

# 2022 Sustainability Report

Updated for the Six Months Ended December 31, 2022

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Aerial view of Magdalena Bay in Baja California Sur, Mexico.

## Letter from Our Chair

On behalf of the Board, welcome to Carbon Streaming's latest sustainability report. Carbon Streaming is a leader in alternative ways to direct capital to high-integrity carbon credit projects. These projects advance global decarbonization efforts while contributing to the lasting prosperity of local people and communities and the continued health and viability of their environments.

This report demonstrates our commitment to disclosure and transparency and helps track our performance and impact as we strive to fulfill our purpose of helping to accelerate a net-zero future.

As Chair of our Board, I have a particular responsibility to focus on governance. Corporate governance is a vital issue for Carbon Streaming as we are a publicly traded company, one of the first operating in a new and rapidly evolving sector where uniform standards are still being defined and harmonized among governments, regulators and market participants. Around the world and in the marketplace, people are still learning about what carbon credits are, the many ways they are generated and how they can contribute to helping countries and companies reach the goals of the Paris Agreement.

Consistent with our company's overall approach, the Board works to ensure we add value to Carbon Streaming's offering. Following management and investment committee review and recommendations we have weighed in on investment decisions to grow a diverse portfolio of world-class projects here in Canada and around the globe. Our Board is diverse, informed and thoroughly engaged in supporting these efforts. One of the most significant recent achievements in our ESG efforts was the selection, in December 2022, of two incredible International Non-Governmental Organisations (INGOs) to receive support from newly formed Climate Resilience Impact Fund (CRIF). Operated in partnership with Community Carbon, a Uganda-based carbon credit project developer, and funded through revenues from the sale of carbon credits, CRIF supports initiatives focused on women and girls in countries where Community Carbon is active. Through CRIF, we can add something of our own, go beyond the co-benefits inherent in a project, and make a difference that is only possible through our participation. CRIF is emblematic of our goal to amplify the already positive impacts our projects generate.

I appreciate your interest in Carbon Streaming and our sustainability performance and welcome your feedback. We are at the start of an important journey, thank you for being a part of it.

Maurice Swan

Maurice Swan Chair of the Board



## Letter from Our CEO

I am proud to share Carbon Streaming's Sustainability Report. As a publicly traded company pioneering alternative climate finance, we are committed to accessible disclosure and transparency.

This report represents an update to our inaugural report, to incorporate the full 2022 calendar year. As with our first Sustainability Report published in November 2022, this document describes our approach to sustainability and reports on our progress concerning our environmental, social and governance ("ESG") performance.

It is widely recognized that to sufficiently address the challenge of climate change, we must accelerate the transition to a net-zero future. Decelerating and reversing climate change impacts necessitates an urgent coordinated response from each of us, employing every tool at our disposal. The private sector must step up and build upon the commitments and efforts of state actors by bridging investment gaps in this our most significant collective investment ever made. Carbon Streaming was born out of the recognition that the private sector has a critical role to play in addressing this existential threat by directing much needed climate finance through the voluntary carbon market.

In the months since the release of our first report, my colleagues and I have spoken with corporates and investors worldwide. There is sustained and rising interest in carbon credits, which enable companies to contribute to a climate solution right now as they work on the longer-term challenge of reducing their emissions and transforming their operations. At the same time, these companies also want to be sure they are purchasing independently audited, premium quality credits that support projects that generate benefits for the environment and local communities beyond their carbon impact.

Our business strategy aims to provide alternative financing, notably in the form of streams and royalties, to projects that generate high-impact carbon credits, help preserve biodiversity and at-risk ecosystems, benefit local communities and support progress in achieving the UN Sustainable Development Goals. In addition, we strive to contribute to a more equitable and sustainable future through long-term relationships with project partners that share our commitment to sustainability, accountability and transparency.

We believe that harnessing the power of the capital markets to drive down emissions through verified, high-integrity carbon credits is essential if the world is to meet the 1.5°C global warming target established in the Paris Agreement. Carbon Streaming is contributing to meeting this goal. I invite you to review this Sustainability Report to see our progress in keeping our commitment. Finally, I want to thank our Board, our team and all stakeholders for their ongoing support of our sustainability efforts.

Fustin Cochrane

Justin Cochrane Founder & Chief Executive Officer



## About This Report

This 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 governance practices, and guiding principles as well as our environmental and social impacts. All currency amounts are in United States dollars (USD) unless otherwise stated.

This reporting period corresponds to the six-month period ended December 31, 2022 (which reflects our change in financial year end), with operational greenhouse gas ("**GHG**") emission calculations corresponding to the full calendar year 2022 (January 1, 2022 through December 31, 2022). This Report follows our inaugural sustainability report which covered the 12 month period ended June 30, 2022, with operational GHG emissions calculations corresponding to the full calendar year 2021.

This Report references disclosures in accordance with the Global Reporting Initiatives ("**GRI**") Universal Standards. In addition, we describe how our business model and our projects address climate action and advance other Sustainable Development Goals, also referred to as the <u>Global Goals</u> (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.



Alec Kushnir of Carbon Streaming and Niroj Mohanty of Core CarbonX with local rice farmers and community members in Nalgonda, India.

