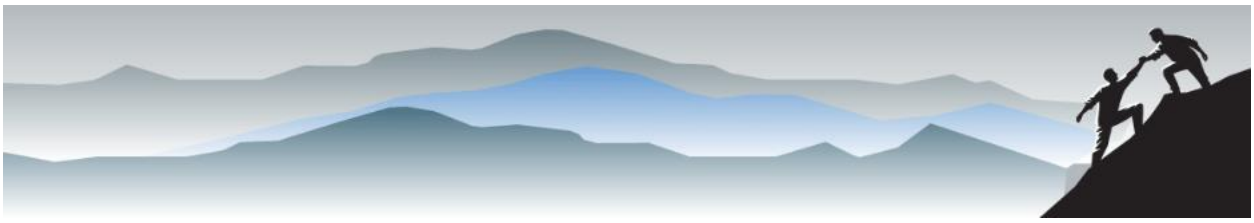


Project Partners' Carbon Dioxide Removal Plan

Emissions Analysis and Carbon Removal Opportunities.

Northshore Project Partners Inc. | *Version 1.0* | *March 2026*

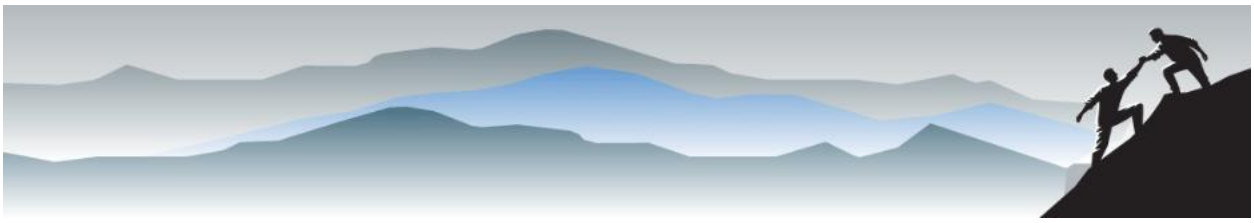
At Project Partners, we are committed to helping accelerate the energy transition through projects and research. We want to see a future where British Columbia's circular economy is powered by renewable energy. This includes working to reduce our own emissions and support other companies in doing the same. We report our emissions annually, purchase carbon removals to address remaining emissions, and ultimately plan to retire more credits than we emit. As many carbon removal technologies are not yet mature, we identify promising opportunities and support their advancement. As of now, the most promising pathways for carbon removal and permanent storage are Direct Air Capture (DAC), Enhanced Rock Weathering (ERW), Ocean Alkalinization (OA), and biomass carbon removal. Given the uncertainty about which approaches will prove most effective, a diversified portfolio of carbon removal options is a justified strategy today. Advanced Market Commitments are particularly beneficial for companies developing these technologies, as they provide upfront funding. We expect that the state of Carbon Removal Technologies will evolve over time, and we commit to updating this document annually.

Calculating Emissions

Appropriately addressing emissions through reductions and carbon removal purchases requires a clear understanding of both the sources and magnitude of our emissions. With a goal of removing significantly more CO_2 than we emit, it is essential to establish an accurate baseline.

Effective emissions reporting requires accuracy, completeness, and consistency, identifying all sources within the chosen scope and applying the same methods over time to allow for valid comparisons and track progress. Emissions are reported in carbon dioxide equivalent (CO_2e).

In Canada, mandatory emissions reporting applies only to facilities emitting more than 10,000 tonnes of CO_2e per year, under Environment and Climate Change Canada's Greenhouse Gas Reporting Program[1]. Nevertheless, we encourage all our customers to



measure and report their emissions and to take responsibility for their emissions, regardless of scale. Every tonne avoided contributes to the collective effort, and incremental reductions can together amount to meaningful impact.

