



SUSTAINABILITY REPORT 2022

FINANCING THE ENERGY **TRANSITION**

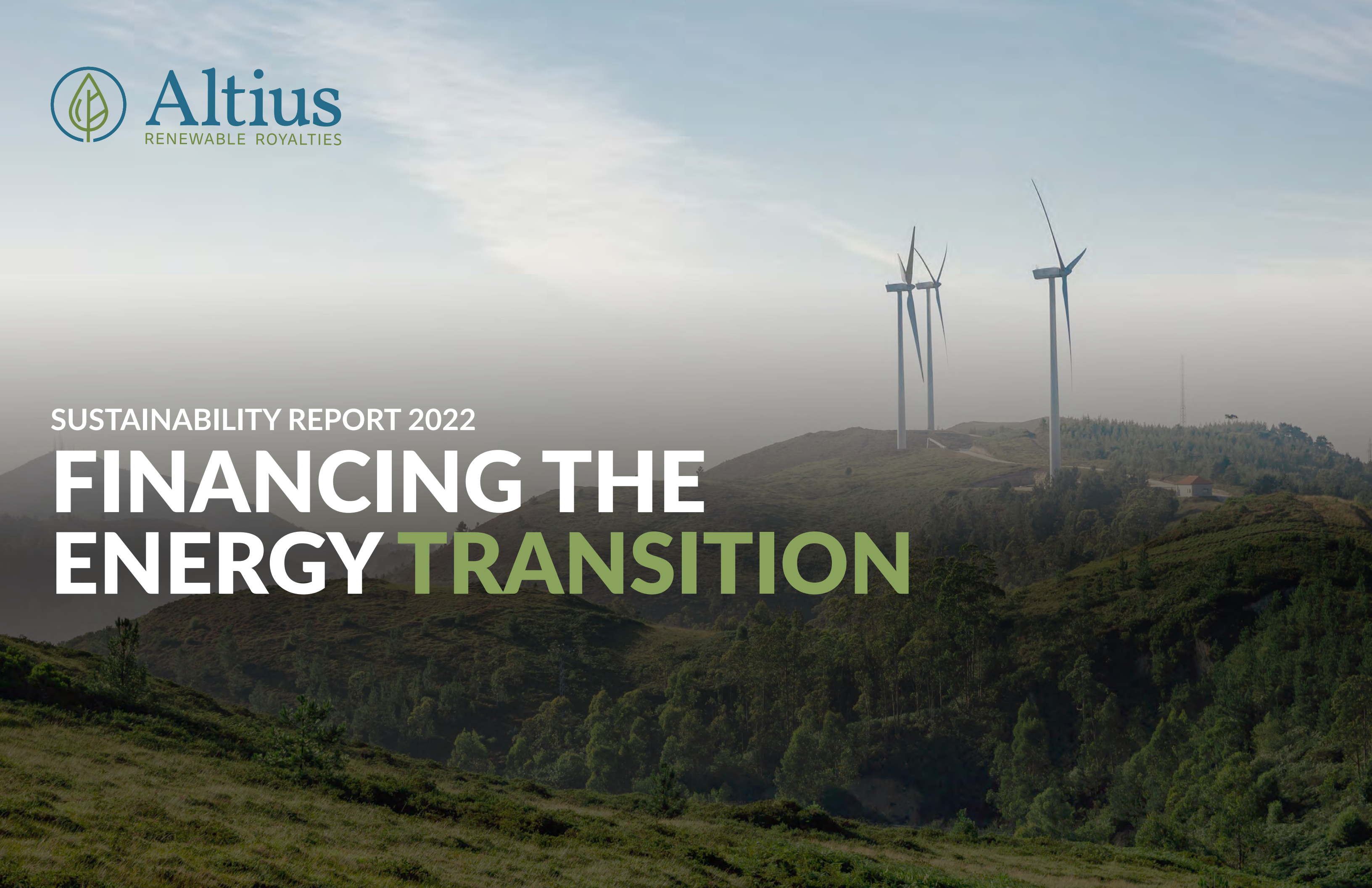


Table of Contents

Introduction	1
About this Report	1
Joint Letter	2
About Us	3
Our Assets	5
Development Projects	5
Operating and Construction Stage ..	6
Climate Position Statement	9
Governance	10
Board	10
Committees	11
Management	12
Policies and Risk	14
Enterprise Risk Management	15
Physical Climate Risks	15
Transition Risks and Opportunities	15



Stakeholder Engagement	16
Due Diligence	17
Pre-investment Due Diligence	17
Post-investment Due Diligence	18
2022 Avoided Emissions	19
Performance	20
Appendix	21
Performance Data	21
TCFD	23
SASB	24
Cautionary Statement	26



**Innovative Financing
of Renewable Energy**

About This Report

Welcome to Altius Renewable Royalties' ("ARR") inaugural Sustainability Report. We are proud to publish our first standalone report which represents a significant step in our ongoing sustainability journey.

We became a publicly traded company in Q1 2021 and had previously reported select sustainability data through our parent company, Altius Minerals Corporation ("Altius Minerals"). Following the IPO and a subsequent offering, Altius Minerals owns 58% of ARR.

This report provides details on our sustainability initiatives and is guided by the Sustainability Accounting Standards Board's ("SASB") Asset Management and Custody Activities Standard and the recommendations from the Task Force on Climate-related Financial Disclosures ("TCFD"). Please see the TCFD Content Index and SASB Content Index sections of this report for additional information. All references to financial figures are given in U.S. Dollars ("USD") unless otherwise noted. For information on our performance metrics, please see the Performance Data table of the report. Our report has been reviewed by our Executive Management Team and Corporate Governance Committee and approved by the Board of Directors ("the Board"). The report has not been externally verified.

Boundaries and Scope

The Sustainability Report focuses on ARR's performance and initiatives from January 1 to December 31, 2022, and we plan to continue reporting on an annual cycle. In certain instances where significant progress has been made, information has been included on initiatives that were implemented after December 31, 2022, and before the publication of this report. ARR's business model is focused on financing development or later stage projects in order to grow a portfolio of renewable project royalty interests and gross revenue payments.



Contact

We welcome feedback from all readers about our report and invite you to contact our Corporate Secretary, Flora Wood, at flora@arr.energy.

Cautionary Statement Regarding Forward-Looking Information

Joint Letter Introduction

Dear Stakeholders,

It is a pleasure to present our first standalone sustainability report. We had previously reported sustainability data through Altius Minerals' sustainability reporting. Our innovative business model has allowed us to benefit from the enormous growth of the renewable energy sector. In our initial few years of operation, we have deployed almost US\$280 million in support of renewables across the United States, with commitments to deploy another US\$75 million. These investments will enable us to support solar, wind, hydro, and battery storage projects that will further decarbonize electrical grids as the energy transition unfolds.

We execute on projects through our operating partner, Great Bay Renewables ("GBR"), which is jointly owned with leading venture capital firm, Apollo Global Management, on a 50/50 basis.

The growing momentum for renewable electricity within the United States has benefited from the passage of the Inflation Reduction Act in the U.S., which will continue to feed robust demand. However, there are challenges in the form of project delays, grid connection issues, and the ongoing demand for equity. Against this backdrop, we believe that our business continues to grow in adoption and importance

as a direct enabler of the energy transition.

We have been working hard to develop strong governance structures and processes that provide oversight to our business. Our Board includes members who are former renewable and power industry executives, an environmental scientist, and members who have extensive legal and securities expertise:

-  Our board of directors (5 people) is 100% independent.
-  Altius Minerals Corporation owns 58% of our common shares, but has no management members on the Board, and has 2 independent nominee directors, representing 40% of the board members.
-  Our board membership is 40% female, and 2 of our three committees are chaired by women.

Comprehensive due diligence is critical as a royalty investor in development or operating stage projects. Due diligence is initially

performed by GBR management and its advisors and is then reported to ARR management and Board members, providing an opportunity for further questions and data analysis, including with a focus on environmental, social and governance (ESG)-related issues.

We see avoided emissions as an integral part of being a renewable energy financing entity, and thus referenced guidance to calculate our impact in this regard. Through our five projects that were operational for the entirety of 2022, we determined that the renewable energy which replaced or supplemented fossil fuel powered electricity on two regional transmission organizations (SPP and ERCOT) allowed for the avoidance of 95,043 tonnes of CO₂ emissions.

Going forward, we will continue to enhance our disclosure according to evolving best practice reporting standards. We welcome feedback from our stakeholders as we advance our business and sustainability reporting.



