



CARBON
STREAMING

2022
Sustainability Report



About This Report

This inaugural Sustainability Report (this "Report") covers the operations and activities of Carbon Streaming Corporation (the "Company", "we", "us", "our" and "Carbon Streaming"). It describes our business model, approach to climate action and impact investing, our due diligence and good governance practices, guiding principles as well as our environmental and social impacts.

This reporting period corresponds to the year ended June 30, 2022 (July 1, 2021 through June 30, 2022). Operational greenhouse gas ("GHG") emissions calculations as detailed on page 15 and further in the Appendix correspond to the calendar year 2021 (January 1, 2021 through December 31, 2021).

This Report references disclosures in accordance with the Global Reporting Initiatives ("GRI") Universal Standards. In addition, we describe how our business model and initiatives deliver climate action and advance many other Sustainable Development Goals, also referred to as the [Global Goals](#) (the "UN SDGs" or the "UN Global Goals") which were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.



School children in Southern Africa with a clean water filtration device provisioned by Community Carbon.

“

We are proud to partner with Community Carbon for its focus on local impact and making water purification devices more accessible to all. These ambitious expansion plans will improve health outcomes for millions of people and significantly reduce GHG emissions.”

Justin Cochrane, Founder & Chief Executive Officer ("CEO")

Table of Contents

CEO Letter	3
About Carbon Streaming	4
Our Approach to Climate Action	5
Making a Sustainable Impact	6
Our Guiding Principles	8
Our Approach to Sustainability	9
Materiality Assessment 2022	9
Our Approach to Governance	10
Our Board	10
Our Due Diligence Process	12
Business Ethics	13
Our Environmental Impact	14
Climate Change	14
Our Carbon Footprint	15
Other Environmental Actions	16
Our Social Impact	17
Colleagues: Priority Partners	17
Impact Partners: More Diversity, Experience & Wisdom	18
Global Partners: Scaling Impact through Affiliations	19
Outlook 2023	20
Contact and Feedback	20
Advisories	21
Appendix	22
GRI Content Index	22
Streams & Royalties Portfolio	25
Detailed Emissions	27



CEO Letter

I am proud to share Carbon Streaming's first Sustainability Report. In it, we describe our approach to sustainability and outline our environmental, social and governance ("ESG") priorities and progress. Carbon Streaming was created to fulfil an aspiration shared by many – to accelerate the transition to a net-zero future.

While our mission supports this transition through a unique approach to climate finance, we also recognize our responsibility to view and manage all of our operations through a broader sustainability lens.

Our business strategy provides alternative financing, particularly in the form of streams and royalties, to projects that generate high-impact carbon credits, advancing multiple UN SDGs (or the UN Global Goals). Beyond their carbon reduction or removal potential, we prioritize projects that seek to preserve threatened ecosystems, protect biodiversity, and deliver tangible benefits to local communities – many in the developing world. We aim to contribute to a more just and sustainable future by forging long-term relationships with our project partners built on a shared commitment to sustainability and accountability. And we seek out meaningful ways to contribute to the sustainability of our own communities here in Canada.

Our partnership with ERA Cerrado Assessoria e Projectos Ambientais Ltd. ("ERA") provides one such model for our approach. Founded and led by Hannah Simmons, ERA is a true **impact developer**, serving as the bridge between landowners and environmental markets. Carbon finance provides landholders a viable economic alternative to conventional agriculture and deforestation, protecting native grasslands from ecosystem

conversion and preserving a critical biodiversity hotspot in the Cerrado Biome of Brazil.

In order to meet the 1.5°C global warming target set forth in the Paris Agreement, global GHG emissions must reach net-zero by 2050. We recognize the urgency to act on climate change, and the opportunity and responsibility presented through our own value chain. We strive to continue to expand our sphere of influence and sustainable impact as we deepen relationships with our project partners, the suppliers who support our activities, the communities where we live and work, and the employees who deliver on our commitments.

I invite you to explore our Sustainability Report to learn more about Carbon Streaming and how we integrate sustainability into our work. I look forward to sharing updates on our progress and achievements for years to come. In closing, I want to thank all our stakeholders, particularly our team and Board, who have been instrumental in contributing to Carbon Streaming's sustainability efforts in 2022.

Justin Cochrane

Justin Cochrane
Founder & Chief Executive Officer





About Carbon Streaming

Carbon Streaming Corporation is a Canadian publicly listed company. The Company's common shares are listed in Canada on the NEO Exchange under the symbol "NETZ", on the Frankfurt Stock Exchange under the symbol "M2Q" and on the OTC Markets under the symbol "OFSTF". The principal office of the Company is located at 155 University Avenue, Suite 1240, Toronto, Ontario, Canada, M5H 3B7.

At Carbon Streaming, our mission is to accelerate a net-zero future. We pioneered the use of streaming transactions, a proven and flexible funding model, to scale high-integrity carbon projects that deliver global climate action and advance the UN SDGs. This approach aligns our strategic interests with those of project partners to create long-term relationships built on a shared commitment to sustainability and accountability and positions us as a trusted source for buyers seeking high-quality carbon credits.

The Company currently has carbon credit streams and royalties related to 20 projects around the world, including projects involving nature-based solutions, the distribution of fuel-efficient cookstoves and water filtration devices, projects focused on waste avoidance and energy efficiency, agricultural methane avoidance and biochar carbon removal. Projects underway as of the date of this Report are located in Brazil, Canada, the Democratic Republic of Congo, India, Indonesia, Malawi, Mexico, Mozambique, Tanzania, Uganda, the United States and Zambia.

Carbon Streaming Portfolio of Projects

The Company's focus is on projects that have a positive impact on the environment, local communities and biodiversity ("**Co-Benefits**"), in addition to their carbon reduction or removal potential.



¹ Carbon Streaming has entered into a royalty agreement and an exclusive term sheet with Bonobo Conservation Initiative to advance the development of two projects.

² Carbon Streaming has entered into a royalty agreement and an exclusive term sheet with Future Carbon to contribute to the development and maintenance of four projects and grow Future Carbon in the global carbon markets.