The Greenhouse Gas Protocol[2], developed by the World Resources Institute and World Business Council for Sustainable Development, is the global standard for carbon accounting. It divides emissions into three scopes depending on whether they occur directly from company operations or indirectly through their value chain[3,4]:

- **Scope 1:** Direct emissions from sources owned by the company including furnaces, vehicles, and machines used in production (combustion occurs on site)
- **Scope 2:** Emissions from grid electricity, heat, steam, or cooling purchased by the company (combustion occurs elsewhere)
- **Scope 3:** All other indirect emissions such as those from purchased products and services, business travel, employee commuting, work-from-home emissions, etc.

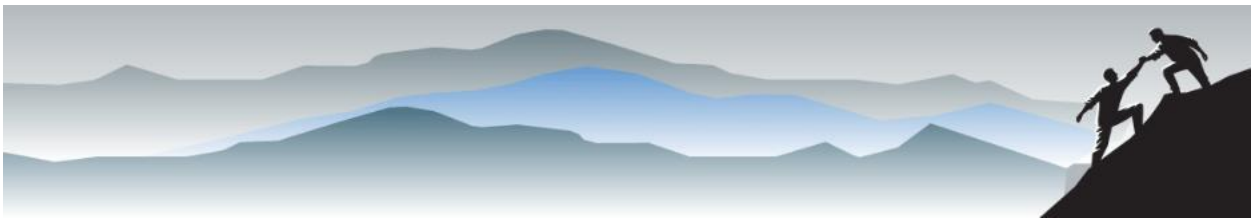
Current climate goals of companies often target scope 1 and scope 2 emissions, however, scope 3 emissions are increasingly being considered in corporate climate reporting and strategies. As scope 3 emissions include many different kinds of indirect emission, these can be further broken down into the following categories[5]:

<u>Upstream scope 3 emissions</u>

1. Purchased goods and services
2. Capital goods
3. Fuel- and energy-related activities (not included in scope 1 or scope 2)
4. Upstream transportation and distribution
5. Waste generated in operations
6. Business travel
7. Employee commuting
8. Upstream leased assets

<u>Downstream scope 3 emissions</u>

9. Downstream transportation and distribution
10. Processing of sold products
11. Use of sold products
12. End-of-life treatment of sold products
13. Downstream leased assets



14. Franchises
15. Investments

As a company that only provides services and works fully remote, all of Project Partners' emissions fall under Scope 3. We report business travel (scope 3, category 6), home office energy consumption (scope 3, category 3), electronics purchased (scope 3, category 1), services purchased (scope 3, category 1), and business meals (scope 3, category 1).

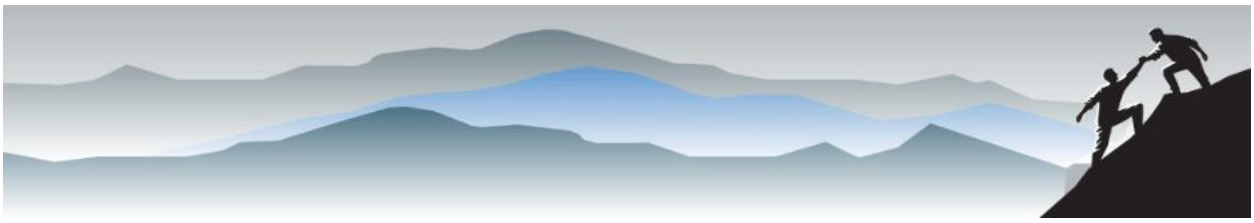
After identifying all contributions to emissions, the associated emissions in CO_2e can be estimated with emission calculators. As our emissions originate mainly from air travel and home office energy use, uncertainties around emission calculation, and our aim to have a positive climate impact far beyond compensating our emission, an approximate estimate is sufficient for our purposes. We can assist our customers with more detailed emissions estimates using, for example, local grid emissions factors, if required.

We work with our customers to measure their emissions, prioritize high-impact reductions, and select carbon removal credits to address residual emissions. After projects are concluded, we estimate the impact the project had in terms of emissions avoided or contributions made. We do not use these to "offset" our own emissions, but report them for transparency following Greenhouse Gas Protocol for Project Accounting[7].