Earl Ludlow, Chair



Brian Dalton, CEO

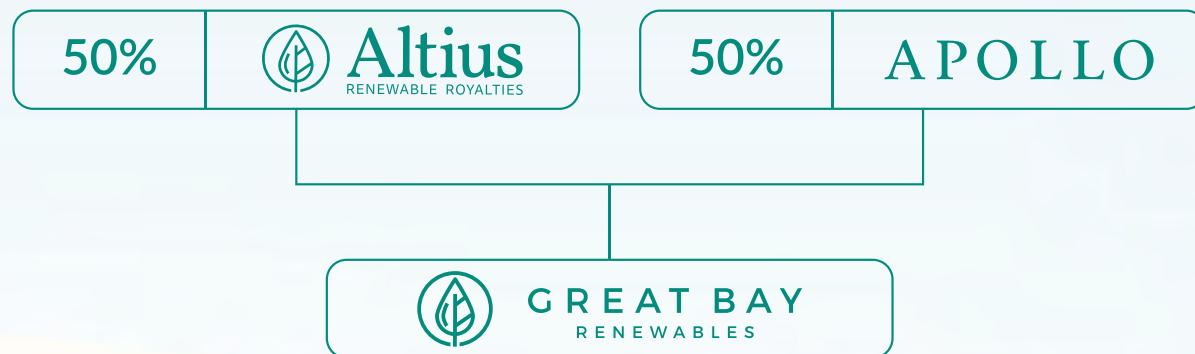


About Us

ARR is a renewable energy royalty company focused on funding wind, solar, battery storage, and other renewable energy projects. ARR was formed in 2019 to satisfy a need for flexible capital in renewable energy. ARR and certain funds managed by affiliates of Apollo Global Management Inc. (“Apollo”) jointly control Great Bay Renewables LLC (“GBR”), which is the operating company. While ARR provides financing within a public company vehicle as well as oversight and authorization to allocate capital, this is based on the review and discussion of due diligence executed by GBR and presented to ARR for approval. ARR executes the public company financial reporting responsibilities of the business. Although GBR manages the operations of ARR, GBR does not operate any of the assets we invest in. ARR’s shares are traded on the Toronto Stock Exchange (“TSX”) under the symbol “ARR” and are quoted on the OTCQX under the symbol “ATRWF.” For more information on our company structure, please see ARR’s [2022 Annual Information Form](#).

to the energy supply mix that is needed to meet growing demand. By acting as a financial enabler of renewable energy growth, ARR supports the adoption and expansion of renewable energy projects, which can accelerate the shift towards a low-carbon future, ensuring a more sustainable and resilient energy system.

Governments continue to promote the adoption of clean energy through regulatory tools such as the passing of the Inflation Reduction Act (“IRA”) in the United States (“U.S.”). Industry analysis also shows strong support for the growth of renewables for the future, which presents a growing opportunity to provide capital for renewable projects. With our unique business model and industry expertise, ARR is well-positioned to contribute to financing renewable projects and the growth of the renewable energy industry.



Renewable Energy in the Low-Carbon Transition

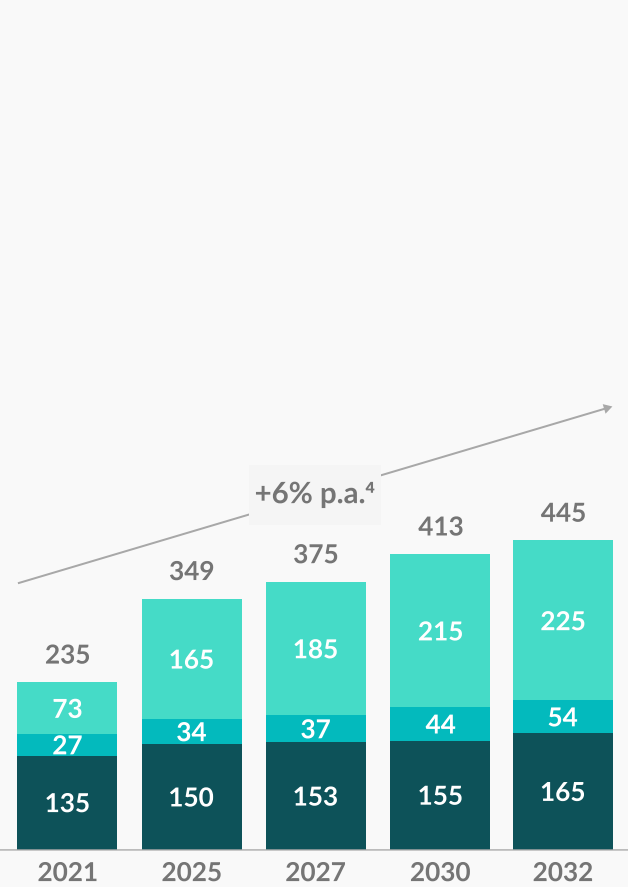
Standards and guidelines for public companies regarding how they measure and communicate their climate change risks, greenhouse gas (“GHG”) emissions, and reduction strategies for emissions continue to evolve. As information and strategies around GHG emissions progress, achieving low or zero emissions is clearly the goal. The promotion of renewable energy as a substitute or supplement to fossil fuel-based energy serves as one example of how to achieve this transformative goal. Renewable energy sources such as solar, wind, and hydro offer cleaner and more sustainable alternatives to traditional fossil fuel-based energy production. These projects help to drive reductions in carbon and other air emissions and contribute



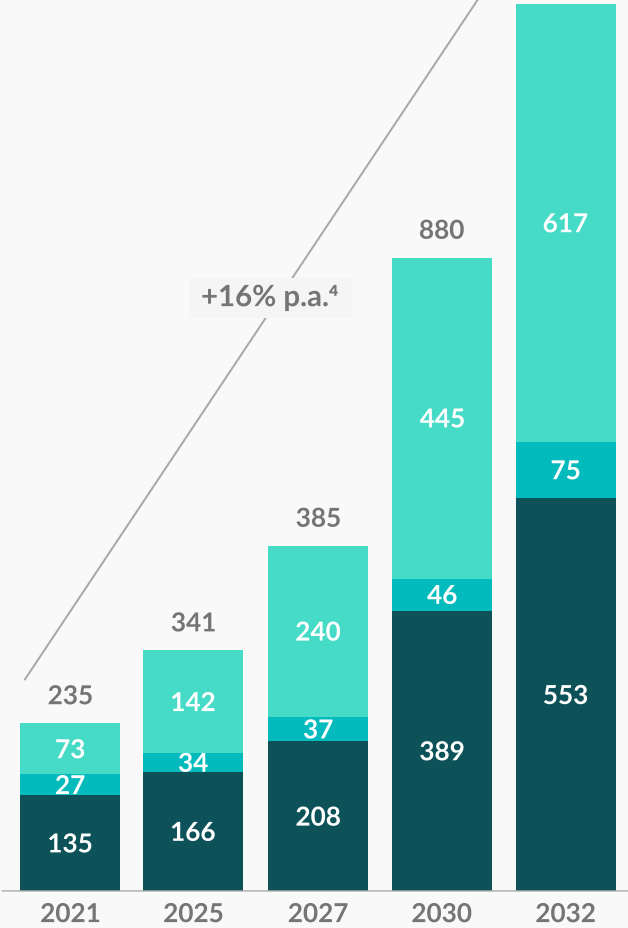
Projections of US installed solar and wind capacity, gigawatts

