



Prairiesky Royalty Ltd

# 2024 CDP Corporate Questionnaire 2024

Word version

**Important: this export excludes unanswered questions**

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

[Terms of disclosure for corporate questionnaire 2024 - CDP](#)

# Contents

## C1. Introduction

(1.3) Provide an overview and introduction to your organization.

### (1.3.2) Organization type

Select from:

Publicly traded organization

### (1.3.3) Description of organization

*PrairieSky Royalty Ltd. ("PrairieSky" or "PSK" or the "Company") is a pure-play royalty company, receiving royalty revenues as petroleum and natural gas are produced from approximately 18.2 million acres of owned royalty properties in Alberta, Saskatchewan, British Columbia and Manitoba as of December 31, 2023. We have the largest independently owned portfolio of properties, representing 9.7 million acres of fee simple mineral title[1] and 8.5 million acres of oil and gas gross overriding royalty interests[2] (together, the "Royalty Properties"), in Canada. We do not directly conduct operations to explore for, develop or produce petroleum or natural gas. These activities are undertaken by third-party oil and gas producers who we encourage to actively develop our royalty properties at no incremental cost or expense to PrairieSky. Corporate responsibility is an integral part of our strategy. It is important that we deliver our business strategy while ensuring our business is conducted in a sustainable manner, including with respect to climate-related management. To ensure we meet this commitment, we proactively monitor and manage our portfolio of properties to ensure third-party adherence to lease terms and contractual provisions. This includes compliance with laws, good operating practices, and the safe and responsible development of resources with minimal environmental impact. All of our Royalty Properties are within Western Canada where there are strict environmental regulations. [1] Fee Simple Mineral Title - Corporations and individuals own the mineral rights, which effectively represents ownership of the minerals and hydrocarbons below the surface. Owners of mineral rights can develop the mineral substances themselves or provide that opportunity to a third party, typically through a lease. No royalties are payable to the Crown on these lands. PrairieSky's royalty revenue is received from third-party exploration and production companies with producing wells located on leased lands in accordance with the terms of the lease. A history of how PrairieSky came to own these mineral rights can be found on our website. [2] Gross Overriding Royalties - Agreement that provides the royalty owner with an entitlement to a share of production from the lands, typically over and above royalties payable to the lessor, which in most cases is the Crown. There is a finite life to these royalties, typically tied to the underlying term of the lease or license, which in most cases is when production from the wells ceases and the wells are thereafter abandoned and reclaimed.*

*[Fixed row]*

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

### (1.4.1) End date of reporting year

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:

Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:

Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:

Not providing past emissions data for Scope 1

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:

Not providing past emissions data for Scope 2

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

5 years

[Fixed row]

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

*Select from:*

No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

*Select from:*

Yes

(1.6.2) Provide your unique identifier

CA7397211086

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

739721108

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

PSK.TO

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

### (1.6.2) Provide your unique identifier

207754953

Other unique identifier

### (1.6.1) Does your organization use this unique identifier?

Select from:

No

[Add row]

### (1.24) Has your organization mapped its value chain?

#### (1.24.1) Value chain mapped

Select from:

No, but we plan to do so within the next two years

#### (1.24.4) Highest supplier tier known but not mapped

Select from:

Tier 1 suppliers

#### (1.24.8) Primary reason for not mapping your upstream value chain or any value chain stages

Select from:

Not an immediate strategic priority

#### (1.24.9) Explain why your organization has not mapped its upstream value chain or any value chain stages

*PrairieSky has not mapped its value chain due to the lack of internal resourcing and our limited supply chain (only administrative costs). PrairieSky is in the early stages of engaging suppliers under our supplier code of conduct. We plan to have our value chain mapped in the next two years.*  
[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

#### (1.24.1.1) Plastics mapping

Select from:

No, and we do not plan to within the next two years

#### (1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:

Judged to be unimportant or not relevant

#### (1.24.1.6) Explain why your organization has not mapped plastics in your value chain

*PrairieSky is a pure-play royalty company, receiving royalty revenues as petroleum and natural gas are produced from our Royalty Properties in Canada. We do not directly conduct operations to explore for, develop or produce petroleum or natural gas. Plastics are not produced, commercialized, used, and/or disposed of in PrairieSky's direct operations.*

[Fixed row]



## C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

### Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

1

(2.1.4) How this time horizon is linked to strategic and/or financial planning

*When considering environmental dependencies, impacts, risks, and opportunities, we consider the time horizons aligned with our Enterprise Risk Management program. The short-term time horizon considers risk events likely to occur at least once every year. We therefore report an inclusive short-term time horizon representing between 0 and 1 year.*

### Medium-term

(2.1.1) From (years)

1

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

*When considering environmental dependencies, impacts, risks, and opportunities, we consider the time horizons aligned with our Enterprise Risk Management program. The medium-term time horizon considers risk events likely to occur at least once every 5 years. We therefore report an inclusive medium-term time horizon representing between 1 and 5 years.*

## Long-term

### (2.1.1) From (years)

5

### (2.1.2) Is your long-term time horizon open ended?

Select from:

No

### (2.1.3) To (years)

20

### (2.1.4) How this time horizon is linked to strategic and/or financial planning

*When considering environmental dependencies, impacts, risks, and opportunities, we consider the time horizons aligned with our Enterprise Risk Management program. The long-term time horizon considers risk events likely to occur at least once every 5 to 20 years. We therefore report an inclusive long-term time horizon representing between 5 and 20 years. Although we are using a 20-year horizon in our Enterprise Risk Management program, our climate scenario analysis extends beyond this time frame and provides PrairieSky with a longer-term view when considering dependencies, impacts, risks, and opportunities. This is important as we own our fee simple mineral title in perpetuity.*

*[Fixed row]*

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes	<i>Select from:</i> <input checked="" type="checkbox"/> Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes	<i>Select from:</i> <input checked="" type="checkbox"/> Both risks and opportunities	<i>Select from:</i> <input checked="" type="checkbox"/> Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

Water

#### (2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

*Select all that apply*

- Dependencies
- Impacts
- Risks
- Opportunities

#### (2.2.2.3) Value chain stages covered

*Select all that apply*

- Direct operations
- Upstream value chain
- Downstream value chain

#### (2.2.2.4) Coverage

*Select from:*

- Full

#### (2.2.2.5) Supplier tiers covered

*Select all that apply*

- Tier 1 suppliers

#### (2.2.2.7) Type of assessment

*Select from:*

- Qualitative and quantitative

#### (2.2.2.8) Frequency of assessment

*Select from:*

- More than once a year

#### (2.2.2.9) Time horizons covered

*Select all that apply*

- Short-term
- Medium-term
- Long-term

#### (2.2.2.10) Integration of risk management process

*Select from:*

- Integrated into multi-disciplinary organization-wide risk management process

#### (2.2.2.11) Location-specificity used

*Select all that apply*

- Site-specific

#### (2.2.2.12) Tools and methods used

Commercially/publicly available tools

- WRI Aqueduct

Enterprise Risk Management

- Enterprise Risk Management

Other

- Materiality assessment

#### (2.2.2.13) Risk types and criteria considered

Chronic physical

- Water availability at a basin/catchment level

Market

- Other market, please specify :As part of PSK's evaluation of royalty opportunities, we have prioritized investing in low-cost oil plays that do not require hydraulic fracturing and stimulation. This greatly reduces or eliminates water use related to producing these wells.

Reputation

- Impact on human health

#### (2.2.2.14) Partners and stakeholders considered

Select all that apply

- Customers
- Employees
- Suppliers

#### (2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- No

#### (2.2.2.16) Further details of process

*Risk management is conducted by our Executive officers through our Enterprise Risk Management Process (ERM), with oversight from the Board of Directors. Information on water-related risks impacting our business is compiled through our Company-wide risk management processes. Risk owners at a department level assess the risks (including environmental risks which also include water-related risks) and evaluate the mitigation factors and progress of planned improvements quarterly and report to the CFO. The CFO then reports to the CEO. Annually, principal risks are reported to the Board of Directors who provide oversight of the strategic direction of the business and are ultimately responsible for risk management in accordance with corporate governance requirements. Water-related risks and opportunities identified through the Company's integrated ERM process are assigned a risk ranking based on a consideration of the likelihood and consequence of the impact. PrairieSky considers a number of factors, both quantitative and qualitative, when determining a financial or strategic impact to our business. When identifying or assessing a water risk, the determination of whether it has a substantive financial or strategic impact is aligned with our corporate Enterprise Risk Management Framework taking into consideration the likelihood and the severity of the impact. We define substantive financial or strategic impact as any principal risk that has the potential to at least moderately impact the ability of our business or business functions to meet or support a company objective and our business strategy. These are risks that are considered likely or almost certain to occur and impacts that are considered to have at least a moderate impact on our business by*

impacting funds from operations by at least 10% and reducing our market capitalization value by greater than 10%. Through this process, risks are prioritized and appropriate policies and controls are established to ensure effective management.

Row 2

#### (2.2.2.1) Environmental issue

*Select all that apply*

- Climate change

#### (2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

*Select all that apply*

- Dependencies
- Impacts
- Risks
- Opportunities

#### (2.2.2.3) Value chain stages covered

*Select all that apply*

- Direct operations
- Upstream value chain
- Downstream value chain

#### (2.2.2.4) Coverage

*Select from:*

- Full

#### (2.2.2.5) Supplier tiers covered

*Select all that apply*

- Tier 1 suppliers

#### (2.2.2.7) Type of assessment

*Select from:*

- Qualitative and quantitative

#### (2.2.2.8) Frequency of assessment

*Select from:*

- More than once a year

#### (2.2.2.9) Time horizons covered

*Select all that apply*

- Short-term
- Medium-term
- Long-term

#### (2.2.2.10) Integration of risk management process

*Select from:*

- Integrated into multi-disciplinary organization-wide risk management process

#### (2.2.2.11) Location-specificity used

*Select all that apply*

- Site-specific

#### (2.2.2.12) Tools and methods used

Enterprise Risk Management

- Enterprise Risk Management



#### Other

- Materiality assessment
- Scenario analysis

### (2.2.2.13) Risk types and criteria considered

#### Acute physical

- Flood (coastal, fluvial, pluvial, ground water)
- Wildfires

#### Chronic physical

- Increased severity of extreme weather events

#### Policy

- Carbon pricing mechanisms

#### Market

- Changing customer behavior

#### Reputation

- Increased partner and stakeholder concern and partner and stakeholder negative feedback

#### Technology

- Transition to lower emissions technology and products

### (2.2.2.14) Partners and stakeholders considered

#### *Select all that apply*

- Customers
- Employees
- Suppliers

### (2.2.2.15) Has this process changed since the previous reporting year?

Select from:

No

### (2.2.2.16) Further details of process

*Risk management is conducted by our Executive officers through our Enterprise Risk Management Process (ERM), with oversight from the Board of Directors. Information on climate-related risks impacting our business is compiled through our Company-wide risk management processes. Risk owners at a department level assess the risks (including environmental risks which also include climate-related risks) and evaluate the mitigation factors and progress of planned improvements quarterly and report to the CFO. The CFO then reports to the CEO. Annually, principal risks are reported to the Board of Directors who provide oversight of the strategic direction of the business and are ultimately responsible for risk management in accordance with corporate governance requirements. Climate-related risks and opportunities identified through the Company's integrated ERM process are assigned a risk ranking based on a consideration of the likelihood and consequence of the impact. PrairieSky considers a number of factors, both quantitative and qualitative, when determining a financial or strategic impact to our business. When identifying or assessing a climate risk, the determination of whether it has a substantive financial or strategic impact is aligned with our corporate Enterprise Risk Management Framework taking into consideration the likelihood and the severity of the impact. We define substantive financial or strategic impact as any principal risk that has the potential to at least moderately impact the ability of our business or business functions to meet or support a company objective and our business strategy. These are risks that are considered likely or almost certain to occur and impacts that are considered to have at least a moderate impact on our business by impacting funds from operations by at least 10% and reducing our market capitalization value by greater than 10%. Through this process, risks are prioritized and appropriate policies and controls are established to ensure effective management. We initiated a climate scenario analysis to help us assess longer-term risks and opportunities. Our climate scenario analysis includes three scenarios: 1) Climate scenario aligns with the Paris Agreement ambition to limit global warming to 1.5 scenario; 2) Climate scenario which limits global warming to 2.4; and 3) Climate scenario which contemplates current policies making limited progress on curbing global emissions and average global warming exceeds 4 by 2100. Although we are in the early stages of this analysis, we believe there is value in using scenario analysis to inform our corporate strategy.*

[Add row]

### (2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

#### (2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

Yes

#### (2.2.7.2) Description of how interconnections are assessed

*PrairieSky's internally developed Enterprise Risk Management program is used to perform assessments of climate and water dependencies, impacts, risks and opportunities with a time frame of up to 20 years. Our climate scenario analysis extends beyond this time frame and provides PrairieSky with a longer-term view when considering dependencies, impacts, risk and opportunities. Risks are identified based on the nature and type and likelihood of occurrence. Once identified, each risk is assessed and evaluated in terms of magnitude of impact, likelihood, and speed of onset using an internal risk-matrix tool. This allows PrairieSky to assess risks and evaluate the consequence and likelihood consistently. The likelihood of the risk occurring, the impact of the likely consequence, and the speed of onset is reviewed to determine the risk rating. Risks are prioritized and monitored regularly and highlights any opportunities for improvements.*

*[Fixed row]*

(2.3) Have you identified priority locations across your value chain?

#### (2.3.1) Identification of priority locations

*Select from:*

No, but we plan to within the next two years

#### (2.3.7) Primary reason for not identifying priority locations

*Select from:*

Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

#### (2.3.8) Explain why you do not identify priority locations

*As a royalty company, PrairieSky does not directly conduct operations to explore for, develop or produce petroleum or natural gas. We have limited to no ability to exercise influence over the operations of third parties on our Royalty Properties. We recognized the importance of protecting biodiversity and are in the early stages of understanding the impacts to the oil and gas industry, including identifying the priority locations across our value chain.*

*[Fixed row]*

(2.4) How does your organization define substantive effects on your organization?

Risks

#### (2.4.1) Type of definition

*Select all that apply*

- Qualitative
- Quantitative

#### (2.4.2) Indicator used to define substantive effect

Select from:

- Other, please specify :Funds from operations

#### (2.4.3) Change to indicator

Select from:

- % decrease

#### (2.4.4) % change to indicator

Select from:

- 11-20

#### (2.4.6) Metrics considered in definition

Select all that apply

- Likelihood of effect occurring

#### (2.4.7) Application of definition

*PrairieSky considers a number of factors, both quantitative and qualitative, when determining a financial or strategic impact to our business. These impacts include but are not limited to financial, operational, legal, strategic and reputational. When identifying or assessing a risk, the determination of whether it has a substantive financial or strategic impact is aligned with our corporate Enterprise Risk Management Framework taking into consideration the likelihood and the severity of the impact. We define substantive financial or strategic impact as any principal risk that has the potential to at least moderately impact the ability of our business or business functions to meet or support a company objective and our business strategy. These are risks that are considered likely or almost certain to occur and impacts that are considered to have at least a moderate impact on our business by impacting funds from operations by at least 10%.*

#### Opportunities

#### (2.4.1) Type of definition

Select all that apply

- Qualitative
- Quantitative

#### (2.4.2) Indicator used to define substantive effect

Select from:

- Other, please specify :Funds from operations

#### (2.4.3) Change to indicator

Select from:

- % increase

#### (2.4.4) % change to indicator

Select from:

- 11-20

#### (2.4.6) Metrics considered in definition

Select all that apply

- Likelihood of effect occurring

#### (2.4.7) Application of definition

*PrairieSky considers a number of factors, both quantitative and qualitative, when determining a financial or strategic impact to our business. These impacts include but are not limited to financial, operational, legal, strategic and reputational. When identifying or assessing an opportunity, the determination of whether it has a substantive financial or strategic impact is aligned with our corporate Enterprise Risk Management Framework taking into consideration the likelihood and the severity of the impact. We define substantive financial or strategic impact as any principal risk that has the potential to at least moderately impact the ability of our business or business functions to meet or support a company objective and our business strategy. These are opportunities that are considered likely or almost certain to occur and impacts that are considered to have at least a moderate impact on our business by impacting funds from operations by at least 10%.*

Risks

#### (2.4.1) Type of definition

Select all that apply

- Qualitative
- Quantitative

#### (2.4.2) Indicator used to define substantive effect

Select from:

- Other, please specify :Market capitalization value

#### (2.4.3) Change to indicator

Select from:

- % decrease

#### (2.4.4) % change to indicator

Select from:

- 11-20

#### (2.4.6) Metrics considered in definition

Select all that apply

- Likelihood of effect occurring

#### (2.4.7) Application of definition

*PrairieSky considers a number of factors, both quantitative and qualitative, when determining a financial or strategic impact to our business. These impacts include but are not limited to financial, operational, legal, strategic and reputational. When identifying or assessing a risk, the determination of whether it has a substantive financial or strategic impact is aligned with our corporate Enterprise Risk Management Framework taking into consideration the likelihood and the severity of the impact. We define substantive financial or strategic impact as any principal risk that has the potential to at least moderately impact the ability of our business or business functions to meet or support a company objective and our business strategy. These are risks that are considered likely or almost certain to occur and impacts that are considered to have at least a moderate impact on our business by reducing our market capitalization value by greater than 10%.*

## Opportunities

### (2.4.1) Type of definition

Select all that apply

- Qualitative
- Quantitative

### (2.4.2) Indicator used to define substantive effect

Select from:

- Other, please specify :Market capitalization value

### (2.4.3) Change to indicator

Select from:

- % increase

### (2.4.4) % change to indicator

Select from:

- 11-20

### (2.4.6) Metrics considered in definition

Select all that apply

- Likelihood of effect occurring

### (2.4.7) Application of definition

*PrairieSky considers a number of factors, both quantitative and qualitative, when determining a financial or strategic impact to our business. These impacts include but are not limited to financial, operational, legal, strategic and reputational. When identifying or assessing an opportunity, the determination of whether it has a substantive financial or strategic impact is aligned with our corporate Enterprise Risk Management Framework taking into consideration the likelihood and the severity of the impact. We define substantive financial or strategic impact as any principal risk that has the potential to at least moderately impact the ability of our business or*

*business functions to meet or support a company objective and our business strategy. These are opportunities that are considered likely or almost certain to occur and impacts that are considered to have at least a moderate impact on our business by increasing our market capitalization value by greater than 10%.  
[Add row]*

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

### (2.5.1) Identification and classification of potential water pollutants

Select from:

No, we do not identify and classify our potential water pollutants

### (2.5.3) Please explain

*As a royalty company, PrairieSky does not directly conduct operations to explore for, develop or produce petroleum or natural gas. PrairieSky has no potential water pollutants associated with its direct operations in our one business location. PrairieSky does not handle any substances that could pollute water or discharge any water. Third-party operators on PrairieSky's royalty properties do identify and classify potential water pollutants.  
[Fixed row]*



### C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

#### Climate change

##### (3.1.1) Environmental risks identified

Select from:

Yes, only in our upstream/downstream value chain

##### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

Environmental risks exist, but none with the potential to have a substantive effect on our organization

##### (3.1.3) Please explain

*Given the nature of our business as a pure royalty company with no oil and gas field operations, we are not exposed to climate risks in our direct business activities with the potential to have a substantive financial or strategic impact. We collect royalties on third-party production of oil and natural gas on our royalty properties in Western Canada so our business can be significantly impacted by, for example, climate regulation which may increase costs for third-party operators making certain projects uneconomic. Reduced activity and lower commodity prices could negatively impact PrairieSky's royalty revenues and cash flows.*