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Carbon Streaming's innovative climate financing allows us to leverage our considerable expertise to provide enrolled farmers with tools to farm more sustainably and reduce methane emissions."

Niroj Mohanty, Managing Director, Core CarbonX

## About Carbon Streaming

Carbon Streaming aims to accelerate a net-zero future by scaling high-integrity carbon credit projects to advance global climate action and additional UN SDGs. We provide capital to carbon projects globally, primarily by entering into or acquiring streaming, royalty or royalty-like arrangements for the purchase of carbon credits from the underlying project and generate revenue from the sale of these carbon credits. Through the use of these financing arrangements, we align our strategic interests with those of project partners to create long-term relationships built on a shared commitment to sustainability and accountability, which positions us as a trusted source for buyers seeking high-integrity carbon credits.

The Company focuses 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.

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.

#### **Carbon Streaming Portfolio of Projects**

The Company currently has carbon credit streams and royalties related to over 20 projects around the world, including high-integrity removal, reduction and avoidance projects from nature-based, agricultural, engineered and community-based methodologies.



Portfolio as of December 31, 2022. Please refer to our Annual Information Form for more information about our projects.



**Our Guiding Principles** 

Carbon Streaming's mission is to support and scale high-integrity GHG emission reductions and removal projects to accelerate global climate action and advance the UN Global Goals. This work is enabled by our exceptional network of project partners, carefully vetted by rigorous diligence on project design with the intent to deliver **impacts beyond carbon**, creating additional value for society and protecting valuable ecosystems and biodiversity.

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



### **Carbon Streaming Model**

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) to a project partner, in return for the right to purchase all or a portion of the future carbon credits (including the emission reductions/removals and associated Co-Benefits) generated by a project or an asset over the term of the agreement. The project partner may use the upfront deposit to fund the development, expansion or operation of a project or for general corporate purposes. Carbon Streaming then receives the carbon credits from the project partner and typically pays an ongoing delivery payment, or purchase price per carbon credit, to the project partner when the carbon credits are sold. A portion of the purchase price flows back to the project and the local communities.

#### **Carbon Credits**

The term "carbon credits" as used in this Report collectively refers to carbon offsets, carbon allowances, renewable energy certificates and clean/low carbon fuel standard credits. Typically, a carbon credit is a certified and transferable instrument that represents one tonne of carbon dioxide ("**tCO**<sub>2</sub>") or the carbon dioxide equivalent ("**tCO**<sub>2</sub>e") of multiple greenhouse gasses ("**GHGs**") (with other GHGs converted into CO<sub>2</sub> based on the amount of heat the gas traps in the atmosphere over time relative to CO<sub>2</sub>) that is prevented from entering the atmosphere or sequestered or removed from the atmosphere and includes any associated Co-Benefits.

Every 4.60  $tCO_2$  e 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).



#### Carbon Credit Standards - Ensuring Integrity

Standards Bodies set the project design, implementation, monitoring, verification and reporting criteria against which a project's GHG emission reduction or removal activities and/or environmental and social Co-Benefits can be certified or verified. In the voluntary markets, a number of independent Standards Bodies have emerged with the intent to increase credibility in the marketplace. We seek projects that employ the most widely reputed and internationally recognized Standards. As of December 31, 2022, all of Carbon Streaming's stream and royalty interests related to projects that are registered or seeking registration from one of Verra, The Gold Standard or Puro.earth as the applicable Standards Body.



The Standards Bodies help uphold the integrity of carbon credit projects by subjecting them to a rigorous set of rules and requirements. Once projects have been certified as meeting the requirements of the applicable Standard and one or more of its methodologies by a third-party auditor/verifier, project partners can be issued tradable carbon credits by the Standard Body.

High-integrity carbon credits should be:

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

The Integrity Council for the Voluntary Carbon Market ("**ICVCM**"), formed to carry on the work of the private sector-led initiative, Taskforce on Scaling Voluntary Carbon Markets, has established the Core Carbon Principles ("**CCPs**"), a set of threshold standards to set a global benchmark for carbon credit quality in the voluntary carbon market. ICVCM's CCPs and assessment framework intend to set new threshold standards for high-integrity carbon credits, provide guidance on how to apply the CCPs, and define which carbon crediting programs and methodology types are CCP-eligible. This work is in parallel to the Voluntary Carbon Markets Integrity Initiative (VCMI), which is developing a Claims Code of Practice (CoP) to guide corporates in making transparent and credible claims about their progress towards a longer term net-zero commitment. These complementary initiatives are designed to support both the demand and supply side of the voluntary carbon market to ensure climate finance delivers the greatest benefits for climate, nature and people.

#### **Co-Benefit Standards – Delivering Impact**

Projects can also achieve additional accreditation under other assessment standards (which are not carbon accounting standards) such as the Sustainable Development Verified Impact Standard ("**SD VISta**") and Climate, Community & Biodiversity ("**CCB**") Standards. Co-Benefits for projects registered under the Gold Standard are verified by the standard as part of the broader credit verification process. When applied to carbon projects, Co-Benefit accreditation allows carbon credits to be differentiated based on their underlying positive social, biodiversity and sustainability impacts. For example, the SD VISta Standard assesses the sustainable development benefits of a project based on the 17 UN SDGs and the CCB Standards identifies projects (such as afforestation, reforestation, REDD+ and agriculture) that simultaneously contribute to addressing climate change, supporting local communities and smallholders, and preserving biodiversity.



