Highlights of ARC’s ESG Progress and Achievements

The ARC Energy Funds have made four energy transition and sustainability investments since June 2021.

25% GHG intensity reduction from ARC’s underlying portfolio companies’ oil and gas production in 2021. (compared to 2018)

Portfolio companies representing over 90% of our committed capital participated in ARC’s 2021 ESG data survey.

ARC has donated over $4.6 million to non-profit organizations over the past decade.

Over 40% of ARC employees are directly involved in non-profit organizations and academic advisories, including board positions, committees and associations.

7 Members on ARC’s cross functional ESG Committee.

Over 40% of ARC’s employees are female.

800+ ESG datapoints submitted by portfolio companies. (2021 reporting year)
Welcome to ARC Financial Corp.’s inaugural Sustainability Report.

While this is the first formal report published by ARC Financial Corp. (ARC), our focus on Environmental, Social, and Governance (ESG) is not new. We have been focused on the management and mitigation of ESG business risks for over two decades (see figure on page 3 that outlines some of ARC’s major sustainability milestones since 2002).

Issuing this report is a natural evolution in ARC’s sustainability journey, communicating our progress and holding ourselves accountable from a sustainability perspective moving forward. What gets measured gets managed.

The release of our first report comes at a time when environment, climate, affordability and energy security are at the forefront of global concerns. Russia’s invasion of Ukraine has created a global energy shock. This event changes the course of world politics, the globalization paradigm, and the pathway of the energy transition to net-zero.

In Europe and beyond, the security and affordability of energy is now a top focus. The western world’s priority is to rapidly move away from Russian energy. To that end, oil importing countries are looking to increase their hydrocarbon supplies from friendly suppliers like Canada, while at the same time accelerate their transition to clean, renewable energy systems. In summary, we believe the revised strategy in the free-world is to shore up ESG-friendly sources of fossil fuel supplies, while speeding up the pathways to net-zero by 2050.

ARC has recognized this need for a dual track approach for some time and our business is well equipped to tackle both of these important priorities. ARC Energy Fund 9 is prioritizing investments in low-emission, upstream Canadian oil and gas production and services, as well as North American energy transition opportunities.

Recent events have not diminished the importance of addressing climate change and acting to reduce emissions. Transitioning to low-and-no-carbon energy is both a huge challenge and a great opportunity. While it is uncertain exactly how it will unfold and how long it will take, the energy transition is happening and ARC’s capital will play a supporting role by enabling growth in clean energy – both lower carbon oil and natural gas and new zero emission energy sources.

While we are proud of the achievements profiled in this Sustainability Report, our work is not done. ARC’s sustainability focus will continue to evolve to meet the pressing needs of society by ensuring our investment journey improves the ESG performance of the firm and the portfolio companies in which we invest. We remain dedicated to supporting responsible, lower carbon oil and gas development and in parallel, investing in the energy transition; doing it all in an ESG responsible way.

We hope you enjoy ARC’s Sustainability Report.

Brian Boulanger  |  Chief Executive Officer and Director

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1. For the purposes of this report Sustainability and ESG are used interchangeably and for all intents and purposes are being referred to as one and the same.
ARC Energy Fund 9 is prioritizing investments in low-emission, upstream Canadian oil and gas production and services, as well as North American energy transition opportunities.

ARC’s 20 Year Track Record of ESG Focus and Improvement

- Issued best practices for boards to report on health, safety and governance
- 1st ARC Organizational Health Survey
- 1st Quarterly CEO Briefings, sharing ESG information
- 2002

- 1st GHG Emissions Data Survey
- ARC ESG Committee established
- Established ARC best practices for evaluating abandonment liabilities
- Requirement for HS&E certificate by management
- 2016

- 2nd GHG Emissions Data Survey, published “How to Invest in Oil” thought leadership paper
- 1st E&P Company ESG Reporting System established
- 2017

- 3rd GHG Emissions Data Survey (became annual)
- Established 2023 GHG reductions targets
- 1st Indigenous Survey
- 2018

