

ESG STRATEGY

2022-2024

Rayleigh Solar Tech

Background

At Rayleigh Solar Tech, we know that climate change is a serious threat. That's why we're dedicated to developing and commercializing a flexible, lightweight and scalable perovskite solar film that will support a clean transition to renewable energy. Our tech can be produced at far lower temperatures than traditional silicon solar technologies, and it can be applied in places where solar has never been practical before.

Since our founding in 2016, Rayleigh has grown from a single scientist in a lab, to a diverse and talented team working in a pilot manufacturing setting. As we continue to grow, we want to ensure that our company is operated in a way that aligns with our principles. That's why we have created this strategy. We look forward to working with our partners and stakeholders to do our parts to achieve sustainable development.

About this Strategy

To create this Environmental, Social, Governance (ESG) strategy, we wanted to ensure we aligned with leading standards in sustainability. To accomplish this, we identified internationally recognized standards that we would like to align with. We concluded that Global Reporting Initiative (GRI) and BLab, the organization responsible for the BCorp certification, were our best matches. We then identified the items from these organizations that were most relevant to our context, and could be accomplished within the next two years.

It was also important that we have input and support from the entire team when creating this strategy. Once we had made a set list of issues based on GRI and BCorp standards, we surveyed the entire Rayleigh staff. The results of this survey let us know which issues were most important to our team. The result was a materiality matrix that ranked these issues based on our team's personal interest in those issues, and how important they felt those issues were for the company. A copy of that matrix can be found in Appendix A. We used this information to guide which issues we prioritized over the next two years, which resulted in four overarching ESG priority areas for Rayleigh:

- Prioritizing Ethics and Transparency
- Managing our Environmental Impact
- Maintaining our Team's Health and Wellbeing
- Promoting Justice, Equity, Diversity, Decolonization and Inclusion

We have arranged our strategy to show the long-term outcomes we plan to achieve under each priority area, including the action items we plan to tackle in the next 24 months to help us on our journey to achieving those outcomes.

Our Strategy

ETHICS & TRANSPARENCY

Where we're at now:

Managing every aspect of our business with ethics and transparency in mind is one of our highest priorities.

- We have been working diligently to create that culture in our office, and we're looking forward to formalizing that culture even further.
- We have an experienced Board of Directors leading our organization, and are committed to financial sustainability and responsible management.
- In an effort to be transparent with our team, we give regular updates on financial changes to the organization, like announcements of new funding approvals.

| Long-Term Outcomes | Action Items | Completion Date | Accountability |
|--|---|-----------------|---------------------------|
| 1. Rayleigh maintains a high standard of ethics in everything we do. | a. Create a code of ethics that will set the expectations for behaviour across the organization. This will include engaging the whole Rayleigh team to establish a set of core values and ethics principles for everyone to follow. | Month 3 | Paul, Dane, Laura |
| | b. Institute required ethics training for every new and veteran employee at Rayleigh. We will also look at ways to include our board members. | Month 12 | Laura, Paul |
| 2. Rayleigh has a culture of transparency. | a. Include specific mention of our "open-door" policy in the employee handbook to ensure all employees and managers are accountable to upholding our culture of transparency. | Month 3 | Laura |
| | b. Be transparent about our ESG performance by sharing our impact on our website. | Month 14 | Laura |
| 3. Rayleigh's customers are satisfied with a safe, high-quality product. | a. Obtain third-party validation from independent labs and research facilities, or industry partners, to verify the quality and specifications of our products. | Month 22 | Dane, Marshall, Raha, Sam |

ENVIRONMENT

Where we're at now:

At Rayleigh, we're moving beyond looking at how our product can reduce environmental impact to also working towards improving the environmental impact of our operations.