Climate, Community & Biodiversity Standards

## **Project Impact Highlights**

(1)

The Co-Benefits that a project contributes to, or expects to contribute to, are considered by the Company when deciding whether to enter into a stream, royalty or other arrangement with a project partner. Typically, the Co-Benefits form part of the documentation submitted to the applicable Standard Body but there is no obligation to receive accreditation. The Company receives updates on the progress that project partners are making towards achieving the Co-Benefits. For comparison purposes the Company and its partners map Co-Benefits to the UN SDGs because they are widely recognized. The Co-Benefits (identified with reference to the UN SDGs) that each project contributes to, or is expected to contribute to, are set out in the table below.

		Project Impact Highlights (UN SDGs) <sup>1</sup>																
Stream / Royalty and Project Partner	Project Description	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Streams																		
<b>Rimba Raya²</b> InfiniteEARTH Limited and PT Infinite Earth Nusantara	One of the world's first and largest initiatives to protect tropical lowland peat swamp forests in Central Kalimantan, Borneo, Indonesia	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
<b>Community Carbon</b> (7 Projects) <sup>3</sup> Community Carbon and UpEnergy Group	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	•		•		•	•	•	•				•	•		•		
<b>Sustainable Community</b> (2 Projects) <sup>4</sup> Will Solutions Inc.	Grouped projects enroll 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									•	•	•	•	•				•
<b>Magdalena Bay Blue Carbon⁵</b> Fundación MarVivo Mexico, MarVivo Corporation	Blue carbon mangrove forest and associated marine habitat conservation in Magdalena Bay, Baja California Sur, Mexico			•	•	•	•		•					•	•	•		•

1 Identifies Co-Benefits (with reference to the UN SDGs) each project contributes to, or is expected to contribute to.

2 Outcomes for issued credits have been verified under SD VISta Standard and CCB Standards. The project expects to continue to monitor and certify Co-Benefits under SD VISta and CCB Standards.

3 Six projects are registered under Gold Standard which verifies Co-Benefits. The remaining project which is registered under Verra plans to certify Co-Benefits under the SD VISta Standard. Cookstove projects have not identified contributions or expected contributions to SDG 6 and water purification projects have not identified contributions to SDG 7.

4 Project is not currently seeking accreditation of Co-Benefits from a standard but has identified the SDGs that the project expects to contribute to, monitors progress and provides disclosure on the project website regarding such progress.

5 Plans to certify Co-Benefits under CCB Standards and the SD VISta Standard.



		Project Impact Highlights (UN SDGs) <sup>1</sup>																
Stream / Royalty and Project Partner	Project Description	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Nalgonda Rice Farming <sup>2</sup> Core CarbonX Solutions Pvt Ltd. and Core CarbonX Solutions Private Limited	Sustainable rice farming grouped project. Enrolls rice farmers in GHG emission reductions through sustainable farming techniques, improving rice cultivation and reducing methane emissions and water and energy consumption in the Nalgonda District, Telangana State, India	•	•						•				•	•				•
Waverly Biochar <sup>3</sup> Waverly RB SPE LLC	Sequestering GHG emissions by establishing and maintaining a thermal wood conversion facility where waste fines and sawdust will be converted into biochar in Virginia, US							•		•			•	•				
<b>Enfield Biochar<sup>3</sup></b> Standard Biocarbon	Sequestering of GHG emissions through construction of a pilot pyrolysis facility using PYREG technology where waste fines and sawdust will be converted into biochar in Maine, US							•		•			•	•				
<b>Cerrado Biome</b> <sup>4</sup> ERA Cerrado Assessoria e Projectos Ambientais Ltd.	Scale up project to avoid the conversion of native forest and grasslands to commercial agriculture in the Cerrado biome in Brazil	•	•	•	•	•	•		•					•		•		
Royalties																		
<b>Bonobo Peace Forest</b> (2 Projects)⁵ Bonobo Conservation Initiative	Preservation of the endangered bonobo and their native rainforest habitat, mitigating current threats of deforestation and degradation in the Democratic Republic of the Congo	•	•	•	•	•			•				•	•		•		
<b>FCG Amazon Portfolio</b> (4 Projects) <sup>6</sup> Future Carbon International LLC	Protection of native forests and biodiversity from deforestation, located in four states in the Amazon rainforest in Brazil	•	•	•	•	•	•		•				•	•		•		

1 Identifies Co-Benefits (with reference to the UN SDGs) each project contributes to, or is expected to contribute to.

2 Project is not currently seeking accreditation of Co-Benefits from a standard but has identified the SDGs that the project expects to contribute to and will provide the Company with updates on the status and activities associated with these SDGs as part of their quarterly reporting requirements.

3 There is currently no Co-Benefit Standard to certify Biochar projects. In addition to emission avoidance activities, Biochar projects typically create Co-Benefits such as increasing fertility and crop growth when incorporated into the soil. Based on project activities and anticipated benefits of Biochar projects, the projects under the Waverly Biochar Stream and the Enfield Biochar Stream have identified SDGs in addition to (13) Climate Action, that they may contribute to including (7) Affordable and Clean Energy, (9) Industry, Innovation and Infrastructure and (12) Responsible Consumption and Production, and will provide the Company with updates on the status and activities associated with these SDGs as part of their quarterly reporting requirements.