Pre-IRA¹

■ Onshore wind ■ Storage² ■ Solar PV³



Post-IRA¹



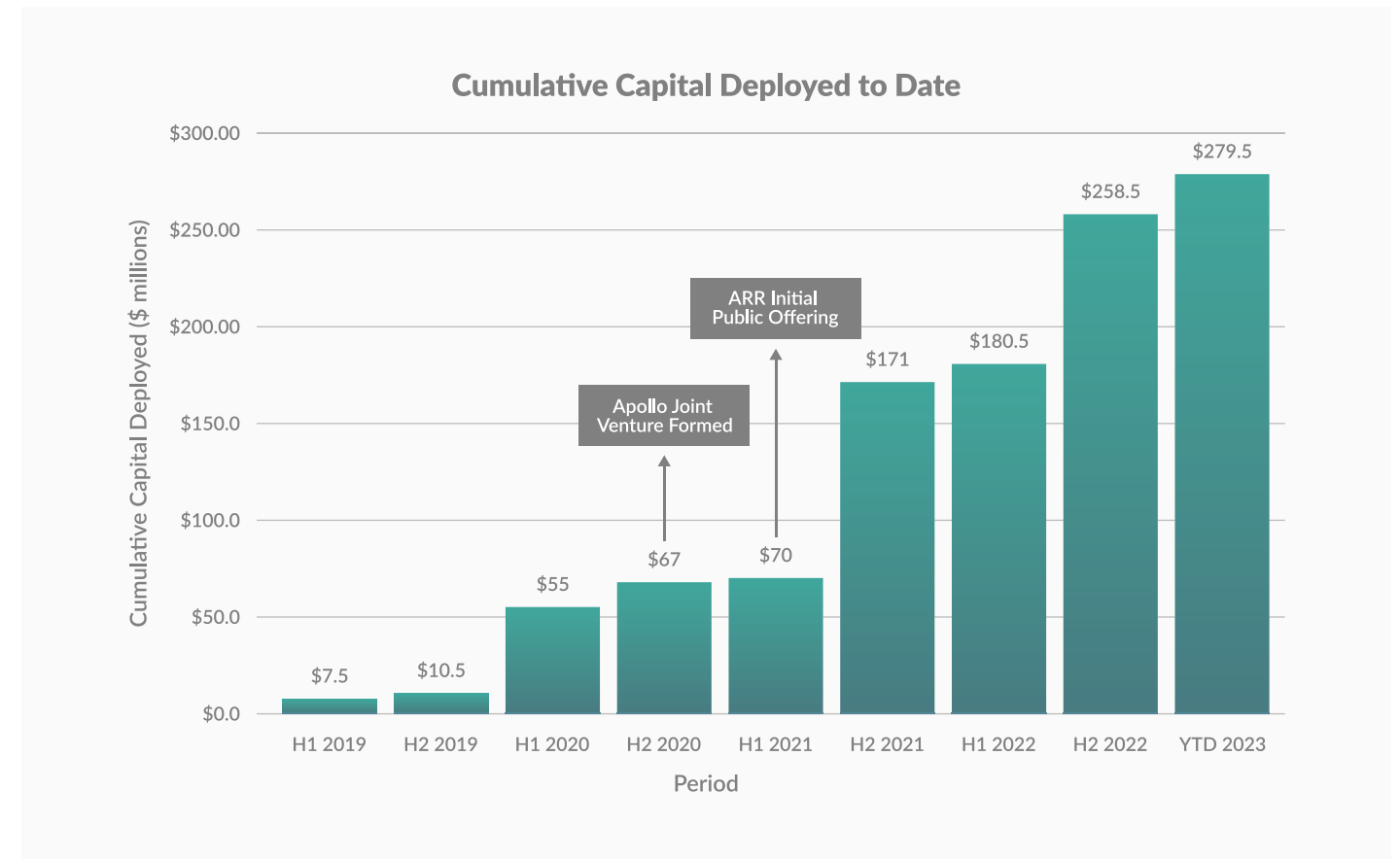
¹ Inflation Reduction Act
² Includes lithium ion and existing hydro-pumped storage
³ Photovoltaics

⁴ Per annum
 Source: Inflation Reduction Act of 2022;
 McKinsey Power Solutions

ARR Enabling U.S. Renewables Growth Through Operating Company GBR

GBR provides capital to partners to develop new or existing wind, solar, and energy storage projects and receives royalties as a percentage of revenue throughout the life of these projects. GBR recognizes the success of the renewable energy buildout to date and anticipates a need for new and innovative financing solutions. The six-person management team of GBR combines industry expertise, as former developers and energy executives themselves, with innovative financing solutions that have already become widely adopted in the short timeframe since GBR's inception.

The graphic to the right details our cumulative capital deployed as investments.



We demonstrate our commitment to sustainability by deploying our capital in renewable energy projects that meet our environment, social, and governance (“ESG”) due diligence criteria and engaging with our partners throughout the duration of our investments. We also actively participate in industry associations to share best practices and collaborate with other organizations within the broader renewables and clean tech ecosystem, including the American Clean Power Association.

? What is a royalty?

A royalty is a non-operating stake in a project that entitles the royalty holder to regular payments based on a percentage of revenue for the life of the project.

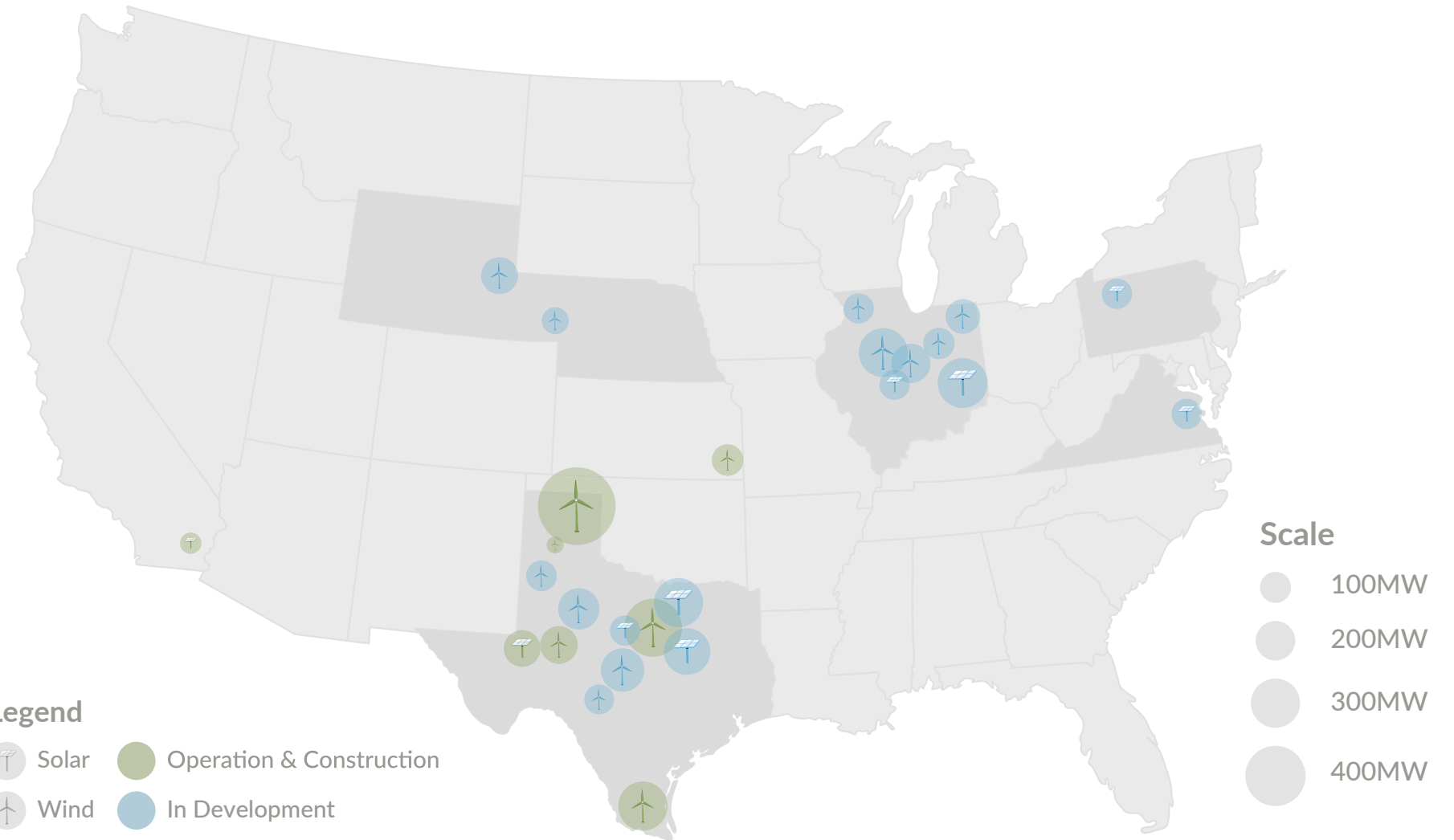
Our royalty portfolio currently consists of 33 wind, solar, and hydro projects across the U.S. These royalties represent approximately 2.1 gigawatts (“GW”) of renewable power across operating projects and approximately 5.8 GW in royalties or royalty entitlements on projects in the construction and development phase in wind, solar, and battery storage. The Corporation also expects future royalties from GBR's investments in Bluestar Energy Capital, Hodson Energy and Hexagon Energy, which increase the total development project pipeline to approximately 15 GW.

Our Assets

Our investment strategy is to continue to acquire royalties and other interests from multiple sources, such as developers, operators, and third-party holders. We believe that we are a first mover in providing utility scale royalty financing to the renewables sector. Unlike a naturally depleting oil well or limited mine life deposit, renewable resources are non-depleting and their related generating stations can operate in perpetuity, provided leases are renewed, capital reinvestments are made, and community support is maintained. Our royalties persist for the life of the asset unless otherwise defined, including during any expansions or repowering events.