Reducing Emissions

Reducing emissions at the source should always be prioritized. Every tonne of CO_2 that does not get emitted, does not contribute to global warming. Yet some emissions remain unavoidable for now, particularly from the electricity grid and necessary air travel. Our commitment is to pursue meaningful emission reductions and compensations, with the understanding that best practices are still developing and our strategy may shift as we learn more.

We continually look for ways to cut our own emissions, though our options are limited since they primarily come from grid electricity and air travel. Nevertheless, we are committed to minimizing air travel and building a primarily local customer base here in British Columbia. For customers, any Scope 1 and Scope 2 emissions that can be addressed through direct decarbonization should take priority, following Science Based Targets initiative recommendations[8]. It can be beneficial in this case to identify measures that lead to the largest emission reductions at the lowest costs, and thus obtain a marginal abatement cost curve.



Why we don't buy carbon offsets

Carbon offsets are credits issued based on projects that reduce, remove, or avoid a unit of greenhouse gas emissions, one metric ton of carbon dioxide equivalent, that can be purchased to compensate emissions generated elsewhere[9]. Important criteria are:

1. additionality: whether the project would exist without the purchase of the credit
2. permanence: the durability of the emissions reduction
3. leakage: whether the project avoided or reduced emissions in one place but lead to increased emissions elsewhere

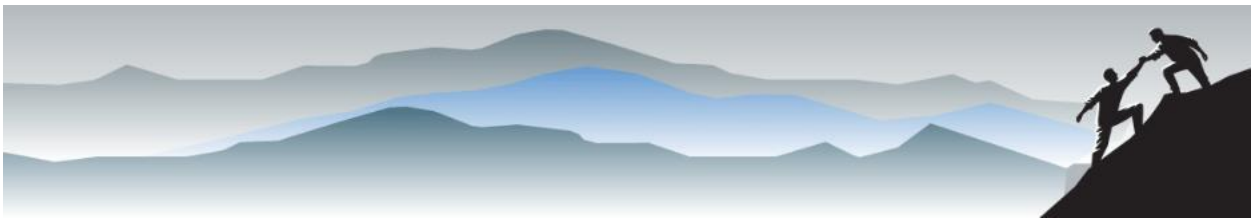
The usefulness and integrity of carbon offsets has been critized[10,11] with evidence showing that they have substantially smaller impact than promised and often none at all[12,13].

The principal criticism of carbon offsets concerns their dependence on counterfactual baselines, estimating what would have occurred absent the intervention, which introduces significant uncertainty into their claimed climate impact[14]. With buyers seeking to offset their emissions at low costs[15] and project developers maximizing the credits they can sell, this leads to continuous overestimations of the climate benefits of credits. Numerous studies and reports showed that the emissions reduced are routinely overestimated by an order of magnitude[16–18]. A study analyzing over 2000 carbon offset projects found that less than 16% of the credits led to real emission reductions[19].

For companies, relying on low-quality carbon offsets can be a legal liability when used to justify "carbon-neutral" advertising as they increasingly face lawsuits on greenwashing and consumer protection[20,21].

Identifying truly high-quality carbon offsets remains challenging given the for-profit nature and non-transparent methods of existing rating services in addition to a lack of a universally accepted standardized carbon credit quality assessment methodology[22], leaving individually vetting projects by the buyer as the inefficient alternative[23,24].

Giving Green lists initially focusing on carbon offsets as one of their past mistakes[25], and now recommends policy and technology change funding opportunities[26]. The University of California set out to develop a quality carbon offset procurement program in 2018 in a three-year, all-campus, interdisciplinary research effort which resulted in the decision to move away from carbon offsets altogether and instead focus on direct decarbonization and a fee per ton emitted[27].



Offsetting anthropogenic CO_2 emissions with passive carbon sinks in forests and oceans to claim net-zero emissions, can lead to continued warming, therefore it is important to acknowledge the need for restoring one tonne of CO_2 permanently to the solid Earth for every tonne generated from fossil sources[28]. A storage time of 1000 years is needed to neutralize continued fossil CO_2 emissions under net zero emissions[29]. Durable emission reduction and stabilization of global temperatures require measures balancing of emissions and removals of the same time scale as CO_2 contributes to warming in the atmosphere[30,31]. While lower durability carbon offsets cannot be considered to compensate current or historical emissions, they can still add value, for example for biodiversity and air quality reasons.

