen to those that are speaking up and then act accordingly following applicable protocols, local laws and regulations, and highest-standard practices. We have a zero-tolerance policy for retaliation against whistleblowing.

We maintain several channels for people to report concerns or raise complaints. This includes email, in-person, online and toll-free telephone numbers. We have engaged an externally administered Alertline for employees and others to report concerns at any time, anonymously if so desired. Online and telephone intake services are available in multiple languages, including English and Portuguese. The Company tracks concerns raised and has established information and communication protocols, which include providing periodic reports to the designated Board committees.

In March 2023, we launched an updated version of our Code training. Among other topics, our course includes sections on anti-corruption and anti-bribery and makes specific references to supporting policies, such as our Anti-Corruption Policy. We are pleased to report that 100% of our directors, officers, and employees completed the course as of December 2023. Copies of our Code as well as our Anti-Corruption Policy and our Whistleblower Policy are available on the Company's website.

## 4) Risk Management

Like any other organization, Itafos faces a variety of risks, uncertainties, and opportunities. The Company monitors current and potential emerging risks and implements applicable mitigating measures, which include incident response efforts and various protocols.

Starting in 2022, with oversight from the Board, the Company initiated the development and formalization of the Itafos EWRM efforts and appointed a member of the executive management team as the EWRM sponsor. We have established guidelines and definitions for risk concepts and developed likelihood and consequence risk matrices used to monitor priority unwanted events.

In addition to a system of controls and policies in place, we believe clear communication is a vital component of our risk management efforts. Starting in 2022, we incorporated EWRM as a standard topic for discussion in our quarterly standing Board meetings.



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## Success Story – Compliance awareness campaigns

Our Corporate segment conducts periodic awareness campaigns on a variety of topics to complement our training efforts. The primary intention of these campaigns is to drive commitment to ethical behavior and empower our people.

In 2022, with full support from our CEO, the Company launched a monthly compliance awareness campaign. Each month the campaign addressed a specific theme ranging from anti-corruption to human rights to books and records. The campaign was well received throughout the Company, delivered a variety of succinct messages, and signified a step forward in increasing the visibility of our compliance program.



*Connecting our core values to an ethical corporate culture and empowering our employees.*

## 5) Compensation Practices

We understand that compensation and other incentives can and do drive behavior. The general objectives of the Company’s compensation program are to attract, reward, retain and motivate quality employees who will enhance the profitability and growth of the Company.

The Company’s compensation philosophy is to pay competitively, fairly, and equitably. Itafos continuously reviews pay equity by considering internal and external expertise and market research. The Company’s Compensation Committee is chaired by an independent director. This committee’s primary function is to oversee the Company’s compensation policies, plans, and practices for directors, the CEO and other executive officers, as well as the Company’s equity-based and incentive programs.



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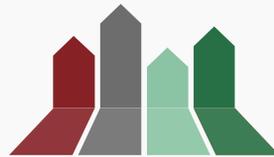
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## 5) Compensation Practices (cont.)

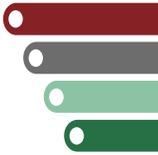
We continue to foster a high-performance culture that reflects the achievement of key performance indicators. We disclose the compensation details for Itafos' directors and executive officers in our annual proxy circulars.

In 2022 and continuing into 2023, Conda enhanced and updated several aspects of the employee retention program, including our compensation approach. Since implementing these changes, we have observed a decrease in turnover rate and improved employee morale.



Safety First

*Compensation at Itafos is designed to reward performance based on measurable risk adjusted assessment criteria and takes into consideration both the short and long-term objectives of the Company while focusing on quality and sustainability of earnings. The mix of compensation elements may vary from year to year depending on the compensation reviews and objectives of the Company. However, what remains constant is the Company's focus on keeping environmental, health and safety ("EHS") top of mind. As such, the Company has traditionally considered EHS as part of its short- and long-term incentives component*



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## 6) Cybersecurity

Our business involves the use, storage, and transmission of information about our employees, customers, and suppliers. Information security and the protection against cyber threats is critical to us.

Starting in 2022, we formalized an internal multi-disciplinary Cybersecurity Committee. This committee, consisting of several employees, meets at least quarterly and is tasked with overseeing and executing the development and implementation of various cybersecurity initiatives.

In 2022, we completed a formal vulnerability assessment which was conducted by an external third party. The assessment was based on the National Institute of Standards and Technology Cybersecurity Framework, a voluntary framework created by industry and the U.S. government to promote the protection of infrastructure from cybersecurity risks. The results of the assessment were generally positive, but also offered opportunities to enhance our cybersecurity efforts.

In September 2022, we updated our Information Technology Policy to cover additional areas such as acceptable use and transfer of data outside our network. Like all of our other corporate policies, our Information Technology Policy is in English and Portuguese and available to all of our employees in a centralized internal repository.