Our Approach to Climate Action

Carbon Streaming is at the forefront of bringing stream financing to meet global temperature goals. The Company seeks to provide alternative financing, particularly in the form of streams and royalties, to projects that generate carbon credits for sale in the voluntary and/or compliance carbon markets. Carbon credits are complementary to broader decarbonization efforts employed by corporations, organizations and individuals to achieve their net-zero or carbon-neutral goals. Carbon credits can compensate for unabated emissions while a company pursues a science-based emissions mitigation strategy to reach net-zero.

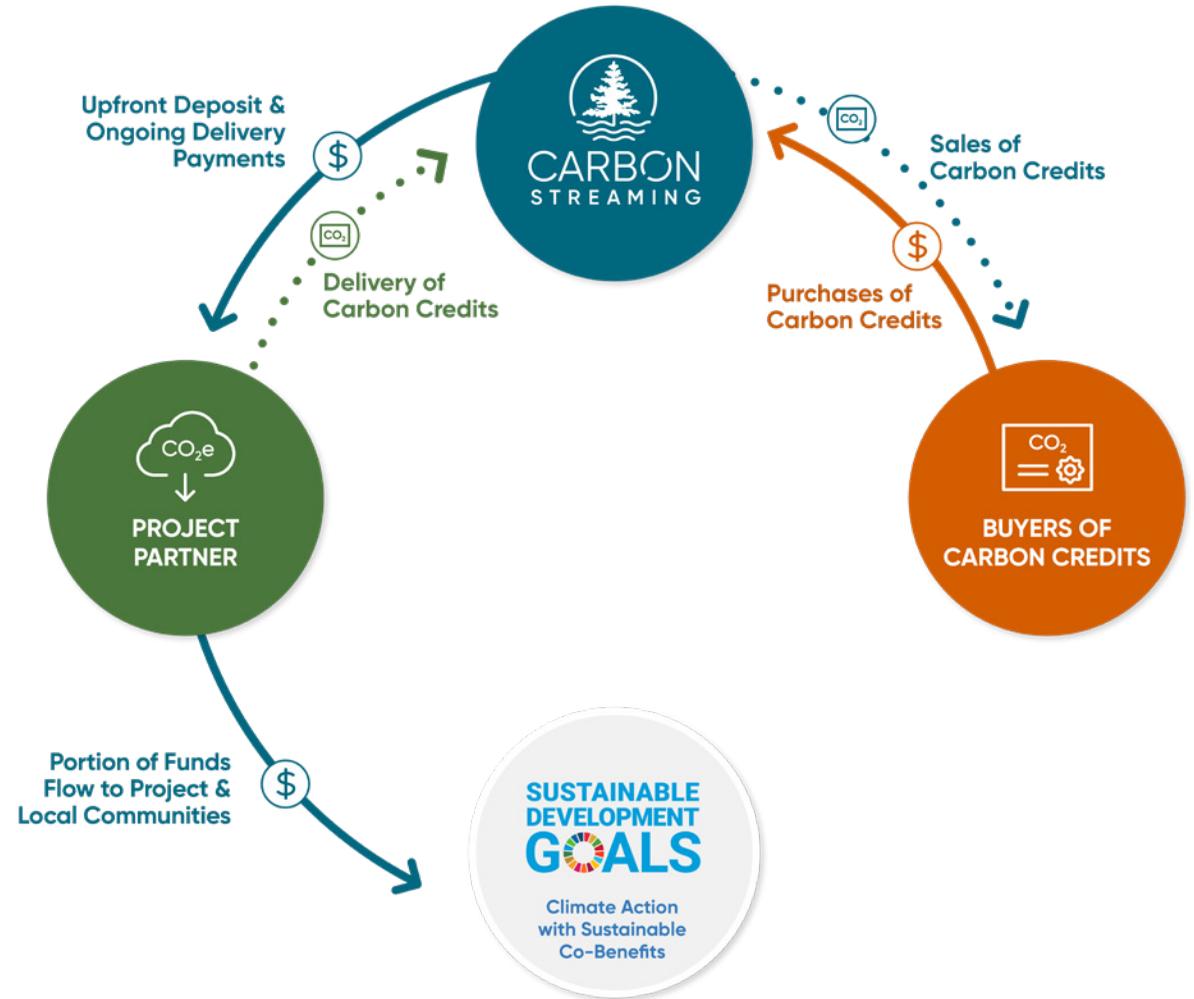
Carbon Credits

A carbon credit is a certified and transferable instrument that represents one tonne of carbon dioxide ("tCO₂") or the carbon dioxide equivalent ("tCO₂e") of another GHG (based on the amount of heat the gas traps in the atmosphere over time relative to carbon dioxide) that is prevented from entering or is removed from the atmosphere and includes all associated Co-Benefits.

Every 4.60 tCO₂e prevented from entering the atmosphere is equivalent to the removal of one average passenger vehicle from the road for one year (source: Environmental Protection Agency).

A carbon credit stream is a contractual agreement whereby Carbon Streaming, as the stream purchaser, makes an upfront deposit (in the form of cash, shares or other consideration) in return for the right to receive all or a portion of future carbon credits from an emission reductions or removals project. Carbon Streaming also makes an additional ongoing delivery payment per carbon credit to the project partner or owner when the carbon credits are sold. Typically, a portion of the sales price flows back to the project and the local communities to fund activities such as conservation or community programs. Our streaming arrangements with our project partners allow Carbon Streaming to offer carbon credit buyers a diversified portfolio of high-integrity carbon credits with confidence of future supply.

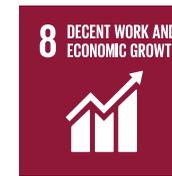
Carbon Streaming Model





Making a Sustainable Impact

The positive impacts associated with a carbon credit can go beyond the reduction or removal of GHG emissions to include Co-Benefits such as protecting endangered species, providing tangible benefits to local communities, and other activities that advance the UN SDGs. The Company seeks to augment the sustainable impact of its deployment of capital by targeting high-integrity carbon credit projects and new technologies needed to reduce and remove emissions, with a particular focus on associated Co-Benefits.