Our growing list of operating partners currently includes Tri Global Energy (owned by Enbridge Corporation), Northleaf Capital Partners, Longroad Energy, Bluestar Energy Corporation, Hodson Energy, and Hexagon Energy.

We hold 33 renewable energy royalties across a range of operating, construction, and development phase projects, and rights to future royalties on large development portfolios. For a complete list of our current assets please visit our [website](#).

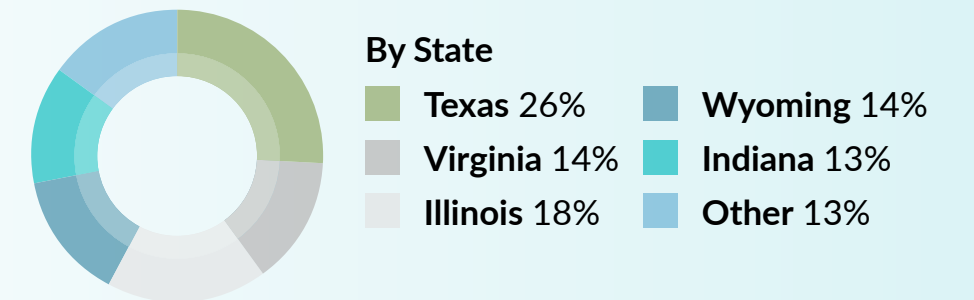
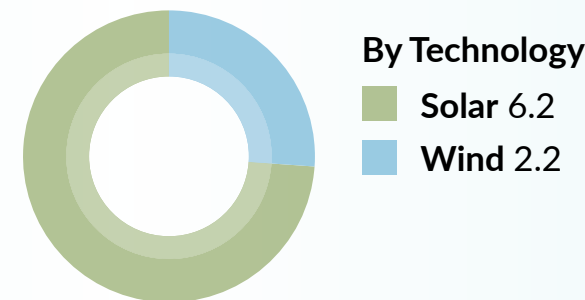
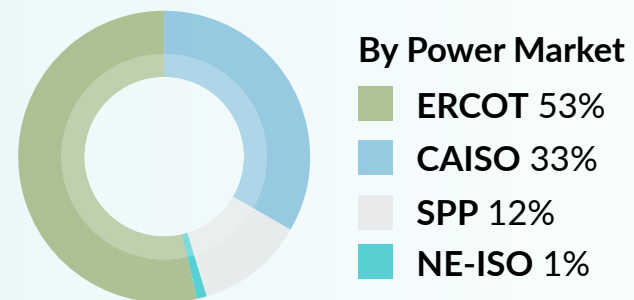
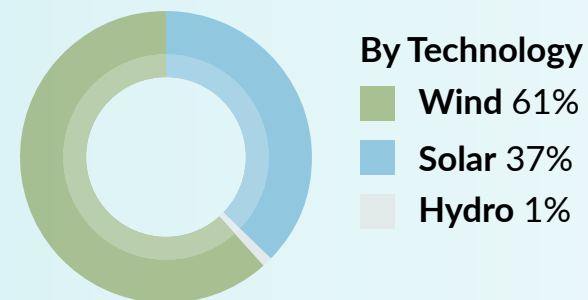


Legend

- Solar
- Wind
- Operation & Construction
- In Development

Scale

- 100MW
- 200MW
- 300MW
- 400MW



Operating & Construction Stage Renewable Energy Projects Under Royalty - Operating

Project	Project Originator	Location	Renewable Energy Source	Owner	Facility Size (MW)	Status	Estimated COD ¹	Royalty Basis
Hansford Wind	Apex	Texas	Wind	Undisclosed	658	Operational	Completed	Fixed ¹
Young Wind ²	Apex	Texas	Wind	NextEra Energy	500	Operational	Completed	2.5% of Revenue
Prospero 2	Longroad Energy	Texas	Solar	Longroad Energy	250	Operational	Completed	Variable ³
Jayhawk	Apex	Kansas	Wind	WEC Energy / Invenenergy	195	Operational	Completed	2.5% of revenue
Appaloosa	TGE	Texas	Wind	NextEra Energy	175	Operational ²	Completed	1.5% of revenue
Old Settler Wind ⁴	Northleaf Capital	Texas	Wind	Northleaf Capital	150	Operational	Completed	Variable ³
Titan Solar	Sunpin	California	Solar	Longroad Energy	70	Operational	Completed	Variable ³
Cotton Plains Wind ⁴	Northleaf Capital	Texas	Wind	Northleaf Capital	50	Operational	Completed	Variable ³
Phantom Solar ⁴	Northleaf Capital	Texas	Solar	Northleaf Capital	15	Operational	Completed	Variable ³
Clyde River	Great Bay	Vermont	Hydro	Gravity Renewables	5	Operational	Completed	10% of revenue

1. Fixed Rate per MWh, see Press Release dated 12/20/2022

2. Operational per NextEra Generation Portfolio update published 12/31/2022

3. Royalties with variable rate adjust under certain conditions, guaranteeing a minimum return threshold under certain timelines, after which a lower royalty percentage is applied

4. While Old Settler Wind Project, Cotton Plains Wind Project, and Phantom Solar Project are three separate projects, GBR's investment was under one agreement, which includes the three projects as a single portfolio

Operating & Construction Stage Renewable Energy Projects Under Royalty - Under Construction

Project	Project Originator	Location	Renewable Energy Source	Owner	Facility Size (MW)	Status	Estimated COD ¹	Royalty Basis
El Sauz	Apex	Texas	Wind	JERA Renewables	300	Construction	Q4 2023 ²	2.5% of Revenue

1. Commercial Operations Date (COD) estimated from public information, project originators, and project owners. Dates are subject to change.

2. Expected COD based on ERCOT GIM Project Details June 2023



Development Properties Under Royalty - Wind

Project	Project Originator	Location	Owner	Facility Size (MW)	Status	Estimated COD ¹	Royalty Basis
Canyon Wind	TGE	Texas	TBA	360 ⁴	Development	2024 ³	2-3% of Revenue ⁷
Blackford Wind	TGE	Indiana	Leeward	200	Development	2024 ⁴	3% of Revenue
Vermillion Grove	TGE	Illinois	Enbridge ²	255	Development	2024 ⁵	3% of Revenue
Panther Grove 1	TGE	Illinois	Copenhagen Infrastructure Partner	400	Development	2024+	3% of Revenue
Hoosier Line Wind ⁸	TGE	Indiana	Leeward	180	Development	2024+	3% of Revenue
Shannon Wind	TGE	Illinois	Enbridge ²	150	Development	2024+ ⁵	3% of Revenue
Sugar Loaf Wind	TGE	Nebraska	Enbridge ²	150	Development	2024+ ⁵	3% of Revenue
Wyoming I	TGE	Wyoming	Enbridge ²	250	Development	2025 ⁵	3% of Revenue
Easter Project	TGE	Texas	Enbridge ²	300	Development	2025 ⁵	3% of Revenue
Cone/Crosby III	TGE	Texas	Enbridge ²	300	Development	2026 ⁵	3% of Revenue
Water Valley Wind	TGE	Texas	Enbridge ²	150	Development	2026 ³	3% of Revenue

Development Properties Under Royalty - Solar

Project	Project Originator	Location	Owner	Facility Size (MW)	Status	Estimated COD ¹	Royalty Basis
Blackford Solar	TGE	Indiana	Leeward	150	Development	2024 ⁴	1.5% of Revenue
Lawrence Solar	TGE	Pennsylvania	Enbridge ²	175	Development	2024 ⁵	1.5% of Revenue
Honey Creek	TGE	Indiana	Leeward	400 ⁶	Development	2024+	1.5% of Revenue
Gloucester Solar	TGE	Virginia	Enbridge ²	150	Development	2024+ ⁵	1.5% of Revenue
Vermillion Solar	TGE	Illinois	Enbridge ²	150	Development	2024+ ⁵	1.5% of Revenue
Cadillac Solar - Deville	TGE	Texas	Enbridge ²	350	Development	2025 ³	1.5% of Revenue
Cadillac Solar - El Dorado	TGE	Texas	Enbridge ²	400	Development	2025 ³	1.5% of Revenue
Flatland Solar	TGE	Texas	TBA	180	Development	2025 ³	1.5% of Revenue equiv ⁹
3 Early Stage TGE projects	TGE	Western U.S.	Enbridge ²	1011	Development	TBA	1.5% of Revenue

Note: Sum of wind and solar early stage development projects related to Enbridge acquisition is 15 compared to 17 referenced in Material Change Report filed Oct 5, 2022 (see SEDAR) because of two multiphase projects

1. Commercial Operations Date (COD) estimated from public information, project originators, and project owners. Dates are subject to change.