In 2023, we completed the deployment of a machine learning solution that continuously monitors our digital environment, detects anomalies, and acts upon threats, as needed. This solution enhanced our ability to identify, triage, investigate, and resolve cyber-related incidents.

We maintain a set of controls that include patch management, firewalls, email filtering, and multi-factor authentication. In addition to these “hard” controls, we also understand the importance of ensuring everyone in our environment remains vigilant to cyber threats. Every director, officer and employee must complete our mandatory Cybersecurity Awareness training. Annually, we host multiple cybersecurity awareness campaigns covering a variety of topics. These campaigns focus on current or emerging risks and trends and are aimed at complementing our training efforts.

Finally, as of late 2021, management began reporting the results of various cybersecurity activities, including any incident or event, cyber security training and awareness campaigns, and other activities such as phishing campaigns directly to the Board, on a periodic basis.



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*Itafos is supported by a leading board focused on appropriate governance and oversight*

Name and Title	Biography
 <p><b>Anthony Cina</b> <i>Chair</i></p> 	<ul style="list-style-type: none"> <li>- Board member since 2015</li> <li>- Former SVP at Yamana Gold Inc.</li> <li>- Former CFO at Itafos</li> <li>- Current Board member of Suco Limited</li> <li>- Education: B Com, the University of Toronto</li> <li>- Designations: Certified Public Accountant, CA (Canada), ICD.D, Institute of Corporate Directors</li> </ul>
 <p><b>Ricardo De Armas</b> <i>Director</i></p> 	<ul style="list-style-type: none"> <li>- Board member since 2020</li> <li>- Current Castlake Managing Director</li> <li>- Former Vice President at De Jong Capital</li> <li>- Former Principal at Zaff Capital</li> <li>- Former Citigroup Investment Banking Associate</li> <li>- Education: BS in Business Administration, Universidad Metropolitana, and MBA, Harvard Business School</li> </ul>
 <p><b>David Delaney</b> <i>Director and CEO</i></p>	<ul style="list-style-type: none"> <li>- Board member since 2017</li> <li>- Itafos CEO since November 2020</li> <li>- Oversaw 16 sites as COO &amp; EVP of PotashCorp</li> <li>- Over 30 years of experience in leadership roles within the fertilizer and agriculture sectors</li> <li>- Current board member of the International Fertilizer Association and The Fertilizer Institute</li> <li>- Began career in sales at Arcadian Corporation</li> <li>- Education: BSC in Agriculture, Southern Illinois University</li> </ul>
 <p><b>Stephen Shapiro</b> <i>Director</i></p> 	<ul style="list-style-type: none"> <li>- Board member since 2022</li> <li>- Current CFO at Cellview Imaging</li> <li>- Former President and CEO at SLS Financial Advisors</li> <li>- Former Head of Canadian Industrials and Consumer Group for Wells Fargo Securities Canada</li> <li>- Education: B Com, McGill University and MBA, University of Chicago</li> <li>- Designations: Chartered Financial Analyst</li> </ul>
 <p><b>Isaiah Toback</b> <i>Director</i></p>	<ul style="list-style-type: none"> <li>- Board member since 2022</li> <li>- Current Castlake Co Deputy-CIO &amp; Partner</li> <li>- Prior Investment Banker at Goldman Sachs</li> <li>- Education: BA in Economics, Vanderbilt University</li> </ul>
 <p><b>Elena Viyella de Paliza</b> <i>Director</i></p> 	<ul style="list-style-type: none"> <li>- Board member since 2021</li> <li>- Prior roles at Fertilizantes Santo Domingo, InterQuimica and Sacos Agroindustriales; prior Director at Potash Corp.</li> <li>- President and Chair of the boards of InterQuimica, Monte Rio Power Corp and Jaraba Import</li> <li>- Education: BS in Accounting and a Doctorate Honoris Causa in Business and Economics, Universidad APEC</li> <li>- Designations: Chartered Accountant and Certified Public Accountant</li> </ul>
 <p><b>Ron Wilkinson</b> <i>Director</i></p> 	<ul style="list-style-type: none"> <li>- Board member since 2018</li> <li>- Former SVP at Agrium</li> <li>- Prior Director at Canadian Fertilizer Institute, Canpotex, Fertoz Ltd. and Profertil S.A.</li> <li>- Current Board member of Sulvaris</li> <li>- Education: BSC in Chemical Engineering, University of Alberta</li> </ul>

-  Board Chair
-  Committee Chair
-  Member of Audit Committee
-  Member of Compensation Committee
-  Member of Governance and Nominating Committee





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## Product acronyms

Acronym	Product	Business
APP	Ammonium polyphosphate	Conda
DAPR	Direct application phosphate rock	Arraias
HFSA	Hydrofluorosilicic acid	Conda
MAP	Monoammonium phosphate	Conda
MAP+	MAP with micronutrients	Conda
MGA	Merchant grade phosphoric acid	Conda
SPA	Superphosphoric acid	Conda
SSP	Single superphosphate	Arraias
SSP+	SSP with micronutrients	Arraias



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# Disclaimer

## GENERAL

This document is not to be interpreted or construed to be in any form a corporate social responsibility report or a sustainability report. While certain components from various ESG frameworks or standards and guidance from the UN SDGs were used to assist in the development of this document, the material herein presented is not a comprehensive list based on a full set of specific standards, including those from the Value Reporting Foundation (maintaining the standards promulgated by Sustainability Accounting Standards Board (“SASB”) and now the Value Reporting Foundation and SASB being part of the International Sustainability Standards Board), the Global Reporting Initiative or the Task Force on Climate-related Financial Disclosures.