Preserving Biodiversity

- ✓ Protecting endangered species, such as the bonobos at the Bonobo Peace Forest
- ✓ Protecting marine life at Magdalena Bay
- ✓ Adopting best practices for soil health in the Cerrado Biome

Improving Livelihoods

- ✓ Floating healthcare clinic, solar lanterns and water filters at Rimba Raya
- ✓ Providing clean cookstoves and water filters in Africa
- ✓ Establishing new economic opportunities, such as sustainable sea scallop farming at Magdalena Bay

Building Sustainable Communities

- ✓ Scholarships, training and financing micro enterprises for women at Rimba Raya
- ✓ Promoting initiatives that support women
- ✓ Improving physical and technological infrastructure



Our Portfolio

Stream	Description	Emission Reductions/ Removals (tCO ₂ e) ¹	Additional Project Impact Highlights (UN SDGs)																
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Rimba Raya	One of the world's first and largest initiatives to protect tropical lowland peat swamp forests in Central Kalimantan, Borneo, Indonesia	130 million	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Community Carbon (7 Projects)	Portfolio of energy-saving projects, deploying cookstove and water filtration devices. The cookstove projects are located in Mozambique, Uganda and Tanzania and the water filtration projects are located in Malawi, Mozambique, Uganda and Zambia	50 million					●		●	●					●				
Sustainable Community (2 Projects)	Grouped projects enrol and reward members for GHG emission reductions through waste diversion, conversion and energy-efficiency initiatives, with plans to expand into transport in Quebec and Ontario, Canada	100 million										●	●	●	●	●			●
Magdalena Bay Blue Carbon	Blue carbon mangrove forest and associated marine habitat conservation in Magdalena Bay, Baja California Sur, Mexico	25 million	●			●					●				●	●	●		
Waverly Biochar	Reduction of GHG emissions through establishing and maintaining a thermal wood conversion facility where waste fines and sawdust will be converted into biochar in Virginia, US	161,000								●	●				●				
Cerrado Biome	Scale up project to avoid the conversion of native forest and grasslands to commercial agriculture in the Cerrado Biome, Brazil	13 million	●	●		●	●						●		●	●	●	●	
Nalgonda Rice Farming	Enrols rice farmers in GHG emission reductions through sustainable farming techniques, improving rice cultivation in the Nalgonda District, Telangana State, India	2.5 million	●	●								●			●	●			●

¹ Expected project life emission reductions or removals, in tCO₂e.





Carbon Credit Standards – Ensuring Integrity

We seek projects that employ the most widely reputed and internationally recognized standards in the voluntary carbon markets, including the Verified Carbon Standard (“VCS”) which is administered by Verra, the Gold Standard, the American Carbon Registry, the Climate Action Reserve and Puro.earth. These standards bodies set the project design, implementation, monitoring, verification and reporting criteria against which a carbon project’s GHG emission reductions or removal activities can be verified. These standards bodies, many of which are non-profit, serve to certify carbon credits and increase credibility in the marketplace.

One of the major roles of a standards body is to outline approved GHG accounting methodologies for carbon credit generation. The standards help uphold the integrity of carbon credit markets by subjecting project partners to a rigorous set of rules and requirements. Once projects have been certified as meeting the requirements of the applicable standard methodologies, tradable carbon credits are issued. High-integrity carbon credits should be:

- Real
- Quantifiable and measurable
- Additional
- Permanent
- Verified
- Leakage accounted for and minimized
- Do no net harm



Definitions can be found in our AIF [here](#) on pp. 31–32.

Co-Benefit Standards – Delivering Impact

Projects can also achieve additional accreditation under non-carbon accounting standards which assess Co-Benefits, such as the Climate, Community & Biodiversity (“CCB”) Standard, SOCIALCARBON and Sustainable Development Verified Impact Standard (“SD VISTa”). Co-Benefit accreditation allows carbon credits to be differentiated based on their underlying positive social, biodiversity and sustainability impacts beyond emission reductions and removals in accordance with UN SDGs.

Our Guiding Principles

Carbon Streaming’s mission is to scale high-integrity carbon credit projects to accelerate global climate action and advance the UN Global Goals. Our business exists to spur and support sustainable climate action and address the impacts of climate change with the goal to reach net-zero. In line with our mission, we work with developers on projects designed to deliver **impacts beyond carbon**, creating additional value for ecosystems and society.

Our Guiding Principles inform our investment decisions and direct our day-to-day operations. We aim to:

- Accelerate **climate action** and seek projects that deliver on the UN SDGs
- **Respect** the interests, cultures, customs and values of our employees and project communities
- Integrate **sustainability** in our business and corporate decision-making processes
- Apply **ethical** business practices as we advance a sound system of corporate governance
- Operate with **integrity** in dealings with employees, partners, clients, communities and other stakeholders
- Be **accountable** and **transparent** in our activities



Our Approach to Sustainability

In fiscal year 2022, the Company took steps to further develop its ESG framework by engaging sustainability consultants to conduct a materiality assessment with senior management to align high-priority ESG topics and assist in calculating a GHG footprint for Scopes 1, 2 and partial 3 emissions. We also established a standing Sustainability Committee of the Board of Directors charged with overseeing the Company's plans and progress with respect to ESG.

Materiality Assessment 2022

The materiality assessment identified the priority ESG topics that are central to our mission and the success of our business. This exercise considered Carbon Streaming's approach to climate action and broader commitment to the UN Global Goals. Interviews were conducted with key internal stakeholders (Board members and senior leaders). We identified material topics to inform the focus of our sustainability efforts moving forward; this Report focuses on the high-priority topics listed below and detailed in the following sections.

List of High Material Topics

Environment

- Climate change
- Carbon footprint (GHG emissions)
- Biodiversity

Social

- Human rights
- Employee well-being
- Diversity, equity and inclusion ("DEI")
- Community and social investment

Governance

- Business ethics and transparency
- Anti-bribery and anti-corruption



Aerial view of tropical peat swamp forest at Rimba Raya, Borneo, Indonesia.



Our Approach to Governance

Carbon Streaming works to maintain the highest standards of ethical behaviour by demonstrating accountability, providing clear policies and guidance, communicating effectively, and reporting in a timely and transparent manner. We focus our governance efforts in four key areas:

- Our Board
- Our due diligence process
- Business ethics
- Governance policies

Our Board

Carbon Streaming's Board of Directors (the "**Board**") has the overall responsibility for supervising the management of the business and affairs of our Company. The roles and responsibilities of the Board are defined in the "Mandate of the Board of Directors"¹. Broadly, Carbon Streaming involves the Board in strategic planning, risk identification, management and mitigation, senior management determination and succession planning, communication planning and public reporting integrity.