#### Water

##### (3.1.1) Environmental risks identified

Select from:

No

### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

Environmental risks exist, but none with the potential to have a substantive effect on our organization

### (3.1.3) Please explain

*Given the nature of our business as a pure royalty company with no oil and gas field operations, we are not exposed to water risks in our direct business activities with the potential to have a substantive financial or strategic impact. The direct use of water is minimal, representing less than 1% of operating costs, which is consumed exclusively at our Calgary office space, our only business location, as part of our leasing arrangement. Furthermore, we do not have direct water usage in generating revenues. In our direct operations at our Calgary office space, we have WASH facilities in place for all of employees, including shower facilities to help promote exercise and alternative modes of transportation such as biking to work. Through our climate scenario analysis, water scarcity was evaluated. Based on our evaluation, there was no substantive financial or strategic impact related to direct or indirect water-related risks. The indirect use of water is consumed through third-party operators on our Royalty Properties, which is used in their oil and gas exploration, development and production activities. These third-parties endeavour to use non-potable water, from saline source wells from both our lands and external lands. (We do not own subsurface water rights on lands where we own mineral rights.) Furthermore, in conducting these operations, third parties can also use other cost-effective inputs instead of water for such exploration and development activities, including pressurized gases or hydrocarbon-based substitutes; therefore, any potential water availability risks would not be considered to be substantive to our direct business. It is important to note, that beginning in 2017, we began investing in royalties on the Clearwater oil play in Northern Alberta, which is an area where hydraulic fracturing stimulation is not required, thereby significantly reducing and in some cases eliminating water required in third-party production operations. Investments in the Clearwater play represented 3.2% of our royalty acquisitions (1.9 million) in 2023, amounting to a total of 242 million since 2017. In December 2021, PrairieSky strategically invested in lands where we anticipated this technology would be applied. Through 2022 and into 2023, PrairieSky has seen significant activity on this Mannville heavy oil play, displacing investment in higher cost, more water intensive oil plays. We review water-related risks and opportunities on an annual basis.*

Plastics

### (3.1.1) Environmental risks identified

Select from:

No

### (3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

Environmental risks exist, but none with the potential to have a substantive effect on our organization

### (3.1.3) Please explain

*Given the nature of our business as a pure royalty company with no oil and gas field operations, we are not exposed to plastic risks in our direct business activities with the potential to have a substantive financial or strategic impact.*

*[Fixed row]*

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

#### (3.1.1.1) Risk identifier

*Select from:*

Risk1

#### (3.1.1.3) Risk types and primary environmental risk driver

Market

Changing customer behavior

#### (3.1.1.4) Value chain stage where the risk occurs

*Select from:*

Upstream value chain

#### (3.1.1.6) Country/area where the risk occurs

*Select all that apply*

Canada

### (3.1.1.9) Organization-specific description of risk

*PrairieSky is a royalty company and does not own any oil and gas well bores or infrastructure. We collect royalties on third-party production of oil and natural gas on our royalty properties in Western Canada so our business can be significantly impacted by low commodity prices; reduced demand for hydrocarbons which could lead to lower exploration and development, resulting in lower production volumes; and climate regulation which may increase costs for third-party operators making certain projects uneconomic. Lower pricing, reduced demand and/or higher regulation may lead to reduced capital investment and a higher cost of capital for companies in the oil and gas industry. Reduced activity and lower commodity prices could negatively impact PrairieSky's royalty revenue and cash flows. PrairieSky uses climate-scenario analysis to examine climate-related risks and opportunities, including changes to global supply and demand. PrairieSky prepared three separate climate scenarios which reflect different global warming trajectories. In two of these scenarios, we would anticipate changing customer behaviour would reduce fossil fuel use in developed nations and we would anticipate a substantive financial impact on PrairieSky's royalty revenues. Our third climate scenario anticipates no decline in global fossil fuel consumption.*

### (3.1.1.11) Primary financial effect of the risk

Select from:

- Decreased revenues due to reduced demand for products and services

### (3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Long-term

### (3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- About as likely as not

### (3.1.1.14) Magnitude

Select from:

- Medium

### (3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*We collect royalties on third-party production of oil and natural gas on our royalty properties in Western Canada so our business can be significantly impacted by low commodity prices; reduced demand for hydrocarbons which could lead to lower exploration and development, resulting in lower production volumes; and climate regulation which may increase costs for third-party operators making certain projects uneconomic. Lower pricing, reduced demand and/or higher regulation may lead to reduced capital investment and a higher cost of capital for companies in the oil and gas industry. Reduced activity and lower commodity prices could negatively impact PrairieSky's royalty revenue and cash flows.*

#### (3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

#### (3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

0

#### (3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

79000000

#### (3.1.1.25) Explanation of financial effect figure

*In the short and medium term, we do not anticipate any substantive impact to royalty revenue. In the longer-term, using a Deep Decarbonization scenario, global oil production would decrease by 21% in 2030 and by 75% in 2050 (decrease from 94.8 million barrels per day (mb/d) in 2022 to 75.1 mb/d in 2030 and 23.5 mb/d in 2050). Looking forward to 2030, and applying that same 21% decline to PSK volumes and 2023 oil royalty revenues of 374.6 million, PrairieSky could see an oil royalty revenue decrease of 79 million (estimate above based on this analysis). The projected decrease in global consumption/global demand is based on a scenario aligned with the Paris Agreement ambition to limit global warming to 1.5C by 2100 by achieving net zero global CO2 emissions by 2050. It references the International Energy Agency (IEA)'s Net Zero by 2050 Roadmap: A Global Pathway to Keep the 1.5C Goal in Reach Roadmap for the Global Energy Sector. Approximate equivalent projections under a Canadian-lens come from Canadian Energy Regulator's 2023 Global Net-Zero scenario as described in the Canada's Energy Future 2023.*

#### (3.1.1.26) Primary response to risk

Diversification

Develop new products, services and/or markets

#### (3.1.1.27) Cost of response to risk

### (3.1.1.28) Explanation of cost calculation

*There is no required investment to generate natural gas revenues or to participate in energy transition opportunities as PrairieSky already owns the lands for these projects. PrairieSky has made investments in low-cost oil projects over the years which we expect to displace higher-cost oil projects in the future.*

### (3.1.1.29) Description of response

*We believe that globally, the energy transition will move forward. PrairieSky is positioned to manage the energy transition with approximately 12% of our royalty revenues from natural gas, investments in low-cost oil production which will displace higher-cost barrels, and a number of energy transition opportunities across our royalty acreage including CCUS and lithium.*

*[Add row]*

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

### (3.1.2.1) Financial metric

Select from:

Revenue

### (3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

374600000

### (3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

71-80%

**(3.1.2.7) Explanation of financial figures**

*PrairieSky has quantified the financial impact of transition risks on our royalty revenue for the current reporting year. In 2023, 374.6 million or 73% of total revenue was earned on our royalty share of crude oil production. PrairieSky has not yet quantified the effects of physical risks on our revenue.*

[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
	Select from: <input checked="" type="checkbox"/> No	<i>PrairieSky was not subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations during the reporting year.</i>

[Fixed row]

(3.5.3) Complete the following table for each of the tax systems you are regulated by.

Canada federal fuel charge

**(3.5.3.1) Period start date**

01/01/2023

**(3.5.3.2) Period end date**

12/31/2023

**(3.5.3.3) % of total Scope 1 emissions covered by tax**

100

### (3.5.3.4) Total cost of tax paid

5305

### (3.5.3.5) Comment

*The carbon tax applies to our natural gas consumption at our head office in Calgary (our only location). The volume of natural gas consumed in our office building was provided on a monthly basis for the year by our property manager. Natural gas consumption is not tracked by individual tenant. The property manager calculates PrairieSky's share of natural gas consumption based on our occupied square footage as a percentage of the building's total square footage. Our natural gas consumption was converted from gigajoules to cubic metres before applying the appropriate federal fuel charge rate for marketable natural gas.*

*[Fixed row]*

### (3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

*The province of Alberta is subject to the federal carbon pricing system set by the Government of Canada, under which a regulatory charge is paid by fuel distributors (and subsequently passed on to customers) for different types of fossil fuels. The fuel charge rates reflect a carbon pollution price of 50 per tonne of CO<sub>2</sub>e from January 1 to March 31, 2023, and 65 per tonne of CO<sub>2</sub>e from April 1 to December 31, 2023. These rates are embedded within our value chain. Although carbon pricing does not have a significant direct impact on PrairieSky due to the nature of our operations, it does and will impact third-party operators on our Royalty Properties. As a pure-play royalty company, PrairieSky's natural gas consumption is limited to our head office in Calgary, Alberta. Our building manager passes on our portion of the carbon tax based on the square footage occupied by PrairieSky. PrairieSky actively monitors changes in the federal carbon pricing system, as the federal government has proposed increasing the carbon price by 15 per year until it reaches 170 per tonne in 2030. PrairieSky reviews the impact of regulatory changes and explores opportunities with our building manager to reduce our energy consumption. Internally, we apply a price on carbon to our operations by purchasing renewable energy to offset all of our Scope 1 and 2 emissions at our single office location. This expense equates to an internal price on carbon.*

### (3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

#### (3.6.1) Environmental opportunities identified

Select from:

Yes, we have identified opportunities, and some/all are being realized

Water



### (3.6.1) Environmental opportunities identified

Select from:

No

### (3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities

Select from:

Opportunities exist, but none anticipated to have a substantive effect on organization

### (3.6.3) Please explain

*We define substantive opportunity as those that have the potential to materially impact the ability of our business or business functions to meet or support a company objective and our business strategy. These are opportunities that are considered likely or almost certain to occur and the impacts are considered to have at least a moderate impact on our business by impacting funds from operations by at least 10% and increasing our market capitalization value by greater than 10%. Risks and opportunities are reviewed annually through our ERM process (next review in 2024). As a pure play royalty company with no oil and gas operations, we have not identified any water opportunities with the potential to have a substantive financial or strategic impact on our direct business. In our direct operations, we use minimal quantities of water representing less than 1% of our supplier operating costs, which is consumed exclusively at our head office in Calgary as part of our office lease/office operations. We do not have any field operations and have no direct water usage in generating revenues. The indirect use of water is consumed through third-party operators on our Royalty Properties, which is used in their oil and gas exploration, development and production activities. These third-parties endeavour to use non-potable water, generally from saline source wells that are on both our lands and external lands. Where third parties do use water from our lands either to convert an existing well into an injector well or as a disposal well, we have identified opportunities to charge an additional fee. For example, depending on the lease, water injection well fees are approx. 1,500/well annually and the use of a disposal well is typically 20,000/well annually. In 2023, water disposal and injector revenue was approximately 1.3 million and the water disposal and injector well revenue as a percentage of total revenue represented 0.3%. These revenues are not considered substantive to our business. Note: Where we own mineral rights on Fee Lands, we do not own subsurface water or pore space.*

*[Fixed row]*

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

#### (3.6.1.1) Opportunity identifier

Select from:

Opp1

### (3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

Development of new products or services through R&D and innovation

### (3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Direct operations

### (3.6.1.5) Country/area where the opportunity occurs

Select all that apply

Canada

### (3.6.1.8) Organization specific description

*PrairieSky is actively pursuing energy transition opportunities, including partnering with early-stage companies on CCUS projects, both for in-situ stimulation and optimization of hydrocarbon reservoirs and to assist other industrial emitters to eliminate or reduce the quantum of greenhouse gases released into the atmosphere. One key partnership is with Bison Low Carbon Ventures Inc. and IRC Enterprises Inc. on the Meadowbrook CCUS Hub Project, selected by Alberta Energy as one of six initial successful applicants in 2021 for carbon storage tenure in the industrial heartland near Edmonton, Alberta. This project aims to provide safe, cost-effective, permanent CO2 sequestration on a multi-client basis, to existing and new Alberta industries seeking to reduce their emissions through adoption of CCUS. In 2023, our project partners successfully entered into an evaluation permit with the Government of Alberta, allowing the Meadowbrook project to conduct specific evaluation activities including drilling the first CCUS disposal well and testing the suitability and capacity of the reservoir for safe and permanent CO2 sequestration and operation of a carbon sequestration hub. In 2024, the operator has finalized the evaluation phase and will progress to the next several stages. The project is expected to be operational within 36 months and has a reservoir capacity to be upsized to handle 3 million metric tonnes per annum for 25 years in support of Alberta's energy transition.*

### (3.6.1.9) Primary financial effect of the opportunity

Select from:

Increased revenues through access to new and emerging markets

### (3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

Medium-term

### (3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

About as likely as not (33–66%)

### (3.6.1.12) Magnitude

Select from:

Medium-low

### (3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*Improvements and/or innovations that support the transition to a lower-carbon economy could reduce certain investments in our Royalty Properties while increasing other opportunities such as development of natural gas, blue hydrogen, and lithium, as well as carbon sequestration and geothermal projects. Improvements and/or innovations may provide alternative sources of revenue and funds from operations as the world transitions to a low carbon economy. We are working with industry participants and in some cases have formed partnerships to support the advancement of emerging technologies including lithium development in Saskatchewan, CCUS projects and other new ventures.*

### (3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

No

### (3.6.1.24) Cost to realize opportunity

90000000

### (3.6.1.25) Explanation of cost calculation

The following details were included in the application to the Alberta government. The project scope involves three 1mmTpa injection clusters (4-5 wells), each comprised of an 1800m injection well, and adjacent wells monitoring the storage reservoir, top seal confirmation and groundwater protection. These well sites will be pipeline connected to a single central facility that takes receipt of dense phase CO2 from the Meadowbrook Hub pipeline, pumps it to formation injection pressure, and delivers it by pipeline to the injection wells. All safety monitoring instrumentation will be located at this facility and it will be shared with an injection wellsite. The 12" Meadowbrook Hub connector pipeline will be constructed and run 45km from the Industrial Heartland area to the Hub facility. The receipt station would meter the inlet volume, pressure, and composition of the dense phase CO2 stream. At the proposed 3mmTpa capacity, and under the assumption of the spec of the delivered product, a booster pump would not be needed at this inlet to the system but may be needed for future expansion, or if delivery conditions differ from the current assessment. The estimated cost for the sequestration project is 90M (Class 3, within 30 to -10%, with 10% contingency). The project currently has three partners, with PrairieSky having an 28.5% interest which it earned through the contribution of leases for our Fee Lands as well as the contribution of access to our seismic database.

### (3.6.1.26) Strategy to realize opportunity

The Meadowbrook Hub application was submitted to and approved by the Alberta government in 2021. In 2023, our project partners successfully entered into an evaluation permit with the Government of Alberta, allowing the Meadowbrook project to conduct specific evaluation activities including drilling the first CCUS disposal well and testing the suitability and capacity of the reservoir for safe and permanent CO2 sequestration and operation of a carbon sequestration hub. In 2024, the operator completed the evaluation phase activity and has been granted an initial 15,360 hectare Carbon Sequestration Agreement (CSA) from the Minister of Energy and Minerals. The CSA award will facilitate a progression to the next several stages of the Alberta Energy Regulator project approval process, which is expected to lead to initial sequestration operations in 2025 if successful with all approvals. This initial award will support the first 2 stages of development, with later stages and a future pipeline being the subject of a subsequent application. The remaining 55,040 hectares will remain as an evaluation permit and be available for conversion to an expanded CSA as demand for sequestration services increases and reservoir performance is established. The project is expected to be operational within 36 months and has a reservoir capacity to be upsized to handle 3 million metric tonnes per annum for 25 years in support of Alberta's energy transition.  
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

### (3.6.2.1) Financial metric

Select from:

Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

0

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

Less than 1%

(3.6.2.4) Explanation of financial figures

*The Meadowbrook CCUS Hub project is in an early stage and as such, PrairieSky has not realized any financial impact from the project and is not substantive to PrairieSky's business in the reporting year. As the project evolves, we plan to fully understand the qualitative and quantitative impacts to the Company in the following years.*

[Add row]

## C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

### (4.1.1) Board of directors or equivalent governing body

Select from:

Yes

### (4.1.2) Frequency with which the board or equivalent meets

Select from:

Quarterly

### (4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

Executive directors or equivalent

Independent non-executive directors or equivalent

### (4.1.4) Board diversity and inclusion policy

Select from:

Yes, and it is publicly available

### (4.1.5) Briefly describe what the policy covers

*PrairieSky recognizes the benefits of having a diverse Board. Nomination and appointment of candidates which provide for multiple perspectives, skills, expertise, industry experience and personal characteristics such as age, gender, ethnicity and other distinctions, all contribute to the continued success of the organization. At PrairieSky, these differences will be considered in determining the optimum composition of the Board and when possible will be balanced appropriately. Our Board Diversity Policy is intended to set out the framework for PrairieSky's approach to Board diversity and outline the key criteria for the composition of the Board that promotes PrairieSky's commitment and aspirational targets to diversity and inclusion.*

#### (4.1.6) Attach the policy (optional)

G.08-Board-Diversity-Policy-effective-02-11-2019-amended-March-5-2021.pdf

[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

#### (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

Board chair

#### (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

#### (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- Board mandate
- Individual role descriptions

#### (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in every board meeting (standing agenda item)

#### (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Overseeing and guiding the development of a business strategy
- Monitoring the implementation of the business strategy
- Reviewing and guiding innovation/R&D priorities
- Approving and/or overseeing employee incentives

#### (4.1.2.7) Please explain

*The Board Chair's oversight of climate-related issues takes place at all Board meetings through various agenda items. For example, twice per year, our Board Chair will provide oversight on reviewing and guiding risk management policies as identified through the Enterprise Risk Management (ERM) Framework. This oversight responsibility covers a review of the corporate risk register to assess the implications of environmental risks, including climate-related issues, guidance on mitigation measures to limit or reduce such risks, and strategies to maximize opportunities. The Board also reviews climate-change related scenarios as prepared and presented by management as part of the ERM and ESG mandate. On a quarterly basis, at all Board meetings, our Board Chair will include written materials and discussions on climate-related issues as part of our broader environmental agenda, including changing government policies, increasing stakeholder interest, and market trends. In addition, in the past, the Board has invited third parties to present on climate-related matters to further advance their understanding of issues. The Board also reviews the Company's climate-related performance, including with respect to operational improvements, business strategy, and market positioning. On a quarterly basis or as opportunities arise, management updates the Board on the progress of transition opportunities, including our Meadowbrook CCUS project. This includes updates on project timing, scope and participants. In addition, details regarding the technology will be presented as new projects are initiated. Initiatives on*



*PrairieSky's Royalty Properties include CCUS and lithium projects. The Governance Committee oversees executive compensation and evaluates executive performance against pre-determined goals and objectives for both short-term and long-term incentives. PrairieSky sets ESG goals and objectives, including advancing climate-related initiatives such as energy transition opportunities, which are included in the evaluation of executive short-term and long-term compensation.*

## Water

### (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

*Select all that apply*

- Board chair

### (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

*Select from:*

- Yes

### (4.1.2.3) Policies which outline the positions' accountability for this environmental issue

*Select all that apply*

- Board mandate
- Individual role descriptions

### (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

*Select from:*

- Scheduled agenda item in every board meeting (standing agenda item)

### (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

*Select all that apply*

- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Overseeing and guiding the development of a business strategy
- Monitoring the implementation of the business strategy
- Overseeing and guiding acquisitions, mergers, and divestitures