4 Credits issued in January 2023 were validated under SocialCARBON and are awaiting verification of outcomes. The project intends to seek Co-Benefit accreditation under CCB Standards for future issuances.

5 Both projects plan to certify Co-Benefits under CCB Standards.

6 Credits issued in September 2022 and January 2023 were certified under SocialCARBON. Going forward, all four projects plan to certify.



# Our Approach to Climate Action

Carbon Streaming is at the forefront of bringing the streaming structure to climate finance. The Company seeks to provide alternative financing, particularly in the form of streams and royalties, to projects that generate carbon credits. 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.

Community members and staff at the Rimba Raya Project in Borneo, Indonesia.

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For companies that have set sciencebased net-zero goals, buying carbon credits on the way to net zero can be an important method for supporting forest conservation."

Lord Adair Turner, Chair of the Energy Transitions Commission

The Company seeks to provide alternative financing, particularly in the form of streams and royalties, to projects that generate or are expected to generate carbon credits for sale in the voluntary and/or compliance markets. At the present time, all carbon credits expected to be generated from projects in which the Company has a stream or royalty are expected to be sold into the voluntary market.

Carbon credits are seen as a complementary tool to be used alongside broader decarbonization efforts of corporations, organizations and individuals as they pursue their net-zero or carbon-neutral goals. Carbon credits can compensate for unabated emissions while a company prioritizes a science-based emissions mitigation strategy and neutralizes residual emissions in order to reach net zero.

Carbon Streaming is well-positioned not only to market a diverse and high-integrity selection of carbon credits to corporates advancing their voluntary climate commitments, but also to provide an attractive long-term alternative to traditional financing for project partners looking to develop or expand carbon projects or monetize some or all of their existing or future carbon credits today.

## 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 highintegrity carbon credit projects and new technologies needed to reduce and remove emissions, with a particular focus on associated Co-Benefits.

#### Cerrado Biome<sup>1</sup>

Through our partnership with ERA Cerrado Assessoria e Projectos Ambientais Ltd. ("**ERA**"), Carbon Streaming is helping to protect one of the world's most biodiverse savannah regions and provide economic opportunity for local communities, while contributing to the anticipated generation of approximately 13 million highintegrity carbon credits over the next 30 years.

In late 2022, the project achieved a significant milestone in receiving final approval of its Project Review Report from Verra, the project's applicable Standards Body. Following this milestone, ERA was issued approximately 316,000 carbon credits or Verified Carbon Units ("**VCUs**"), which have been delivered to the Company.

For Carbon Streaming, these are the first realized carbon credits from one of our stream investments, and the beginning of a decadeslong carbon credit stream that aims to preserve the savannah and positively transform lives for people living in the Cerrado biome. The Cerrado Biome project is in the country's second-largest biome, located in Central Brazil's highlands.

Described as an "inverted forest" because of the huge, deepdigging root systems of its native vegetation, which stores significant amounts of carbon, the Cerrado biome is home to a diverse and vulnerable array of species including jaguars, tapirs, macaws, maned wolves, giant armadillos and giant anteaters. The region is currently threatened by expanding commercial agriculture and cattle ranching, with natural habitats disappearing at nearly 2.5 times faster than in the neighbouring Amazon biome.

Aligning with our Co-Benefits model for projects, the Cerrado Biome project works with local landholders, providing an alternative to potentially destructive commercial agriculture, by creating opportunities for them to receive sustainable revenue from the generation of carbon credits. A portion of revenues from the sale of these credits will be invested locally on environmental education and development of professional skills related to the stewardship of natural environments.

At present, ERA is pursuing Verra's CCB (Climate, Community and Biodiversity) Co-Benefit Standards for the project, which provides assurance that a given project is delivering tangible climate, community and biodiversity benefits.



Biodiversity flourishing in the Cerrado Biome of Brazil.

1 A biome is a large geographic area characterized by a particular climate with plant and animal life adapted to the region, such as tundra, rainforests or grasslands.

#### Sustainable Community Projects

Carbon Streaming scans the globe in search of projects and partnerships that align with our goal to accelerate a net-zero future, and that includes looking close to home. In June 2022, we entered into a streaming agreement with Will Solutions Inc., a certified BCorp and a recognized operator of innovative carbon projects, to help grow its Sustainable Community Projects in Quebec and Ontario.

The Sustainable Community Projects create a notable impact by aggregating the GHG emission reduction efforts of small emitters (under 25,000 tCO<sub>2</sub>e per year), such as small and mid-size enterprises ("**SMEs**"), non-profit organizations and small municipalities, across Quebec (since 2010) and Ontario (under development). At present, these efforts include waste diversion, energy conversion and energy-efficiency initiatives, with plans to expand into other areas such as transport.

Over the next decade, these projects are expected to generate more than 100 million VCUs that will be independently verified and registered by Verra. Approximately 70% of emission reductions expected to come from these projects would be considered methane avoidance. Methane has more than 80 times the global warming potential of CO<sub>2</sub> in its first 20 years of reaching the atmosphere.