The Board currently consists of eight directors, six of whom are independent. The Company has established four standing committees: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, and the Sustainability Committee. Directly and through its standing committees, the Board works in collaboration with management to develop policies and establish strategic objectives that preserve and enhance the value and sustainability of the Company.

¹ [CSC Mandate of the Board of Directors](#)



Each standing committee has a charter setting out its specific functions and responsibilities, and a chair responsible for providing effective leadership of the committee, facilitating the committee's operations and deliberations, and overseeing the satisfaction of the committee's functions and responsibilities under its charter. This includes reporting the activities of the committee to the Board, and the chair has authority to engage external advisors as needed. Each committee charter is available on the Company's [website](#). The Board has also developed a written mandate for the chair of the Board, Board committee chairs and the CEO. These mandates set out the primary functions and responsibilities of each position.

We believe that drawing upon a diverse range of perspectives, skill sets and experiences leads to better decisions and stronger business outcomes. At present, the composition of our Board is 38% female. Director nominations are based on merit and past performance, as well as the nominee's expected contribution to the Company.

The Sustainability Committee is responsible for fulfilling the Board's oversight responsibilities with respect to ESG, including: evaluating and assessing the performance and effectiveness of the Company's ESG policies and procedures; overseeing the Company's charitable donations and community involvement initiatives; identifying critical issues, changes and risks associated with ESG matters; reviewing the Company's sustainability performance metrics; reviewing the Company's strategies related to ESG disclosure; and annually reviewing and recommending to the Board for approval the Company's sustainability report. The Sustainability Committee receives regular reports on the Company's efforts related to climate action, community engagement, employee well-being and DEI, among other priority ESG topics. Management expects to bring forth new policies in the coming year in efforts to continuously progress our ESG framework and impact. The Board will assess the effectiveness of such policies through ongoing discussions with management and will monitor the Company's performance in meeting the standards outlined to ensure sustained progress on these initiatives.

1 Maurice Swan (Chair), R. Marc Bustin, Justin Cochrane, Saurabh Handa, Candace MacGibbon, Alice Schroeder, Andy Tester and Jeanne Usonis
 2 Saurabh Handa (Chair), R. Marc Bustin, Candace MacGibbon and Alice Schroeder
 3 Andy Tester (Chair), Saurabh Handa, Candace MacGibbon and Maurice Swan
 4 Maurice Swan (Chair), R. Marc Bustin, Alice Schroeder and Andy Tester
 5 Alice Schroeder (Chair), Candace MacGibbon, Maurice Swan and Jeanne Usonis
 6 Justin Cochrane, CEO
 7 Geoff Smith, President & COO, Conor Kearns, CFO, Michael Psihogios, Chief Investment Officer and Anne Walters, General Counsel & Corporate Secretary



Our Due Diligence Process

The due diligence process undertaken by the Company in connection with acquisitions, investments or streaming arrangements is supported by our robust governance framework. The Company has investment guidelines and an Impact Investing Policy which guides our decision-making process for identifying carbon credit projects to consider for streaming transactions.

We prioritize projects that advance one or more of the UN SDGs, benefiting the planet and society.

The guidelines provide direction to the decision-making process and articulate considerations related to appropriate technical, financial and legal due diligence. The Impact Investing Policy articulates the Company’s approach to allocation of capital, focusing on projects that have a positive impact on the environment, local communities and biodiversity. In adherence to the policy, it is our belief that by focusing on projects with strong Co-Benefits, the carbon credits we acquire will attract premium prices, which should generate enhanced economic returns for our stakeholders.¹

Carbon Streaming has also established an Investment Committee comprising members of senior management, the Board of Directors and the Advisory Board to review proposed transactions identified by management and to make recommendations regarding such transactions to the Board². The Advisory Board comprises individuals with strong backgrounds in the areas of carbon markets, forest management and development, carbon credit projects, marketing, and corporate governance to assist the Company in making capital allocation decisions.

As part of the due diligence process, the Company evaluates the sustainable impact of a proposed investment with respect to community engagement and its support of the project, whether the project meets the overall corporate objectives and business strategy, and past and expected financial performance.

Once a project is registered with the applicable standard body, it is monitored and reviewed by independent auditors on a regular basis. The Company also receives ongoing reports from the project and maintains frequent communications with project partners. **This disciplined and rigorous approach ensures value generation for project partners, the communities in which they work, carbon credit buyers and shareholders.**



Todd Lemons and Justin Cochrane at Magdalena Bay, in Baja California Sur, Mexico.

“

The Carbon Streaming team are exceptional people to work with. They are true partners. Typically, projects do not budget for early community initiatives during the development phase. Often, any significant community initiative is budgeted from carbon revenues after the development phase. Carbon Streaming understood the value of advancing this work during the development phase, which was a key consideration in MarVivo choosing to work with them. Individual projects don’t have the bandwidth to reach and develop broad corporate client pools. Additionally, buyers want a diversified portfolio, which requires a partner like Carbon Streaming.”

Todd Lemons, Founder, MarVivo Corporation, Magdalena Bay Blue Carbon Project

¹ https://www.carbonstreaming.com/_resources/financials/AIF-June-30-2020.pdf

² https://www.carbonstreaming.com/_resources/financials/AIF-June-30-2021.pdf



Business Ethics

Carbon Streaming is committed to upholding the values set out in our [Code of Business Conduct & Ethics](#) (the “**Code**”), which outlines the standards expected of our management, employees and business partners. Our approach is designed to foster an organizational culture that endorses and promotes ethical conduct and conforms to best practices. The Board will review the Code annually and monitor compliance with the Code through reports of management to the Audit Committee. All directors, officers and employees are required to provide annual certification of compliance with the Code.

The Board has also adopted a whistleblower policy which promotes a culture of ethical conduct by providing a forum for employees, clients, contractors, officers and directors to raise concerns about ethical conduct on a confidential and anonymous basis.

The Company has a zero-tolerance policy for bribery and corruption and has adopted an Anti-Bribery and Anti-Corruption Policy which sets out the responsibilities of the Company, and those working for it, in observing and upholding the policy and provides guidance on how to recognize and address bribery and corruption issues.



Biodiversity flourishing in the Cerrado Biome of Brazil.



Our Environmental Impact

Carbon Streaming's ESG Materiality Assessment identified three environmental issues that will be lasting priorities for our Company: climate change, our operational carbon footprint and associated GHG emissions, and biodiversity.