#### (4.1.2.7) Please explain

*Responsibility for water has been assigned at the Board level to the Chair of the Board who is responsible for ensuring that the Board meets its obligations and responsibilities in all aspects of its work, including with respect to how the Company, under the CEO's direction, is addressing existing and emerging risks and opportunities facing the Company on water-related issues, and environmental and climate change risks and opportunities more broadly. Oversight for water-related issues is important in ensuring the Corporation proactively identifies, assesses, manages and monitors such risks and opportunities across our business through our annual Enterprise Risk Management (ERM) process. As part of our ERM process, we have completed a refresh of our climate change scenario analysis which also considered water-related issues. PrairieSky has continued to strengthen our commitments and governance related to sustainability matters, including water-related issues by reviewing and approving updates to corporate policies including our Environmental, Climate Change and Health & Safety Policy and our Supplier Code of Conduct. These updates have been made to reflect ESG as part of our long-term strategy and goals. The CEO is responsible for ESG matters and reports to the Chair. Both reviewed and approved our 2023 Sustainability Report, which includes specific water disclosure information. Furthermore, the Board (under direction of the Chair) supported our royalty acquisitions in the Clearwater play in Northern Alberta. Third-party operators do not frack these wells, significantly reducing any water required in their operations. In addition, given the multi-level well design and orientation, this play is developed using minimal surface disruption. Investments in the Clearwater play represented 3.2% of our royalty acquisitions (1.9 million) in 2023, amounting to a total of 242 million since 2017.*

#### Biodiversity

#### (4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

*Select all that apply*

Board chair

#### (4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

*Select from:*

No

#### (4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

*Select from:*

Scheduled agenda item in every board meeting (standing agenda item)

#### (4.1.2.5) Governance mechanisms into which this environmental issue is integrated

*Select all that apply*

Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

- Overseeing and guiding the development of a business strategy
- Monitoring the implementation of the business strategy
- Reviewing and guiding innovation/R&D priorities
- Approving and/or overseeing employee incentives

#### (4.1.2.7) Please explain

*Biodiversity is considered in two of our principal risks: our environmental and climate change risk and our legal/regulatory risk. Although PrairieSky does not directly conduct operations to explore for, develop or produce petroleum and natural gas, protecting biodiversity is a priority to the Company and the oil and gas industry. The Board Chair's oversight of climate-related issues takes place at all Board meetings through various agenda items. For example, twice per year, our Board Chair will provide oversight on reviewing and guiding risk management policies as identified through the Enterprise Risk Management (ERM) Framework. This oversight responsibility covers a review of the corporate risk register to assess the implications of environmental risks, including climate-related issues, guidance on mitigation measures to limit or reduce such risks, and strategies to maximize opportunities. The Board also reviews climate-change related scenarios as prepared and presented by management as part of the ERM and ESG mandate. On a quarterly basis, at all Board meetings, our Board Chair will include written materials and discussions on climate-related issues as part of our broader environmental agenda, including changing government policies, increasing stakeholder interest, and market trends. In addition, in the past, the Board has invited third parties to present on climate-related matters to further advance their understanding of issues. The Board Chair also reviews the Company's climate-related performance, including with respect to operational improvements, business strategy, and market positioning. On a quarterly basis or as opportunities arise, management updates the Board on the progress of transition opportunities, including our Meadowbrook CCUS project. This includes updates on project timing, scope and participants. In addition, details regarding the technology will be presented as new projects are initiated. Initiatives on PrairieSky's Royalty Properties include CCUS and lithium projects. The Governance Committee oversees executive compensation and evaluates executive performance against pre-determined goals and objectives for both short-term and long-term incentives. PrairieSky sets ESG goals and objectives, including advancing climate-related initiatives such as energy transition opportunities, which are included in the evaluation of executive short-term and long-term compensation.*

[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

#### (4.2.1) Board-level competency on this environmental issue

Select from:

- Yes

#### (4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- Engaging regularly with external stakeholders and experts on environmental issues
- Other, please specify :Board members actively participated in external continuing education opportunities .

Water

#### (4.2.1) Board-level competency on this environmental issue

Select from:

- Yes

#### (4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- Engaging regularly with external stakeholders and experts on environmental issues

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

#### (4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

#### (4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Strategy and financial planning

- Conducting environmental scenario analysis
- Developing a business strategy which considers environmental issues

#### (4.3.1.4) Reporting line

*Select from:*

- Reports to the board directly

#### (4.3.1.5) Frequency of reporting to the board on environmental issues

*Select from:*

- Quarterly

#### (4.3.1.6) Please explain

*Our CEO provides strategic oversight on climate-related matters, including overseeing our progress on short and long-term goals and targets, as well as our corporate disclosures on climate-related governance, risks and opportunities, strategy, management and performance through our CDP submission, Sustainability Report, Annual Report and website. The CEO is accountable for ESG initiatives, including climate change matters, particularly with respect to strategy, implementation, and progress. Given the complexity and uncertainty of potential climate-related impacts on our business, we believe it is important for our CEO to provide strategic oversight on climate-related matters, to ensure we are effectively and proactively managing potential risks and opportunities. This includes identifying climate-related risks through our enterprise risk management process and developing strategies to mitigate these risks. In both 2022 and 2023, we advanced our strategic initiatives which included an updated climate scenario analysis and a number of energy transition opportunities. The CEO reports to the Board Chair and/or the Governance and Compensation Committee, as necessary, on such matters. Scenario analysis is included in our Sustainability Report and provides an opportunity for strategic discussion at the management and Board level. The CEO is responsible for identifying and working with partners to develop energy transition opportunities. On a quarterly basis or as opportunities arise, the CEO and management will update the Board on the project timing, scope, participants, and progress of transition opportunities, including our Meadowbrook CCUS project. In addition, details regarding the technology will be presented as new projects are initiated. Initiatives on PrairieSky's Royalty Properties include CCUS and lithium projects. Although PrairieSky does not have a formalized climate transition plan, these initiatives are the foundation to its development.*

## Water

### (4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

### (4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

### (4.3.1.4) Reporting line

Select from:

- Reports to the board directly

### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- Quarterly

#### (4.3.1.6) Please explain

*Our CEO provides strategic oversight on water-related matters, including overseeing our corporate disclosures on water-related matters through our CDP water submission, Sustainability Report and website. Given the complexity and uncertainty of potential water-related impacts on our business, our CEO provides strategic oversight on water-related matters to ensure we are effectively and proactively managing possible risks and opportunities. In undertaking this responsibility, the CEO reports to the Board Chair and/or the Governance & Compensation or Audit Committee of the Board, as necessary. Water-related topics reported to the Board include water usage and changes in technology used by third party producers on our lands. Information is reported through our ERM process, communications on strategy (including our acquisition strategy) and as part of our ESG reporting, including our annual climate change scenario analysis (including the impacts of water stress).*

### Biodiversity

#### (4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

#### (4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Strategy and financial planning

- Developing a business strategy which considers environmental issues

#### (4.3.1.4) Reporting line

Select from:

- Reports to the board directly

#### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

Quarterly

#### (4.3.1.6) Please explain

*Biodiversity-related matters are included in our climate-related matters. Our CEO provides strategic oversight on these matters, including overseeing our progress on short and long-term goals and targets, as well as our corporate disclosures on climate-related governance, risks and opportunities, strategy, management and performance through our CDP submission, Sustainability Report, Annual Report and website. The CEO is accountable for ESG initiatives, including climate change matters, particularly with respect to strategy, implementation, and progress. Given the complexity and uncertainty of potential climate-related impacts on our business, we believe it is important for our CEO to provide strategic oversight on these matters, to ensure we are effectively and proactively managing potential risks and opportunities. This includes identifying climate-related risks through our ERM process and developing strategies to mitigate these risks. In both 2022 and 2023, we advanced our strategic initiatives which included climate scenario analysis and a number of energy transition opportunities. The CEO reports to the Board Chair and/or the Governance and Compensation Committee, as necessary, on such matters. Scenario analysis is included in our Sustainability Report and provides an opportunity for strategic discussion at the management and Board level. The CEO is responsible for identifying and working with partners to develop energy transition opportunities. On a quarterly basis or as opportunities arise, the CEO and management will update the Board on the project timing, scope, participants, and progress of transition opportunities, including our Meadowbrook CCUS project. In addition, details regarding the technology will be presented as new projects are initiated. Initiatives on PrairieSky's Royalty Properties include CCUS and lithium projects which are the foundation to the development of a climate transition plan.*

#### Climate change

#### (4.3.1.1) Position of individual or committee with responsibility

Executive level

Chief Financial Officer (CFO)

#### (4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

Assessing environmental dependencies, impacts, risks, and opportunities

Managing environmental dependencies, impacts, risks, and opportunities

Strategy and financial planning

Conducting environmental scenario analysis



- Developing a business strategy which considers environmental issues

#### (4.3.1.4) Reporting line

Select from:

- Reports to the Chief Executive Officer (CEO)

#### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- Quarterly

#### (4.3.1.6) Please explain

*The CFO is appointed as the lead on ESG and Sustainability matters and has direct responsibility for overseeing engagement efforts with our building manager regarding emissions and water usage, analyzing climate-change scenario analysis and reporting on and responding to investor requests on ESG topics. More specifically, the CFO is responsible for: governance of broader ESG topics and advancing the corporate ESG agenda; operational implementation and execution of ESG specific matters, including alignment with contracting framework and counterparties; the ERM program; collecting and reporting on ESG and sustainability performance; and the sustainability-linked credit facility. The CFO reports to the CEO on these matters, as well as the Board Chair and/or the Governance and Compensation Committee of the Board of Directors.*

Water

#### (4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Financial Officer (CFO)

#### (4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities

- Managing environmental dependencies, impacts, risks, and opportunities

#### (4.3.1.4) Reporting line

Select from:

- Reports to the Chief Executive Officer (CEO)

#### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- Quarterly

#### (4.3.1.6) Please explain

*The CFO is appointed as the lead on ESG and Sustainability matters and has direct responsibility for overseeing engagement efforts with our building manager regarding emissions and water usage, analyzing climate-change scenario analysis and reporting on and responding to investor requests on ESG topics. More specifically, the CFO is responsible for: governance of broader ESG topics and advancing the corporate ESG agenda; operational implementation and execution of ESG specific matters, including alignment with contracting framework and counterparties; the ERM program; collecting and reporting on ESG and sustainability performance; and the sustainability-linked credit facility. The CFO reports to the CEO on these matters, as well as the Board Chair and/or the Governance and Compensation Committee of the Board of Directors.*

### Biodiversity

#### (4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Financial Officer (CFO)

#### (4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Strategy and financial planning

Developing a business strategy which considers environmental issues

#### (4.3.1.4) Reporting line

Select from:

Reports to the Chief Executive Officer (CEO)

#### (4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

Quarterly

#### (4.3.1.6) Please explain

*Biodiversity-related matters are included in our climate-related matters. The CFO is appointed as the lead on ESG and Sustainability matters and has direct responsibility for overseeing engagement efforts with our building manager regarding emissions and water usage, analyzing climate-change scenario analysis and reporting on and responding to investor requests on ESG topics. More specifically, the CFO is responsible for: governance of broader ESG topics and advancing the corporate ESG agenda; operational implementation and execution of ESG specific matters, including alignment with contracting framework and counterparties; the ERM program; collecting and reporting on ESG and sustainability performance; and the sustainability-linked credit facility. The CFO reports to the CEO on these matters, as well as the Board Chair and/or the Governance and Compensation Committee of the Board of Directors.*

[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

#### (4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

#### (4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

25

#### (4.5.3) Please explain

*Our Executive officers have annual objectives to integrate climate-related considerations into the corporate responsibility strategy and initiatives as well as efforts to disclose and report carbon and energy management performance. Remuneration is directly linked to the advancement of our overall business strategy, which includes climate-related issues falling under our corporate responsibility strategy. Our Governance and Compensation Committee incorporates ESG criteria into short and long-term incentive plans, including embedding sustainability ratings performance, sustainability index inclusions as well as emissions and energy reductions targets into management's total compensation profile. Individual performance weighting of the sustainability strategy and reporting objective contributes to 14.3% of the annual short-term incentive, an equal weighting with all annual corporate objectives. ESG criteria made up 25% of the strategic business performance of the long-term incentives.*

Water

#### (4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

#### (4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

25

#### (4.5.3) Please explain

*Our Executive officers have annual objectives to integrate water-related considerations into the corporate responsibility strategy and initiatives as well as efforts to disclose and report water management performance. Executive officer remuneration is directly linked to the advancement of our overall business strategy, which includes water-related issues falling under our corporate responsibility strategy. Our Governance & Compensation Committee is responsible for incorporating ESG criteria into short and long-term incentive plans. Individual performance weighting of the sustainability strategy and reporting objective contributes to 14.3% of the annual short-term incentive, an equal weighting with all annual corporate objectives. ESG criteria made up 25% of the strategic business performance of the long-term incentives.*

[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

## Climate change

### (4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Chief Executive Officer (CEO)

### (4.5.1.2) Incentives

*Select all that apply*

- Bonus - % of salary
- Other, please specify :Long-term incentives

### (4.5.1.3) Performance metrics

Emission reduction

- Implementation of an emissions reduction initiative
- Reduction in emissions intensity
- Reduction in absolute emissions

### (4.5.1.4) Incentive plan the incentives are linked to

*Select from:*

- Both Short-Term and Long-Term Incentive Plan, or equivalent

### (4.5.1.5) Further details of incentives

*Our Governance and Compensation Committee incorporates ESG criteria into short and long-term incentive plans. Specifically, this includes embedding sustainability ratings performance, sustainability index inclusions as well as emissions and energy reductions targets into management's total compensation profile. The individual*

performance weighting of the sustainability strategy and reporting objective contributes to 14.3% of the CEO's annual short-term performance and represents one of four objectives for long-term incentive annual performance objectives. Governance and Sustainability represents one of four (25%) equally-weighted categories that the CEO is measured on for performance objectives related to long-term incentives.

#### (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The CEO has annual objectives to integrate climate-related considerations into the corporate responsibility strategy and initiatives as well as efforts to disclose and report carbon and energy management performance. The CEO's remuneration is directly linked to the advancement of our overall business strategy, which includes climate-related issues falling under our corporate responsibility strategy.

### Water

#### (4.5.1.1) Position entitled to monetary incentive

Board or executive level

Chief Executive Officer (CEO)

#### (4.5.1.2) Incentives

Select all that apply

Bonus - % of salary

Other, please specify :Long-term incentives

#### (4.5.1.3) Performance metrics

Resource use and efficiency

Reduction in water consumption volumes – direct operations

Improvements in water efficiency – direct operations

Improvements in water efficiency – downstream value chain (excluding direct operations)

#### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Both Short-Term and Long-Term Incentive Plan, or equivalent

#### (4.5.1.5) Further details of incentives

*Our Governance and Compensation Committee incorporates ESG criteria into short and long-term incentive plans. Specifically, this includes embedding sustainability ratings performance, sustainability index inclusions as well as water management activities into management's total compensation profile. The individual performance weighting of the sustainability strategy and reporting objective contributes to 14.3% of the CEO's annual short-term performance and represents one of four objectives for long-term incentive annual performance objectives. Governance and Sustainability represents one of four (25%) equally-weighted categories that the CEO is measured on for performance objectives related to long-term incentives.*

#### (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

*The CEO has annual objectives to integrate water-related considerations into the corporate responsibility strategy and initiatives as well as efforts to disclose and report water management performance. The CEO's remuneration is directly linked to the advancement of our overall business strategy, which includes water-related issues falling under our corporate responsibility strategy.*

### Climate change

#### (4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Chief Financial Officer (CFO)

#### (4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary
- Other, please specify :Long-term incentives

#### (4.5.1.3) Performance metrics

## Targets

- Progress towards environmental targets

## Emission reduction

- Implementation of an emissions reduction initiative
- Reduction in emissions intensity
- Reduction in absolute emissions

### (4.5.1.4) Incentive plan the incentives are linked to

#### Select from:

- Both Short-Term and Long-Term Incentive Plan, or equivalent

### (4.5.1.5) Further details of incentives

*Our Governance and Compensation Committee incorporates ESG criteria into short and long-term incentive plans. Specifically, this includes embedding sustainability ratings performance, sustainability index inclusions as well as emissions and energy reductions targets into management's total compensation profile. The individual performance weighting of the sustainability strategy and reporting objective contributes to 14.3% of the CFO's annual short-term performance and represents one of four (25%) objectives for long-term incentive annual performance objectives. Governance and Sustainability represents one of four equally-weighted categories that the CFO is measured on for performance objectives related to long-term incentives.*

### (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

*The CFO has annual objectives to integrate climate-related considerations into the corporate responsibility strategy and initiatives as well as efforts to disclose and report carbon and energy management performance. The CFO is also responsible for the Company's sustainability linked loan. The CFO's remuneration is directly linked to the advancement of our overall business strategy, which includes climate-related issues falling under our corporate responsibility strategy.*

## Water

### (4.5.1.1) Position entitled to monetary incentive

#### Board or executive level

- Chief Financial Officer (CFO)



#### (4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary
- Other, please specify :Long-term incentives

#### (4.5.1.3) Performance metrics

Strategy and financial planning

- Other strategy and financial planning-related metrics, please specify :Water risk and opportunity integration and disclosure

Resource use and efficiency

- Reduction in water consumption volumes – direct operations
- Improvements in water efficiency – direct operations
- Improvements in water efficiency – downstream value chain (excluding direct operations)

#### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Both Short-Term and Long-Term Incentive Plan, or equivalent

#### (4.5.1.5) Further details of incentives

*Our Governance and Compensation Committee incorporates ESG criteria into short and long-term incentive plans. Specifically, this includes embedding sustainability ratings performance, sustainability index inclusions as well as water management activities into management's total compensation profile. The individual performance weighting of the sustainability strategy and reporting objective contributes to 14.3% of the CFO's annual short-term performance and represents one of four objectives for long-term incentive annual performance objectives. Governance and Sustainability represents one of four (25%) equally-weighted categories that the CFO is measured on for performance objectives related to long-term incentives.*

#### (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

*The CFO has annual objectives to integrate water-related considerations into the corporate responsibility strategy and initiatives as well as efforts to disclose and report water management performance. Disclosure on water-related matters is an important responsibility that we incentivize, especially in light of stakeholder interests in environmental management issues. The CFO's remuneration is directly linked to the advancement of our overall business strategy, which includes water-related issues falling under our corporate responsibility strategy.*

## Climate change

### (4.5.1.1) Position entitled to monetary incentive

Board or executive level

Other C-Suite Officer, please specify :Chief Commercial Officer

### (4.5.1.2) Incentives

*Select all that apply*

Bonus - % of salary

Other, please specify :Long-term incentives

### (4.5.1.3) Performance metrics

Emission reduction

Implementation of an emissions reduction initiative

Reduction in emissions intensity

Reduction in absolute emissions

### (4.5.1.4) Incentive plan the incentives are linked to

*Select from:*

Both Short-Term and Long-Term Incentive Plan, or equivalent

### (4.5.1.5) Further details of incentives

*Our Governance and Compensation Committee incorporates ESG criteria into short and long-term incentive plans. Specifically, this includes embedding sustainability ratings performance, sustainability index inclusions as well as emissions and energy reductions targets into management's total compensation profile. The individual performance weighting of the sustainability strategy and reporting objective contributes to 14.3% of the CCO's annual short-term performance and represents one of four objectives for long-term incentive annual performance objectives. Governance and Sustainability represents one of four (25%) equally-weighted categories that the CCO is measured on for performance objectives related to long-term incentives.*

#### (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

*The CCO has annual objectives to integrate climate-related considerations into the corporate responsibility strategy and initiatives as well as efforts to disclose and report carbon and energy management performance. The CCO's remuneration is directly linked to the advancement of our overall business strategy, which includes climate-related issues falling under our corporate responsibility strategy.*