2. Developer TGE was acquired by Enbridge, see ARR press release on 09/29/2022

3. Expected COD based on ERCOT GIM Project Details June 2023 with internal adjustments for construction start date

4. From Blackford Wind & Solar Website

5. Expected COD based on Enbridge Energy Infrastructure Projects Update: January 31, 2023; note subsequent to Jan 2023, updates have not been published but projects not yet in construction now have revised timelines of 2024+ based on internal assumptions

6. Facility size may be completed in phases

7. Canyon sliding scale royalty between 2-3%, see ARR press release 06/29/2022

8. Project may be converted to solar

9. Flatland fixed payments equivalent to 1.5%, see ARR press release 06/29/2022



Property: Multiple
Owner: Tri Global Energy (acquired by Enbridge)
Location: Various
Facility Size: Combined capacity of over 5,800 megawatts ("MW")
Renewable Energy Source: Solar and Wind
Expected COD: 2024-2027+

Enbridge acquired Tri Global Energy in September, 2022, adding a large development portfolio to their operating renewable energy projects. Since 2002, Enbridge has invested more than C\$ 8 billion in renewable energy and power transmission projects either in development or operation.



Property: Old Settler, Cotton Plains, and Phantom Solar
Owner: Northleaf Capital
Location: Texas
Facility Size: 150 MW, 50 MW and 15 MW respectively
Renewable Energy Source: Wind

The power generated by Cotton Plains Wind and Phantom Solar is sold to the US army, supplying power to Fort Hood. At the time of its signing, it represented the largest renewables Power Purchase Agreement signed by the US army. The Old Settler Wind project also powers 60,500 homes.

Photo credit: Apex Energy



Property: Prospero 2 and Titan Solar
Owner: Longroad Energy
Location: Texas and California
Facility Size: 250 MW and 70 MW
Renewable Energy Source: Solar

All projects by Longroad Energy are sited to protect and preserve essential ecosystems. Committed to biodiversity, Longroad Energy assesses biodiversity and land use to avoid and minimize impacts. Where possible, Longroad Energy plants native and pollinator plant species to support insects, mammals, birds, and other species groups.



Power Offtake Customers Include:



Royalty Counterparties



Climate Position Statement

At ARR, we recognize that climate change is one of the defining challenges of our time, and we believe that businesses play a critical role in helping to address and mitigate climate change.

As a newly formed company, we are in the initial stages of understanding our climate impacts and developing our climate strategy. We have begun the process of measuring and reporting our GHG emissions and are continuously monitoring evolving global standards to ensure our alignment. We are also actively assessing and managing climate change risks and opportunities associated with our operations. More information on the impacts of climate change on our business can be found in our [2022 Annual Information Form](#).

Over the next few years, we plan to develop a formal climate change strategy and expand our GHG data collection to include our Scope 3, Category 15, financed emissions. Since we do not operate our projects, our data collection is limited

to information provided by our partners. As renewable energy generators, our partners have relatively low emissions profiles compared to their non-renewable counterparts. This is because solar and wind generation produces no Scope 1 emissions and minimal Scope 2 emissions that may relate to backup generation during maintenance periods, for example. Our royalty operators do not currently provide public disclosure of their GHG emissions on an asset-by-asset basis, and as a result we do not currently have the ability to disclose our Scope 3, Category 15 emissions. Standards for emissions reporting are evolving, and we expect that establishing a comprehensive procedure for collecting and validating emissions data on an asset-specific basis will require a considerable amount of time.



Governance

Board

We are committed to maintaining a high standard of corporate accountability and strong corporate governance practices across our operations. Our Board of Directors (“Board”) is responsible for the overall stewardship of the company, focusing on strategic planning, operations, capitalization, finance, disclosures, risk management and corporate governance. The Board approves ARR’s strategy and policies, reviews the adequacy and implementation of policies, systems, procedures and controls, and monitors risks to the company. Additionally,

the Board provides oversight to the Senior Management Team (“Management”).

The Board consists of five independent directors, two of whom are appointed by Altius Minerals. The Altius Minerals nominees to the ARR Board are not active management of Altius Minerals, and instead are independent directors of Altius Minerals. The Board has three committees, including the Corporate Governance Committee, Audit Committee, and Compensation and Nominating Committee.

Diversity, Equity, and Inclusion

We believe that incorporating a diverse range of perspectives, experiences, and backgrounds enhances our decision-making process and improves our company's overall performance. We have implemented an Anti-Discrimination, Diversity and Inclusion Policy. This policy articulates our goal to achieve at least 30% of independent directors who identify as women. We currently have exceeded this target by achieving 40% female representation on our Board.



Governance highlights

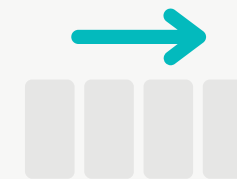


100%
of Directors are independent

Social highlights



40%
of Directors identify as female



63
is the average age of Directors



33%
of ARR management members identify as female

Corporate Governance Committee

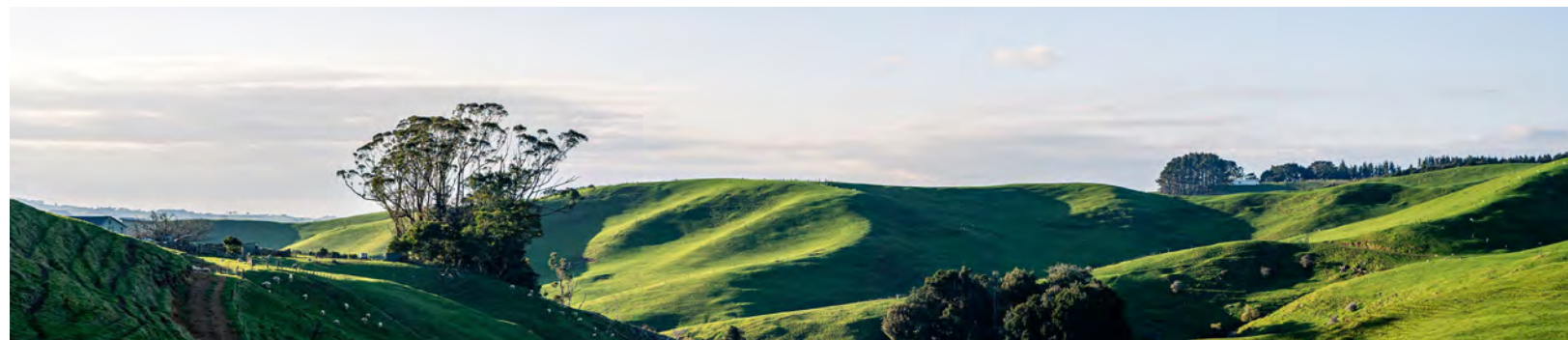
- Provides oversight over corporate governance practices, ensures conflicts of interests are avoided, reviews and updates company policies related to corporate governance including the Code of Conduct, Anti-Discrimination, Diversity and Inclusion Policy, and ESG and Investment Policy and conducts a bi-annual review of the Board mandate and Committee charters;
- Annually reviews the composition, structure, size, effectiveness, and knowledge of the Board and directors;
- Oversees the succession planning for Management; and
- Ensures Board participation in continuing education programs.

Audit Committee

- Reviews ARR financial reporting and internal procedures and oversees the external audit process;
- Responsible for oversight of risk related to financial disclosures and to review all risk assessment reports prepared by Management; and
- Establishes procedures for handling complaints regarding accounting or auditing.

Compensation and Nominating Committee

- Reviews and provides recommendations for Board compensation annually;
- Establishes a review selection process for new Board nominees and recommends candidates to shareholders; and
- Annually reviews and recommends disclosures around executive compensation to the Board.



Board Expertise and Education

Our Board members provide a diverse set of skills and experience. However our industry is evolving rapidly and in 2023 the Board began implementing a Board education program. This program includes knowledge development across different topics and industry trends that are likely to impact our business, including ESG issues, using various tools such as readings, conferences, and external speakers. See table to the right for a breakdown of Board skills and experience.

Skills/Experience	Earl Ludlow	Karen Clarke-Whistler	Anna El Erian	David Bronicheski	André Gaumond
Public Company Board Experience	●	●	●	●	●
Renewable Energy Industry Experience	●			●	●
Finance / Capital Markets	●	●	●	●	●
Royalty Company Experience			●		●
Capital Allocation/ M&A	●		●	●	●
Joint Ventures			●	●	●
Executive Experience	●	●	●	●	●
ESG	●	●	●	●	●
US Operations Experience	●	●	●	●	
Legal	●		●		●
Financial Literacy	●		●	●	●
Risk Management	●	●	●	●	●
Human Resources /Compensation	●	●	●		●
IT & Cybersecurity	●				

Management

Altius Renewable Royalties Management

ARR management consists of three positions, namely a Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), and Corporate Secretary. The ARR management team is responsible for managing various business functions and oversight and reporting of the corporation’s sustainability strategy and activity.