We assessed our Company's operational carbon footprint for calendar year 2021 and began identifying potential emission reduction opportunities. We also began evaluating how best to address the other material environmental issues both near- and long-term. Our evaluation is focused on minimizing the ecological impacts of our own operations and encouraging others throughout the value chain to do the same.

Climate Change

Climate regulations have significant impacts on Carbon Streaming's business model and the ease with which the world can transition to a sustainable low-carbon future. For this reason, Carbon Streaming monitors emerging regulations and participates in the public policy dialogue directly through associations we support, such as the International Emissions Trading Association ("IETA") and the Carbon Business Council. We are building the capability to better address the physical and financial impacts of climate change through partnerships and internal resources. These are important issues for Carbon Streaming and will remain on our agenda for the long term.

In addition to our in-house actions, Carbon Streaming has a unique opportunity to promote partner actions that mitigate further climate impacts. In some circumstances, we include climate or net-zero pledges/claims as an investment or contractor selection criterion. For example, the supplier who assisted in the preparation of this Report, Works Design, has been carbon-neutral since 2013.



Our Carbon Footprint

The Carbon Streaming calendar year 2021 operational carbon footprint establishes a preliminary baseline and will be used to identify potential GHG emissions reduction opportunities. Calculations followed the US Environmental Protection Agency Center for Corporate Climate Leadership Greenhouse Gas Inventory Development Process and Guidance¹, which aligns with the global standard for calculating corporate GHG emissions, The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard² developed by the World Resources Institute (“WRI”)³ and the World Business Council for Sustainable Development⁴.

Our carbon footprint includes the direct (Scope 1) GHG emissions from operations at our offices in Ontario, Canada, as well as the indirect (Scope 2) GHG emissions from our own energy use (e.g. purchased electricity and steam). We also developed a partial analysis of Scope 3 indirect GHG emissions attributable to our activities. The results are presented below, with further detail provided in the Appendix.

Carbon Streaming Greenhouse Gas Emissions for Calendar Year 2021

Emissions Category	GHG Emissions (tCO ₂ e)	Emissions Sources
Scope 1	2.0	Natural gas heating (predominant), refrigeration and air conditioning
Scope 2	7.2	Purchased electricity (corporate offices) and steam (used for heating)
Scope 3	14.0	Business travel, electricity use in home offices (predominant) and employee commuting
Total	23.2	Scopes 1, 2 and partial 3

tCO₂e = 1 metric tonne of carbon dioxide equivalent

While this initial emissions inventory represents Carbon Streaming’s operational carbon footprint, calendar year 2021 is atypical for various reasons. Namely, 2021 was a formative year which included the opening of a satellite office midyear and the addition of several new employees. Business travel and commuting were limited due to the COVID-19 pandemic. Consequently, we anticipate higher GHG emissions in calendar year 2022 due to full-year office occupancy, higher staffing levels, and increased business travel and commuting as the needs of the business dictate.

Business travel produced Carbon Streaming’s highest GHG emissions in calendar year 2021 and will grow as demand for in-person meetings, industry conferences and project site visits for due diligence or engagement with project teams increases. To minimize adverse carbon emissions impacts, Carbon Streaming is providing virtual offices and video conferencing to enable virtual meetings as an alternative to business travel. We aim to develop a sustainable travel and expense policy to aid in minimizing transportation-related GHG emissions where possible.

Our offices are the source of Carbon Streaming’s second highest GHG emissions levels, notably Scope 1 and Scope 2 emissions related to heating, cooling, lighting and operating equipment. We are exploring ways to reduce these emissions such as officing in Green Buildings, purchasing low-carbon electricity and using more energy-efficient systems and equipment, among others. Supply constraints could limit our near-term access to these GHG emissions reduction approaches, but we will continue to seek out decarbonization opportunities throughout the value chain as we grow.

Accounting for Scopes 1, 2 and partial Scope 3 emissions, the Company’s material GHG emissions for the calendar year 2021 total 23.2 tCO₂e. As the Company develops a stronger baseline of operational emissions in the coming years, we will explore best practices for setting ambitious climate targets commensurate with our responsibility and intention to drive impact. This may include implementing an internal price on carbon, expansion of Scope 3 emissions as deemed material, continuous evaluation of opportunities to decarbonize throughout the value chain, and setting a science-based target by 2025. In the interim, as a true project partner and in demonstration of our commitment to accelerating the transition to a net-zero future, the Company has offset 5x our calendar year 2021 emissions through the retirement of 125 carbon credits from our portfolio.

1 The EPA Center for Corporate Climate Leadership Greenhouse Gas Inventory Guidance Documents, published electronically at [GHG Inventory Development Process and Guidance | US EPA](#)

2 The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, [ghg-protocol-revised.pdf \(ghgprotocol.org\)](#)

3 <https://www.wri.org>

4 <https://www.wbcsd.org>



Other Environmental Actions

This year we joined the Green Business Bureau (“**GBB**”), a trusted authority in green business, which offers members a sustainability framework and solutions to engage employees, manage sustainability programs and become greener. Sharing best practices helps us as we work to continuously improve our sustainability performance through environmental action. As far as possible, we link these internal actions to our material environmental issues. For example, on Earth Day 2022, our Toronto team participated in a local Carbon Sink Forest initiative planting trees with the community of the McMaster Centre for Climate Change in nearby Hamilton, Ontario. The McMaster Carbon Sink Forest initiative is developing a model forest where 1,000 native tree species will be planted to facilitate maximum carbon sink capabilities while also promoting biodiversity, sustainability and conservation. Another tree planting day is scheduled for November 2022, and we intend to remain a long-term supporter of this initiative, as it exemplifies our commitment to invest in climate, biodiversity and community.



Carbon Streaming team members planting trees at the McMaster Carbon Forest Sink Initiative in Hamilton, Ontario on Earth Day in April 2022.



Our Social Impact

Partnerships – typified by a shared focus, mutual respect and the recognition that we can do more together – form the basis for success in our work. Carbon Streaming embodies the multidisciplinary, multistakeholder approach needed to advance the UN Global Goals by bringing together skill sets spanning technical carbon and forestry management, stream financing expertise and sustainability best practices with governmental and regulatory bodies, committed climate investors and community voices. This is how we aspire to bring value to our shareholders and all our stakeholders, through Partnerships for the Goals.