- 1st Methane Survey
- 1st OFS Company ESG Reporting System established
- 2019

- UN PRI Signatory
- Achieved 2023 GHG reduction target two years early
- 1st Diversity Survey
- 2021

- 1st ARC Sustainability Report
- 2022
Introduction to ARC

ARC’s vision is to be the investment partner of choice, building high-performing businesses that are addressing the world’s energy and sustainability needs.
Over 80 percent of the world’s energy comes from fossil fuels today. Although the world needs to transition to emissions free energy, a change of this magnitude will take several decades. During the transition, oil and gas will continue to be consumed. ARC is committed to investing in low carbon oil and gas, while at the same time contributing to global energy security and affordability by adding hydrocarbon supply from Canada, a stable jurisdiction with a long-established regulatory framework.

Energy Transition Investing

The energy transition represents an enormous growth opportunity. ARC is focusing on low carbon business opportunities that are established and ready for investment and scalable growth. Some examples of areas for investment include; development and supply chain opportunities in biofuels, renewable energy, energy storage and carbon capture.

Since the launch of the first ARC Energy Fund 25 years ago, ARC has invested in over 200 companies across the energy spectrum, including oil and gas, infrastructure, renewable energy, manufacturing and energy transition.

Founded in 1989, ARC Financial Corp. is Canada’s largest energy focused private equity manager with $6.0 billion raised across nine ARC Energy Funds.

ESG risks are business risks. Superior investment returns require active risk management, and the issues posed by neglecting environmental, social and governance matters are inseparable from broader business risks. The transition to a net-zero carbon economy by 2050 presents both opportunity and challenge. ARC’s sustainability initiatives are designed to take advantage of this opportunity, while at the same time, responsibly managing and mitigating risks.

ARC demands that the portfolio companies in which we invest understand, measure and mitigate their ESG risk. ARC ESG practices inform our portfolio companies and motivate them to act. Among other benefits, ARC’s influence at our portfolio companies has resulted in enhanced governance and has encouraged a smaller environmental footprint.
ARC believes in supporting and giving back to the communities in which we operate, both monetarily and through the dedication of resources and support of ARC employees’ time to charitable organizations. Over the last decade, ARC has donated $4.6 million to local charities and related events.

ARC’s charitable giving focuses on organizations where ARC’s employees and business relations are personally involved. Currently, over 40 percent of ARC staff are directly involved in charitable, non-profit and academic organizations through various roles, including board positions, committees, associations and university advisory groups.

One example is the University of Calgary’s Canadian Centre for Advanced Leadership (CCAL), whose goal is to provide a higher level of leadership in Canada’s private sector. Senior leaders from ARC, including Mac Van Wielingen, Kevin Brown and John Dielwart, helped found this initiative together with ARC and are on the Centre’s external advisory board. Learn more at https://haskayne.ucalgary.ca/ncal/about
The ARC Energy Research Institute (the Institute) is an integral part of ARC Financial Corp. The Institute monitors the most recent trends in sustainability, policy and investment to inform ARC and its portfolio companies’ strategies.

To support ARC’s energy transition investment strategy, the Institute created the ARC Energy RoadMaps. This unique analysis enabled ARC to understand the many pathways for converting primary energy into useful mechanical work, and to focus on the investment areas with the greatest opportunity.
In addition to its macro economic research work, the Institute also frequently meets with ARC portfolio companies to inform them on issues that are impacting their business, including on ESG and policy matters. Information is shared in formal ARC Leaders Briefing sessions, where ARC gathers many companies together, and through one-on-one meetings, board presentations, operations meetings and phone calls.

The Institute’s work also influences the broader energy community. The Institute frequently participates in public forums, publishes commentaries in national newspapers and its views on energy issues are sought after by academic institutions, think tanks, government agencies, regulatory bodies and investors.