		
<p>Brian Dalton CEO</p>	<p>Ben Lewis CFO</p>	<p>Flora Wood Corporate Secretary</p>
<ul style="list-style-type: none"> ⌚ Co-founder and CEO of ARR’s parent company, Altius Minerals ⌚ Led Altius’ evolution into a significant diversified royalty company and project generator with annual revenues of >\$80 million 	<ul style="list-style-type: none"> ⌚ CFO of Altius Minerals since 2006 ⌚ Oversees all financial management, public reporting, and treasury functions as well as providing negotiation, valuation and structuring expertise 	<ul style="list-style-type: none"> ⌚ VP Investor Relations and Sustainability of Altius Minerals, also leads Investor Relations for ARR ⌚ Corporate Secretary Leading Board communications and governance support



Great Bay Renewables Management

GBR management is as follows:

		
<p>Frank Getman President & CEO</p>	<p>Raymond Faust CFO</p>	<p>Joshua Levine Managing Director</p>
<ul style="list-style-type: none"> ⌚ 25+ years of experience as an entrepreneur and executive in energy industry ⌚ Former President & CEO at BayCorp Holdings, a private equity renewable energy division founded by U.K. billionaire Joe Lewis ⌚ Previously worked as an attorney at Boston based law firm Hale & Dorr LLP 	<ul style="list-style-type: none"> ⌚ 20+ years of experience in energy industry ⌚ Former COO at BayCorp Holdings ⌚ Completed the development and financing for a renewable energy-from-waste facility in U.K. 	<ul style="list-style-type: none"> ⌚ 20+ years of experience in energy project development, economic analysis and environmental permitting ⌚ Former Power Trader, Director of Marketing and Director of Operations for BayCorp Holdings
		
<p>Peter Leahey Managing Director</p>	<p>Zach Farrar Managing Director, Origination</p>	<p>Bill Rodgers Managing Director</p>
<ul style="list-style-type: none"> ⌚ 7+ years of experience in renewable energy M&A, financing, and corporate strategy ⌚ Previously worked as VP within the Investment Banking Division of Goldman Sachs ⌚ Served as an Officer in the United States marine Corps prior to working at Goldman Sachs 	<ul style="list-style-type: none"> ⌚ 13+ years of experience in the renewable energy industry with a focus on business development and origination ⌚ Former Director of Global Sales and Commercial operation for General Electric's onshore wind serves division ⌚ Extensive leadership and high tempo operational experience for 13+ years in the United States Navy 	<ul style="list-style-type: none"> ⌚ 20+ years of experience in the electric utility and merchant energy industries ⌚ Former Power Trader, Director of Marketing and Director of Operations for BayCorp Holdings

Policies and Systems

Our corporate policies guide our business practices, actions and behaviours. Our policies aim to establish transparent decision-making processes, accountability mechanisms, and ethical standards within our organization. We review corporate policies every two years and provide updates where necessary. We plan to introduce an annual attestation of our Code of Conduct for all employees in 2023. Our corporate policies are publicly available on our [website](#).



Code of Conduct for Directors, Officers & Employees

The Code establishes our commitment to respectfully conducting business, adhering to ethical principles and standards, and operating safely and responsibly. It also includes our requirements for regulatory compliance, non-retaliation, financial integrity, and conflicts of interest.



Anti-Corruption Policy

Our policy outlines our aim to conduct our business in accordance with applicable laws and our high ethical standards. It provides an overview of actions that constitute bribery and corruption and establishes guidelines for topics such as political or charitable contributions and avoiding bribery of government and non-government personnel. The policy also provides guidelines around our internal controls, processes for reporting incidents of bribery, and training requirements for employees.



Whistleblower Policy

The Whistleblower Policy provides mechanisms and protections for our stakeholders when reporting concerns. The policy details our procedures for handling complaints related to accounting, internal control or auditing matters, and employee concerns. We use a third-party hotline to provide 24/7 anonymous reporting of suspected violations via phone or email.



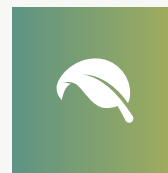
Corporate Disclosure, Confidentiality and Insider Trading Policy

This policy supports our commitment to implementing strong disclosure practices, maintaining investor confidence, and applicable rules and regulations around disclosure and trading. It outlines our standards and procedures around various related topics including information disclosure, insider trading and reporting, and confidential information.



Executive Compensation Clawback Policy

Our Executive Compensation and Clawback Policy supports the sound management of compensation for our top-level executives. It establishes the procedures for the reimbursement, cancellation, or withholding, of performance-based executive compensation related to restatements of our financial results.



ESG and Investment Policy

The ESG and Investment Policy outlines our commitment to reviewing all of our potential investments to ensure we make informed decisions that will drive the long-term success of our business. It outlines our ESG due diligence process for our investments. For more details on this policy, please see our ESG Due Diligence & Investment Management section.



Anti-Discrimination, Diversity and Inclusion Policy

The policy establishes our standard of zero tolerance for discrimination based on personal attributes such as race, ethnic origin, geographical and cultural background, disability, religion, age, gender, sexual orientation, or gender identity. Additionally, it provides guidelines and targets for promoting diversity at the Board level.



Share Ownership Policy

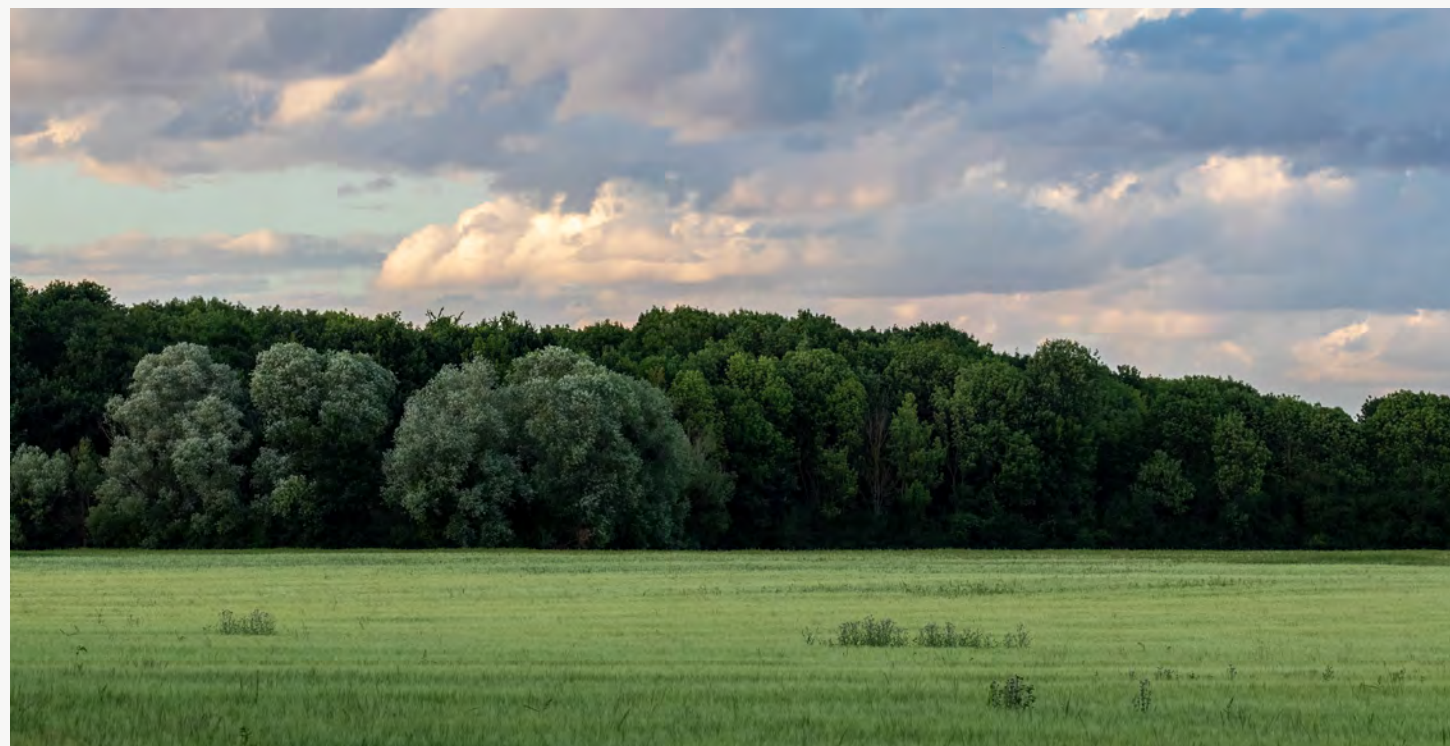
This policy reflects our commitment to minimum mandatory ownership of ARR common shares by ARR Board members. Each director is required to maintain minimum holdings of Shares (including RSUs and DSUs) with a value equal to not less than 3 times their annual retainer compensation (including Chair and/or committee membership retainers). Directors are required to achieve the share ownership guidelines within five years of joining the Board. These requirements are intended to enhance alignment of director and shareholder interests.