Will Solutions seeks to unleash the collective impact of many small emitters, while also democratizing access to carbon credits and returning as much money as possible to its community partners following the sale of its carbon credits.





Chanoine-Beaudet High School, in Saint-Pascal, Quebec, Canada, converted its oil heating system to a geothermal design.

## **Our Approach to ESG**

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 that oversees the Company's plans and progress concerning ESG.

## Materiality Assessment 2022

The materiality assessment we undertook in 2022 continues to inform our approach to sustainability and sets the priority ESG topics that are central to our mission and the success of our business. As part of the assessment process, we 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). Through the process, 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 Materiality Topics

Environment	Social	Governance
<ul> <li>Climate change</li> </ul>	• Human rights	• Business ethics and
<ul> <li>Carbon footprint</li> </ul>	<ul> <li>Employee well-being</li> </ul>	transparency
(GHG emissions)	<ul> <li>Diversity, equity and inclusion</li> </ul>	Anti-bribery and anti-corruption
<ul> <li>Biodiversity</li> </ul>	<ul> <li>Community and social</li> </ul>	
	investment	



Construction of new biochar facility in Waverly, Virginia, US.

# 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 oversight responsibilities with respect to governance and ESG through the Corporate Governance and Nominating Committee and the Sustainability Committee, respectively.

The Corporate Governance and Nominating Committee assesses, formulates and makes recommendations to the Board in respect of corporate governance matters including corporate governance guidelines and principles, facilitates the independent functioning of the Board, and oversees the structure, composition and mandate of the Board and its committees.

The Sustainability Committee assesses the performance and effectiveness of the Company's ESG policies and procedures; oversees the Company's charitable donations and community involvement initiatives; and reviews the Company's strategies related to ESG disclosure. The Committee also receives updates on technical matters including developments related to carbon crediting standards bodies and emerging ESG issues and priority topics that could reasonably be expected to impact the Company's business activities, plans, strategies and reputation.



- 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), Candace MacGibbon, Alice Schroeder and Andy Tester
- 5 Alice Schroeder (Chair), R. Marc Bustin, 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

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".<sup>1</sup> 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.

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 <u>website</u>. 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.

1 CSC Mandate of the Board of Directors

### Our Approach to Responsible Growth

Before making any decision in connection with acquisitions, investments, or streaming and royalty agreements, the Company will conduct, sometimes with the support of independent consultants, due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each acquisition, investment or streaming or royalty arrangement. As part of its governance framework, the Company has developed investment guidelines and an Impact Investing Policy which guide the decision-making process for identifying carbon credit projects to consider for streaming or royalty agreements or other types of transactions.

Carbon Streaming's technical due diligence assesses a project in terms of the requirements of the applicable carbon methodology and national and international laws and policies. We aim to minimize the risk of underperformance by ensuring the project employs best practices – rather than just meeting minimum standards – across multiple factors including, but not limited to, the following five project components:

#### Climate

Estimates and assumptions relating to greenhouse gases are realistic and conservative, documentation is high quality, and there is a strong additionality argument. This reduces the risk that the project will fail to achieve registration, fail to generate anticipated credits, or generate credits that are of lesser quality.

#### **Environmental**

A project should never have a negative impact on biodiversity, water or other environmental factors; it must also adequately document associated positive impacts and benefits. A desk review by internal and external technical experts and a site visit, as appropriate, are conducted to assess all potential impacts, positive and negative.

#### Social

Community members have been informed of the project and are aware of their rights and appropriate agreements have been signed. In addition to a baseline (e.g., respecting all local labour laws), the project scope incorporates contributions to the UN SDGs, e.g., improving local livelihoods or supporting marginalized groups, including Indigenous peoples and women.

#### Law & Policy

Insufficient land title, local tenure challenges, or disputes with the national government over benefit sharing may prevent a project from claiming carbon rights, as can weak governance or an unsupportive legal context. The Company reviews local and national legal frameworks including policies, regulations and agreements covering tenure and carbon rights, or evidence of significant progress.

#### Implementation

Operational plans and budgets along with the project developer's track record are assessed based on best practices and real-world experience of implementing similar projects.

Sea lions on the coast of Magdalena Bay, in Baja California Sur, Mexico.

### **Business Ethics**

Carbon Streaming is committed to upholding the values set out in our <u>Code of Business Conduct &</u> <u>Ethics</u> (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 that 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 that 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.



Distribution and use of Community Carbon fuel-efficient cookstoves in Mozambique.

# Our Environmental Impact

Carbon Streaming's current ESG Materiality Assessment identifies three environmental issues that will be ongoing priorities for our company:

Rice farmer in Nalac

- Climate change
- Operational carbon footprint
- Biodiversity

As part of our Materiality Assessment, we calculated the carbon footprint for Carbon Streaming's operations in calendar year 2021 and again in calendar year 2022 (featured on <u>page 21</u>). This affords the opportunity to start identifying and prioritizing potential emission reduction opportunities with these serving as a baseline. We also considered the best way to address other material environmental issues for the company, both near- and long-term. Moving forward, we will strive to minimize the ecological impacts of our operations while encouraging others across our 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 including 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 internal resources and external partnerships. 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.