### Water

#### (4.5.1.1) Position entitled to monetary incentive

Board or executive level

Other C-Suite Officer, please specify :Chief Commercial Officer

#### (4.5.1.2) Incentives

*Select all that apply*

Bonus - % of salary

Other, please specify :Long-term incentives

#### (4.5.1.3) Performance metrics

Resource use and efficiency

Reduction in water consumption volumes – direct operations

Improvements in water efficiency – direct operations

Improvements in water efficiency – downstream value chain (excluding direct operations)

#### (4.5.1.4) Incentive plan the incentives are linked to

Select from:

Both Short-Term and Long-Term Incentive Plan, or equivalent

#### (4.5.1.5) Further details of incentives

*Our Governance and Compensation Committee incorporates ESG criteria into short and long-term incentive plans. Specifically, this includes embedding sustainability ratings performance, sustainability index inclusions as well as water management activities into management's total compensation profile. The individual performance weighting of the sustainability strategy and reporting objective contributes to 14.3% of the CCO's annual short-term performance and represents one of four objectives for long-term incentive annual performance objectives. Governance and Sustainability represents one of four (25%) equally-weighted categories that the CCO is measured on for performance objectives related to long-term incentives.*

#### (4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

*The CCO has annual objectives to integrate water-related considerations into the corporate responsibility strategy and initiatives as well as efforts to disclose and report water management performance. The CCO's remuneration is directly linked to the advancement of our overall business strategy, which includes water-related issues falling under our corporate responsibility strategy.*

[Add row]

#### (4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

#### (4.6.1) Provide details of your environmental policies.

Row 1

#### (4.6.1.1) Environmental issues covered

*Select all that apply*

- Climate change
- Biodiversity

#### (4.6.1.2) Level of coverage

*Select from:*

- Organization-wide

#### (4.6.1.3) Value chain stages covered

*Select all that apply*

- Direct operations

#### (4.6.1.4) Explain the coverage

*PrairieSky's Environment, Climate Change, Health and Safety policy applies to our business activities and to its business relationship with others. It is applicable to all employees, contractors and officers of the Company, including any subsidiaries.*

#### (4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance
- Commitment to stakeholder engagement and capacity building on environmental issues

Additional references/Descriptions

- Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns

#### (4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- No, and we do not plan to align in the next two years

#### (4.6.1.7) Public availability

Select from:

- Publicly available

#### (4.6.1.8) Attach the policy

*Environment-Climate-Change-Health-and-Safety-Policy (1).pdf*

[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

#### (4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

- Yes

#### (4.10.2) Collaborative framework or initiative

Select all that apply

- Global Reporting Initiative (GRI) Community Member  
 Task Force on Climate-related Financial Disclosures (TCFD)  
 UN Global Compact

#### (4.10.3) Describe your organization's role within each framework or initiative

*PrairieSky's 2023 Sustainability Report has been prepared in accordance with Global Reporting Initiative (GRI) Standards. GRI 1: Foundation 2021 was used to prepare this PrairieSky's Index and GRI 11: Oil and Gas Sector 2021 applies). We are committed to consistently improving our disclosure for stakeholders and support efforts to provide consistent and comparable sustainability performance data. PrairieSky is a member of the UN Global Compact (UNGC) and annually works*

to meet the fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. We incorporate the Ten Principles of the UN Global Compact into our strategies, policies and procedures, and have established a culture of integrity. Annually, PrairieSky submits in Communication on Progress to the UNGC. Annually, PrairieSky prepares a Sustainability Report in alignment with the TCFD. This reporting is publicly available on our website and in 2023, included in our Sustainability Report.

[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

Sustainable Development Goal 6 on Clean Water and Sanitation

(4.11.4) Attach commitment or position statement

[2023-PRAIRIESKY-Sustainability-Report.pdf](#)

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

No

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

*PrairieSky's management and Board meet at least four times per year and discuss overall strategy; however, climate related strategy is an ongoing commitment, and is considered at all levels of the Company throughout the year. These discussions include a discussion of risk and opportunities. The overall strategy drives PrairieSky's direct and indirect activities, including our climate change strategy. The Company's climate change strategy is clearly communicated to policy makers either directly or through participation in industry working groups within the jurisdictions where the Company operates.*

*[Fixed row]*

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

Indirect engagement via other intermediary organization or individual

(4.11.2.2) Type of organization or individual

Select from:

Non-Governmental Organization (NGO) or charitable organization

(4.11.2.3) State the organization or position of individual

*United Nations Global Compact (UNGC)*

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply



Climate change

Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

*PrairieSky's position on climate change and water is consistent with the UNGC's position, therefore, we have not attempted to influence their position. The UNGC sets out universal principles on environmental topics, as well as topics around human rights, labour, and anti-corruption, and ways to advance societal goals all of which PrairieSky is aligned with. As a signatory of the UNGC, PrairieSky annually works to meet the fundamental responsibilities of these areas and incorporates the Ten Principles of the UNGC in our strategy, policies and procedures, and have established a culture of integrity. PrairieSky submits a Communication on Progress to the UNGC on an annual basis.*

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

1000

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

*The UNGC works with companies to align their strategies and operations with universal principles on human rights, labour, environment and anti-corruption and take action to advance societal goals.*

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

*Select from:*

Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

*Select all that apply*

Sustainable Development Goal 6 on Clean Water and Sanitation

[\[Add row\]](#)

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

*Select from:*

In mainstream reports

(4.12.1.3) Environmental issues covered in publication

*Select all that apply*

Climate change

Water

Biodiversity

(4.12.1.4) Status of the publication

*Select from:*

Complete

#### (4.12.1.5) Content elements

*Select all that apply*

Risks & Opportunities

Other, please specify :Industry Conditions - Climate change regulations; Risk Factors - Climate change; Carbon pricing risks; Water-related risks

#### (4.12.1.6) Page/section reference

*Industry Conditions - Climate change regulations (pg 60-69); Risk Factors - Climate change (pg. 84-88); Carbon pricing risks (pg. 92-93); Waterflood (pg.90)*

#### (4.12.1.7) Attach the relevant publication

*PSK-AIF-2024-February-12-2024Final (1).pdf*

#### (4.12.1.8) Comment

*PrairieSky's Annual Information Form discusses the following: Industry Conditions - Climate change regulations; Risk Factors - Climate change; Carbon pricing risks; Waterflood*

Row 2

#### (4.12.1.1) Publication

*Select from:*

In mainstream reports

#### (4.12.1.3) Environmental issues covered in publication

*Select all that apply*

Climate change

Water

#### (4.12.1.4) Status of the publication

Select from:

Complete

#### (4.12.1.5) Content elements

Select all that apply

Risks & Opportunities

#### (4.12.1.6) Page/section reference

*Summary of environmental and climate change risks, including the protection of water resources (pg.19)*

#### (4.12.1.7) Attach the relevant publication

*2023-YE-Management-Discussion-and-Analysis\_SEDAR.pdf*

#### (4.12.1.8) Comment

*PrairieSky's Management Discussion & Analysis outlines a summary of environmental and climate change risks, including the protection of water resources (pg. 19)*

Row 3

#### (4.12.1.1) Publication

Select from:

In voluntary sustainability reports

#### (4.12.1.3) Environmental issues covered in publication

Select all that apply

Climate change

Water

Biodiversity

#### (4.12.1.4) Status of the publication

Select from:

Complete

#### (4.12.1.5) Content elements

Select all that apply

Strategy

Governance

Emission targets

Emissions figures

Risks & Opportunities

Water accounting figures

Other, please specify :Other metrics

#### (4.12.1.6) Page/section reference

*Governance (pg 13, 15-19); Strategy (pg. 33-50); Risk & opportunities (pg. 15-19); Metrics & targets (pg. 30-32, 50, 67); Carbon pricing (pg. 49); Water figures (pg. 31, 67, 78, 98); Emission figures (pg. 30-32, 67, 79, 101-103)*

#### (4.12.1.7) Attach the relevant publication

*2023-PRAIRIESKY-Sustainability-Report (1).pdf*

#### (4.12.1.8) Comment

*Other metrics includes information on energy transition opportunities, including revenues earned. Disclosure also includes information on carbon pricing and climate change scenarios.*

*[Add row]*

## C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

### Climate change

#### (5.1.1) Use of scenario analysis

Select from:

Yes

#### (5.1.2) Frequency of analysis

Select from:

Annually

### Water

#### (5.1.1) Use of scenario analysis

Select from:

Yes

#### (5.1.2) Frequency of analysis

Select from:

Annually

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

### Climate change

#### (5.1.1.1) Scenario used

Climate transition scenarios

- IEA NZE 2050

#### (5.1.1.3) Approach to scenario

Select from:

- Qualitative

#### (5.1.1.4) Scenario coverage

Select from:

- Organization-wide

#### (5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Market
- Reputation
- Technology
- Acute physical
- Chronic physical

#### (5.1.1.6) Temperature alignment of scenario

Select from:

- 1.5°C or lower

#### (5.1.1.7) Reference year

2022

### (5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2050

### (5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Speed of change (to state of nature and/or ecosystem services)
- Climate change (one of five drivers of nature change)

Stakeholder and customer demands

- Consumer sentiment
- Consumer attention to impact

Regulators, legal and policy regimes

- Global regulation
- Level of action (from local to global)
- Global targets

Macro and microeconomy

- Domestic growth

### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*The analysis focuses on select indicators deemed relevant to our business including, but not limited to, commodity prices, oil and gas production, new technologies, carbon pricing, and extreme weather events. Scenarios are built on similar macroeconomic assumptions such as GDP and population growth. Each scenario suggests a different pathway for society, based on underlying assumptions related to, for example, fossil fuel consumption, the deployment rate of renewable energy sources, electrification, carbon pricing schedules, and the extent to which CCUS technologies are deployed. On a global scale, total energy supply declines. This reduction is mainly attributed to a significant decrease in the demand for fossil fuels, which accounts for a reduced share of total energy supply in 2050, and a more than four-fold increase in total energy supply from renewables. Additionally, total final energy consumption declines every year from now to 2050 attributed to efficiency gains and electrification of technologies such as heat pumps and electric vehicles. A similar trend is present in Canada, where primary energy demand*



declines, largely because of reduced use of fossil fuels in the transportation sector as well as electrification of home heating and efficiency improvements in the residential and industrial sectors.

#### (5.1.1.11) Rationale for choice of scenario

*Aligned with the Paris Agreement ambition to limit global warming to 1.5C by 2100 (achieving net zero global CO2 emissions by 2050), this scenario references the IEA's Net Zero by 2050: A Global Pathway to Keep the 1.5C Goal in Reach. Equivalent projections under a Canadian-lens are from Global Net-zero scenario as described in Canada's Energy Future 2023. The choice of IEA and IPCC scenarios is explained by their international acceptance and widespread recognition and ensures comparability. Given that all our royalties are in Canada, we also incorporated in our analysis a Canadian lens by leveraging the Canadian publications mentioned above. We use scenarios to help inform our business strategy and for analyzing risks and opportunities. Our scenarios cover three possible contrasting climate futures. These three scenarios were selected to assess the long-term resiliency of our business under both transition and physical climate drivers. Each scenario suggests a different pathway for society, based on underlying assumptions related to, for example, fossil fuel consumption, the deployment rate of renewable energy sources, electrification, carbon pricing schedules, and the extent to which CCUS technologies are deployed.*

#### Water

#### (5.1.1.1) Scenario used

Physical climate scenarios

Customized publicly available climate physical scenario, please specify

#### (5.1.1.3) Approach to scenario

Select from:

Qualitative

#### (5.1.1.4) Scenario coverage

Select from:

Organization-wide

#### (5.1.1.5) Risk types considered in scenario

Select all that apply

Acute physical

- Chronic physical

#### (5.1.1.6) Temperature alignment of scenario

*Select from:*

- 1.5°C or lower

#### (5.1.1.7) Reference year

2022

#### (5.1.1.8) Timeframes covered

*Select all that apply*

- 2030
- 2050

#### (5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Speed of change (to state of nature and/or ecosystem services)
- Climate change (one of five drivers of nature change)

Stakeholder and customer demands

- Consumer sentiment
- Consumer attention to impact

Regulators, legal and policy regimes

- Global regulation
- Level of action (from local to global)
- Global targets

Macro and microeconomy

- Domestic growth

#### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*Global, macro-level trends in North America were based on the IPCC's Sixth Assessment Report SSP1-1.9. Canadian trends under related scenarios were included where data was available. Provincial impacts were assessed under low and high emissions scenarios, closely related to the IPCC's scenarios. Four indicators related to water included: precipitation (mean annual total precipitation (mm)), spring precipitation (the amount of precipitation (mm) occurring in the months of March, April and May), heavy precipitation days (number of days per year on which at least a total of 10 mm of rain or frozen precipitation falls). This indicator provides an indication of extreme precipitation events and water stress (baseline water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies). All physical climate-related risks were then assessed in our six regions of Western Canada (northeast British Columbia, northern Alberta, central Alberta, southern Alberta, southern Saskatchewan and southwest Manitoba).*

#### (5.1.1.11) Rationale for choice of scenario

*We use scenarios to help inform our business strategy and for analyzing risks and opportunities. Our scenarios cover three possible contrasting climate futures. These three scenarios were selected to assess the long-term resiliency of our business under both transition and physical climate drivers. Each scenario suggests a different pathway for society based on underlying assumptions. Scenarios describe a path of development leading to a particular outcome and are not intended to represent a full description of the future, nor are they intended to be a forecast or prediction. Likewise, scenario constructs (e.g., quantified parameters such as atmospheric greenhouse gas emissions, macroeconomic, political, technological, and behavioural assumptions) are inherently prone to changes and new information continually emerges; therefore, it is important to periodically refresh our analysis. This approach ensures that the scenarios employed remain aligned with the core principles of plausibility, distinctiveness, consistency, relevance, and that they challenge our thinking, as proposed by the TCFD.*

### Climate change

#### (5.1.1.1) Scenario used

Climate transition scenarios

- IEA STEPS (previously IEA NPS)

#### (5.1.1.3) Approach to scenario

Select from:

- Qualitative

#### (5.1.1.4) Scenario coverage

Select from:

- Organization-wide

#### (5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Market
- Reputation
- Technology
- Acute physical
- Chronic physical

#### (5.1.1.6) Temperature alignment of scenario

Select from:

- 2.0°C - 2.4°C

#### (5.1.1.7) Reference year

2022

#### (5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2050

#### (5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Speed of change (to state of nature and/or ecosystem services)
- Climate change (one of five drivers of nature change)

## Stakeholder and customer demands

- ☑ Consumer sentiment
- ☑ Consumer attention to impact

## Regulators, legal and policy regimes

- ☑ Global regulation
- ☑ Level of action (from local to global)
- ☑ Global targets

## Macro and microeconomy

- ☑ Domestic growth

### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*The analysis focuses on select indicators deemed relevant to our business including, but not limited to, commodity prices, oil and gas production, new technologies, carbon pricing, and extreme weather events. Scenarios are built on similar macroeconomic assumptions such as GDP and population growth. Each scenario suggests a different pathway for society, based on underlying assumptions related to, for example, fossil fuel consumption, the deployment rate of renewable energy sources, electrification, carbon pricing schedules, and the extent to which CCUS technologies are deployed. Total global energy supply increases from 2022 to 2050 and the share of fossil fuels in the mix decreases only marginally. A similar pattern emerges in Canada, where primary energy demand slightly increases in 2050, largely driven by an increased demand for renewables. Fossil fuels share in primary energy demand decreases slightly by 2050.*

### (5.1.1.11) Rationale for choice of scenario

*This scenario envisions a future where measures are taken to reduce GHG emissions, but actions are moderate. Global warming is limited to 2.4C by 2100. The Moderate Mitigation scenario references the IEA's STEPS scenario, for a global perspective, and the CER's 2023 Current Measures scenario for a Canadian lens. The choice of IEA and IPCC scenarios is explained by their international acceptance and widespread recognition and ensures comparability. Given that all our royalties are in Canada, we also incorporated in our analysis a Canadian lens by leveraging the Canadian publications mentioned above. We use scenarios to help inform our business strategy and for analyzing risks and opportunities. Our scenarios cover three possible contrasting climate futures. These three scenarios were selected to assess the long-term resiliency of our business under both transition and physical climate drivers. Each scenario suggests a different pathway for society, based on underlying assumptions related to, for example, fossil fuel consumption, the deployment rate of renewable energy sources, electrification, carbon pricing schedules, and the extent to which CCUS technologies are deployed.*

## Climate change

### (5.1.1.1) Scenario used

## Climate transition scenarios

- IEA CPS

### (5.1.1.3) Approach to scenario

Select from:

- Qualitative

### (5.1.1.4) Scenario coverage

Select from:

- Organization-wide

### (5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Market
- Reputation
- Technology
- Acute physical
- Chronic physical

### (5.1.1.6) Temperature alignment of scenario

Select from:

- 4.0°C and above

### (5.1.1.7) Reference year

2022

### (5.1.1.8) Timeframes covered

Select all that apply

2030

2050

### (5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

Speed of change (to state of nature and/or ecosystem services)

Climate change (one of five drivers of nature change)

Stakeholder and customer demands

Consumer sentiment

Consumer attention to impact

Regulators, legal and policy regimes

Global regulation

Level of action (from local to global)

Global targets

Macro and microeconomy

Domestic growth

### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*The analysis focuses on select indicators deemed relevant to our business including, but not limited to, commodity prices, oil and gas production, new technologies, carbon pricing, and extreme weather events. Scenarios are built on similar macroeconomic assumptions such as GDP and population growth. Each scenario suggests a different pathway for society, based on underlying assumptions related to, for example, fossil fuel consumption, the deployment rate of renewable energy sources, electrification, carbon pricing schedules, and the extent to which CCUS technologies are deployed. Globally, total primary energy demand increases slightly each year to 2040, in the absence of energy efficiency improvements. Demand for oil and natural gas increases substantially more than the other two scenarios. In Canada, primary energy production increases in 2050 and the share of fossil fuels in primary energy production increases in 2050.*

### (5.1.1.11) Rationale for choice of scenario

*In this scenario, there is low decarbonization at the global scale and average warming exceeds 4C by 2100. This scenario references the IEA's CPS scenario from 2019 and has been expanded with best estimates for equivalent projections in Canada using the IET's REF scenario. Global assumptions for this scenario rely on*

existing policies in place as of mid-2019. Limited policies to curb emissions allow fossil fuels to continue to dominate fuel markets, with limited growth in the renewable energy sector. The choice of IEA and IPCC scenarios is explained by their international acceptance and widespread recognition and ensures comparability. Given that all our royalties are in Canada, we also incorporated in our analysis a Canadian lens by leveraging the Canadian publications mentioned above. We use scenarios to help inform our business strategy and for analyzing risks and opportunities. Our scenarios cover three possible contrasting climate futures. These three scenarios were selected to assess the long-term resiliency of our business under both transition and physical climate drivers. Each scenario suggests a different pathway for society, based on underlying assumptions related to, for example, fossil fuel consumption, the deployment rate of renewable energy sources, electrification, carbon pricing schedules, and the extent to which CCUS technologies are deployed.