- We have a strict hazardous waste management program for appropriately handling and disposing of waste that results from our research process
- We conduct training on hazardous waste management so our lead disposal policy is strictly followed.
- We have composting and recycling facilities in our building, including battery recycling.
- Our location is accessible through clean transportation. We are located near city bus lines, have bike racks available on site, and we have a company e-bike charger for team members to use.

| Long-Term Outcomes | Action Items | Completion Date | Accountability |
|--|--|---|---|
| 4. Rayleigh manages all waste responsibly, whether that's safely disposing of hazardous waste or reducing the amount of waste going to landfill. | <ul style="list-style-type: none"> a. Enhance our hazardous waste disposal documentation and make it easily accessible to everyone on the team. b. Organize regular electronics recycling days where team members can bring in their old electronics to be taken to a proper recycling location. c. Add additional recycling bins so that every office space at Rayleigh has one close by. d. Conduct a waste disposal awareness campaign to educate the team on proper waste separation and to suggest ways for reducing waste. | <ul style="list-style-type: none"> Month 2 Month 4 Month 7 Month 20 | <ul style="list-style-type: none"> Marshall Dane Dane Laura |
| 5. Rayleigh effectively manages the entire life cycle of our solar film, from raw materials to final disposal | <ul style="list-style-type: none"> a. Launch research into improving the end of life impact of our solar film. b. Develop a sustainable procurement policy to guide our purchasing decision making and ensure we select vendors who are working to manage their social and environmental impact. | <ul style="list-style-type: none"> Month 15 Month 16 | <ul style="list-style-type: none"> Research team Dane, Eric |
| 6. We are actively mitigating climate change by continuing to decrease our GHG emissions | <ul style="list-style-type: none"> a. Conduct research into transit and active transport subsidies to encourage employees to commute using more environmentally friendly modes of transportation. b. Draft an environmental policy to set expectations on energy conservation and waste management. This will include turning off all lights and electronics when left unattended. | <ul style="list-style-type: none"> Month 5 Month 6 | <ul style="list-style-type: none"> Laura Laura, Paul |

TEAM HEALTH & WELLBEING

Where we're at now:

Since Day One, Rayleigh has been invested in creating a positive space for employees, and giving them the resources they need to exceed both in their careers, and in balancing in their home life.

- Staff are already enrolled with a benefits plan, which also covers mental health.
- Everyone at the company makes at least the minimum living wage for our region, and there are regular opportunities for fun and engagement at the office.
- We are continuously improving our health and safety program to prevent and address work-related illness and injury to the highest extent possible, including a safety manual, monthly safety meetings, and having safety as a standing agenda item at weekly team meetings.

| Long-Term Outcomes | Action Items | Completion Date | Accountability |
|---|--|-----------------|-----------------------|
| 7. Rayleigh has a robust occupational health and safety program. | a. Pull one new policy out of our health and safety manual each month for review as a team and update as needed. | Month 4 | Marshall, Paul |
| | b. Conduct semi-annual audits of safety training to ensure every team member is caught up on all safety training. | Month 6 | Marshall, Paul |
| | c. Formalize our safety procedure for employee onboarding, and add safety requirements to our employee handbook. | Month 9 | Laura, Marshall |
| 8. Employees feel engaged, are satisfied in their role, and have a strong feeling of wellbeing at work. | a. Develop an official employee handbook containing all relevant information on benefits, company policies, and company culture. | Month 1 | Laura, Paul, Dane |
| | b. Create a formal employee onboarding program, including introduction to our employee handbook and providing all relevant training. | Month 2 | Laura, Dane, Marshall |
| | c. Establish a flexible work policy for employees to better balance their work and home lives. | Month 8 | Paul, Dane, Laura |
| 9. Employees have the training and skills they need to achieve their career goals. | a. All new employees will be required to complete training when onboarding, including JEDI and climate change awareness education. | Month 9 | Laura, Dane |
| | b. Establish a set annual budget per employee for non-mandatory training and professional development. | Month 18 | Dane, Paul, |
| | c. Track employee training completion for both mandatory and non-mandatory training and professional development. | Month 18 | Laura, Evan |

JUSTICE, EQUITY, DIVERSITY, DECOLONIZATION & INCLUSION

Where we're at now:

Rayleigh prides itself on having an inclusive workplace culture.