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#### **Our Carbon Footprint**

Carbon Streaming calculates GHG emissions using the Greenhouse Gas Protocol (GHG Protocol)<sup>1,2</sup>, which establishes a comprehensive global standardized framework to measure and manage greenhouse gas emissions from private and public sector operations, value chains and mitigation actions. The GHG Protocol is the result of a partnership between the World Resources Institute and the World Business Council for Sustainable Development.

Carbon Streaming's 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 activities covering business travel, electricity use in home offices and employee commuting.

As anticipated, GHG emissions increased year over year given the growth stage of the business and easing of COVID-19 restrictions. Business travel produced Carbon Streaming's highest GHG emissions in calendar year 2022 consistent with 2021. The Company expects corporate travel to rise to meet the needs of the business. This year the Company adopted a Travel and Expenses Policy which aims to minimize adverse GHG impacts by, whenever possible, minimizing travel or using low-carbon methods of transportation and ensuring timely and accurate reporting of GHG emissions from travel.

Office use is the source of Carbon Streaming's second highest GHG emission levels from Scope 1 and Scope 2 emissions related to heating, cooling, lighting and operating equipment.

The Company's material GHG emissions for the calendar year 2022 total 49.0 tCO<sub>2</sub>e for Scopes 1 and 2 and partial Scope 3. As the Company develops a baseline of operational emissions in the coming years, it will continue to evaluate best practices for setting climate targets. This may include implementing an internal price on carbon, expansion of Scope 3 emissions, review of the value chain to identify opportunities to decarbonize, and setting a science-based target by 2025.

The Company has offset five times its calendar year 2022 emissions through the retirement of 245 carbon credits from our portfolio.

#### Carbon Streaming Greenhouse Gas Emissions (tCO<sub>2</sub>e)<sup>1, 2</sup>

Emissions Category	Emissions Sources	2022	2021
Scope 1	Natural gas heating (predominant), refrigeration and air conditioning	4.6	2.0
Scope 2	Purchased electricity and steam (used for heating) for corporate offices	5.3	7.2
Scope 3	Business travel, electricity use in home offices (predominant) and employee commuting	39.1	14.0
Total	Scopes 1, 2 and partial 3	49.0	23.2

1 See Appendix for further detail.

2  $tCO_2e = 1$  metric tonne of carbon dioxide equivalent.

1 The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard: https://ghgprotocol.org.

2 Greenhouse Gas Protocol Calculation Tools: <u>https://ghgprotocol.org/calculation-tools</u>.

### **Other Activities**

Our ongoing relationship with the McMaster Centre for Climate Change in Hamilton, Ontario demonstrates our enduring commitment to investing in climate, biodiversity and community. On Earth Day in April of 2022 as well as a fall planting in November 2022, our Toronto team donned their boots and gloves to plant trees as part of a local Carbon Sink Forest initiative managed by the Centre. 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 promoting biodiversity, sustainability and conservation.

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Community partnerships are vital to the success of initiatives like these. We are grateful for the support and engagement of the team at Carbon Streaming."

Dr. Altaf Arain, Director of the McMaster Centre for Climate Change

In 2022, Carbon Streaming joined the Green Business Bureau ("**GBB**"). This leading green business authority provides members with a sustainability framework and solutions to help companies engage employees, manage sustainability programs, and become greener. Sharing best practices through the GBB gives us insights and tools we can use to take environmental action that enables us to improve our sustainability performance. In addition, we strive to connect our internal programs and efforts to our material environmental issues.



Carbon Streaming team members planting trees at the McMaster Carbon Forest Sink Initiative in Hamilton, Ontario in April and November 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.

Greenhouse in Quebec employing sustainable techniques to reduce waste and GHG emissions

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We are thrilled to partner with Carbon Streaming to accelerate growth, increase capacity, enroll more members and scale emissions reductions across Quebec and Ontario. Carbon Streaming's investment gives us the additional funding to engage thousands."

Martin Clermont, President, Will Solutions Inc.

## **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 productive work, collaboration, team building and professional development. 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. One out of five members of the executive team and three out of eight of our Board are female, as are half of our team's most recent hires.

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

### 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. 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.

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As we are a somewhat remote community, we did not have the opportunity to develop different skills or access optional learning. With the opening of workshops at *Casa de la Cultura*, we enjoyed great success with young people, who now have access to English and cultural classes. These are some of the most anticipated activities by the girls and teens in our community. Without a doubt, the improvements to the *Casa de la Cultura* have provided this safe and inclusive space that the community so desperately needed."

Talía Saraí Rodríguez, Community Operations Manager, MarVivo Corporation



Local children participate in an art contest demonstrating knowledge of marine life in Magdalena Bay.

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We are pleased to collaborate with the Carbon Streaming team developing crucial projects for the Amazon forest conservancy. The innovative financing from Carbon Streaming enables us to accelerate our growth in Brazil and internationally."

#### Marina Cançado,

Co-CEO, Future Carbon Group

## **Climate Resilience Impact Fund**

In collaboration with project partner Community Carbon, created by Uganda-based social enterprise UpEnergy, we have established the Climate Resilience Impact Fund ("**CRIF**"). Funded through revenues from the sale of carbon credits generated by the activities of Community Carbon, CRIF supports organizations and programs centred on women and girls' education in sub-Saharan Africa.