## Water

### (5.1.1.1) Scenario used

Physical climate scenarios

- Customized publicly available climate physical scenario, please specify

### (5.1.1.3) Approach to scenario

Select from:

- Qualitative

### (5.1.1.4) Scenario coverage

Select from:

- Organization-wide

### (5.1.1.5) Risk types considered in scenario

Select all that apply

- Acute physical
- Chronic physical

### (5.1.1.6) Temperature alignment of scenario

Select from:



- 2.0°C - 2.4°C

#### (5.1.1.7) Reference year

2022

#### (5.1.1.8) Timeframes covered

*Select all that apply*

- 2030
- 2050

#### (5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Speed of change (to state of nature and/or ecosystem services)
- Climate change (one of five drivers of nature change)

Stakeholder and customer demands

- Consumer sentiment
- Consumer attention to impact

Regulators, legal and policy regimes

- Global regulation
- Level of action (from local to global)
- Global targets

Macro and microeconomy

- Domestic growth

#### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

Global, macro-level trends in North America were based on the IPCC's Sixth Assessment Report SSP2-4.5. Canadian trends under related scenarios were included where data was available. Provincial impacts were assessed under low and high emissions scenarios, closely related to the IPCC's scenarios. Four indicators related to water included: precipitation (mean annual total precipitation (mm)), spring precipitation (the amount of precipitation (mm) occurring in the months of March, April and May), heavy precipitation days (number of days per year on which at least a total of 10 mm of rain or frozen precipitation falls). This indicator provides an indication of extreme precipitation events and water stress (baseline water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies). All physical climate-related risks were then assessed in our six regions of Western Canada (northeast British Columbia, northern Alberta, central Alberta, southern Alberta, southern Saskatchewan and southwest Manitoba).

#### (5.1.1.11) Rationale for choice of scenario

We use scenarios to help inform our business strategy and for analyzing risks and opportunities. Our scenarios cover three possible contrasting climate futures. These three scenarios were selected to assess the long-term resiliency of our business under both transition and physical climate drivers. Each scenario suggests a different pathway for society based on underlying assumptions. Scenarios describe a path of development leading to a particular outcome and are not intended to represent a full description of the future, nor are they intended to be a forecast or prediction. Likewise, scenario constructs (e.g., quantified parameters such as atmospheric greenhouse gas emissions, macroeconomic, political, technological, and behavioural assumptions) are inherently prone to changes and new information continually emerges; therefore, it is important to periodically refresh our analysis. This approach ensures that the scenarios employed remain aligned with the core principles of plausibility, distinctiveness, consistency, relevance, and that they challenge our thinking, as proposed by the TCFD.

### Water

#### (5.1.1.1) Scenario used

Physical climate scenarios

Customized publicly available climate physical scenario, please specify

#### (5.1.1.3) Approach to scenario

Select from:

Qualitative

#### (5.1.1.4) Scenario coverage

Select from:

Organization-wide

#### (5.1.1.5) Risk types considered in scenario

*Select all that apply*

- Acute physical
- Chronic physical

#### (5.1.1.6) Temperature alignment of scenario

*Select from:*

- 4.0°C and above

#### (5.1.1.7) Reference year

2022

#### (5.1.1.8) Timeframes covered

*Select all that apply*

- 2030
- 2050

#### (5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Speed of change (to state of nature and/or ecosystem services)
- Climate change (one of five drivers of nature change)

Stakeholder and customer demands

- Consumer sentiment
- Consumer attention to impact

Regulators, legal and policy regimes

- Global regulation
- Level of action (from local to global)

- Global targets

Macro and microeconomy

- Domestic growth

#### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*Global, macro-level trends in North America were based on the IPCC's Sixth Assessment Report SSP5-8.5. Canadian trends under related scenarios were included where data was available. Provincial impacts were assessed under low and high emissions scenarios, closely related to the IPCC's scenarios. Four indicators related to water included: precipitation (mean annual total precipitation (mm)), spring precipitation (the amount of precipitation (mm) occurring in the months of March, April and May), heavy precipitation days (number of days per year on which at least a total of 10 mm of rain or frozen precipitation falls). This indicator provides an indication of extreme precipitation events and water stress (baseline water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies). All physical climate-related risks were then assessed in our six regions of Western Canada (northeast British Columbia, northern Alberta, central Alberta, southern Alberta, southern Saskatchewan and southwest Manitoba).*

#### (5.1.1.11) Rationale for choice of scenario

*We use scenarios to help inform our business strategy and for analyzing risks and opportunities. Our scenarios cover three possible contrasting climate futures. These three scenarios were selected to assess the long-term resiliency of our business under both transition and physical climate drivers. Each scenario suggests a different pathway for society based on underlying assumptions. Scenarios describe a path of development leading to a particular outcome and are not intended to represent a full description of the future, nor are they intended to be a forecast or prediction. Likewise, scenario constructs (e.g., quantified parameters such as atmospheric greenhouse gas emissions, macroeconomic, political, technological, and behavioural assumptions) are inherently prone to changes and new information continually emerges; therefore, it is important to periodically refresh our analysis. This approach ensures that the scenarios employed remain aligned with the core principles of plausibility, distinctiveness, consistency, relevance, and that they challenge our thinking, as proposed by the TCFD.*

Climate change

#### (5.1.1.1) Scenario used

Climate transition scenarios

- Customized publicly available climate transition scenario, please specify :Canadian-based models : (1) Canadian Energy Regulator (CER) 2023 Global Net-Zero scenario; (2) CER 2023 Current Measures scenario; (3) Institut de l'énergie Trottier (IET) 2021 Reference scenario (REF)

#### (5.1.1.3) Approach to scenario

Select from:

- Qualitative

#### (5.1.1.4) Scenario coverage

Select from:

- Organization-wide

#### (5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Market
- Reputation
- Technology
- Acute physical
- Chronic physical

#### (5.1.1.6) Temperature alignment of scenario

Select from:

- 4.0°C and above

#### (5.1.1.7) Reference year

2022

#### (5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2050

#### (5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Speed of change (to state of nature and/or ecosystem services)
- Climate change (one of five drivers of nature change)

Stakeholder and customer demands

- Consumer sentiment
- Consumer attention to impact

Regulators, legal and policy regimes

- Level of action (from local to global)
- Other regulators, legal and policy regimes driving forces, please specify :Regulation and targets set at the national level

Macro and microeconomy

- Domestic growth

#### (5.1.1.10) Assumptions, uncertainties and constraints in scenario

*In the Global Net-zero Scenario, it is assumed that Canada achieves net-zero emissions by 2050. It is also assumed that the rest of the world reduces emissions enough to limit global warming to 1.5 Celsius (C). In the Canada Net-zero Scenario, Canada also achieves net-zero emissions by 2050, but the rest of the world moves more slowly to reduce GHG emissions. In the Current Measures Scenario, it is assumed that there is limited action in Canada to reduce GHG emissions beyond measures in place today and does not require that Canada achieve net-zero emissions. In this scenario it is also assumed that there is limited future global climate action. In the IET's REF Scenario, it is assumed that there is limited policies to curb emissions which allow fossil fuels to continue to dominate fuel markets, with limited growth in the renewable energy sector.*

#### (5.1.1.11) Rationale for choice of scenario

*In our assessment, we rely on data from the Canadian Energy Regulator (CER), the Institut de l'énergie Trottier (IET), and ClimateData.ca. offering an additional perspective from a Canadian standpoint. Given that all our royalties are in Canada, we also incorporated in our analysis a Canadian lens by leveraging the Canadian publications mentioned above. The analysis focuses on similar macroeconomic assumptions as global scenarios but with Canadian context.*

[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

### (5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- Risk and opportunities identification, assessment and management
- Strategy and financial planning
- Resilience of business model and strategy

### (5.1.2.2) Coverage of analysis

Select from:

- Organization-wide

### (5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

*While there is a high degree of uncertainty in developing climate scenarios, we believe there is value in using scenario analysis to inform our corporate strategy, including our ERM Program. In preparing the scenarios, a number of aspects are considered including demographics, economics, environment, geopolitics, legal, social and cultural, and technology. Our scenarios are used by management and the Board of Directors to assess business and growth strategy and identify strategic risks and opportunities, understanding the potential timeframe and likelihood of projects being developed on our royalty lands, and the factors which could positively and negatively impact the same. We also use this information to assess risks associated with potential acquisitions and to evaluate and advance projects with reduced carbon footprints including those that remove carbon that would otherwise be emitted into the atmosphere, such as CCUS projects. PrairieSky continues to form business partnerships with entities utilizing new and alternative technologies which have the potential to expand the intrinsic value of our business at no additional cost. Our climate scenario analysis is a useful tool for stress-testing our business on climate risk. For example: (i) Because we own our Fee Lands in perpetuity, considering different future scenarios helps frame our thinking around royalty acquisitions and the importance of acquiring royalties at the best part of the cost curve as these royalty opportunities will displace higher cost barrels into the future. (ii) Acute and extreme weather events, such as wildfires and/or floods, increase over time with more significant impacts in the Moderate Mitigation and Powering On scenarios. While PrairieSky is not directly exposed to material physical risks, weather events can impact oil and gas development and production by our third-party operators, including delaying operations or shutting in production both of which would impact PrairieSky's royalty revenues. (iii) As technology and innovation advance, low-carbon energy alternatives may become more economic reducing the demand for fossil fuels and negatively impacting benchmark commodity prices. Lower pricing would negatively impact PrairieSky's oil and gas royalty revenues while improved economics for low-carbon energy projects may advance PrairieSky's energy transition projects. (iv) Changing regulations and new policies related to carbon pricing, oil and natural gas emissions caps and clean fuel standard regulations will add complexity and higher costs to third-party operators which could impact the level of investment on our Royalty Properties. Under each of these scenarios, we believe both oil and natural gas will be required as the international community transitions to meet its global climate ambitions. The scenarios are differentiated by the pace and scale with which carbon emissions are reduced.*

Water

### (5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- Risk and opportunities identification, assessment and management
- Strategy and financial planning
- Resilience of business model and strategy

#### (5.1.2.2) Coverage of analysis

Select from:

- Organization-wide

#### (5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

*Water stress impacts were evaluated in each area where PrairieSky owns Royalty Properties (Royalty Properties span from Northeast British Columbia to Southwest Manitoba) and where third-party operators on our Royalty Properties operate. Risks to third-party operators identified include: (i) Increased costs of securing water for drilling, hydraulic fracture stimulation or steam-related activities; (ii) Increased tension between municipalities, farming communities and O&G industry over water access rights (diversion licences); (iii) Increased costs related to regulatory pressure to reduce water use. An analysis was also performed to identify the water stress level in each area.*

[Fixed row]

#### (5.2) Does your organization's strategy include a climate transition plan?

##### (5.2.1) Transition plan

Select from:

- No and we do not plan to develop a climate transition plan within the next two years

##### (5.2.15) Primary reason for not having a climate transition plan that aligns with a 1.5°C world

Select from:

- Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

##### (5.2.16) Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world



*PrairieSky has completed climate scenario analysis which is aligned with a 1.5C world. This analysis will inform our corporate strategy and the development of our transition plan. PrairieSky has a multi-tier approach to transition opportunities and is working with multiple partners on energy transition opportunities. First, we have invested in low-cost oil plays which do not require fracking making these plays very economic and reducing the GHG emissions. We believe these oil barrels will help reduce the carbon footprint of oil that is still required over the short, medium and long-term. Second, PrairieSky collected 11% of its total revenues in 2023 from natural gas production which has lower emissions relative to other fossil fuel carbon emissions. As the world transitions away from products such as coal, natural gas will be an energy alternative. Third, PrairieSky collects revenue from enhanced oil recovery projects with carbon sequestration. The Carbon Trunk Line project supplies carbon sequestration projects where PrairieSky has partnered with one of the proponents of these innovative projects, reducing CO2 emissions from industrial emitters and the fertilizer sector, and reducing GHG emissions by an estimated 2.76 million megatons per year. In 2023, PrairieSky collected 2.2 million in royalty revenues related to CCUS. Finally, PrairieSky is working on multiple transition opportunities. These opportunities include: 1) the Meadowbrook CCUS hub which was chosen as 1 of 6 initial CCUS projects to move forward in the province by the Alberta Government, 2) a resource gasification project in combination with CCUS to produce carbon neutral or carbon negative hydrogen, methanol and other products ultimately used to create single cell proteins that displace more energy intensive animal feedstock sources, and 3) lithium leasing to third parties to produce lithium from brine water on our lands. Due to the early-stage nature of these projects as well as pending regulatory frameworks we have not yet developed a formal transition plan but are working towards the transition.*  
[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

Products and services

Upstream/downstream value chain

Investment in R&D

Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

### (5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*Through our Enterprise Risk Management assessment process, we assess the potential growth in cleaner energy markets and the rise of petroleum alternatives influencing our short-term, medium-term and long-term product and service strategies. We currently have a diversified product portfolio of crude oil, natural gas and natural gas liquids and other revenues tied to lease and contractual payments not otherwise considered a royalty on commodity production. In addition, we continue to consider the growth of other alternative products on our lands, including but not limited to, rare earth minerals, helium, lithium, hydrogen, and geothermal electricity generation potential. There have been a number of strategic decisions in the past year to advance our alternative product strategy. We have completed a large-scale lithium leasing arrangement in Saskatchewan covering over 100,000 acres of PrairieSky lands. An evaluation well was drilled and this arrangement is expected to result in future exploration, drilling and delineation activity. We have also partnered with a private company to explore the potential for sub-surface gasification of mineral resources in combination with CCUS with the end goal of producing carbon neutral or carbon negative hydrogen, methanol or other products ultimately used to create single cell proteins that displace more energy intensive animal feedstock sources and we have executed on early-stage exploration and development helium leasing with industry participants. In addition to all mines and minerals, PrairieSky holds the rights to geothermal resource development on its mineral title lands, and is investigating the long-term potential for geothermal to offset more carbon intensive energy sources.*

### Upstream/downstream value chain

### (5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*We review our strategies to mitigate risks and maximize the opportunities in our supply chain, including strategies to reduce our carbon footprint and benefit from carbon management opportunities over the short and medium term. Despite our limited operational GHG footprint, we have been exploring opportunities to work with our suppliers to reduce our GHG emissions, from the natural gas consumed in the heating system of our corporate office, the purchased electricity for our office operations, waste generation, employee commuting and business-related travel. Our head office, our only business location, is in First Canadian Centre which is owned by GWL Realty Advisors. They are committed to environmental leadership and have been instrumental in achieving BOMA Best Platinum Certification for the First Canadian Centre. Our procurement strategy was influenced by the climate-related opportunity to source and encourage green energy by our suppliers to not only help us reduce our already limited operational carbon footprint, but also encourage green energy projects in Canada. Beginning in 2019, we made the substantial decision as part of our procurement strategy to procure Bullfrog Power green energy as a renewable energy credit equal to the amount of electricity and natural gas we consume at our corporate head office. Through this contractual arrangement, Bullfrog Power puts a kWh from a pollution-free, renewable source on the grid on PrairieSky's behalf commensurate with the kWh of electricity consumed at our corporate office. Bullfrog also puts gigajoules of green natural gas on the pipeline on our behalf commensurate with the gigajoules of natural gas consumed at our corporate office. In 2023, both of these green energy projects were based in Alberta.*

## Investment in R&D

### (5.3.1.1) Effect type

*Select all that apply*

- Risks
- Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

*Select all that apply*

- Climate change

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

*We integrate climate change considerations in our strategy development as it relates to R&D into innovative solutions to address climate change in the short, medium and long-term. Specifically, our R&D strategy has been influenced by the Canadian Federal and Provincial Governments' commitment to responsible resource development, particularly with respect to carbon taxes as well as strategies to capture, sequester and/or use carbon dioxide and other emissions. Alberta was the first jurisdiction in North America to directly dedicated funding to implement carbon capture and storage technologies across industrial sectors, committing 1.24 billion*

through 2025 to fund 2 commercial-scale projects. Both projects are expected to reduce the CO2 emissions from industrial emitters and the fertilizer sector, and reduce GHG emissions by an estimated 2.76 million megatons per year. The Carbon Trunk Line project will supply carbon sequestration projects. PrairieSky has entered into leasing arrangements with a third-party operator, providing reduced upfront royalty rates and secure long-term tenure to promote this innovative project and secure long-term tenure. In addition, PrairieSky has partnered with early-stage companies on the Meadowbrook CCUS project which was selected by Alberta Energy as 1 of the first 6 successful applicants for carbon storage tenure in the industrial heartland near Edmonton, Alberta. The project is being designed to provide safe, cost effective, permanent CO2 sequestration, on a multi-client basis, to existing and new Alberta industries seeking to reduce their emissions through adoption of CCUS. In 2023, our project partners successfully entered into an evaluation permit with the Government of Alberta, allowing the project to conduct specific evaluation activities including drilling the first CCUS disposal well and testing the suitability and capacity of the reservoir for safe and permanent CO2 sequestration and operation of a carbon sequestration hub. In 2024, the operator completed the evaluation phase activity and has been granted an initial 15,360 hectare Carbon Sequestration Agreement (CSA) from the Minister of Energy and Minerals. The CSA award will facilitate a progression to the next several stages of the Alberta Energy Regulator project approval process, which is expected to lead to initial sequestration operations in 2025 if successful with all approvals. This initial award will support the first 2 stages of development, with later stages and a future pipeline being the subject of a subsequent application. The remaining 55,040 hectares will remain as an evaluation permit and be available for conversion to an expanded CSA as demand for sequestration services increases and reservoir performance is established. The project is expected to be operational within 36 months and has a reservoir capacity to be upsized to handle an estimated 3 million metric tonnes per annum for 25 years in support of Alberta's energy transition.