Enterprise Risk Management

Through our enterprise risk management process, we identify and assess potential significant risks to our business. We look at various risk factors, including regulatory, insurance, and workforce, in developing a risk matrix. Climate change risks are included in our risk assessment and are categorized under acute physical (severe weather) and energy transition risks in accordance with the Task Force on Climate-related Financial Disclosures framework. Both are analyzed and reported on in our Annual Information Form (“AIF”). Our finance team is responsible for assessing and updating our risk matrix annually. The updated matrix is then reviewed by our Management team and the Audit Committee of the Board. Using the risks identified in our AIF, we determine the top risks to our business for further analysis and review by the finance team and the Audit Committee. In 2022, risks associated with climate change were included in the top 9 identified risks, in terms of materiality. For a discussion on our risk factors, please see our 2022 Annual Information Form.

Our Climate-Related Risks

We understand that climate change has impacts on all businesses. During our risk management process, we identified the physical and transition climate-related risks that could affect our business.



Physical Climate Risks

The power generation facilities that produce our royalty revenue are at risk of potential interruption and equipment damage due to extreme weather events like floods, high winds, fires, earthquakes, and severe weather conditions. As climate change may increase the frequency of such events, our investments may become increasingly exposed to potential disruptions in the event of a catastrophe, which may ultimately have an impact on ARR’s profitability, financial condition, and operational results.

Transition Risks and Opportunities

The transition towards a low-carbon economy can present risks for ARR and our partners due to emerging government policies, technology advancements, and shifting market and customer sentiment. As a renewable royalties company, ARR is well-positioned to benefit from the growing demand for cleaner, renewable energy sources. Additionally, the enactment of the IRA in 2022, with its substantial investment in tax credits and incentives, is expected to stimulate increased investments in renewable energy and serve as a positive catalyst for ARR’s success.

Stakeholder Engagement

Our stakeholders play a pivotal role in helping us gain valuable insights that enable us to address material issues, mitigate risks, and identify opportunities that can impact our business. We engage with our key stakeholder groups through a variety of methods to understand their perspectives and build strong relationships.



Investors, shareholders and analysts

- ④ Annual general meeting
- ④ Annual and quarterly reporting and conference calls
- ④ Conferences and webcasts
- ④ One-on-one meetings



Workforce

- ④ Team meetings
- ④ One-on-one meetings
- ④ Professional development activities
- ④ Team building activities



Governments and Regulators

- ④ Compliance and regulatory processes and membership in the America CleanPower Association



Partners

- ④ Meetings
- ④ Investing and due diligence processes
- ④ Post-due diligence monitoring

ESG Due Diligence & Investment Management

We are dedicated to investing in company developers and operators who share our expectations of ethical business conduct and social and environmental responsibility. To support this, we have established an [ESG and Investment Policy](#) that outlines our robust due diligence process used to understand the risks and opportunities associated with our potential investments. We incorporate a variety of financially material ESG factors into our pre-investment due diligence process and post-investment monitoring.

Pre-Investment Due Diligence

Identify and assess investment opportunity:

We review information regarding material risks and opportunities, including financial, technical, legal, and ESG aspects in our due diligence process. Corporate policies, track records, jurisdictional and local contexts, engineering and insurance reports and related material are carefully examined by our GBR investment team to determine material ESG factors of our potential investments. These factors are assessed to determine the potential impact on the operator's ability to pay a royalty to us and to meet our desired return thresholds. Protections are also structured to mitigate risk of delays, non-performance or change of control. The GBR team leverages third-party experts to support our due diligence process.

Address ESG risks and establish agreement provisions:

If material risks are identified during the due diligence process, we seek to ensure they are addressed before making an investment. Material risks can include but are not limited to severe weather impacts, including hailstorms that can damage solar panels. Material risks can include but are not limited to severe weather impacts, including

hailstorms which can damage solar panels, for example. These events are mitigated by business interruption insurance and protections built into our royalty contracts that address delays and disruptions in generation. Other severe weather events include winter storms, like the Texas Storm Uri event in 2021 which caused freezing of wind turbines and grid-wide disruption for all generators. Flooding, windstorms, earth movement and wildfire risks are also evaluated and assessed for each project along with their mitigations

Due diligence reporting and processes examine winterizing and other weather or seismic protection as well as any hedges or similar commitments that exist requiring the operator to deliver power during times when generation is offline.

Land use, community acceptance and biodiversity impacts are also studied as part of GBR's due diligence, as site control is a key milestone in renewables development

We also include reporting obligations in our legal agreements with potential investments to ensure ongoing monitoring of potential risks where applicable.



Post-Investment Monitoring

Working with our partners:

After making investments, we strive to ensure that partners establish robust governance structures to oversee material financial matters effectively. To ensure long-term success, we encourage our partners to mitigate ESG risks, minimize adverse impacts, and leverage ESG opportunities. Through ongoing reporting and independent evaluations, we continuously assess our partners' ESG performance by monitoring emerging ESG issues, legal and regulatory changes, political factors, and community concerns that may affect our investments.

The table below provides a summary of due diligence factors that we consider in our investment process:

Technical	Legal	ESG	Financial
<ul style="list-style-type: none"> 🌱 Project specifications 🌱 Lease terms and renewals 🌱 Optionality 🌱 Grid conditions and transmission upgrade plans 	<ul style="list-style-type: none"> 🌱 Compliance with regulatory requirements and permit conditions 🌱 Security and entitlements 	<ul style="list-style-type: none"> 🌱 Governance and management effectiveness 🌱 ESG commitments 🌱 Climate change 🌱 Biodiversity 🌱 Cultural heritage 🌱 Water 🌱 Land management 🌱 Workforce and management 🌱 Sourcing of component parts 🌱 Weather impacts 	<ul style="list-style-type: none"> 🌱 Operations and realized and forecast prices 🌱 Development expectations and economics 🌱 Credit ratings of counterparties and balance sheet 🌱 PPA terms and merchant price exposure

2022 Avoided Emissions

The successful funding and launch of ARR has played a role in decarbonization efforts in the U.S. At the end of 2022, ARR had nine royalties on wind and solar operating projects, four of which were acquired or achieved commercial operations dates (“COD”) in December 2022. The additional five projects operated for the full year and collectively generated 2 million megawatt hours (“MWh”) of renewable electricity with zero emissions. To assess the environmental impact of our projects, we followed elements of the WBCSD Guidance on Avoided Emissions, to determine the carbon dioxide equivalent (“CO₂e”) emissions avoided by our projects that were operational for the entirety of 2022¹.

Using emissions data from the U.S. Environmental Protection Agency’s Emissions and Generation Resource Integrated Database² (“eGrid”), the MWh generated by each operation was multiplied by the grid emissions factor disclosed by the project’s regional independent systems operator (“ISO”) to determine the number of MWh on a 100% basis of electricity emissions based on the average ISO grid make-up. The primary source of electricity generation in Texas and Kansas, where our projects are located, is natural gas. Converting the total MWh generated into tonnes of CO₂e, we estimated the amount of CO₂e that would have been emitted if our renewable generation had not been added to the grids. Considering our royalty percentages, which vary across projects, 95,043 tonnes of CO₂e were avoided as a result of renewable energy generation replacing predominantly non-renewable sources in the ERCOT and SPP South grids of Texas and Kansas³.

We are at an early stage of reporting including the setting of targets and standards, and as such, do not meet the guidelines of standards-setting bodies in aligning with avoided emissions disclosure, mainly because we do not capture the measurement of GHG emissions under Scope 3, Category 15 (Investments). As explained earlier in the Climate Position Statement section, that data is not provided to public sources or to our business by counterparties, but as standards evolve, we will continue to endeavour to collect relevant data for disclosure.



¹Although four other royalty projects were added in 2022, we have not calculated their impacts due to their limited duration (less than 1 month) in 2022. They will be included in next year’s calculation.