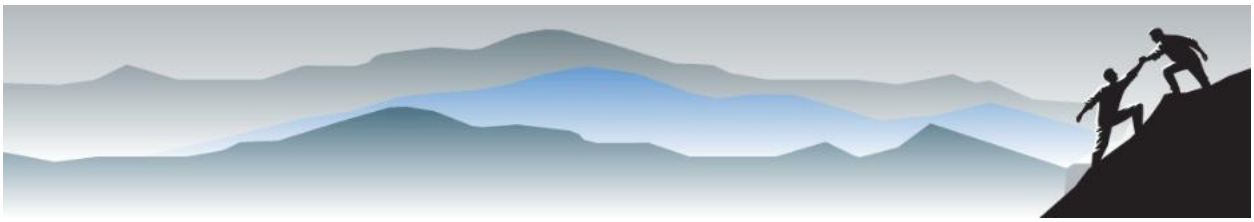
The latest recommendations by the IPCC are focusing on direct emission reductions, minimal reliance on offsets, and scrutiny of use and risks of CO_2 removal[32].

Similarly, the Science Based Targets initiative recommends to avoid using carbon offsets to count towards their science based emission reduction targets[8]. However, it recommends permanently neutralizing remaining emissions with measures that remove carbon from the atmosphere and permanently store it.

Why we buy carbon removals instead

Under the strictest interpretation of neutralizing emissions that we want to apply for our own emissions, following the recommendations by the IPCC and SBTi, meaning we attempt to restore the atmosphere to the state it was in before those emissions occurred (all else being equal), the available options are still in early stages of technological development, and most carbon offset approaches do not meet this standard. One of the most effective mechanisms for advancing carbon removal technologies is the Advanced Market Commitment. By forming purchase agreements for credits to be delivered in the future, buyers provide early-stage companies with the capital they need to develop and scale while simultaneously establishing a credible demand signal.

Direct air capture is currently the most straightforward method to remove CO_2. Ambient air is drawn into collectors by fans, where CO_2 binds to a sorbent material. Applying heat releases the captured CO_2, which is then permanently stored in geological structures, while the sorbent is regenerated and reused. We acknowledge that direct air capture remains unproven at scale today, constrained by substantial energy demands, high costs, and the challenge of efficiently capturing CO_2 from the atmosphere where it is highly diluted.



Enhanced Rock Weathering and Ocean Alkalinization can justifiably store CO_2 on geological timescales, contributing to carbon removal and permanent storage. Enhanced Rock Weathering involves spreading crushed silicate rock across farmland, where it reacts with carbonic acid, which is formed from rainwater and atmospheric CO_2, and mineralizes into stable carbonates. Ocean Alkalinization involves introducing alkaline rock into seawater, where it binds CO_2 while simultaneously helping to counteract ocean acidification. Unlike direct air capture, where carbon removal can be precisely measured and verified, these two processes are more difficult to quantify with certainty. Field trials are currently underway to better understand its real-world effectiveness and quantify the amount of CO_2 removed from the atmosphere.

Biomass-based approaches offering long-term storage potential include Bioenergy with Carbon Capture and Storage (BECCS), biochar, and wood burial. Each of these methods can store CO_2 on the geological timescales required to qualify as permanent storage. An inherent limitation of these biomass-based approaches is defining the baseline against which emissions are quantified. The CO_2 stored through these methods was previously held in biomass rather than free in the atmosphere. In the case of wood burial and biochar, the removal could be interpreted as avoided emissions rather than removed emissions, since burning or natural decomposition of biomass waste is prevented. The value here predominantly lies in converting temporary carbon storage into permanent storage.