## Operations

### (5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

### (5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

### (5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

We integrate climate change considerations into the strategy of our operations through an assessment of the key trends impacting our business as part of our annual Enterprise Risk Management process. Specifically, we compiled relevant climate-related information that could impact our operations from a physical and transition perspective, including with respect to climate-related policies, changing product demands, alternative energy markets, and stakeholder interests. The information is used to assess the potential risks and opportunities impacting our business over the short, medium and long-term, which is then used to inform strategic priorities to mitigate possible risks and maximize the opportunities. The most substantial strategic decision that has influenced our operational strategy to date has been to strengthen our disclosure of climate change information, identify carbon reduction objectives related to our operational carbon footprint, participating in the

*Meadowbrook CCUS project, and engage with investors on our strategies. We have issued TCFD-aligned disclosures, expanded the performance metrics with certain metrics being verified by a third-party and further strengthened our disclosure on climate change including climate change scenario analysis (three scenarios) which are included in our annual Sustainability Report.*  
[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

#### (5.3.2.1) Financial planning elements that have been affected

*Select all that apply*

Revenues

#### (5.3.2.2) Effect type

*Select all that apply*

Risks

Opportunities

#### (5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

*Select all that apply*

Climate change

#### (5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

*As part of our financial planning process, we track the potential impact of climate-related risks and opportunities on our revenue on an annual, short-term, and multi-year time horizon. For example, from a risk perspective, we consider the impact of increasing consumer demand for alternatives to crude oil and natural gas and how it could reduce the demand for crude oil, natural gas and natural gas liquids, which could in turn affect our revenues. Meanwhile, we have also been assessing the revenue potential associated with the mineral rights to lithium on our lands, as well as in-situ resource gasification and CCUS. Although these projects are early stage, they have the potential to provide energy with lower associated greenhouse gas emissions.*

## Row 2

### (5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Direct costs

### (5.3.2.2) Effect type

Select all that apply

- Risks
- Opportunities

### (5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- Climate change

### (5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

*As part of our financial planning process, we track the potential impact of climate-related events on our operating costs on an annual, short-term, and multi-year time horizon. Climate-related risks and opportunities influenced our financial planning process related specifically to our direct costs. This included a consideration of the direct costs related to the procurement of Bullfrog Power green energy, quantification of our carbon footprint, third-party GHG assurance as well as direct costs for climate-related disclosures in our Sustainability Report, Annual Report and Annual Information Form.*

## Row 3

### (5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Acquisitions and divestments

### (5.3.2.2) Effect type

Select all that apply

- Risks
- Opportunities

### (5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- Climate change

### (5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

*As part of our financial planning process, we consider opportunities for investments in climate-related opportunities. Specifically, PrairieSky is participating in carbon capture and storage and resource gasification projects. We have partnered with early-stage companies on the Meadowbrook CCUS project which is being designed to provide safe, cost effective, permanent CO2 sequestration, on a multi-client basis, to existing and new Alberta industries seeking to reduce their emissions through adoption of CCUS. PrairieSky has partnered with a private company to revolutionize the use of deep coal resources. Our partner has patented and proprietary technology which is a novel combination of two commercially proven technologies, underground coal gasification and CCUS, designed to initially produce approximately 2,500 tonnes per annum of clean hydrogen from deep coal with a carbon intensity lower than hydrogen from water electrolysis using renewable wind and hydropower, and at a cost lower than hydrogen currently produced in the province from natural gas. The end goal will be to convert coal from a source of CO2 to a sink of CO2 effectively turning deep coal resources into a crucial decarbonization tool and enabling ultralow carbon alternatives, at a commercial scale, of clean hydrogen, ammonia, and methanol. While these projects are at an early stage, PrairieSky is in a unique position to work with creative technical teams to support the reduction in overall carbon intensity of energy production and ensure ethical and sustainable development of resources. We expect all of these projects and government regulations around these types of projects to continue to evolve over the short and medium term.*

Row 4

### (5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Access to capital

### (5.3.2.2) Effect type

Select all that apply

- Risks

- Opportunities

### (5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- Climate change

### (5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

*As part of our financial planning process, we consider access to capital for third-party operators to explore, develop and operate oil and natural gas wells on our Royalty Properties over the short, medium and long-term. Third-party operators on PrairieSky lands must operate in compliance with Federal and Provincial environmental policies and remain in good standing with provincial regulators. PrairieSky believes a strong commitment to sustainability and ESG, including climate-related performance, will improve our access to capital. To demonstrate that commitment, PrairieSky incorporated sustainability-linked performance criteria to its credit facility to establish a Sustainability-Linked Loan (SLL). The SLL includes terms that link our borrowing costs to our sustainability performance as measured through the Sustainalytics' management score on an annual basis. Borrowing costs may incur positive or negative pricing adjustments on drawn and undrawn balances based on changes to the management score as independently evaluated. We believe this link will attract investors who are integrating sustainability into their investing strategies.*

Row 5

### (5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Assets

### (5.3.2.2) Effect type

Select all that apply

- Risks
- Opportunities

### (5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements



Select all that apply

Climate change

**(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements**

*As part of our financial planning process, we considered third-party access to capital from government funds to support the Carbon Trunk Line, an initiative to support carbon sequestration projects. Specifically, Alberta has committed 1.24 billion through 2025 to fund two commercial-scale carbon capture and storage projects. Both projects are expected to help reduce the CO2 emissions from industrial emitters and the fertilizer sector and reduce GHG emissions by an estimated 2.76 million megatons per year. The Carbon Trunk Line project will supply carbon sequestration projects where PrairieSky has partnered with one of the proponents of these innovative projects. One of the projects is currently producing and there are projects that are expected to be developed over the medium and longer term (2-20 years). PrairieSky has also partnered with several early-stage companies focused on CCUS, both for in-situ stimulation and optimization of hydrocarbon reservoirs and to assist other industrial emitters to eliminate or reduce the quantum of greenhouse gases released into the atmosphere. These projects are early stage and we expect them to evolve over the next 1-5 years. PrairieSky discloses its annual reserves and reserves net present value in our Annual Information Form. This evaluation is prepared by an independent reserves evaluator and assesses the economics of producing properties after giving effect to all third-party operating costs, including costs related to climate change such as carbon taxes.*

[Add row]

(5.4) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

	Identification of spending/revenue that is aligned with your organization’s climate transition
	<i>Select from:</i> <input checked="" type="checkbox"/> No, and we do not plan to in the next two years

[Fixed row]

(5.9) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

0

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

0

(5.9.3) Water-related OPEX (+/- % change)

0

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

0

(5.9.5) Please explain

We do not have any CAPEX related to water given the nature of our business as a royalty company. Our only water operating cost is the water used at our Calgary office, our only business location. These costs are aggregated with utilities and represent less than 1% of supplier operating costs which are included in administrative expenses. PrairieSky's water use at its one business location was 0.577 megaliters in 2023. This is down 70% from 2017, our base measurement year. Annually our water consumption volumes are verified by a third-party and are included in the assurance statement within our Sustainability Report (starting on page 92):

<https://www.prairiesky.com/wp-content/uploads/2024/05/2023-PRAIRIESKY-Sustainability-Report.pdf>

[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Carbon

[Fixed row]

(5.10.1) Provide details of your organization's internal price on carbon.

Row 1

#### (5.10.1.1) Type of pricing scheme

Select from:

- Shadow price

#### (5.10.1.2) Objectives for implementing internal price

Select all that apply

- Drive energy efficiency
- Drive low-carbon investment
- Identify and seize low-carbon opportunities
- Stress test investments
- Other, please specify :Avoid emissions for third parties

#### (5.10.1.3) Factors considered when determining the price

Select all that apply

- Alignment with the price of a carbon tax

#### (5.10.1.4) Calculation methodology and assumptions made in determining the price

Carbon price increased consistent with the Carbon Price in Alberta and Canadian Federal price. The carbon price increases each year on April 1. This price was 50 per tonne from January 1 to March 31, 2023, and increased to 65 per tonne on April 1, 2023.

#### (5.10.1.5) Scopes covered

Select all that apply

- Scope 1

Scope 2

#### (5.10.1.6) Pricing approach used – spatial variance

*Select from:*

Uniform

#### (5.10.1.8) Pricing approach used – temporal variance

*Select from:*

Other, please specify :Carbon price increased consistent with the Carbon Price in Alberta and Canadian Federal price. The carbon price increases each April 1. This price was \$50 from January 1 to March 31, 2023, and increased to \$65 per tonne on April 1, 2023.

#### (5.10.1.10) Minimum actual price used (currency per metric ton CO<sub>2</sub>e)

50

#### (5.10.1.11) Maximum actual price used (currency per metric ton CO<sub>2</sub>e)

65

#### (5.10.1.12) Business decision-making processes the internal price is applied to

*Select all that apply*

Risk management

Opportunity management

#### (5.10.1.13) Internal price is mandatory within business decision-making processes

*Select from:*

Yes, for all decision-making processes

#### (5.10.1.14) %total emissions in the reporting year in selected scopes this internal price covers

100

### (5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

Yes

### (5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

*All of PrairieSky's lands and operations are in Canada where carbon pricing is regulated by both the Federal and Provincial governments. On April 1, 2023, the carbon tax increased by 15 per tonne to 65 per tonne in Alberta and Saskatchewan and by 15 per tonne to 65 per tonne in British Columbia. The price of carbon increased on April 1, 2024 to 80 per tonne. We apply a carbon price to 100% of PrairieSky's corporate operations. We incorporate carbon pricing into our analysis of royalty acquisitions. We stress test the value of a royalty by analyzing the economics of the oil and gas play for the third-party operators, which means incorporating the price on carbon into their operating costs. PrairieSky is also working on a number of energy transition projects including carbon capture, utilization and storage, lithium and resource gasification. Understanding the current and expected price of carbon in Canada, the only jurisdiction where we operate, is essential in understanding the economics of these projects. Carbon prices and anticipated increases to the price per tonne have been incorporated into our Climate Scenario Analysis. Internally, we apply a price on carbon to our operations by purchasing renewable energy to offset all of our Scope 1 and Scope 2 emissions that are incurred at our office building in downtown Calgary, our only business location. This expense equates to an internal price on carbon. In 2023, PrairieSky invested 23,640 in renewable energy.*

[Add row]

### (5.11) Do you engage with your value chain on environmental issues?

Suppliers

#### (5.11.1) Engaging with this stakeholder on environmental issues

Select from:

Yes

#### (5.11.2) Environmental issues covered

Select all that apply

Climate change

Water

Customers

### (5.11.1) Engaging with this stakeholder on environmental issues

Select from:

Yes

### (5.11.2) Environmental issues covered

Select all that apply

Climate change

Water

Investors and shareholders

### (5.11.1) Engaging with this stakeholder on environmental issues

Select from:

Yes

### (5.11.2) Environmental issues covered

Select all that apply

Climate change

Water

Other value chain stakeholders

### (5.11.1) Engaging with this stakeholder on environmental issues

Select from:

No, but we plan to within the next two years

### (5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

Not an immediate strategic priority

#### (5.11.4) Explain why you do not engage with this stakeholder on environmental issues

*As a royalty company, PrairieSky does not directly conduct operations to explore for, develop or produce petroleum and natural gas. We have limited to no ability to exercise influence over the operations on our Royalty Properties. We are currently focused on engaging with our immediate value chain stakeholders to identify impactful approaches to address environmental issues. Once we have fully mapped out our value chain, we plan to extend our engagement efforts to other value chain stakeholders.*

*[Fixed row]*

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

#### (5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

*Select from:*

Yes, we assess the dependencies and/or impacts of our suppliers

#### (5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

*Select all that apply*

Other, please specify :Impact on our carbon footprint

#### (5.11.1.3) % Tier 1 suppliers assessed

*Select from:*

Less than 1%

#### (5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

*PrairieSky has currently identified one supplier which is considered to have a substantive climate change impact. This is the owner of our office building from whom we lease our office space (our only business location). It is through their infrastructure that we consume energy and generate waste by our office staff.*

#### (5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

100%

#### (5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

1

Water

#### (5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

Yes, we assess the dependencies and/or impacts of our suppliers

#### (5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

Basin/ landscape condition

#### (5.11.1.3) % Tier 1 suppliers assessed

Select from:

Less than 1%

#### (5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

*PrairieSky has only one supplier which is considered to have a substantive water impact. This is the owner of our office building from whom we lease our office space (our only business location). It is through their infrastructure (and the City of Calgary's water supply) that we offer WASH to our office staff.*



(5.11.1.5) %Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

100%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

1

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

Procurement spend

(5.11.2.4) Please explain

*PrairieSky has identified one supplier which is considered to have a substantive climate change impact. This is the owner of our office building from whom we lease our office space (our only business location).*

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

Yes, we prioritize which suppliers to engage with on this environmental issue

#### (5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

Procurement spend

#### (5.11.2.4) Please explain

*PrairieSky has identified one supplier which is considered to have a substantive water impact. This is the owner of our office building from whom we lease our office space (our only business location)*

*[Fixed row]*

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

#### (5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

Yes, suppliers have to meet environmental requirements related to this environmental issue, but they are not included in our supplier contracts

#### (5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

Yes, we have a policy in place for addressing non-compliance

#### (5.11.5.3) Comment

*Suppliers are expected to comply with applicable environmental laws and conduct their activities in an environmentally responsible manner. Suppliers must obtain, maintain and follow all required environmental permits, approvals and registrations and keep current environmental operational and reporting requirements as outlined in our Supplier Code of Conduct.*

## Water

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

Yes, suppliers have to meet environmental requirements related to this environmental issue, but they are not included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

*Suppliers are expected to comply with applicable environmental laws and conduct their activities in an environmentally responsible manner. Suppliers must obtain, maintain and follow all required environmental permits, approvals and registrations and keep current environmental operational and reporting requirements as outlined in our Supplier Code of Conduct.*

*[Fixed row]*

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

## Climate change

(5.11.6.1) Environmental requirement

Select from:

Other, please specify :Complying with regulatory requirements

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

Supplier self-assessment

Other, please specify :We continue to implement our Supplier Code of Conduct process . As of December 31, 2023, we have 25% of our suppliers (based on \$) covered under the Code. We look to have this over 50% by year-end 2024.

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

1-25%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

Less than 1%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

Exclude

(5.11.6.12) Comment

Suppliers are expected to comply with applicable environmental laws and conduct their activities in an environmentally responsible manner. Suppliers must obtain, maintain and follow all required environmental permits, approvals and registrations and keep current environmental operational and reporting requirements as part of PrairieSky's Supplier Code of Conduct.

## Water

### (5.11.6.1) Environmental requirement

Select from:

- Total water withdrawal volumes reduction

### (5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- Supplier self-assessment
- Other, please specify :We continue to implement our Supplier Code of Conduct process. As of December 31, 2023, we have 25% of our suppliers (based on \$) covered under the Code. We look to have this over 50% by year-end 2024.

### (5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- 100%

### (5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

- 1-25%

### (5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:

- Less than 1%

(5.11.6.6) %tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:

100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

Exclude

(5.11.6.12) Comment

*PrairieSky's Supplier Code of Conduct requires that suppliers must have in place practices to conserve natural resources including water, raw materials, minerals, among others. PrairieSky's water use is only at its one office location in downtown Calgary in the First Canadian Centre (part of GWL Realty Advisors' office portfolio). PrairieSky has engaged with GWL Realty Advisors to promote environmental policies. PrairieSky is provided with water consumption information in our office space and is able to track water consumption in the building. Water consumption has been reduced by 40% from 2019 to 2023. This substantial decrease is due primarily to the installation of low-flow facilities throughout the building. Other than PrairieSky's office lease, suppliers are primarily Information Technology companies providing software and professional services companies such as Auditors, Engineers and Legal Counsel where water use is not a significant input and/or risk.*

Climate change

(5.11.6.1) Environmental requirement

Select from:

Implementation of emissions reduction initiatives

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

Supplier self-assessment

(5.11.6.3) %tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

1-25%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

Less than 1%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

Exclude

(5.11.6.12) Comment

*PrairieSky's Supplier Code of Conduct outlines the following environmental requirements: 1) Pollution Prevention and Resource Reduction: Suppliers must have in place policies and initiatives in place to minimize air emissions and discharges of pollutants or chemicals. Suppliers must have in place practices to conserve natural resources including water, raw materials, minerals, among others. 2) Waste: Suppliers must manage the storage, discharge or disposal of waste generated from business operations in compliance with applicable laws and regulations. Suppliers must handle chemical and hazardous items in a safe manner and dispose of these items in compliance with applicable laws with a view to minimizing impacts on the environment. Suppliers must implement a systematic approach to identify, manage, recycle, reuse and reduce waste. 3) Energy Consumption and Greenhouse Gas Emissions: Suppliers must be committed to achieving energy efficiency of business operations in order to reduce greenhouse gas emissions where possible. Suppliers must develop methods to improve energy efficiency in their operations, minimize energy consumption and greenhouse gas emissions and track and disclose Scope 1 and 2 greenhouse gas emissions.*

[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

*Select from:*

- Emissions reduction

(5.11.7.3) Type and details of engagement

Innovation and collaboration

- Collaborate with suppliers on innovations to reduce environmental impacts in products and services

(5.11.7.4) Upstream value chain coverage

*Select all that apply*

- Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

*Select from:*

- Less than 1%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

*Select from:*

- Less than 1%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action



*We conduct ongoing engagement with our property manager GWL Realty Advisors to understand their building energy efficiency initiatives and collect energy consumption, waste, and water data to further drive emissions reductions at our head office. In addition, we have engaged other suppliers and service providers in our work to reduce our carbon footprint and understand and report on our impacts. Description of the impact of climate-related supplier engagement: By engaging with our supplier GWL Realty Advisors, we have been able to understand our climate-related impacts through energy consumption, waste diversion, and water use. In addition, we've gathered necessary information with respect to environmental initiatives undertaken at our head office such as energy efficiency upgrades (LED lighting retrofits, building automation systems, water conservation and energy efficient building equipment). Measures of success: We aim for a threshold of 40% of suppliers by procurement spend for our innovation and collaboration engagement.*

#### (5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

Yes, please specify the environmental requirement :Suppliers are expected to comply with PrairieSky's Supplier Code of Conduct

#### (5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

Yes

Water

#### (5.11.7.2) Action driven by supplier engagement

Select from:

Total water withdrawal volumes reduction

#### (5.11.7.3) Type and details of engagement

Innovation and collaboration

Collaborate with suppliers on innovations to reduce environmental impacts in products and services

#### (5.11.7.4) Upstream value chain coverage

Select all that apply

Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

Less than 1%

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

Less than 1%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

*PrairieSky's Supplier Code of Conduct requires that suppliers must have in place practices to conserve natural resources including water, raw materials, minerals, among others. PrairieSky's water use is only at its one office location in downtown Calgary in the First Canadian Centre (part of GWL Realty Advisors' office portfolio). PrairieSky has engaged with GWL Realty Advisors to promote environmental policies. GWL's Sustainability Benchmarking and Conservation Program sets targets for reducing energy averages and water intensity as well as waste diversion. Although this represents only 1 supplier out of PrairieSky's 159 suppliers, this represents PrairieSky's only direct water use. PrairieSky is provided with water consumption information in our office space and is able to track water consumption in the building. Other than PrairieSky's office lease, suppliers are primarily Information Technology companies providing software and professional services companies such as Auditors, Engineers and Legal Counsel where water use is not a significant input and/or risk. PrairieSky engages with GWL to determine initiatives at the building to reduce water use, waste and scope 1 & 2 emissions and we request this information annually. Initiatives were implemented in the building to conserve water, including the use of low-flow bathroom facilities. Since implementation, water consumption has been reduced by 40% from 2019 to 2023.*

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

Yes, please specify the environmental requirement :Suppliers are expected to comply with PrairieSky's Supplier Code of Conduct

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

Yes

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

#### (5.11.9.1) Type of stakeholder

Select from:

Customers

#### (5.11.9.2) Type and details of engagement

Innovation and collaboration

Run a campaign to encourage innovation to reduce environmental impacts

#### (5.11.9.3) % of stakeholder type engaged

Select from:

1-25%

#### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

Unknown

#### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*We conduct ongoing engagement with our top 30 customers through regular compliance reviews and renewals of their leasing arrangements. These customers generate approximately 77% of our revenue.*

#### (5.11.9.6) Effect of engagement and measures of success

*Effect of engagement: Third parties conduct all oil and gas exploration, development and operational activities associated with our royalty revenues. Developing and maintaining long-term relationships with industry partners based on trust and mutual benefit are crucial to PSK's ongoing success. It is at PSK's sole discretion to select the companies with whom we enter into lease agreements. We have a responsibility to our shareholders and stakeholders to make sure our assets are financially productive and are developed in a sustainable and responsible manner. This includes selecting third-party operators based on their environmental compliance and climate change mitigation measures. Measures of success: We measure the success of our climate-related engagement strategy with our operators through compliance with our lease agreements. Our compliance department focuses on monitoring adherence to lease terms, contractual obligations and payment of royalties. This team takes a proactive approach to compliance and engages in early resolution discussions with operators. We target a threshold of 100% of operator compliance with our leases.*

## Water

### (5.11.9.1) Type of stakeholder

Select from:

Customers

### (5.11.9.2) Type and details of engagement

Innovation and collaboration

Other innovation and collaboration, please specify :Monitoring compliance with regulations

### (5.11.9.3) % of stakeholder type engaged

Select from:

100%

### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*We engage with our customers to ensure they are meeting the terms of our leases. The terms of our leases require third parties operating on the Royalty Properties to follow all Federal and Provincial Government regulations. These Government regulations include requiring that all potable, non-saline and usable groundwater is protected during the drilling and production of an oil and gas well.*

### (5.11.9.6) Effect of engagement and measures of success

*Effect of engagement: We initiate engagement by entering into leases with our customers. We then monitor compliance with the terms of the lease which includes third-party audits to ensure lessees are meeting the terms of the leases, including following government regulations related to water. We have a responsibility to our shareholders and stakeholders to make sure our assets are financially productive and are developed in a sustainable and responsible manner. Measures of success: The measure of success is the ability for customers to meet the Provincial Government regulations that provide specifications on how industry must ensure water resources are protected during drilling and production operations. This is achieved by drilling practices that include surface casing, cementing surface casing, production casing and cementing production casing.*