The popular ARC Energy Ideas Podcast is a weekly show hosted by the Institute that covers issues that are critical for successful development of lower carbon energy. The show covers both the decarbonization of fossil fuels and the development of new, low emission energy sources. The Institute’s thought leadership serves to educate and inform the community on important issues and thereby increases the level of energy literacy and innovation.

The Institute also supports innovation in the community by participating in initiatives that are focused on accelerating the development of clean energy. For example, the Institute, along with other leaders at ARC, have participated in sessions held by Avatar Innovations and the University of Calgary’s Creative Destruction Lab. These groups are focused on accelerating the commercialization of new technologies and business models to mobilize energy transition solutions.

The Institute has a long track record of ESG differentiation, including authoring reports on estimating the GHG emissions from oil and gas production starting with 2016’s “Crude Oil Investing in a Carbon Constrained World” and the 2017 private report on investment strategy “How to Invest in Oil Equities Over the Next 20 Years”.

The popular ARC Energy Ideas Podcast is a weekly show hosted by the Institute.
ARC’s strategy has been to promote ESG initiatives within our organization and at our portfolio companies in the following six core focus areas:
ARC is proud of our progress on our ESG initiatives and goals

In 2021, ARC became a signatory to the UN Principles for Responsible Investing (UN PRI). To inform our ESG goals, ARC reviewed leading sustainability focused guidelines and frameworks, including the Task Force for Climate-Related Financial Disclosures (TCFD) and the Glasgow Financial Alliance for Net-zero initiative (GFANZ).

The following outlines some of ARC’s recent ESG focused achievements and commitments, grouped into our core focus areas.

**Governance**

- Completed our 2021 annual portfolio company ESG data reporting and benchmarking (4th report to date) with companies representing over 90 percent of our committed capital participating.
- Require annual organizational health surveys at ARC and at our portfolio companies.
- Mandate that ESG risk is addressed at the board level.

**Responsible Investing**

- Became a signatory to the UN Principles for Responsible Investing (UN PRI) in 2021. While we have been highly focused on sustainability for some time, we expect that our new commitment to UN PRI will further strengthen and improve our ESG practices and transparency, while also providing external validation of the work completed to date.
- Conduct annual surveys of portfolio companies to capture ESG metrics.
- Require all operating portfolio companies to report their plans for sourcing fresh water and to confirm the company has an emergency response plan.
Climate Change Action

- Achieved a 25 percent reduction in GHG emissions intensity of its underlying oil and gas portfolio production in 2021, compared to 2018.
- Collaborated with each oil and gas producing portfolio company to set GHG emissions reduction goals and to ensure that carbon policy is factored into each company’s go forward economics.
- Factored ESG performance into executive compensation to encourage accountability at ARC’s portfolio companies.
- Because the climate is changing and extreme weather is occurring more frequently, ARC has asked portfolio companies to consider how events like prolonged periods of hot weather, drought and other physical threats could impact their business activities.
- While the assets owned today by the ARC Energy Funds will likely not be owned in 2050, the overall intensity of ARC’s portfolio will trend down similar to the trajectory for Canada’s overall emission reduction goals of a 40 to 45 percent reduction by 2030 (compared to a 2005 baseline) and to achieve net-zero by 2050.

Diversity & Inclusion

- Completed first diversity survey of ARC and its portfolio companies in 2021.
- Established clear gender diversity goals for each of ARC’s portfolio company boards for 2022.
- Surveyed portfolio companies to understand the nature of their interactions in the local communities in which they operate, including indigenous communities.

Energy Transition & Reliability

- The ARC Energy Funds have made four dedicated energy transition and sustainability investments since June 2021. Silfab Solar, which manufactures high-efficiency solar panels in North America, CarbiCrete, a CCUS company that produces net-zero concrete, Highwood Organics, a renewable natural gas producer, and Westgen Technologies, a remote power generation company focused on methane emissions reduction.