- We have an open-door policy for people of all backgrounds and actively hire people from underrepresented communities. This includes encouraging these individuals to apply to our job postings, for example.
- We look for opportunities to celebrate different cultural communities and acknowledge where we can play a role in justice, equity, diversity, decolonization and inclusion. For example, the Rayleigh team chose to observe the National Day for Truth and Reconciliation when it was an optional statutory holiday, and we take opportunities to acknowledge the land we are situated on to help encourage dialogue on decolonization in Canada.

| Long-Term Outcomes | Action Items | Completion Date | Accountability |
|--|--|-----------------|-----------------------|
| 10. Employees have a sense of inclusion and belonging, and work in a discrimination-free environment. | a. Draft an anti-harassment and anti-discrimination policy and add it to the employee handbook, as well as directly sharing it with the existing Rayleigh team. | Month 4 | Marshall, Paul, Laura |
| | b. Draft a statement of commitment to improving diversity at the team and board level, which will be made publicly available. | Month 4 | Paul, Laura |
| | c. Provide flex holidays for people celebrating major milestones or non-Christian holidays where there is not currently a statutory holiday. | Month 2 | Paul, Dane, Laura |
| 11. Opportunities for hiring and promotions are decided equitably. | a. Revisit our current diversity statement on all job postings and revise as needed. | Month 1 | Laura |
| | b. During the hiring process, conduct “blind” resume reviews, blocking out an applicant’s name to prevent unconscious bias in our decision making. | Month 2 | Laura |
| | c. JEDDI training will be mandatory for all staff. | Month 2 | Laura, Dane |
| | d. Develop a formal structure for salary and job position reviews to standardize and prevent bias in how employees are promoted or compensated. | Month 3 | Paul, Dane |
| 12. Rayleigh has a demonstrated track record of respect and support for under-represented communities. | a. Participate in training and learning opportunities as a team to better our understanding of underrepresented communities. This includes inclusive language training, and decolonization or Black history workshops. | Month 6 | All staff |
| | b. Each holiday season, we will organize a company fundraiser for a local charity. | Month 10 | Laura |
| | c. Have a food donation box available at the office for regular food drives. | Month 15 | Dane, Laura |

Next Steps

Once our strategy is officially launched, Rayleigh plans to address the action items in the Justice, Equity, Diversity and Inclusion priority area first. With the combined help of our team’s input and external support, we will develop a full diversity and inclusion program and policy to address the action items listed for Months 1 and 2. We hope that by addressing this sustainability issue first, we can further engage our employees, attract top talent from around the world, and demonstrate our commitment to equity for all.

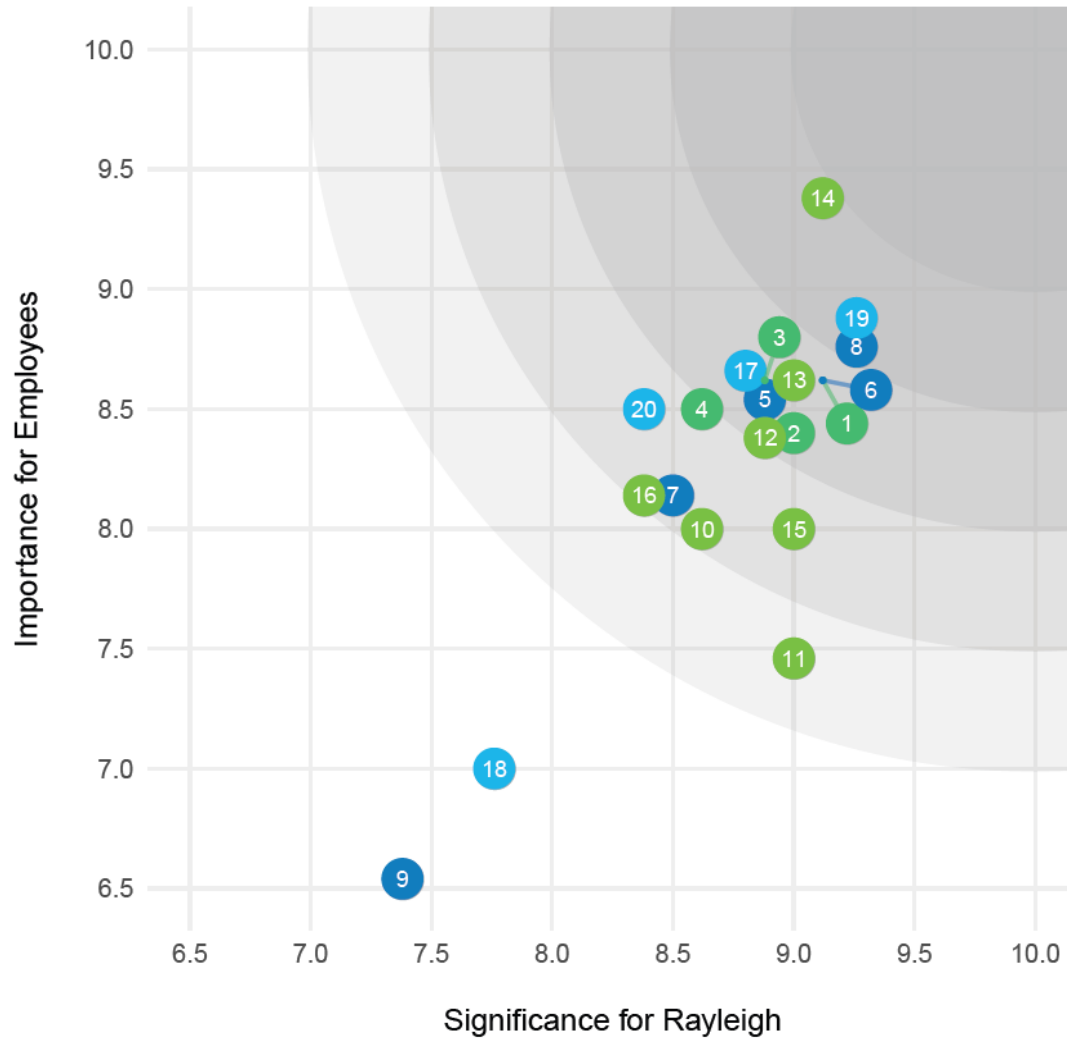
This strategy is just a start - we plan for it to grow and mature over time as our company grows. As we move along, we will continuously re-examine our sustainability efforts, looking for ways to refine and improve as our knowledge and understanding changes. We welcome feedback from all of our stakeholders, and are committed to honouring the principles laid out in this document to the best of our abilities.