Colleagues: Priority Partners

Our commitment to partnership starts within our team. We seek to cultivate a diverse, equitable and inclusive workplace that supports employee well-being by providing space for rest, team building and professional development. Grounded by our Code, we promote an environment of respect and mutual understanding. We are dedicated to creating a safe and healthy environment for all employees, with equal opportunity, fair remuneration and no tolerance for discrimination. We embrace diversity in all forms across our company and with our partnerships. Female representation on our Board has increased to 38% from 20% in fiscal year 2021, and one out of five members of the executive team is female. Our team has tripled in size since the end of fiscal 2021; of those hired, 50% were women. As our team continues to grow, we intend to seek out qualified candidates with diverse backgrounds and life experiences.

We invest in our workforce through wellness and benefits programs. We offer our team flexible working hours and locations, with many working from home full-time and others a day or more per week. Our new and expanded Toronto office offers room to grow and boasts a welcoming and engaging setting with plenty of natural light and indoor plants for a healthy environment.



It's important to have a goal on partnerships because realizing the agenda we want, the Agenda 2030, involves all sectors of society. It's a job for everyone, not just for governments, and this is the idea behind Partnerships."¹

Nikhil Chandavarkar, Chief, Outreach and Communications Division for Sustainable Development, UN Department of Economic & Social Affairs

¹ Source: [Sustainable Development Goals Explained: Partnerships for the Goals - Bing video](#)



Impact Partners: More Diversity, Experience & Wisdom

We value the experience and expertise of our impact partners. Our project partners know their communities, ecosystems, methodologies and technologies. We believe in their abilities to develop outstanding carbon projects that deliver impacts beyond climate action by engaging local populations and preserving biodiversity. Sustained, iterative engagement with our project partners also helps to maintain vital in-country relationships and keeps us aware of critical risks and opportunities. These valued partnerships are our connection to local communities and Indigenous Peoples. Project partners seek to learn from these communities and share – or rediscover – sustainable approaches to agroforestry, eco-tourism, wildlife monitoring and more.

“

The Magdalena Bay Blue Carbon project gave me another perspective on the use of local natural resources, and I can now teach my children that there is a world of employment possibilities, not only in fishing or extracting products. I also feel a very big responsibility when doing the wildlife monitoring work and I feel very satisfied with contributing some of my knowledge to the foundation.”

Omar Martínez Garcia, Wildlife Monitoring Manager

Many of our carbon streams and royalties are invested in women-led businesses, such as ERA, Future Carbon Group and the Bonobo Conservation Initiative, and we have a joint venture with WilsonZinter, a Canadian women-led Indigenous organization. Seeking successful, high-impact partners with diverse backgrounds and experiences provides greater depth, strength and resiliency to our portfolio. For example, our collaboration with WilsonZinter aims to build understanding and connection with First Nations communities in British Columbia. Aligned by the shared goals of driving climate action and preserving natural resources and cultural traditions, such partnerships support Indigenous communities’ spiritual and economic well-being by providing educational resources and creating climate jobs through carbon finance. Valuable collaborations like these help to build a larger, more diverse ecosystem of community and stakeholder engagement to scale and accelerate climate action and advance the UN Global Goals.



“

Carbon Streaming’s business model emphasizes leaving most of the financial reward in the communities. That was what was very different from any of the other potential joint ventures that we were speaking to at the time. It follows our goals and values very well, which are benefiting First Nations and benefiting restoration work in Northern British Columbia.”

Amanda Wilson, Co-Founder, WilsonZinter



Global Partners: Scaling Impact through Affiliations

In addition to our memberships with IETA and the Carbon Business Council, this year Carbon Streaming joined the Canadian Business for Social Responsibility (“**CBSR**”), an association of Canadian companies committed to a vision of co-creating a sustainable, prosperous and socially just future. Membership in CBSR affords access to resources and regular dialogue within a vibrant community of distinguished organizations at the forefront of sustainability practice.

Carbon Streaming is also a proud participant in the UN Global Compact, a global corporate sustainability initiative designed to educate companies and ensure that the principles of human rights, labour, environment and anti-corruption are integrated into their strategies and business operations. Launched in 2000, the UN Global Compact is the world’s largest corporate sustainability initiative, with over 15,000 companies and 3,000 non-business signatories based in over 160 countries and more than 70 Local Networks.

As a participant of the UN Global Compact, our first Communication of Progress on the implementation of the [Ten Principles of the UN Global Compact](#) will be submitted in calendar year 2023.

WE SUPPORT



Pelicans diving for food in Magdalena Bay, Baja California Sur, Mexico.



Sun setting on the savannah in the Cerrado Biome, Brazil.

Outlook 2023

The collective actions we take in this next decade will determine if it may be possible to limit global temperature rise beyond 2°C. This next year for Carbon Streaming will be marked by a sustained commitment to expanding our portfolio, deepening relationships with partners, clients and shareholders, and developing our ESG framework and sustainability strategies in meaningful, quantifiable ways. **We are dedicated to building a high-impact, high-integrity and diversified portfolio of projects that advance climate action and support a just transition.** We will continue to seek project opportunities that preserve valuable carbon sinks and threatened ecosystems; protect biodiversity; deliver tangible benefits to local communities; and further explore solutions in methane avoidance, agriculture, technology and transportation sectors. Though we are early in our journey, we are buoyed by the support of our shareholders, employees, partners and communities, and remain steadfast in our mission to accelerate the transition to a net-zero future.

Contact and Feedback

Your feedback is valuable to our continuous improvement. Please share any comments or suggestions regarding this Report or our sustainability ambitions with us at sustainability@carbonstreaming.com.