See the Appendix of this report “ARC’s Sustainability Data Collection Matrix” for a summary of ARC’s ESG data collection from its portfolio companies.
ARC’s portfolio companies report on their ESG performance using a set of metrics established by ARC’s ESG Committee. ARC selected the metrics based on review of the Sustainability Accounting Standards Board (SASB) framework that identifies ESG factors that are material for each sector. Areas of focus in ARC’s ESG tracking and benchmarking include GHG emissions (scope 1 and scope 2), fossil fuel consumption, fresh water use, health and safety metrics, regulatory fines and incidents, reclamation liabilities and waste.

To help provide context on their sustainability performance, ARC’s oil and gas producing companies are benchmarked against other companies in the ARC portfolio and provided with a “scorecard” each year. The analysis shows their relative ranking on key ESG metrics.

ARC’s oilfield service and energy transition companies present a challenge because they are not uniform and material ESG metrics differ among companies. While this makes benchmarking more difficult, a number of key metrics can be normalized and compared. Additionally, the data enables ARC to monitor year-to-year changes in metrics.

The Board of Directors of each company reviews the ARC ESG reports to identify areas of potential risk in each firm and to determine if any mitigation actions need to be taken.

ARC’s survey and benchmarking of our ESG metrics has provided context and clarity to where we rank. The report has helped identify focus areas for ESG improvements and annual tracking has enabled us to monitor progress over time. The data provided is the foundation for making changes and mitigating risk.

Byron Nodwell
President and CEO, Longshore Resources Ltd.
Governance

Influencing our companies from the boardroom table to operations

Our governance policies and practices ensure that ARC’s Macro ESG initiatives drive real change at the portfolio company level.

ARC has a dedicated cross functional ESG Committee that meets on a quarterly basis and reports to the Executive Committee. The ESG Committee was first formed in 2016 and since then the group has improved ARC’s overall investment process and corporate governance practices around sustainability.

Some examples of ARC’s investment processes that drive positive sustainability performance:

- Philosophical agreement with management teams on ESG focus and importance before an investment is made.
- Prior to investing, ARC undertakes rigorous due diligence, including reviewing sustainability attributes such as reclamation liabilities, carbon emissions and fresh water use.
- Accounting for carbon pricing in go forward economics and evaluations.
- Annual tracking and reporting on sustainability metrics.
- Established targets for GHG emission reductions.

Some examples of ARC’s integral governance practices:

- ARC is a lead investor with board representation and control in the vast majority of our portfolio companies.
- Annual independent audits of financial statements.
- Regular organizational health surveys.
- Regular reviews of portfolio company performance vs plan, including on ESG metrics.
ARC’s investments are focused primarily in Canada, with energy transition investing spanning both Canada and the United States. Both countries are pillars of democratic principles with strong rule of law and stringent corporate regulatory requirements.
Canada and the United States rate among the best in the world for their lack of corruption and strong regulatory oversight.

Corruption and environmental performance are closely linked: the most corrupt countries tend to have the worst environmental performance\(^2\).

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Canada and the United States are among the world’s leaders on climate policies that create clean energy investment opportunities and facilitate reductions in emissions, including lowering greenhouse gases from oil and gas production, electric power generation and other parts of the economy, including transportation.
**United States Climate Policy**

Net-zero 2050 and targeting **50 to 52% reduction of emissions** by 2030 for all sectors of the economy.

- **Targets for all electricity to be net-zero** by 2035.
- Supportive federal policy including **tax credits and incentives** for renewable power, CCUS and renewable fuels production.
- **Supportive state level policies**, including Clean Fuel Standards and clean electricity incentives and mandates.
- Commitments to **reduce methane emissions**.

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**Canadian Climate Policy**

Legislation supporting net-zero 2050 and targeting **40 to 45% reduction of emissions** by 2030 for all sectors of the economy.

- Carbon tax reaches **$170/tonne** by 2030.
- **Targets for all electricity to be net-zero** by 2035.
- **Countrywide Clean Fuel Standard**, with an upper limit for carbon credit pricing of $300/tonne.
- Established leader in CCUS and offering a significant investment tax credit to spur investment.
- **Investment tax credits** proposed for zero emissions technologies.
- Commitments to **reduce methane emissions**.
Climate Change Action

ARC’s track record of continuous improvement in our ESG measures and practices is illustrated by the evolution of our greenhouse gas emissions work.

