



WOLF CARBON

WOLF

2024  
Climate Risk  
Disclosure  
Report

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WOLF CARBON SOLUTIONS INC.



# About this Report

This 2024 Climate Risk Disclosure Report covers all Canadian business and assets owned and operated by **Wolf Carbon Solutions Inc. (WCS or Wolf Carbon)** and will refer to important items in the past, present and near future. This report does not focus on financial performance. WCS is a subsidiary of Wolf Midstream Canada LP.

## Framework

The data collection methodologies we use are aligned with current industry standard practices and follow the recommendations and supporting recommended disclosures outlined by the Task Force on Climate-related Financial Disclosures (TCFD).



WCS acknowledges that adherence to these frameworks remains voluntary. Nonetheless, WCS uses key aspects of these frameworks for the purposes of establishing and continually enhancing our sustainability reporting.

The methodologies, frameworks and standards for measuring, analyzing and reporting on sustainability factors will continue to evolve over time and may result in us modifying our methodologies, frameworks, standards and reporting in the future, in restating certain data or other information or in modifying our objectives and targets, if applicable, set out in this report.

In some cases, WCS has relied on data provided by third parties, which has not been independently verified and WCS cannot guarantee the accuracy of such data. Third party data may also evolve as methodologies, frameworks and standards evolve. All the data included in this report has been reviewed by Wolf Carbon's executives responsible for their respective subject areas.

## Forward-Looking Statement

This report contains forward-looking statements as to Wolf Carbon's expectations of future performance in various areas. Such statements may relate to our future goals, targets, vision and sustainability objectives. The use of words such as "plans", "strategy", "targets", "seeks", "expects", "believes", "continues", "strives", "will" or similar expressions are intended to denote forward-looking statements/information. Readers are cautioned that these forward-looking statements are only intended to provide information about management's current expectations or goals for the future, are based on various assumptions and are subject to a number of uncertainties. We includes forward-looking information to assist readers in understanding our objectives set out in this report and such information may not be appropriate for other purposes. No assurance can be given that these assumptions and expectations will prove correct and, as such, readers should not place undue reliance on such forward-looking statements. The terms "we", "our", "us", "organization", "Wolf Carbon", and "WCS" as used in this document refer collectively to Wolf Carbon Solutions Inc. and its subsidiaries unless the context suggests otherwise. These terms are used for convenience only and are not intended as a precise description of any separate legal entity within WCS.



# Wolf Carbon

WCS built, owns and operates the Alberta Carbon Trunk Line (ACTL), a high-capacity CO<sub>2</sub> system that compresses and transports CO<sub>2</sub> to long-term storage. ACTL is aiming to broadly connect and provide future emissions reduction solutions to the Western Canadian energy industry.

WCS is advancing two ACTL connected carbon sequestration hubs: the Lamont Carbon Hub near Fort Saskatchewan, Alberta and the Central Alberta Carbon Hub near Red Deer, Alberta. These hubs are designed to provide large-scale, long-term CO<sub>2</sub> storage for industrial emitters.

In time, ACTL is expected to support future emissions reduction solutions and new utilization pathways. ACTL facilitates carbon emissions reduction strategies in the Alberta Heartland and in Central Alberta.

## Sustainability Priority Areas for this Report

This report will address the thematic areas as outlined by the Task Force on Climate-Related Financial Disclosures (TCFD):



### Strategy

- Our Approach to Sustainability



### Governance

- Sustainability Working Group
- Our Board of Directors
- Board Committees



### Risk Management

- Climate-Related Risks and Management
- Wildfire Risk
- Biodiversity
- Water Management
- Cybersecurity

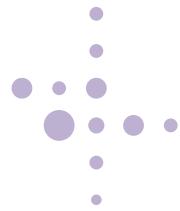


### Metrics and Targets

- Greenhouse Gas (GHG) Emissions
- Marginal Abatement Cost Review



- *ACTL can transport up to 14.6 million tonnes of CO<sub>2</sub> per year, capable of facilitating carbon mitigation options for industrial emitters.*