## Climate change

### (5.11.9.1) Type of stakeholder

Select from:

- Customers

### (5.11.9.2) Type and details of engagement

Innovation and collaboration

- Run a campaign to encourage innovation to reduce environmental impacts

### (5.11.9.3) % of stakeholder type engaged

Select from:

- 1-25%

### (5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- Unknown

### (5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

*PrairieSky is participating in a number of projects, at various stages, with an overall goal to provide energy with lower associated greenhouse gas emissions. As these projects evolve, we expect to provide additional information, including with respect to the project's positive contribution to reducing overall carbon intensity of energy production and ensuring ethical and sustainable development of resources.*

#### (5.11.9.6) Effect of engagement and measures of success

*Effect of the engagement: PSK has partnered with several early-stage companies focused on eliminating or reducing the quantum of GHGs released into the atmosphere. For example, we have partnered with Bison Low Carbon Ventures Inc. and IRC Enterprises Inc. on the Meadowbrook CCUS Hub Project which was selected by Alberta Energy as initial successful applicants for carbon storage tenure in the industrial heartland near Edmonton, Alberta. The project is being designed to provide safe, cost effective, permanent CO2 sequestration, on a multi-client basis, to existing and new Alberta industries seeking to reduce their emissions through adoption of CCUS. In 2023, our project partners successfully entered into an evaluation permit with the Government of Alberta, allowing the project to conduct specific evaluation activities including drilling the first CCUS disposal well and testing the suitability and capacity of the reservoir for safe and permanent CO2 sequestration and operation of a carbon sequestration hub. In 2024, the operator has finalized the evaluation phase and will progress to the next several stages. The project is expected to be operational within 36 months and has a reservoir capacity to be upsized to handle an estimated 3 million metric tonnes per annum for 25 years in support of Alberta's energy transition.*

*[Add row]*

## C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

### Climate change

#### (6.1.1) Consolidation approach used

Select from:

Operational control

#### (6.1.2) Provide the rationale for the choice of consolidation approach

*PrairieSky applies the operational control approach because as a royalty company, we have limited to no ability to exercise influence over the operations on our Royalty Properties.*

### Water

#### (6.1.1) Consolidation approach used

Select from:

Operational control

#### (6.1.2) Provide the rationale for the choice of consolidation approach

*PrairieSky applies the operational control approach because as a royalty company, we have limited to no ability to exercise influence over the operations on our Royalty Properties.*

### Plastics

#### (6.1.1) Consolidation approach used

Select from:

Operational control

### (6.1.2) Provide the rationale for the choice of consolidation approach

*PrairieSky applies the operational control approach because as a royalty company, we have limited to no ability to exercise influence over the operations on our Royalty Properties.*

## Biodiversity

### (6.1.1) Consolidation approach used

*Select from:*

Operational control

### (6.1.2) Provide the rationale for the choice of consolidation approach

*PrairieSky applies the operational control approach because as a royalty company, we have limited to no ability to exercise influence over the operations on our Royalty Properties.*

*[Fixed row]*



## C7. Environmental performance - Climate Change

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

### (7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply

Yes, a change in methodology

### (7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

Scope 3 emission related to business travel extends beyond air and train travel and now includes car and bus travel. Scope 3 emissions related to waste previously only included emissions related to waste directed to landfills. The emissions now include all waste generated, both directed to landfills and diverted from landfills (i.e., recycled, composted, etc.).

[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

#### (7.1.3.1) Base year recalculation

Select from:

Yes

#### (7.1.3.2) Scope(s) recalculated

Select all that apply

Scope 3

#### (7.1.3.3) Base year emissions recalculation policy, including significance threshold

*PrairieSky is committed to consistently improving our disclosure for stakeholders and support efforts to provide consistent and comparable sustainability performance data. This includes reviewing our emission calculation methodology to provide meaningful emissions data that can be used to track our progress. Structural changes, methodology changes, and data errors can impact our emissions and may trigger a recalculation of previously reported emissions data. In 2023, base year and past years' emissions have been recalculated to reflect the greater availability and consistency of data sources related to scope 3 emissions related to business travel and waste.*

#### (7.1.3.4) Past years' recalculation

Select from:

Yes

[Fixed row]

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

#### (7.3.1) Scope 2, location-based

Select from:

We are reporting a Scope 2, location-based figure

### (7.3.2) Scope 2, market-based

Select from:

We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

### (7.3.3) Comment

*In 2023, we purchased Bullfrog Power to offset our office electricity use with green energy. Bullfrog Power offset every kWh of electricity PrairieSky used by putting a kWh from a pollution-free, renewable source on the grid on PrairieSky's behalf.*

*[Fixed row]*

(7.4.1) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Row 1

### (7.4.1.1) Source of excluded emissions

*Downstream Leased Assets (Scope 3, Category 13): Emissions related to exploration, drilling and development by operators on royalty lands (i.e. third-party operators' Scope 1 and 2 emissions on PrairieSky's Royalty Properties).*

### (7.4.1.2) Scope(s) or Scope 3 category(ies)

Select all that apply

Scope 3: Downstream leased assets

### (7.4.1.6) Relevance of Scope 3 emissions from this source

Select from:

Emissions are relevant but not yet calculated

(7.4.1.10) Explain why this source is excluded

*PrairieSky has completed a preliminary calculation and is continuing to review and refine our approach and understanding.*

(7.4.1.11) Explain how you estimated the percentage of emissions this excluded source represents

*PrairieSky has not yet determined the estimated percentage of emissions represented by the excluded Scope 3 downstream leased assets.*

Row 2

(7.4.1.1) Source of excluded emissions

*Emissions related to taken-in-kind royalty production volumes.*

(7.4.1.2) Scope(s) or Scope 3 category(ies)

*Select all that apply*

Scope 3: Use of sold products

(7.4.1.6) Relevance of Scope 3 emissions from this source

*Select from:*

Emissions are relevant but not yet calculated

(7.4.1.10) Explain why this source is excluded

*PrairieSky has completed a preliminary calculation and is continuing to review and refine our approach and understanding.*

(7.4.1.11) Explain how you estimated the percentage of emissions this excluded source represents

*PrairieSky has not yet determined the estimated percentage of emissions represented by the excluded Scope 3 use of sold projects.  
[Add row]*

(7.5) Provide your base year and base year emissions.

## Scope 1

### (7.5.1) Base year end

12/31/2017

### (7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)

127.0

### (7.5.3) Methodological details

*Direct emissions associated with natural gas consumption at our head office in Calgary (our only location). The volume of natural gas consumed in our office building was provided on a monthly basis for the year by our property manager. Natural gas consumption is not tracked by individual tenant. The property manager calculates PrairieSky's share of natural gas consumption based on our occupied square footage as a percentage of the building's total square footage. Emissions were calculated by multiplying PrairieSky's natural gas consumption by the Canadian emission factors taken from the National Inventory Report 1990-2017: Greenhouse Gas Sources and Sinks in Canada.*

## Scope 2 (location-based)

### (7.5.1) Base year end

12/31/2017

### (7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)

416.0

### (7.5.3) Methodological details

*Indirect emissions associated with energy corresponding to the production and transmission of electricity volume to our head office in Calgary (our only location). PrairieSky's electricity volumes were provided in kWh on a monthly basis for the year by our property manager. Electricity consumption is not tracked by individual tenant. The property manager calculates PrairieSky's share of electricity consumption based on our occupied square footage as a percentage of the building's total square footage. Electricity emission factors are applied to the total kWh allocated to PrairieSky to calculate tonnes of CO<sub>2</sub>e. Canadian emission factors were sourced from the National Inventory Report 1990-2017: Greenhouse Gas Sources and Sinks in Canada.*

## Scope 2 (market-based)

### (7.5.3) Methodological details

*We are not reporting market based scope 2 emissions.*

## Scope 3 category 1: Purchased goods and services

### (7.5.3) Methodological details

*Given the nature of our business, we do not consider purchased goods and services to contribute significantly to our total anticipated Scope 3 emissions.*

## Scope 3 category 2: Capital goods

### (7.5.3) Methodological details

*Given the nature of our business, we do not consider capital goods to contribute significantly to our total anticipated Scope 3 emissions.*

## Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

### (7.5.3) Methodological details

*Given the nature of our business, we do not consider the upstream emissions from purchased fuels to contribute significantly to our total anticipated Scope 3 emissions.*

## Scope 3 category 4: Upstream transportation and distribution

### (7.5.3) Methodological details

*Given the nature of our business, we do not consider the transportation and distribution of products purchased to contribute significantly to our total anticipated Scope 3 emissions.*

## Scope 3 category 5: Waste generated in operations

### (7.5.1) Base year end

12/31/2018

### (7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)

2.8

### (7.5.3) Methodological details

*Indirect emissions associated with waste generated in our operations in our head office in Calgary (our only location). PrairieSky's waste volumes were provided in metric tonnes on a monthly basis for the year by our property manager. Waste is not tracked by individual tenant. The property manager calculates PrairieSky's share of waste generated based on our occupied square footage as a percentage of the building's total square footage. Waste emission factors are applied to the total metric tonnes allocated to PrairieSky to calculate tonnes of CO<sub>2</sub>e. The waste emission factor was sourced from the EPA Center for Corporate Climate Leadership (US Environmental Protection Agency) and was applied to convert metric tonnes of waste into tonnes of CO<sub>2</sub>e.*

### Scope 3 category 6: Business travel

### (7.5.1) Base year end

12/31/2018

### (7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)

18.8

### (7.5.3) Methodological details

*Information is tracked internally and includes flight segments and mileage for travel by air, train, bus, and car for the year. PrairieSky applied a distance-based method to calculate its emissions. Flight segments are further classified into short, medium, and long-haul travel as set out by the EPA Center for Corporate Climate Leadership (US Environmental Protection Agency). Flight, bus, and car travel segments were then converted to tonnes of CO<sub>2</sub>e using emissions factors from the EPA and GWPs from the IPCC Report.*

### Scope 3 category 7: Employee commuting

### (7.5.1) Base year end

12/31/2018

## (7.5.2) Base year emissions (metric tons CO<sub>2</sub>e)

76.0

## (7.5.3) Methodological details

*Employees are surveyed quarterly on their mode of commuting between their home and work, providing the distance between their home and the office and the method of commuting for every quarter of the year. Employee mileage by mode of commuting is totaled for the year and emissions factors from the EPA Center for Corporate Climate Leadership (US Environmental Protection Agency) are applied to convert mileage into tonnes of CO<sub>2</sub>e and GWPs from the IPCC Report.*

### Scope 3 category 8: Upstream leased assets

## (7.5.3) Methodological details

*We do not lease upstream assets in our business and therefore it is not relevant.*

### Scope 3 category 9: Downstream transportation and distribution

## (7.5.3) Methodological details

*Given the nature of our business, we do not consider downstream transportation and distribution to contribute significantly to our total anticipated Scope 3 emissions.*

### Scope 3 category 10: Processing of sold products

## (7.5.3) Methodological details

*The downstream emissions related to the extraction and production of PrairieSky's royalty share of production (crude oil, natural gas, and NGL) is reported by the third-party operators for the royalty lands. Royalty volumes are recorded as revenue by the operator and then paid as a royalty to PrairieSky.*

### Scope 3 category 11: Use of sold products

## (7.5.3) Methodological details

*We are currently evaluating Scope 3 Category 11 emissions to establish a single base year emission calculation which will enable comprehensive and consistent tracking of the emissions over time.*



## Scope 3 category 12: End of life treatment of sold products

### (7.5.3) Methodological details

*We do not sell products in our business where end of life treatment would be relevant.*

## Scope 3 category 13: Downstream leased assets

### (7.5.3) Methodological details

*We are currently evaluating Scope 3 Category 13 emissions to establish a single base year emission calculation which will enable comprehensive and consistent tracking of the emissions over time.*

## Scope 3 category 14: Franchises

### (7.5.3) Methodological details

*We do not own any franchises.*

## Scope 3 category 15: Investments

### (7.5.3) Methodological details

*Given the nature of our business, we do not consider investments to contribute significantly to our total anticipated Scope 3 emissions.*

## Scope 3: Other (upstream)

### (7.5.3) Methodological details

*No other upstream emissions are considered material.*

## Scope 3: Other (downstream)

### (7.5.3) Methodological details

No other downstream emissions are considered material.

[Fixed row]

(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO<sub>2</sub>e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e)

94.2

(7.6.3) Methodological details

*Direct emissions associated with natural gas consumption at our head office in Calgary (our only location). The volume of natural gas consumed in our office building was provided on a monthly basis for the year ended December 31, 2023 by our property manager. Natural gas consumption is not tracked by individual tenant. The property manager calculates PrairieSky's share of natural gas consumption based on our occupied square footage as a percentage of the building's total square footage. Emissions were calculated by multiplying PrairieSky's natural gas consumption by the Canadian emission factors taken from the National Inventory Report 1990-2022: Greenhouse Gas Sources and Sinks in Canada (Part 2, Annex 6) published 2024. The total GHG emissions in tonnes of CO<sub>2</sub>e were calculated by multiplying the mass of each gas (CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O) by its global warming potential (GWP) and adding up the totals. GWPs are from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, 2022 (GWP of CO<sub>2</sub> 1, GWP of CH<sub>4</sub> 29.8 and GWP of N<sub>2</sub>O 273).*

[Fixed row]

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO<sub>2</sub>e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO<sub>2</sub>e)

130.1

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO<sub>2</sub>e) (if applicable)

0

#### (7.7.4) Methodological details

*Indirect emissions associated with energy corresponding to the production and transmission of electricity volume to our head office in Calgary. PrairieSky's electricity volumes were provided in kWh on a monthly basis for the year ended December 31, 2023 by our property manager. Electricity consumption is not tracked by individual tenant. The property manager calculates PrairieSky's share of electricity consumption based on our occupied square footage as a percentage of the building's total square footage. Electricity emission factors are applied to the total kWh allocated to PrairieSky to calculate tonnes of CO2e. Canadian emission factors were sourced from the National Inventory Report 1990-2022: Greenhouse Gas Sources and Sinks in Canada (Part 3, Annex 13) published 2024. In 2023, PrairieSky once again purchased green electricity from Bullfrog Power to offset every unit of electricity used by putting a kWh of green electricity on the grid on our behalf. The emissions factor associated with the generation of this renewable electricity is effectively 0 tCO2e/kWh, which removes the CO2e emissions that otherwise would have been present with conventional electricity, thereby reducing our Scope 2 emissions by 131.1 tCO2e. The emissions factor can be found in the Bullfrog Power 2022 Green Electricity Emissions Calculation Methodology – June 2022.*

[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

#### Purchased goods and services

##### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

##### (7.8.5) Please explain

*Given the nature of our business, we do not consider purchased goods and services to contribute significantly to our total anticipated Scope 3 emissions.*

#### Capital goods

##### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

##### (7.8.5) Please explain

*Given the nature of our business, we do not consider capital goods to contribute significantly to our total anticipated Scope 3 emissions.*

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

### (7.8.1) Evaluation status

*Select from:*

Not relevant, explanation provided

### (7.8.5) Please explain

*Given the nature of our business, we do not consider fuel and energy related activities to contribute significantly to our total anticipated Scope 3 emissions.*

## Upstream transportation and distribution

### (7.8.1) Evaluation status

*Select from:*

Not relevant, explanation provided

### (7.8.5) Please explain

*We are continuing to evaluate. Given the nature of our business, we do not consider transportation and distribution to contribute significantly to our total anticipated Scope 3 emissions.*

## Waste generated in operations

### (7.8.1) Evaluation status

*Select from:*

Relevant, calculated

### (7.8.2) Emissions in reporting year (metric tons CO<sub>2</sub>e)

0.5

### (7.8.3) Emissions calculation methodology

Select all that apply

- Supplier-specific method

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### (7.8.5) Please explain

*Indirect emissions associated with waste generated in our operations in our head office in Calgary. PrairieSky's waste volumes were provided in metric tonnes on a monthly basis for the year ended December 31, 2023 by our property manager. Waste is not tracked by individual tenant. The property manager calculates PrairieSky's share of waste generated based on our occupied square footage as a percentage of the building's total square footage. Waste emission factors are applied to the total metric tonnes allocated to PrairieSky to calculate tonnes of CO2e. The waste emission factor was sourced from the EPA Center for Corporate Climate Leadership (US Environmental Protection Agency) updated February 2024 and was applied to convert metric tonnes of waste into tonnes of CO2e.*

Business travel

### (7.8.1) Evaluation status

Select from:

- Relevant, calculated

### (7.8.2) Emissions in reporting year (metric tons CO2e)

28.1

### (7.8.3) Emissions calculation methodology

Select all that apply

- Distance-based method

### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### (7.8.5) Please explain

*Information is tracked internally and includes flight segments and mileage for travel by air, train, bus, and car between January 1, 2023 and December 31, 2023. PrairieSky applied a distance-based method to calculate its emissions. Flight segments are further classified into short, medium, and long-haul travel as set out by the EPA Center for Corporate Climate Leadership (US Environmental Protection Agency). Flight, bus, and car travel segments were then converted to tonnes of CO2e using emissions factors from the EPA (published February 2024) and GWPs from the IPCC Sixth Assessment Report, 2022. Emissions related to train travel were provided by Eurostar.*

### Employee commuting

#### (7.8.1) Evaluation status

Select from:

Relevant, calculated

#### (7.8.2) Emissions in reporting year (metric tons CO2e)

47.7

#### (7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

#### (7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### (7.8.5) Please explain

*Employees are surveyed quarterly on their mode of commuting between their home and work, providing the distance between their home and the office and the method of commuting for every quarter of the year. Employee mileage by mode of commuting is totaled for the year and emissions factors from the EPA Center for Corporate Climate Leadership (US Environmental Protection Agency) updated February 2024 are applied to convert mileage into tonnes of CO2e and GWPs from the IPCC Sixth Assessment Report, 2022.*

### Upstream leased assets

### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

### (7.8.5) Please explain

*We do not lease upstream assets in our business and therefore it is not relevant.*

## Downstream transportation and distribution

### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

### (7.8.5) Please explain

*Given the nature of our business, we do not consider downstream transportation and distribution to contribute significantly to our total anticipated Scope 3 emissions.*

## Processing of sold products

### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

### (7.8.5) Please explain

*The downstream emissions related to the extraction and production of PrairieSky's royalty share of production (crude oil, natural gas, and NGL) is reported by the third-party operators for the royalty lands. Royalty volumes are recorded as revenue by the operator and then paid as a royalty to PrairieSky.*

## Use of sold products

### (7.8.1) Evaluation status

Select from:

Relevant, not yet calculated

#### (7.8.5) Please explain

*We are currently evaluating Scope 3 "use of sold product" emissions to establish a single base year emission calculation which will enable comprehensive and consistent tracking of the emissions over time.*

End of life treatment of sold products

#### (7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

#### (7.8.5) Please explain

*We do not sell products in our business where end of life treatment would be relevant.*

Downstream leased assets

#### (7.8.1) Evaluation status

Select from:

Relevant, not yet calculated

#### (7.8.5) Please explain

*We are currently evaluating Scope 3 emissions related to Downstream Leased Assets to establish a single base year emission calculation which will enable comprehensive and consistent tracking of the emissions over time.*

Franchises

#### (7.8.1) Evaluation status



Select from:

Not relevant, explanation provided

(7.8.5) Please explain

*We do not own any franchises.*

Investments

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

*Given the nature of our business, we do not consider investments to contribute significantly to our total anticipated Scope 3 emissions.*

Other (upstream)

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

*No other upstream emissions are considered material.*

Other (downstream)