ARC started estimating the scope 1 and scope 2 GHG emissions of its oil and gas producing portfolio companies in 2015. In 2020, the firm started tracking the emissions from its oil field service companies, and more recently from its ARC Energy Fund 9 energy transition investments.

In 2019, ARC established a goal of reducing the GHG emissions intensity from its underlying oil and gas portfolio production by 25 percent by 2023 (compared to 2018, based on ARC’s equity share). As of 2021, emissions have been reduced by 25 percent since 2018, two years ahead of the original goal.

Reductions in GHG emissions within ARC portfolio companies have come from, among other things, activities such as expanding gas gathering infrastructure to reduce flaring, and the installation of modern equipment to reduce methane venting and leaking.

Our expectation is that, while there could be ups and downs depending on the mix of companies in the ARC Energy Funds at any given time, the overall emission intensity for ARC’s portfolio will trend down similar to the trajectory for Canada’s overall emission reduction goals of a 40 to 45 percent reduction by 2030 (compared to a 2005 baseline) and achieve net-zero by 2050.

In 2019, ARC established a goal of reducing the GHG emissions intensity from its underlying oil and gas portfolio production by 25% by 2023. (compared to 2018)

As of 2021, emissions have been reduced by 25% since 2018 two years ahead of the original goal.
ARC’s expectation is that overall portfolio emission intensity will trend down similar to the trajectory for Canada’s overall emission reduction goal and achieve net-zero by 2050.

ARC Portfolio Oil and Gas Production Weighted GHG Emissions Intensity
(2018 to 2021) – Scope 1 and 2 (KgCO₂e/BOE)

ARC’s 2023 Reduction Goal Established in 2019 (-25%)

Net-zero by 2050

3. Source: ARC portfolio company annual survey data. The US average is based on the latest DOE/NETL report using 2014 data of the average crude oil refined in the United States and is provided for context. The ARC portfolio GHG Emissions Intensity Average is based on ARC’s equity share of oil and gas production in each portfolio company and is based on the survey data in the year provided. Scope 1 includes the direct GHG emissions within the properties and assets of the company. Scope 2 includes the indirect emissions.
ARC values diversity and recognizes the benefits that an inclusive workforce brings. We take efforts to foster a workplace that welcomes people from different backgrounds. ARC’s gender diversity is a testament to this, with over 40% of ARC’s workforce being female.

**Over 40% of ARC’s employees are female.**

Some of ARC’s recent initiatives to foster greater Diversity & Inclusion include:

- Surveying ARC portfolio companies on their employee diversity.
- Requirement for portfolio companies to have at least one female board member.
- Encouraging diversity considerations in hiring decisions.
- Indigenous awareness training for ARC employees.
- To help increase the diversity of the workforce, ARC sponsors scholarships and initiatives designed to increase diversity in secondary education, including indigenous students.
Interview with Nishka Gupta

Nishka Gupta
Senior Vice-President

Nishka originally joined ARC as a summer student in 2011, then returned full-time in 2014 after three years at Shell Canada in a technical engineering role. Her skillset was well suited to the dynamic nature of ARC, as in addition to an engineering background, Nishka has a business and financial background.

Q: Tell us about your role at ARC, and any professional associations you are involved with?

I wear several hats at ARC, which includes deal sourcing on energy transition opportunities, such as renewable energy. In addition, I manage and monitor ARC portfolio investments. On any given day, I may be engaging executives at portfolio companies, evaluating new energy transition investment opportunities, or negotiating new investment opportunities. I find the energy transition space stimulating and challenging as there are many problems to solve, for example, technology readiness, implications of new policies and navigating the economics. In my spare time I participate in Women in Capital Markets, a non-profit focused on fostering equity and diversity in capital markets and serve as Vice-Chair on the board of Carbon Management Canada, a non-profit focused on industrial decarbonization.