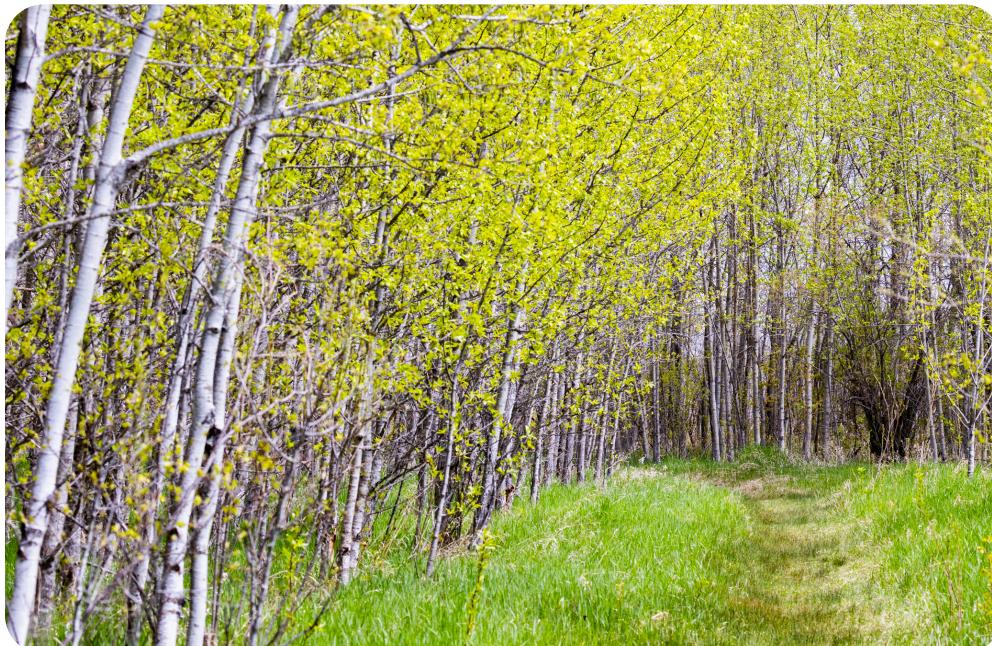


# Strategy

## Our Approach to Sustainability

WCS is committed to building our business with a purpose, incorporating principles of social responsibility and sustainability into our strategy and everyday decision making. We endeavor to challenge the status quo and to improve our performance for the environment, the communities where we operate, our customers and our team members.

We consider sustainability related risks and opportunities in our investment decisions from the initial project design, through the full life cycle of our operations. We are confident our actions and investments will improve our ability to build and operate assets that will serve all of our stakeholders and create long-term value.



## Responsible Asset Management

At WCS, we are focused on fulfilling near-term energy demands while ensuring the longevity and resilience of our assets. WCS is committed to minimizing the environmental impacts of our operations and has developed a series of protection measures that are incorporated into the construction, maintenance and reclamation phases of each of our projects. Central to our strategy is a proactive approach to asset management and environmental risk mitigation, detailed in our processes and bolstered by our commitment to safety.

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*ACTL safely transports over 1 million tonnes of CO<sub>2</sub> to long-term storage each year.*



# Governance

We uphold high standards of transparency, integrity, accountability, and excellence. Our leadership team drives disciplined execution of strategy with a focus on performance, capital discipline, stakeholder accountability, and sustainable operations. The Board provides strong, well-balanced oversight.

## WCS Sustainability Working Group

At WCS, our Board of Directors oversees material sustainability matters in all elements of our business and provides input and oversight on our approach to sustainability. Our Sustainability Working Group includes members from relevant areas of our business and has executive oversight from the Chief Financial Officer and Senior Vice President of Legal & Corporate Services to ensure alignment. WCS continues to utilize a framework to enhance alignment, track performance and identify new material topics and areas where we can be proactive.