In addition to the priority areas listed above, we have identified other sustainability issues which we plan to tackle as time and resources allow. Though they were ranked lowest among material sustainability issues for our company at this point, they will still be important to address as we move forward.

| OTHER SUSTAINABILITY ISSUE AREAS | |
|--|---|
| Risk management, including financial, environmental, or social risks | <ul style="list-style-type: none"> a. Developing an emergency response plan b. Ensuring anyone engaging with the public has media training |
| Rayleigh management taking an active leadership role in sustainability | <ul style="list-style-type: none"> a. All sustainability messaging coming directly from senior management b. Establishing a sustainability committee, including at least one member from management c. Management being the first to follow and execute on all new initiatives |
| Intellectual property and IT protection and security | <ul style="list-style-type: none"> a. Drafting an IT and security policy to be shared with all staff b. Researching the best third party servers for maintaining IP protection and IT security |
| Involvement in the local community | <ul style="list-style-type: none"> a. Giving employees paid time off each year to volunteer b. Giving employees paid time off to participate on advisory panels or in other industry activities c. Once commercialized, donating solar film to organizations or people in need |
| Engagement with internal and external stakeholders | <ul style="list-style-type: none"> a. Completing an annual stakeholder survey to solicit feedback on sustainability performance and Rayleigh’s overall direction |

Appendix A: Materiality Matrix

Rayleigh Materiality



Legend

| | | | |
|----|---|----|--|
| 1 | Occupational Health & Safety | 11 | Intellectual property and IT protection and security |
| 2 | Employee financial security and job stability | 12 | Rayleigh's financial sustainability and responsible management |
| 3 | Employee engagement, satisfaction and wellbeing | 13 | Creating a culture of transparency |
| 4 | Career development, training and skills building | 14 | Maintaining a high standard of ethics in everything we do |
| 5 | Equitable opportunity for hiring and promotions | 15 | Engagement with internal and external stakeholders |
| 6 | Employee inclusion, belonging, and freedom from discrimination | 16 | Rayleigh management taking an active leadership role in sustainability |
| 7 | Respect and support for members of under-represented communities | 17 | Solar film life cycle management, from raw materials to final disposal |
| 8 | Rayleigh's customers are satisfied with a high-quality product | 18 | Reducing energy use wherever possible |
| 9 | Involvement in the local community | 19 | Responsible waste management |
| 10 | Risk management, including financial, environmental or social risks | 20 | Mitigating climate change by lowering GHG emissions |

- Community
- Environment
- Responsible Management
- Worker Wellbeing