Q: How is ARC encouraging diversity of ideas and people, and fostering an inclusive workplace?

ARC has a very flat organizational structure and thoughtful opinions are highly valued across the firm. Respectfully challenging and debating business decisions is not only valued but encouraged. ARC does not hire often, and has low turnover, but over time the organization has grown a strong female presence. ARC’s model of investment presence, for example taking an active role on the Board of its investments, means ARC has a real opportunity to influence its portfolio companies. We have an objective for all of our portfolio companies to have at least one woman on their Board in 2022 and we encourage a strong focus on Indigenous partnerships.

Q: What’s next for diversity & inclusion at ARC, and are there ways ARC could improve?

Although diversity of ideas and people is valued at ARC, I believe there is an opportunity for ARC to focus on education, which fosters awareness for both our employees, and portfolio companies. For example, unconscious bias is something many women, or minority groups, may have faced in their careers and lives. This is one area society is growing, learning and evolving.

ARC is the lead investor in Sanjel Energy Services, a company that provides primary and remedial cementing solutions in western Canada. Sanjel has established a number of scholarships at the University of Alberta for indigenous and visible minority female students:

The scholarship is for Science, Technology, Engineering and Math (STEM) programs with a preference for First Nation, Inuit, or Métis people and/or students who identify as members of a visual minority.

Scholarships for four female students, with a 5-year commitment for each student.
Indigenous communities in Canada are important rights holders in energy developments. ARC and its portfolio companies value and respect the Indigenous community relationships that have been developed.

Indigenous communities in Canada are important rights holders in energy developments.

ARC’s portfolio companies have facilitated partnerships that support Indigenous education and training, employment and other economic benefits in the communities where we operate.
**Aspenleaf Energy** is an oil exploration and production company with operations in the Edmonton area. The company has partnered with a local Indigenous group to complete abandonment and reclamation work.

- Aspenleaf assisted the Paul Band in establishing a wholly owned abandonment and reclamation company, called Wihnemne, which provides employment opportunities for all phases of environmental activities from skilled labour to business and project management.
- Aspenleaf directed $7 million towards providing opportunities for learning and experience.
- Importantly, the business is structured for longevity and sustainability, providing a service that the industry is likely to need for decades.
- Paul Band members and especially Paul Band youth now have access to a much greater spectrum of on-reserve sustainable career paths.

**Kiwetinohk Energy** produces liquids-rich natural gas in northwest Alberta and is working towards providing low-to-no emissions energy in the future. Kiwetinohk considers engagement with all stakeholders and Indigenous rights holders in particular, as foundational to their business. Kiwetinohk supports the Indigenous community where they operate in a number of ways.

- Actively seeking Indigenous partners for their Opal Power Project and other green energy initiatives.
- Created an Operator Trainee Program for individuals from the Sturgeon Lake Cree Nation. Upon successful completion of this program, the trainees have the opportunity to become fully-qualified operators.
- Utilizing Indigenous community-owned businesses.
- Hosted a cultural awareness training session with Cree elder and language teacher about the deep roots and meaning to naming the company Kiwetinohk.

**Case Study**

**Aspenleaf Energy**

Aspenleaf directed $7 million towards providing opportunities for learning and experience.

**Kiwetinohk Energy**

Kiwetinohk created an **Operator Training Program** for individuals from the Sturgeon Lake Cree Nation.
Energy Transition & Reliability

ARC has a dual track approach to energy transition. Our investments support the growth of clean, stable and secure Canadian hydrocarbons. At the same time, we are supporting the energy transition by investing in companies that are developing low carbon energy and decarbonization solutions.

ARC supports the growth of ESG-friendly sources of hydrocarbon energy supplies, while speeding up the energy transition to net-zero by 2050.

Russia’s invasion of Ukraine and the resulting energy price shock has illustrated the importance of having stable, secure and affordable hydrocarbon energy to support an orderly energy transition. At the same time, the energy shock is expected to increase the investment and policy support for renewable, clean energy.