To ensure that the program has a wide and diverse impact, every three years CRIF will select two programs to support after a comprehensive review of proposals. CRIF will support each program with a total grant of \$150,000 over three years (\$50,000 per year for three years). Because we focus on results in our investments, CRIF support is predicated on ongoing impact evaluations undertaken regularly throughout the program's life.

The five-member CRIF selection committee features leaders knowledgeable about climate change, energy issues and the evolving carbon credit market, as well as the challenges facing girls and women in Africa. Joyce Kinyanjuni, PhD, (independent member) worked in the education sector, both in Kenya and globally, for over 30 years and is the Managing Director of the Zizi Afrique Foundation. For more than two decades, Judith-Ann Walker, PhD, (independent member) has designed, implemented and evaluated social sector development programs aimed at women and girls in Nigeria. Asha Mweru (independent member) is an entrepreneur with broad expertise developing the future leaders of Africa and the founder of WomenWork Kenya, a content-spanning network of professional women. Matt Evans (Community Carbon) is Board Chair of UpEnergy and Maurice Swan (CSC) is Chair of the Board for Carbon Streaming. In December 2022, we selected our first two groups to receive funding.



Photo Courtesy of Street Child Uganda.

**Street Child**, a UK-based INGO, works to ensure every child has access to education. Operating in Uganda since 2018, it will use its CRIF funding to provide a comprehensive program of educational support for girls aged 9+ and a smaller package of support for boys. Uganda is host to over 1.5 million refugees fleeing conflict in neighbouring regions; it also had the most protracted pandemicrelated school shutdown worldwide, 83 weeks. Street Child aims to help refugee and rural children advance their learning outcomes and get back on the path toward remaining in mainstream education.

AGE Africa (Advancing Girls Education in Africa), through scholarships and other supports, has been helping to ensure that girls and young women in Malawi can complete their secondary school education. Unfortunately, climate change has hit Malawi hard, and women and girls often must withdraw from school because their families cannot afford tuition. Through its Creating Healthy Approaches To Success (CHATs) program, AGE Africa will work to increase girls' knowledge of emergency response preparedness, improve girls' retention and achievement in secondary school and empower girls to become leaders in climate change response at local and national levels.

## 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 <u>Ten Principles of the UN</u> <u>Global Compact</u> will be submitted in calendar year 2023.





# Outlook 2023

The collective actions we take today and over this next decade will determine if it may be possible to limit global temperature increase to 1.5°C. Carbon Streaming's focus over the next year will be a sustained commitment to expanding our portfolio and project impacts, deepening relationships with partners, clients and shareholders, and advancing 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 reforestation, blue carbon, carbon removals and biodiversity preservation. 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 continual improvement. Please share any comments or suggestions regarding this Report or our sustainability ambitions with us at <u>sustainability@carbonstreaming.com</u>.

Rainbow over the Bonobo Peace Forest in the Democratic Republic of the Congo.

## 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 forwardlooking 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 forwardlooking 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 forwardlooking 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; reputational risk; general economic, market and business conditions and global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility; uncertainties and ongoing market developments surrounding the validation and verification requirements of the voluntary and/or compliance markets; failure or timing delays for projects to be registered, validated and ultimately developed and for emission reductions or removals to be verified and carbon credits issued (and other risks associated with carbon credits standards and

registries); foreign operations and political risks including actions by governmental authorities, including changes in or to government regulation, taxation and carbon pricing initiatives; due diligence risks, including failure of third parties' reviews, reports and projections to be accurate; dependence on project partners, operators and owners, including failure by such counterparties to make payments or perform their operational or other obligations to the Company in compliance with the terms of contractual arrangements between the Company and such counterparties; failure of projects to generate carbon credits, or natural disasters such as flood or fire which could have a material adverse effect on the ability of any project to generate carbon credits; volatility in the market price of the Company's common shares or warrants; the effect that the issuance of additional securities by the Company could have on the market price of the Company's common shares or warrants; global health crises, such as pandemics and epidemics, including the COVID-19 pandemic; and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's Annual Information Form dated as of March 28, 2023 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, forwardlooking 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 January 1, 2022 to December 31, 2022, with reference to the GRI Universal Standards.GRI 1 USED:Foundation 2021