Advisories

This Sustainability Report (this “**Report**”) is being issued by Carbon Streaming Corporation (the “**Company**” or “**Carbon Streaming**”) for information purposes only. The content of this Report has not been approved by any securities regulatory authority. Reliance on this Report for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested. This Report is not an admission document, prospectus or an advertisement and does not constitute or form part of, and should not be construed as, an offer or invitation to sell or any solicitation of any offer to purchase or subscribe for any securities of the Company in Canada, the United States or any other jurisdiction. This Report should not form the basis of, or be relied on, in connection with or act as an inducement in relation to a decision to purchase or subscribe for, enter into any contract, or make any commitment whatsoever in relation to any securities of the Company. No representation or warranty, express or implied, is given as to the accuracy, sufficiency or completeness of the information or opinions contained in this Report and no liability whatsoever is accepted by the Company, its directors, officers or advisors or any other person for any loss howsoever arising, directly or indirectly, from any use of such information or opinions or otherwise arising in connection

therewith. This Report contains certain forward-looking statements and forward-looking information (collectively, “**forward-looking information**”) within the meaning of applicable securities laws. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are forward-looking information, including, without limitation, the Company's objectives, strategies and competitive strengths; sustainability objectives in the areas of ESG; expected benefits of the streaming model; the generation of Co-Benefits, including biodiversity and local community benefits; and corporate culture. This forward-looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. They should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. Factors that could cause actual results or events to differ materially from current expectations include, among other things: volatility in prices

of carbon credits and demand for carbon credits; change in social or political views towards climate change and subsequent changes in corporate or government policies or regulations and associated changes in demand for carbon credits; limited operating history for the Company's current strategy; risks arising from competition and future acquisition activities; concentration risk; inaccurate estimates of growth strategy, including the ability of the Company to source appropriate opportunities and enter into stream, royalty or other agreements; dependence upon key management; general economic, market and business conditions and global financial conditions; and the other risks disclosed under the heading “Risk Factors” and elsewhere in the Company's Annual Information Form dated as of September 26, 2022 and filed on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com. Any forward-looking information speaks only as of the date of this Report. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein. Except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise.



Appendix

GRI Content Index

STATEMENT OF USE: Carbon Streaming Corporation has reported the information cited in this GRI content index for the period of July 1, 2021, to June 30, 2022, with reference to the GRI Universal Standards.

GRI 1 USED: Foundation 2021

Disclosure Number	Disclosure Name	Reporting Location	Additional Remarks
GRI 2: General Disclosures			
2-1	Organizational details	About Carbon Streaming, p. 4	–
2-2	Entities included in the organization’s sustainability reporting	Table of Contents, p. 2	CSC website: Financial Reports & Filings
2-3	Reporting period, frequency and contact point	About This Report, p. 2 Contact and Feedback, p. 20	–
2-4	Restatements of information	Table of Contents, p. 2	As this is our first sustainability report, we have not made any restatement in the reporting period.
2-5	External assurance		External assurance was not sought for this Report.
2-6	Activities, value chain and other business relationships	About Carbon Streaming, p. 4 Our Approach to Climate Action, p. 5	–
2-9	Governance structure and composition	Our Board, pp. 10–11	–
2-10	Nomination and selection of the highest governance body	Our Board, p. 11	CSC website: 2022 Management Information Circular
2-11	Chair of the highest governance body	Our Board, p. 11	CSC website: Position Description for Chair of the Board
2-12	Role of the highest governance body in overseeing the management of impacts	Our Board, p. 11 Our Due Diligence Process, p. 12	CSC website: Mandate of the Board of Directors
2-13	Delegation of responsibility for managing impacts	Our Board, p. 11 Our Due Diligence Process, p. 12	CSC website: 2022 Management Information Circular
2-14	Role of the highest governance body in sustainability reporting	Our Board, p. 11	CSC website: 2022 Management Information Circular
2-15	Conflicts of interest		CSC website: Mandate of the Board of Directors



GRI Content Index (cont'd)

Disclosure Number	Disclosure Name	Reporting Location	Additional Remarks
2-16	Communication of critical concerns	Our Board, p. 11 Our Due Diligence Process, p. 12	CSC website: 2022 Management Information Circular
2-17	Collective knowledge of the highest governance body		CSC website: 2022 Management Information Circular
2-18	Evaluation of the performance of the highest governance body		CSC website: 2022 Management Information Circular
2-19	Remuneration policies		CSC website: 2022 Management Information Circular
2-20	Process to determine remuneration		CSC website: 2022 Management Information Circular
2-22	Statement on sustainable development strategy	CEO Letter, p. 3	–
2-23	Policy commitments	Our Guiding Principles, p. 8 Our Board, p. 13 Global Partners: Scaling Impact through Affiliations, p. 19	–
2-26	Mechanisms for seeking advice and raising concerns	Our Due Diligence Process, p. 12 Business Ethics, p. 13	CSC website: 2022 Management Information Circular
2-28	Membership associations	Global Partners: Scaling Impact through Affiliations, p. 19	–
2-29	Approach to stakeholder engagement	Our Approach to Sustainability, p. 9	CSC website: 2022 Management Information Circular
GRI 3: Material Topics			
3-1	Process to determine material topics	Materiality Assessment 2022, p. 9	–
3-2	List of material topics		–
GRI 305: Emissions 2016			
3-3	Management of material topics	Our Environmental Impact, p. 14 Climate Change, p. 14 Our Carbon Footprint, p. 15	–
305-1	Direct (Scope 1) GHG emissions	Our Carbon Footprint, p. 15 Detailed Emissions, p. 27	–



GRI Content Index (cont'd)

Disclosure Number	Disclosure Name	Reporting Location	Additional Remarks
305-2	Indirect (Scope 2) GHG emissions	Our Carbon Footprint, p. 15 Detailed Emissions, p. 27	–
305-3	Other Indirect (Scope 3) GHG emissions	Our Carbon Footprint, p. 15 Detailed Emissions, p. 27	–
305-5	Reduction of GHG emissions	Carbon Streaming Portfolio of Carbon Credit Projects (Streams & Royalties), pp. 25–26 Detailed Emissions, p. 27	–
GRI 405: Diversity and Equal Opportunity 2016			
3-3	Management of material topics	Colleagues: Priority Partners, p. 17	–
GRI 412: Human Rights Assessment 2016			
3-3	Management of material topics	Global Partners: Scaling Impact through Affiliations, p. 19	–
GRI 413: Local Communities 2016			
3-3	Management of material topics	Our Social Impact, p. 17	–
413-1	Operations with local community engagement	Making a Sustainable Impact, pp. 6–7 Other Environmental Actions, p. 16 Impact Partners: More Diversity, Experience & Wisdom, p. 18	–
GRI 416: Labour/Management Relations			
3-3	Management of material topics	Colleagues: Priority Partners, p. 17	–

Learn more about the [UN SDGs/Global Goals](#).