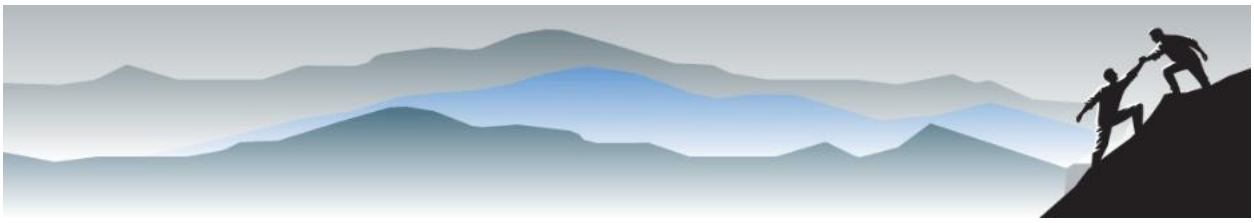
Impactful Giving and Investments Beyond Purchasing Carbon Removals

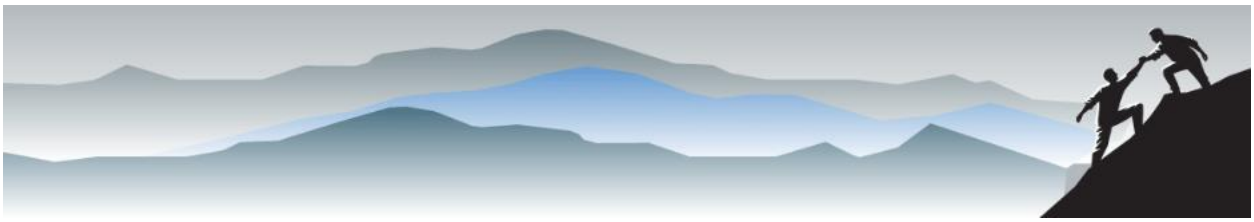
In addition to an emission for emission compensation that we achieve through purchasing carbon removal credits, we believe it's also important to support impactful organizations that have a positive climate impact in less directly quantifiable ways.

We also support carbon removal companies on the basis of their potential, not just delivered tonnage. We donate solar PV installations, fund reforestation, and back a range of projects doing meaningful work. Where exactly our donations and investments go each year is documented on our website.

Helping Our Customers Achieve their Sustainability Goals

We support clients across the energy transition: From project delivery and carbon accounting to residual emissions strategy. We also educate on carbon removal technologies, the offset-versus-removal distinction, and the current state of the sector in Canada and globally.





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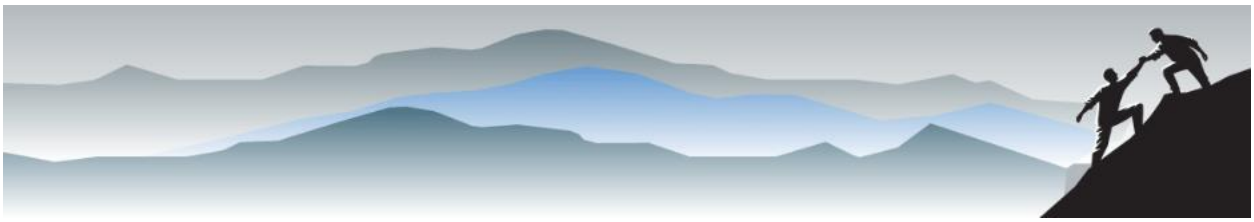

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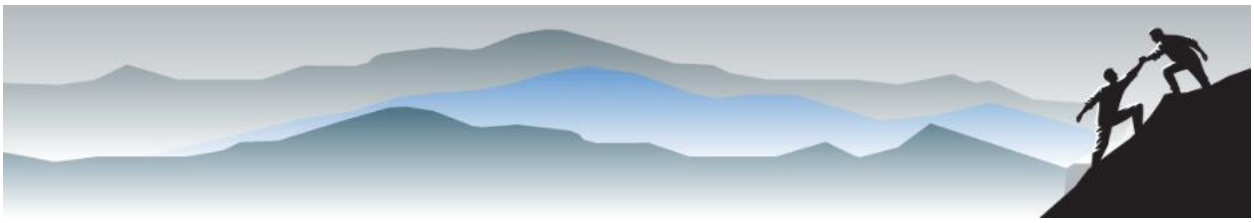

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