The Company has taken care to ensure the information in this report is materially accurate. However, the data presented in this report includes aspirational goals and estimates, which may differ from actual results. This information and data in this report is for informational purposes only. The Company disclaims any liability whatsoever for errors or omissions including any actual results and future events that could differ materially from those anticipated.. Furthermore, certain information in this report may have been disclosed previously by the Company, and such disclosure is not intended in any way to be qualified, amended, modified or supplemented by information herein.

References to “material” or “materiality” in this report are not intended to have the same meaning as in the context of financial statements or financial reporting or as defined by the securities laws of Canada or any other jurisdiction. In other words, material or materiality is used to reflect importance in an ESG context for this report only.

## INFORMATION FOR THE H1/NDR TIMELINE

Timeline for H1/NDR based on management estimates and subject to certain assumptions, including successful permitting and development activities. The H1/NDR mine life extension is based on a Preliminary Economic Assessment (“2019 PEA”) included in the Conda Technical Report (as defined below). The 2019 PEA on the H1 and NDR properties is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the 2019 PEA will be realized. Readers are referred to the Conda Technical Report for the applicable qualifications and assumptions in connection with its 2019 PEA.

The Company’s latest technical report in respect of Conda is entitled, “NI 43-101 Technical Report on Itafos Conda and Paris Hills Mineral Projects, Idaho, USA,” with an effective date of July 1, 2019 (the “Conda Technical Report”). The Company’s latest respective technical reports are available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company’s website at [www.itafos.com](http://www.itafos.com).



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## FORWARD-LOOKING INFORMATION (“FLI”)

This ESG Report contains forward-looking information (“FLI”) within the meaning of applicable Canadian securities legislation. Except for statements of historical fact relating to the Company, information contained herein may constitute FLI, including, without limitation, any information as to the Company’s business strategies, objectives, mission, strategy, outlook, plans or future operations. Generally, and without limitation, FLI can be identified by the use of forward-looking terminology such as “plans”, “expects”, “is expected”, “estimates”, “intends”, “believes”, “forecasts” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or other similar words. FLI in this report also includes but is not limited to statements with respect to the Company’s sustainability, climate change and ESG plans, initiatives and strategies, the Company’s ESG opportunities and expectations and its ESG directional goals.

The FLI contained in this ESG Report is based on the opinions, assumptions and estimates of management set out herein, which management believes are reasonable as at the date the statements are made. Such opinions, assumptions and estimates are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the FLI.

These factors include risks and uncertainties relating to: commodity price risks; operating risks; safety risks; mineral reserves and mineral resources risks; mine development and completion risks; foreign operations risks; market risks, regulatory risks; environmental risks; asset retirement obligations risks; weather risks; climate change risks; currency risks; inflation risks; competition risks; counterparty risks; financing risks; additional capital risks; credit risks; key personnel risks; impairment risks; cybersecurity risks; transportation risks; infrastructure risks; equipment and supplies risks; concentration risks; litigation risks; permitting and licensing risks; land title and access rights risks; insurance and uninsured risks; acquisitions and integration risks; malicious acts risks; stock price volatility risks; limited history of earnings risks; technological advancement and innovation risks; artificial intelligence risks; tax risks; foreign subsidiaries risks; reputational damage risks; controlling shareholder risks; conflicts of interest risks; epidemics, pandemics and public health risks; geopolitical risks; environmental justice risks; internal controls risks and overall financial reporting risks; our ability to fulfill our ESG strategies and goals; and new, or changes to existing, laws and regulations regarding climate, environmental and other ESG matters. Readers are cautioned that the list of risks set out herein is not exhaustive.

Although the Company has attempted to identify crucial factors that could cause actual actions, events or results to differ materially from those described in FLI, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that FLI will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The reader is cautioned not to place undue reliance on FLI. Factors that may cause actual results to differ materially from expected results described in FLI statements include, but are not limited to, the risk factors set out herein. The risks and uncertainties affecting the FLI contained in this presentation are described in greater detail in the Company’s Annual Information Form and Management’s Discussion and Analysis available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company’s website at [www.itafos.com](http://www.itafos.com).

The FLI included herein is expressly qualified by this cautionary statement and is made as of the date hereof. Management undertakes no obligation to publicly update or revise any FLI except as required by applicable securities laws.



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We welcome and value your feedback on this report and our ESG initiatives and efforts.



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