Carbon Streaming Portfolio of Carbon Credit Projects (Streams & Royalties)

The Company currently has the following carbon credit streaming and royalty agreements.

Stream/ Royalty	Partner(s)	Description	Standard Body	Project Type		Expected Project Life ^{1, 2}	Expected Project Life Emission Reductions/ Removals (tCO ₂ e) ²	Impact Highlights
Rimba Raya	InfiniteEARTH Limited	One of the world's first and largest initiatives to protect tropical lowland peat swamp forests in Central Kalimantan, Borneo, Indonesia	Verra (VCS)	REDD+ ⁵ (AFOLU) ⁶	Avoidance/ Reduction	30 years	130 million	All 17 SDGs
Community Carbon (7 Projects)	Community Carbon	Portfolio of energy-saving projects, deploying cookstove and water filtration devices. The cookstove projects are located in Mozambique, Uganda and Tanzania and the water filtration projects are located in Malawi, Mozambique, Uganda and Zambia	Gold Standard/ Verra (VCS)	Cookstove/ Water Filtration	Avoidance/ Reduction	15–21 Years	50 million	SDGs 5, 7, 8, 13
Sustainable Community (2 Projects)	Will Solutions Inc.	Grouped projects enrol and reward members for GHG emission reductions through waste diversion, conversion and energy-efficiency initiatives, with plans to expand into transport in Quebec and Ontario, Canada	Verra (VCS)	Energy Efficiency/ Waste Diversion/ Transport	Avoidance/ Reduction	20 years ³ 21 years (Ontario) ⁴	100 million	SDGs 9, 10, 11, 12, 13, 17
Magdalena Bay Blue Carbon	Fundación MarVivo Mexico, MarVivo Corporation	Blue carbon mangrove forest and associated marine habitat conservation in Magdalena Bay, Baja California Sur, Mexico	Verra (VCS) (planned)	To be developed as a REDD+ (AFOLU/Blue Carbon)	Avoidance/ Reduction	30 years	25 million	SDGs 1, 4, 8, 13, 14, 15
Waverly Biochar	Waverly RB SPE LLC	Reduction of GHG emissions through establishing and maintaining a thermal wood conversion facility where waste fines and sawdust will be converted into biochar in Virginia, US	Puro.earth	Biochar	Removal/ Sequestration	25 years	161,000	SDGs 7, 8, 13
Cerrado Biome	ERA Cerrad o Assessoria e Projectos Ambientais Ltd	Scale up project to avoid the conversion of native forest and grasslands to commercial agriculture in the Cerrado Biome, Brazil	Verra (VCS)	REDD+ (AFOLU/ ACoGS) ⁷	Avoidance/ Reduction	30 years	13 million	SDGs 1, 2, 4, 5, 10, 12, 13, 14, 15

1 "Expected project life" refers to the period of time (beginning at the project start year) during which the emission reductions or removals are expected to occur and the project can generate carbon credits according to its applicable accounting methodology, which may be extended under certain methodologies.

2 Information based on current project design document ("PDD") is on file with the applicable registry and/or provided by the project partner.

3 The initial 10-year crediting period was renewed by Verra in 2020 for an additional 10-year term ending in 2029.

4 The initial crediting period is expected to be seven years with two renewal crediting periods of seven years each.

5 "REDD" means Reducing Emissions from Deforestation and forest Degradation, a framework developed by the United Nations Framework Convention on Climate Change.

6 "AFOLU" means agriculture, forestry and other land-use.

7 "ACoGS" means avoided conversion of grasslands and shrublands.

Carbon Streaming Portfolio of Carbon Credit Projects (Streams & Royalties) (cont'd)

Stream/ Royalty	Partner(s)	Description	Standard Body	Project Type		Expected Project Life ^{1, 2}	Expected Project Life Emission Reductions/ Removals (tCO ₂ e) ²	Impact Highlights
Nalgonda Rice Farming	Core CarbonX Solutions Pvt Ltd.	Enrols rice farmers in GHG emission reductions through sustainable farming techniques improving rice cultivation in the Nalgonda District, Telangana State, India	Verra (VCS)	Agricultural	Avoidance/ Reduction	7 years	2.5 million	SDGs 1, 2, 8, 12, 13, 17
Bonobo Peace Forest (2 projects) ³	Bonobo Conservation Initiative	Develop two carbon credit projects within the Bonobo Peace Forest located within the Sankuru Nature Reserve and the Kokolopori Bonobo Reserve in the Democratic Republic of the Congo	Verra (VCS)	Pending	Avoidance/ Reduction	30 years	Significant GHG emission reductions	SDGs 1, 3, 4, 5, 8, 13, 15
FCG Amazon Portfolio (4 projects) ⁴	Future Carbon Group	Develop four carbon credit projects in the Amazon rainforest in the states of Amazonas, Mato Grosso, Pará and Rondônia, which are deemed at high risk of deforestation	Verra (VCS)	REDD+ (AFOLU)	Avoidance/ Reduction	30 years	68.3 million	SDGs 1, 2, 3, 4, 5, 8, 12, 13, 15

1 "Expected project life" refers to the period of time (beginning at the project start year) during which the emission reductions or removals are expected to occur and the project can generate carbon credits according to its applicable accounting methodology, which may be extended under certain methodologies.

2 Information based on current PDD is on file with the applicable registry and/or provided by the project partner.

3 The Company has entered into a royalty agreement and an exclusive term sheet with Bonobo Conservation Initiative to advance the development of these projects.

4 The Company has entered into a royalty agreement and an exclusive term sheet with Future Carbon to contribute to the development and maintenance of these projects and grow Future Carbon in the global carbon markets.



Detailed Emissions

	tCO ₂ e	
Scope 1 Emissions		
Stationary Combustion (corporate offices)	2.0	2.0
Location-Based Scope 2 Emissions		
Purchased and Consumed Electricity (corporate offices)	0.9	
Purchased and Consumed Steam	6.3	7.2
Total Organizational Emissions		
Total Scope 1 & Location-Based Scope 2	9.2	
Scope 3 Emissions		
Employee Business Travel	8.5	
Employee Commuting	1.6	
Home Offices	3.9	14.0
Scope 1, 2 and Partial 3 Emissions Total	23.2	
Reductions		
Carbon Credits Retired by Carbon Streaming	125.0	



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