ARC Energy Fund 9 follows these dual tracks, by prioritizing investments in low-emissions, upstream Canadian oil and gas production and services, as well as North American energy transition opportunities.

While there are a wide range of views on the future of oil and gas, considerable demand for oil and gas for the next two decades and beyond remains in every scenario – including the more aggressive scenarios for decarbonization.

In the future, the cleanest energy will have the greatest demand pull. In that regard, Canada has an advantage because the policies and incentives being introduced by government economically reward producers to reduce their emissions.

The following examples from our portfolio companies highlight ARC’s dual track approach to support the growth of ESG-friendly sources of fossil fuel supplies, while speeding up the transition to net-zero.
**Success Stories**

**Deltastream** produces oil from the highly economic Clearwater play in Alberta. Over the last several years the company has significantly reduced its GHG emissions and provided economic benefits to local stakeholders.

Reduced annual fugitive and vented **methane emissions** by over **70%** through the implementation of gas gathering infrastructure and vapour recovery units; well beyond industry regulation requirements.

Deltastream has **exemplary safety performance** with no recordable employee or contractor injuries in the field from 2018 to 2021.

**Silfab** is an established North American manufacturer of ultra-high efficiency, premium-quality solar panels. All of Silfab’s locations are fully automated, using just-in-time manufacturing to deliver millions of North American-made panels. Here are some examples of Silfab’s sustainability achievements and future plans:

- Panels sold to date have a generation capacity of 2.1 GW, equivalent to more than three average coal fired power plants.
- Silfab is committed to reducing its corporate emissions (both scope 1 and 2) by 50 percent by 2030. By 2040 the company plans to be carbon neutral.
- As a signatory to the Solar Industry Forced Labor Prevention Pledge, Silfab is committed to increasing traceability in the solar supply chain to ensure that products sold are free from forced labor.

Committed to reducing corporate emissions by **50%** by 2030 and being carbon neutral by 2040.
Burgess Creek is an early-stage oil exploration and production company that is active in southeast Saskatchewan. The company has developed an innovative solution to reduce GHG emissions. Historically, area operators flared natural gas byproducts from oil production due to a lack of infrastructure and gas processing capacity. However, Burgess Creek is installing a natural gas turbine powered electrical generator to take previously flared gas and use it to generate electricity.

Burgess Creek’s corporate emissions will be reduced 50% when the turbine project is complete in the summer of 2022.

Longshore Resources produces oil in northern Alberta and central Alberta/western Saskatchewan. The company has substantially reduced its GHG emissions in recent years through the following actions:

- Replaced pneumatic actuators which reduced methane venting, generating nearly 20,000 tonnes worth of carbon credits which can be sold into Alberta’s carbon market.
- Reduced corporate greenhouse gas emissions intensity for each BOE of oil and gas produced by nearly 40 percent since 2018.
- Installed electric power at new pad sites to avoid direct hydrocarbon combustion and reduce emissions.

Corporate GHG emissions reduced for each BOE of oil and gas produced by nearly 40% since 2018.
Catapult Environmental is a wastewater management company that was established to provide environmental services and water handling expertise to the energy sector in Alberta. Here are some examples of Catapult’s sustainability achievements:

- Three of Catapult’s four facilities are pipeline-connected to customers, thereby eliminating truck travel for fluid handling, which is safer, better for the environment and creates less local disturbance, including dust and noise to residents and wildlife.

- Since inception in 2016, the company has treated more than 2.5 million m$^3$ of wastewater. In doing so, Catapult has taken the equivalent of 25,000+ trucks off the road and reduced the distance trucks would have traveled by 800,000 km, equating to approximately 1,800 tonnes of avoided CO$_2$ emissions (and counting).

- In Catapult’s newest facility at Pipestone, the water infrastructure uses salty water sourced from deep aquifers to displace the equivalent amount of fresh water being drawn from lakes and rivers.
## ARC’s Sustainability Data Collection Matrix

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- ✓ 100% of data received
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