Disclosure Number	Disclosure Name	Reporting Location
GRI 2: General Disclosu	ires	
2-1	Organizational details	About Carbon Streaming, p. 6
2-2	Entities included in the organization's sustainability reporting	CSC website: <u>Financial Reports &amp; Filings</u>
2-3	Reporting period, frequency and contact point	About This Report, p. 5; Contact and Feedback, p. 26
2-4	Restatements of information	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. 6; Carbon Streaming Model, p. 8
2-9	Governance structure and composition	Our Board, pp. 16-17; Colleagues: Priority Partners, p. 23
2-10	Nomination and selection of the highest governance body	Our Board, p. 16; CSC website: 2023 Management Information Circular
2-11	Chair of the highest governance body	Our Board, p. 17; CSC website: Position Description for Chair of the Board
2-12	Role of the highest governance body in overseeing the management of impacts	<u>Our Board, p. 17; Our Approach to Responsible Growth, p. 18;</u> CSC website: <u>Mandate of the Board of Directors</u>
2-13	Delegation of responsibility for managing impacts	<u>Our Board, p. 17; Our Approach to Responsible Growth, p. 18;</u> CSC website: <u>2023 Management Information Circular</u>
2-14	Role of the highest governance body in sustainability reporting	Our Board, pp. 16-17; CSC website: 2023 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
2-16	Communication of critical concerns	Business Ethics, p. 19; CSC website: 2023 Management Information Circular
2-17	Collective knowledge of the highest governance body	CSC website: 2023 Management Information Circular
2-18	Evaluation of the performance of the highest governance body	CSC website: 2023 Management Information Circular
2-19	Remuneration policies	CSC website: 2023 Management Information Circular
2-20	Process to determine remuneration	CSC website: 2023 Management Information Circular
2-22	Statement on sustainable development strategy	<u>Chair letter, p. 3; CEO Letter, p. 4</u>
2-23	Policy commitments	<u>Our Guiding Principles, p. 7; Our Approach to Responsible Growth, p. 18; Business Ethics, p. 19;</u> <u>Global Partners: Scaling Impact through Affiliations, p. 25</u>
2-24	Embedding policy commitments	Our Approach to Responsible Growth, p. 18; Business Ethics, p. 19
2-26	Mechanisms for seeking advice and raising concerns	Business Ethics, p. 19; CSC website: 2023 Management Information Circular
2-28	Membership associations	Impact Partners: More Diversity, Experience & Wisdom, pp. 24-25 Global Partners: Scaling Impact through Affiliations, p. 25
2-29	Approach to stakeholder engagement	<u>Our Approach to ESG, p. 15; Our Social Impact, pp. 23-24;</u> CSC website: <u>2023 Management Information Circular</u>
GRI 3: Material Topics		
3-1	Process to determine material topics	Materiality Assessment 2022, p. 15
3-2	List of material topics	Materiality Assessment 2022, p. 15
GRI 205: Anti-corruptic	on 2016	
3-3	Management of material topics	Business Ethics, p. 19

#### GRI Content Index (cont'd)

Disclosure Number	Disclosure Name	Reporting Location					
GRI 304: Biodiversity 20	016						
3-3	Management of material topics	Project Impact Highlights, pp. 10-11; Making a Sustainable Impact, p. 13; Other Activities, p. 22; Impact Partners: More Diversity, Experience & Wisdom, p. 24; Outlook 2023, p. 26					
GRI 305: Emissions 2016							
3-3	Management of material topics	Project Impact Highlights, pp. 10–11; Our Approach to Climate Action, pp. 12–14; Our Environmental Impact, pp. 20–21; Outlook 2023, p. 26					
305-1	Direct (Scope 1) GHG emissions	Our Carbon Footprint, p. 21; Detailed Emissions, p. 31					
305-2	Indirect (Scope 2) GHG emissions	Our Carbon Footprint, p. 21; Detailed Emissions, p. 31					
305-3	Other Indirect (Scope 3) GHG emissions	Our Carbon Footprint, p. 21; Detailed Emissions, p. 31					
GRI 401: Employment 2	016						
3-3	Management of material topics	Colleagues: Priority Partners, p. 23					
GRI 405: Diversity and	Equal Opportunity 2016						
3-3	Management of material topics	Colleagues: Priority Partners, p. 23					
GRI 413: Local Commun	nities 2016						
3-3	Management of material topics	Our Social Impact, p. 23-25; Impact Partners: More Diversity, Experience & Wisdom, p. 24					
413-1	Operations with local community engagement	Project Impact Highlights, pp. 10-11; Making a Sustainable Impact, pp. 13-14; Other Activities, p. 22; Impact Partners: More Diversity, Experience & Wisdom, p. 24					

## **Detailed Emissions**

Carbon Streaming Corporation GHG Emissions (tCO <sub>2</sub> e)	Usage	Unit	2022	2021
Scope 1 Emissions <sup>1,2</sup>				
Stationary Combustion (corporate offices) – Natural Gas	2,409.8	m <sup>3</sup>	4.5	2.0
Refrigeration (corporate offices)	0.0	kg	0.0	_
Subtotal			4.5	2.0
Scope 2 Emissions <sup>2,3</sup>				
Electricity (corporate offices)	31,034.0	Kwh	0.8	0.9
Steam (corporate offices)	46,362.0	lb	4.5	6.3
Subtotal			5.3	7.2
Scope 3 Emissions <sup>3,4</sup>				
Employee Business Travel	-	_	36.8	8.5
Employee Commuting	-	_	1.2	1.6
Home Offices			1.1	3.9
Electricity	-	_	0.3	2.5
Natural Gas	-	_	0.8	1.4
Subtotal			39.1	14.0
Total Scope 1, 2 and Partial 3 Emissions			48.9	23.2
Reductions				
Carbon Credits Retired by Carbon Streaming			245.0	125.0

1 The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard: https://ghgprotocol.org.

2 Greenhouse Gas Protocol Calculation Tools: <u>https://ghgprotocol.org/calculation-tools</u>.

3 US and Canada regional grid electricity emission factors: 2022 Data. https://www.carbonfootprint.com/docs/2023\_02\_emissions\_factors\_sources\_for\_2022\_electricity\_v10.pdf.

4 Transport mode calculations for air travel: <u>https://travelandclimate.org</u>.



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