²The most recent eGRID data available was used for calculations and represents the year 2021. Emissions factors published by eGrid account for grids comprised of more green energy having a lower emissions factor value than those that are mainly comprised of fossil fuels.

³Our avoided emissions data uses the WBCSD’s year-on-year approach and has not been verified by a third-party.



2022 ESG Performance Summary



Environment

We recognize the critical role that businesses play in responsible environmental stewardship. We are proud of the role we play in the energy transition. As a royalties company, we do not operate our investment projects and as a small office-based organization our direct impacts on the environment are limited. Although our environmental footprint is small, our commitment to tracking and improving our performance is a fundamental part of our vision to accelerate the low-carbon transition. Our 50% stake in GBR's GHG emissions footprint includes CO₂e emissions from buildings, business travel and employee commuting.

- ☪ GBR has no Scope 1 emissions.
- ☪ Scope 2 emissions (100% basis) for GBR from purchased electricity and natural gas (building emissions) are 9.8 tonnes CO₂e.
- ☪ GBR Scope 3 emissions (100% basis) from business travel (flights and taxi) are 24.7 tonnes CO₂e.
- ☪ GBR Scope 3 emissions (100% basis) from employee commutes are 9.8 tonnes CO₂e
- ☪ On this basis, ARR's 50% share of GBR's total Scope 2 and 3 emissions are 22.2 tonnes CO₂e

Workforce

We provide continued professional development to our employees by sponsoring employee participation in conferences such as Infocast – Solar + Wind Power Finance & Investment Summit, various clean power and energy storage forums in the U.S., and “RE+ – Renewing What’s Possible”. March 2022 in Phoenix, AZ.

- ☪ To support our employees’ health and wellbeing we provide all employees with health insurance plans and benefits. We also hold two physical workouts per week for GBR staff.
- ☪ By prioritizing an in-person working culture, we aim to encourage collaboration between employees that enables the long-term success of our business.

Community Investment

We are committed to supporting the communities where we and our investment projects operate. To encourage our employees to participate in community involvement, we match our employees’ charitable donations up to \$2,000 per full-time employee per year.

Diversity, Equity, and Inclusion

Our Anti-Discrimination, Diversity and Inclusion Policy demonstrates our commitment to promoting diversity and inclusion throughout all levels of our organization. We have established guidelines to support maintaining a diverse Board, including regular assessments of the Board’s experience, skills, and backgrounds to understand areas to strengthen and expectations for recruitment firms to include diverse candidates in the applicant pool. We have also established and exceeded our goal for Board gender diversity.

- ☪ **40%** of Board members identify as women, surpassing our goal to achieve 30% of Board members who identify as women
- ☪ **11%** of Management (ARR + GBR) identify as women
- ☪ **11%** of our workforce (ARR + GBR) identify as women

¹ Although four other royalty projects were added in 2022, we have not calculated their impacts due to their limited duration (less than 1 month) in 2022. They will be included in next year’s calculation, and our calculation method will be reviewed and potentially modified to align with evolving standards for reporting.

² The most recent eGRID data available was used for calculations and represents the year 2021. Emissions factors published by eGRID account for grids comprised of more green energy having a lower emissions factor value than those that are mainly comprised of fossil fuels.

³ Our avoided emissions data follows the WBCSD’s year-on-year approach and has not been verified by a third-party.

Appendix

Performance Data

Energy and Emissions (50% of GBR total)

Greenhouse gas emissions

Metric	Unit	2022
Scope 1 (direct)	tCO ₂ e	0
Scope 2 (indirect)	tCO ₂ e	4.9
Total Scope 1 and Scope 2	tCO ₂ e	4.9
Scope 3		
- Business Travel	tCO ₂ e	12.4
- Employee Commuting	tCO ₂ e	4.9
- Investments (financed emissions)	tCO ₂ e	Not available
Total Scope 3	tCO ₂ e	Not available

Electricity Usage

Location	Units	2022
Portsmouth, NH	kWh	14106
Total		14106

Health & Safety (ARR and GBR)

Injury Statistics

Metric	Unit	2022
Fatalities	Number	0
Total Recordable Injuries	Number	0

Employment (ARR and GBR)

Employment

Metric	Unit	2022
Employees	Number	9

Employee Turnover

Metric	Unit	2022
Male turnover rate	%	0
Female turnover rate	%	0
Total turnover rate	%	0

Diversity

Metric	Unit	2022
Total female employment (ARR)	%	1
Total female employment (GBR)	%	0
Total female employment (ARR) (as % of total employment)	%	33
Total female employment (GBR) (as % of total employment)	%	0
Females in management or higher positions (ARR)	%	33
Females in executive positions (ARR)	%	33

Performance Data

Employment

Labour Relations

Metric	Unit	2022
Staff covered by collective bargaining agreements	%	0
Strikes or lockouts	Number	0

Employment By Age

Metric	Unit	2022
<30	Number	0
30-50	Number	4
50+	Number	5

New Employee Hires

Metric	Unit	2022
New female Hires	Number	0
<30 years of age	Number	0
30-50 years of age	Number	0
50+ years of age	Number	0

New Employee Hires

Metric	Unit	2022
New male Hires	Number	2
<30 years of age	Number	0
30-50 years of age	Number	2
50+ years of age	Number	0



Appendix

TCFD Content Index

Governance

Location

- a) Board's oversight of climate related risks
- b) Management's role in assessing and managing climate-related risks

Policies and Systems

Strategy

Location

- a) Near, medium and long-term climate- related risks
- b) Impact on business, strategy and planning
- c) Resilience of strategy using 2-degree or lower scenarios

[Annual Information Form](#)

Risk Management

- a) Process to assess climate-related risks
- b) Process to manage climate-related risks
- c) Integration of risk process into overall risk management

Enterprise Risk Management

Enterprise Risk Management

Metrics and Targets

Location

- a) Metrics used to assess climate-related risks
- b) Scope 1, Scope 2, and Scope 3 emissions
- c) Describe targets used

2022 ESG Performance Summary;
Performance Data

Appendix

SASB Content Index

Altius Renewable Royalties is reporting against the metrics listed within the Asset Management and Custody Activities Standard.

SASB Topics	Accounting Metric	Code	Location in Report/Direct Response
Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-AC-270a.1	Not applicable as we do not have covered employees as defined by SASB.
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers	FN-AC-270a.2	ARR is not affiliated or engaged in any brokerage or investment business. As such, we do not have any legal proceedings associated with marketing and communications and furthermore do not have any monetary losses due to legal proceedings against any employees.
	Description of approach to informing customers about products and services	FN-AC-270a.3	This metric is not applicable to ARR, as we do not have customers as per the definition in the SASB Standard.
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	FN-AC-330a.1	ARR tracks gender and diversity information of the Board, management and the overall workforce. 2022 ESG Performance, Performance Data
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	FN-AC-410a.1	This metric is not applicable to ARR, as a royalty company we do not have assets under management, as defined by SASB. However, we do conduct extensive ESG due diligence when assessing new royalties. More details can be found in ESG Due Diligence & Investment Management.
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	FN-AC-410A.2	ARR has adopted an ESG and Investment Policy and has ESG due diligence processes in place. See ESG Due Diligence & Investment Management.
	Description of proxy voting and investee engagement policies and procedures	FN-AC-410A.3	Proxy and voting information is disclosed in the 2023 Management Information Circular, which can be found on sedarplus.ca

SASB Content Index

Altius Renewable Royalties is reporting against the metrics listed within the Asset Management and Custody Activities Standard.

SASB Topics	Accounting Metric	Code	Location in Report/Direct Response
Business Ethics Employee Diversity & Inclusion	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	FN-AC-510a.1	We have not incurred any monetary losses.
	Description of whistle-blower policies and procedures	FN-AC-510a.2	Policies and Systems
	(1) Total registered and (2) total unregistered assets under management (AUM)	FN-AC-000.A	As a royalty company, ARR does not have AUM.
	Total assets under custody and supervision	FN-AC-000.B	As a royalty company, ARR does not have AUM.



Cautionary Statement Regarding Forward-Looking Information

Certain statements contained in this Sustainability Report constitute forward-looking information. Such information relates to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking information. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential" and "capable" and similar expressions are intended to identify forward-looking information. These statements involve known and unknown risks, uncertainties and

other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. No assurance can be given that these expectations will prove to be correct and such forward-looking information included in this Sustainability Report should not be unduly relied upon. Forward-looking information speaks only as of the date of this Sustainability Report. In addition, this Sustainability Report may contain forward-looking information attributed to third-party industry sources.



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