## Board of Directors

Our Board brings diverse experience, skills, and perspectives essential to guiding strategic direction and governance. Defined mandates for the Board, Chair, and Committees form the foundation of our governance framework, with the goal of ensuring effective structures, controls, and oversight are in place. These mandates are regularly reviewed and updated to align with business objectives, regulatory requirements, and best practices.

Board oversight focuses on strategy, risk, reputation and sustainability. Enterprise risks—including those related to sustainability—are reviewed at every meeting. The annual Strategy Day enables in-depth discussion of short and long-term plans, risks, and opportunities, informed by external experts and macro industry insights.

## Our Board strengthens sustainability oversight.

### Board Committees

The Board maintains three committees—Audit; Environment, Health & Safety; and Governance & Compensation—to strengthen strategic and sustainability oversight.

### Audit Committee

Oversees transparent and compliant financial reporting, internal controls, risk management, and external audits, to confirm alignment with financial and sustainability reporting standards.

### Environment, Health & Safety Committee

Provides oversight of operational safety and environmental stewardship, including programs for land, water, biodiversity, and emissions management. It ensures effective emergency response and asset integrity planning, supported by regular internal and external expert briefings.

### Governance & Compensation Committee

Oversees Board effectiveness, governance policies, and people practices, including compensation, employee engagement, and succession planning. The committee ensures sustainability objectives are embedded in compensation programs and reviews compliance policies annually. Performance evaluations include financial, safety, operational, social, and cultural results.





# Risk Management

## Climate-Related Risks and Management

Our assets span diverse regions within Alberta with exposure to a variety of nature and climate-related risks, including flooding, wildfires, heat stress and extreme cold conditions. To manage and reduce these risks, we implement enhanced monitoring, rigorous asset maintenance and comprehensive emergency response planning. We are strategically aligned with certain carbon reduction objectives of our customers and are well positioned to pursue certain carbon reduction opportunities.

This approach helps ensure that our business remains resilient and well-positioned for future growth as the demand for sustainable energy solutions increases. This approach not only strengthens our resilience but also reinforces our commitment to create value through sustainable practices.



## Biodiversity

We integrate biodiversity considerations throughout our project life cycles to help mitigate ecological impacts. In collaboration with regulators, WCS develops mitigation measures and facilitates environmental protection through proper training and resources.



We assess potential biodiversity risks using desktop studies with mapping and databases, followed by field assessments to guide project routing and construction decisions. We conducted pre-disturbance wetland and wildlife assessments as part of the Wolf Lamont Carbon Hub pipeline and ACTL Edmonton Connector for our Wolf Carbon projects. Findings were integral to planning and implementing appropriate mitigation measures and site-specific plans.

## Wildfire Risk

WCS participates in the FireSmart Canada program as one way to proactively assess wildfire risks and implement strategies for prevention and mitigation. At WCS, we take steps to minimize wildfire risks including establishing fire break setbacks and vegetation control around our sites, limiting the use of all-terrain vehicles and conducting aerial surveillance to spot potential wildfire activity near our operations.

## Water Management

Safeguarding water resources and ensuring the integrity of river crossings by mitigating potential water quality impacts from our operations is a critical component of our construction and operations. Water quality monitoring is performed by environmental assessors at all watercourses with flowing water near our construction and operations activities, following all regulatory protocols and standards. Throughout construction we work with and direct our contractors to mitigate impacts on fish and their habitats by implementing appropriate erosion and sedimentation control measures.

## Cybersecurity

Our cybersecurity program is aligned with the National Institute of Standards and Technology (NIST) Cybersecurity Framework, which guides our approach to identifying, protecting against, detecting, responding to and recovering from cyber threats. Our areas of focus for the 2024 cyber program included enhancing our 24/7 monitoring, phishing defense, cloud application security monitoring and protection on key systems. In 2024 we also strengthened our cybersecurity measures to protect against AI enabled threats.



# Metrics and Targets

Management utilizes a number of metrics to assess climate related risk and opportunities in line with its strategy and risk management process. These include Scope 1 and Scope 2 emissions, emissions intensity and total CO<sub>2</sub> transported.

## Greenhouse Gas (GHG) Emissions

Since 2019, we have completed annual audited assessments of Scope 1 and Scope 2 emissions attributable to our operations, as well as an estimate of the relative emissions intensity of all our operating assets.

Scope 1 emissions (those that directly result from our operations) benefit greatly from efficiencies gained by the nature of our assets which require minimal reliance on the combustion of fossil fuels in our operations.

Scope 2 emissions result from the generation of electricity that we consume to operate our assets. These emissions include CO<sub>2</sub> produced by generating power for our electric drive compressors and pumps used to transport CO<sub>2</sub>.

Wolf Carbon's operations require minimal use of fossil fuel combustion in their operations, which limits Scope 1 emissions. Almost all of our Scope 2 emissions arise from the emissions generated from powering equipment such as electric drive compressors and pumps that facilitate the movement of CO<sub>2</sub>.

## Marginal Abatement Cost Review

In 2024, WCS engaged a third-party consultancy firm to proactively assess our projects for potential opportunities to materially reduce emissions. Decarbonization effects were analyzed through the categories of abatement technology, fuel switching, electricity generation, Scope 1 and 2 efficiency improvements and other intensity and emission factors. WCS continues to implement emission reducing projects, where economic solutions exist.

The third-party review identified that WCS is well positioned to explore a variety of options to reduce energy intensity and feasibly to abate Scope 1 and 2 emissions. Due to the high concentration of Scope 2 emissions, potential for reduction of emissions intensity of our power supply are being explored.

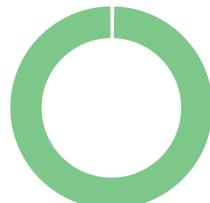


Alberta Carbon Trunk Line Emissions Intensity (Tonnes CO<sub>2</sub>e/Tonnes Transported)

0.059

Direct And Indirect Emissions 2022 – 2024 (Tonnes CO <sub>2</sub> e)	2022	2023	2024
Scope 1	263	306	317
Scope 2	80,232	96,613	86,791
Total	80,495	96,919	87,108
Total CO <sub>2</sub> Transported	1,045,300	1,497,312	1,467,125
Emissions Intensity (Tonnes CO <sub>2</sub> e/Tonnes Transported)	0.077	0.065	0.059

## WCS Scope 1 and Scope 2 Emissions



0.36% Scope 1

99.64% Scope 2

As a result of WCS operations, over 3.7 million net tonnes of CO<sub>2</sub>, which otherwise would have been released to atmosphere, were transported to long-term storage between 2022 and 2024. WCS remains committed to reducing Scope 1 and Scope 2 emissions across its operations, supporting Canada's commitments under the Paris Agreement and its objective of achieving net-zero emissions by 2050.



# Appendix

Material Topics	Key Concepts/Metrics	Page
Organizational Information	About Wolf Carbon	<a href="#">3</a>
Strategy	Our Approach to Sustainability Responsible Asset Management	<a href="#">4</a>
Governance	Sustainability Working Group Board of Directors Board Committees	<a href="#">5</a>
Risk Management	Climate-Related Risks and Management Biodiversity Wildfire Risk Water Management Cybersecurity	<a href="#">6</a>
Metrics and Targets	Greenhouse Gas (GHG) Emissions Marginal Abatement Cost Review Direct and Indirect Emissions	<a href="#">7</a>

A high-contrast, black and white photograph of an industrial facility. The image is dominated by a complex network of large-diameter pipes, some with valves and fittings. In the background, there are large, circular metal structures, possibly fans or heat exchangers, with a grid-like pattern. The lighting is dramatic, with strong highlights and deep shadows, creating a sense of depth and complexity. The overall tone is dark and metallic.

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