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

*No other downstream emissions are considered material.*

*[Fixed row]*

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

(7.8.1.1) End date

12/31/2022

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO<sub>2</sub>e)

0.5

(7.8.1.7) Scope 3: Business travel (metric tons CO<sub>2</sub>e)

13.6

(7.8.1.19) Comment

*Scope 3 emissions related to business travel were restated to include car and bus travel. Prior year Scope 3 emissions related to waste were restated to include waste diverted from landfills.*

Past year 2

(7.8.1.1) End date

12/31/2021

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO<sub>2</sub>e)

0.6

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

1.5

(7.8.1.19) Comment

*Prior year Scope 3 emissions related to business travel were restated to include car and bus travel. Prior year Scope 3 emissions related to waste were restated to include waste diverted from landfills.*

Past year 3

(7.8.1.1) End date

12/31/2020

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

1.5

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

6.7

(7.8.1.19) Comment

*Prior year Scope 3 emissions related to business travel were restated to include car and bus travel. Prior year Scope 3 emissions related to waste were restated to include waste diverted from landfills.*

Past year 4

(7.8.1.1) End date

12/31/2019

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

2.9

(7.8.1.7) Scope 3: Business travel (metric tons CO<sub>2</sub>e)

33.5

(7.8.1.19) Comment

*Prior year Scope 3 emissions related to business travel were restated to include car and bus travel. Prior year Scope 3 emissions related to waste were restated to include waste diverted from landfills.*

Past year 5

(7.8.1.1) End date

12/31/2018

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO<sub>2</sub>e)

2.8

(7.8.1.7) Scope 3: Business travel (metric tons CO<sub>2</sub>e)

18.8

(7.8.1.19) Comment

*Prior year Scope 3 emissions related to business travel were restated to include car and bus travel. Prior year Scope 3 emissions related to waste were restated to include waste diverted from landfills.*

[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	<i>Select from:</i> <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	<i>Select from:</i> <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 3	<i>Select from:</i> <input checked="" type="checkbox"/> Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

#### (7.9.1.1) Verification or assurance cycle in place

*Select from:*

Annual process

#### (7.9.1.2) Status in the current reporting year

*Select from:*

Complete

#### (7.9.1.3) Type of verification or assurance

*Select from:*

Limited assurance

#### (7.9.1.4) Attach the statement

*2023-PRAIRIESKY-Sustainability-Report.pdf*

#### (7.9.1.5) Page/section reference

*Please see page 101 for Scope 1 emissions. For additional disclosures, see entire assurance report (Page 92-103)*

#### (7.9.1.6) Relevant standard

*Select from:*

ISAE 3410

#### (7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

#### (7.9.2.1) Scope 2 approach

*Select from:*

Scope 2 location-based

#### (7.9.2.2) Verification or assurance cycle in place

*Select from:*

Annual process

#### (7.9.2.3) Status in the current reporting year

Select from:

Complete

(7.9.2.4) Type of verification or assurance

Select from:

Limited assurance

(7.9.2.5) Attach the statement

*2023-PRAIRIESKY-Sustainability-Report.pdf*

(7.9.2.6) Page/ section reference

*Please see page 101 for Scope 1 emissions. For additional disclosures, see entire assurance report (Page 92-103)*

(7.9.2.7) Relevant standard

Select from:

ISAE 3410

(7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

- Scope 3: Waste generated in operations
- Scope 3: Business travel
- Scope 3: Employee commuting

#### (7.9.3.2) Verification or assurance cycle in place

Select from:

- Annual process

#### (7.9.3.3) Status in the current reporting year

Select from:

- Complete

#### (7.9.3.4) Type of verification or assurance

Select from:

- Limited assurance

#### (7.9.3.5) Attach the statement

*2023-PRAIRIESKY-Sustainability-Report.pdf*

#### (7.9.3.6) Page/section reference

*Please see page 101 for Scope 1 emissions. For additional disclosures, see entire assurance report (Page 92-103)*

#### (7.9.3.7) Relevant standard

Select from:

- ISAE 3410

#### (7.9.3.8) Proportion of reported emissions verified (%)



[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

Decreased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO<sub>2</sub>e)

26.7

(7.10.1.2) Direction of change in emissions

Select from:

Decreased

(7.10.1.3) Emissions value (percentage)

22

(7.10.1.4) Please explain calculation

*In 2023, we decreased our renewable energy purchases by 26.7 metric tons CO<sub>2</sub>e (94.2 metric tons of CO<sub>2</sub>e less 120.9 metric tons of CO<sub>2</sub>e), or 22%. We purchase renewable energy to offset 100% of our Scope 1 emissions. Because our Scope 1 emissions were lower in 2023, we purchased less renewable energy to offset 100% of emissions. We divided 26.7 metric tons of CO<sub>2</sub>e by total renewable energy purchases in 2022 (Scope 1) of 120.9 metric tons CO<sub>2</sub>e to calculate the 22% decrease.*

Other emissions reduction activities

#### (7.10.1.1) Change in emissions (metric tons CO<sub>2</sub>e)

45.3

#### (7.10.1.2) Direction of change in emissions

Select from:

Decreased

#### (7.10.1.3) Emissions value (percentage)

17

#### (7.10.1.4) Please explain calculation

*In 2023, we decreased our Scope 1 and 2 GHG emissions by 45.3 metric tons CO<sub>2</sub>e (225.3 metric tons of CO<sub>2</sub>e less 270.6 metric tons of CO<sub>2</sub>e) or 17%. We divided this number by the total 2022 Scope 1 and 2 emissions of 270.6 metric tons CO<sub>2</sub>e to calculate the 17% decrease.*

*[Fixed row]*

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

Location-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:

No

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:

Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:

CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

93.717

(7.15.1.3) GWP Reference

Select from:

IPCC Sixth Assessment Report (AR6 - 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0.053

(7.15.1.3) GWP Reference

Select from:

IPCC Sixth Assessment Report (AR6 - 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:

N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0.43

(7.15.1.3) GWP Reference

Select from:

IPCC Sixth Assessment Report (AR6 - 100 year)

[Add row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Canada	94.2	131.1	0

[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply

By facility

(7.17.2) Break down your total gross global Scope 1 emissions by business facility.

Row 1

(7.17.2.1) Facility

Suite 1700 350 7th Ave SW Calgary AB T2P 3N9

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

94.2

(7.17.2.3) Latitude

51.047539

(7.17.2.4) Longitude

-114.069706

[Add row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

By facility

(7.20.2) Break down your total gross global Scope 2 emissions by business facility.

	Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	Suite 1700 350 7th Ave SW Calgary AB T2P 3N9	131.1	0

[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

### Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO<sub>2</sub>e)

94.2

(7.22.2) Scope 2, location-based emissions (metric tons CO<sub>2</sub>e)

131.1

(7.22.4) Please explain

*PrairieSky's consolidated accounting group includes the parent and any subsidiaries. PrairieSky does not have any investees (i.e. associates, joint ventures or unconsolidated subsidiaries).*

### All other entities

(7.22.1) Scope 1 emissions (metric tons CO<sub>2</sub>e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO<sub>2</sub>e)

0

(7.22.4) Please explain

*PrairieSky's consolidated accounting group includes the parent and any subsidiaries. PrairieSky does not have any investees (i.e. associates, joint ventures or unconsolidated subsidiaries).*

[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:

Yes

(7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Row 1

(7.23.1.1) Subsidiary name

*Tenax Energy Inc.*

(7.23.1.2) Primary activity

Select from:

Land sales & leasing

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO<sub>2</sub>e)

0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO<sub>2</sub>e)

0

(7.23.1.14) Scope 2, market-based emissions (metric tons CO<sub>2</sub>e)

0

(7.23.1.15) Comment

Tenax Energy Inc. has no Scope 1 or Scope 2 emissions. All Scope 1 and 2 emissions are incurred by PrairieSky Royalty Ltd.  
[Add row]

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:

More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired heat	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired steam	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired cooling	Select from: <input checked="" type="checkbox"/> No
Generation of electricity, heat, steam, or cooling	Select from: <input checked="" type="checkbox"/> No

[Fixed row]



(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

495

(7.30.1.3) MWh from non-renewable sources

0

(7.30.1.4) Total (renewable and non-renewable) MWh

495

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

267.6

(7.30.1.3) MWh from non-renewable sources

0

(7.30.1.4) Total (renewable and non-renewable) MWh

267.6

Total energy consumption

(7.30.1.1) Heating value

Select from:

HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

762.6

(7.30.1.3) MWh from non-renewable sources

0

(7.30.1.4) Total (renewable and non-renewable) MWh

762.6

[Fixed row]

(7.30.6) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Select from: <input checked="" type="checkbox"/> No

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of heat	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of steam	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of cooling	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for co-generation or tri-generation	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

### Sustainable biomass

#### (7.30.7.1) Heating value

Select from:

Unable to confirm heating value

#### (7.30.7.2) Total fuel MWh consumed by the organization

0

#### (7.30.7.8) Comment

*PrairieSky does not consume this type of fuel.*

## Other biomass

### (7.30.7.1) Heating value

Select from:

HHV

### (7.30.7.2) Total fuel MWh consumed by the organization

495

### (7.30.7.8) Comment

*Biogas - Purchase of Bullfrog Power to offset 100% of our natural gas usage with Green Natural Gas (Operating Criteria and Quantification Methodology for Displacement of Natural Gas with Green Natural Gas)*

## Other renewable fuels (e.g. renewable hydrogen)

### (7.30.7.1) Heating value

Select from:

Unable to confirm heating value

### (7.30.7.2) Total fuel MWh consumed by the organization

0

### (7.30.7.8) Comment

*PrairieSky does not consume this type of fuel.*

## Coal

### (7.30.7.1) Heating value

Select from:

Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

*PrairieSky does not consume this type of fuel.*

Oil

(7.30.7.1) Heating value

Select from:

Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

*PrairieSky does not consume this type of fuel.*

Gas

(7.30.7.1) Heating value

Select from:

HHV

(7.30.7.2) Total fuel MWh consumed by the organization

**(7.30.7.8) Comment**

*This relates to natural gas consumption at our one office location. The emissions factor of 0.00197 is calculated using Environment Canada National Inventory Report 2024 Part 2 Table A6.1-1 and A6.1-3.*

Other non-renewable fuels (e.g. non-renewable hydrogen)

**(7.30.7.1) Heating value**

Select from:

Unable to confirm heating value

**(7.30.7.2) Total fuel MWh consumed by the organization**

0

**(7.30.7.8) Comment**

*PrairieSky does not consume this type of fuel.*

Total fuel

**(7.30.7.1) Heating value**

Select from:

HHV

**(7.30.7.2) Total fuel MWh consumed by the organization**

495

**(7.30.7.8) Comment**

*PrairieSky only consumes gas and other biomass.*

[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Canada

(7.30.16.1) Consumption of purchased electricity (MWh)

267.6

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

267.60

[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

4e-7

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

225.3

(7.45.3) Metric denominator

Select from:

unit total revenue

(7.45.4) Metric denominator: Unit total

513200000

(7.45.5) Scope 2 figure used

Select from:

Location-based

(7.45.6) % change from previous year

4

(7.45.7) Direction of change

Select from:

Increased

(7.45.8) Reasons for change

Select all that apply

Change in renewable energy consumption

Change in revenue



(7.45.9) Please explain

*Consumption of renewable energy decreased by 17% in 2023 compared to 2022. Revenues decreased 20% in 2023 due to lower commodity pricing in 2023 versus 2022.*

[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:

Waste

(7.52.2) Metric value

1.4

(7.52.3) Metric numerator

*Total waste generated is 1.4 metric tonnes.*

(7.52.4) Metric denominator (intensity metric only)

*Not applicable.*

(7.52.5) % change from previous year

22

(7.52.6) Direction of change

Select from:

Decreased

### (7.52.7) Please explain

*PrairieSky's waste is generated from its office location in downtown Calgary, our only business location. Waste generation decreased by 22% in 2023 compared to the previous year. The diversion rate, or the quantity of material diverted from landfill as a percentage of total waste generated, is 52%, meaning that 0.7 metric tonnes of waste was diverted from the landfill.*

[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

Absolute target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

### (7.53.1.1) Target reference number

Select from:

Abs 1

### (7.53.1.2) Is this a science-based target?

Select from:

No, but we anticipate setting one in the next two years

### (7.53.1.5) Date target was set

12/31/2018

### (7.53.1.6) Target coverage

Select from:

Organization-wide

### (7.53.1.7) Greenhouse gases covered by target

*Select all that apply*

- Carbon dioxide (CO2)
- Methane (CH4)
- Nitrous oxide (N2O)

### (7.53.1.8) Scopes

*Select all that apply*

- Scope 1
- Scope 2

### (7.53.1.9) Scope 2 accounting method

*Select from:*

- Location-based

### (7.53.1.11) End date of base year

12/31/2017

### (7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

127

### (7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

416

### (7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

### (7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

543.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/31/2025

(7.53.1.55) Targeted reduction from base year (%)

5

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO<sub>2</sub>e)

515.850

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)

94.2

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)

131.1

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO<sub>2</sub>e)

225.300

(7.53.1.78) Land-related emissions covered by target

Select from:

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

1170.17

(7.53.1.80) Target status in reporting year

Select from:

Achieved

(7.53.1.82) Explain target coverage and identify any exclusions

*This target relates to the Scope 1 and 2 emissions from electricity and natural gas consumption at our head office property.*

(7.53.1.83) Target objective

*This target relates to the Scope 1 and 2 emissions from electricity and natural gas consumption at our head office property.*

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

No

(7.53.1.86) List the emissions reduction initiatives which contributed most to achieving this target

*The reductions achieved to date (100% towards target completion) were mainly driven by emission reduction activities related to LED lighting and building equipment upgrades.*

Row 2

### (7.53.1.1) Target reference number

Select from:

- Abs 2

### (7.53.1.2) Is this a science-based target?

Select from:

- No, but we anticipate setting one in the next two years

### (7.53.1.5) Date target was set

12/31/2018

### (7.53.1.6) Target coverage

Select from:

- Organization-wide

### (7.53.1.7) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO<sub>2</sub>)
- Methane (CH<sub>4</sub>)
- Nitrous oxide (N<sub>2</sub>O)

### (7.53.1.8) Scopes

Select all that apply

- Scope 1
- Scope 2

### (7.53.1.9) Scope 2 accounting method

Select from:

Location-based

(7.53.1.11) End date of base year

12/31/2017

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

127

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

416

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

543.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/31/2025

(7.53.1.55) Targeted reduction from base year (%)

50

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

271.500

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

94.2

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

131.1

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

225.300

(7.53.1.78) Land-related emissions covered by target

Select from:

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

117.02

(7.53.1.80) Target status in reporting year

Select from:



Achieved

#### (7.53.1.82) Explain target coverage and identify any exclusions

*This target relates to the Scope 1 and Scope 2 emissions from electricity and natural gas consumption at our head office property. The reductions achieved to date (100% towards target completion) were mainly driven by emission reduction activities related to LED lighting and building equipment upgrades. All of PrairieSky's Scope 1 and Scope 2 emissions are covered by this target.*

#### (7.53.1.83) Target objective

*This target relates to the Scope 1 and Scope 2 emissions from electricity and natural gas consumption at our head office property.*

#### (7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

No

#### (7.53.1.86) List the emissions reduction initiatives which contributed most to achieving this target

*The reductions achieved to-date (100% towards target completion) were mainly driven by emission reduction activities related to LED lighting and building equipment upgrades. In addition, in 2021, the building manager worked to refine its allocation of GHG's to tenants.*

*[Add row]*

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

No other climate-related targets

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	<i>*Numeric input</i>
To be implemented	1	3000000
Implementation commenced	0	0
Implemented	2	18.61
Not to be implemented	0	<i>*Numeric input</i>

*[Fixed row]*

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

#### (7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

Lighting

#### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

18.6

#### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

*Select all that apply*

Scope 2 (location-based)

#### (7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

#### (7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

#### (7.55.2.6) Investment required (unit currency – as specified in C0.4)

0

#### (7.55.2.7) Payback period

Select from:

No payback

#### (7.55.2.8) Estimated lifetime of the initiative

Select from:

Ongoing

#### (7.55.2.9) Comment

*Our Corporate office building is managed by GWL Realty Advisors, who are committed to environmental leadership, and has achieved BOMA Best Platinum Certification for the building. We actively collaborate with our property manager to create a direct environmental impact through efforts to manage carbon emissions related to energy consumption, water use, and waste reduction. For example, we saw a reduction in our electricity consumption primarily driven by LED lighting and building equipment upgrades. Although PrairieSky's direct environmental footprint is small, we remain committed to reducing our resource consumption including a commitment to reducing emissions and waste.*

Row 2

#### (7.55.2.1) Initiative category & Initiative type

Waste reduction and material circularity

Product/component/material recycling

#### (7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

0.01

#### (7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

*Select all that apply*

Scope 3 category 5: Waste generated in operations

#### (7.55.2.4) Voluntary/Mandatory

*Select from:*

Voluntary

#### (7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

#### (7.55.2.6) Investment required (unit currency – as specified in C0.4)

0

#### (7.55.2.7) Payback period

*Select from:*

No payback

#### (7.55.2.8) Estimated lifetime of the initiative

Select from:

Ongoing

### (7.55.2.9) Comment

*Our Corporate office building is managed by GWL Realty Advisors, who are committed to environmental leadership, and has achieved BOMA Best Platinum Certification for the building. We actively collaborate with our property manager to create a direct environmental impact through efforts to manage carbon emissions related to energy consumption, water use, and waste reduction. For example, PrairieSky includes composting in all kitchens, paper recycling in all offices and electronics recycling. Additionally, PrairieSky has an internal program to reduce the amount of paper it uses on an annual basis which is part of a larger effort to move to a paperless system over time. Between 2019 and 2023, total waste to landfills has been reduced by 78% and paper consumption has been reduced by 56%. Although PrairieSky's direct environmental footprint is small, we remain committed to reducing our resource consumption including a commitment to reducing emissions and waste.*

[Add row]

### (7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

#### (7.55.3.1) Method

Select from:

Dedicated budget for energy efficiency

#### (7.55.3.2) Comment

*As part of PrairieSky's commitment to continuously reduce its limited carbon and energy impacts, there is a dedicated budget for carbon reduction projects. These activities include retaining third-party expertise to help us monitor and manage our overall carbon emissions strategy as well as working with our property manager GWL Realty Advisors to maintain BOMA BEST Platinum certification and supporting their initiatives including LED retrofits and building upgrades.*

Row 2

#### (7.55.3.1) Method

Select from:

Dedicated budget for other emissions reduction activities

### (7.55.3.2) Comment

*Some of our other environmental impacts are waste generation and water use. Employees participate in the building's extensive recycling program, which includes composting in all kitchens, paper recycling in all offices and electronics recycling. Additionally, PrairieSky has an internal program to reduce the amount of paper it uses on an annual basis, which is part of a larger effort to move to a paperless system over time. Between 2019 and 2023, paper consumption was reduced by 56%. In addition, in this same period, water use decreased 19% as low-flow facilities were installed in the building.*

[Add row]

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

### (7.74.1.1) Level of aggregation

Select from:

Product or service

### (7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

No taxonomy used to classify product(s) or service(s) as low carbon

### (7.74.1.3) Type of product(s) or service(s)

CO2 storage

CO2-enhance oil recovery

### (7.74.1.4) Description of product(s) or service(s)

*PrairieSky has entered into leasing agreements with third parties to use certain of our royalty properties (sub-surface mineral rights) to inject CO2 from third-party emitters in enhanced oil recovery projects. This CO2-enhanced oil recovery project takes in a unit that spans Crown (government lands) as well as PrairieSky lands. By allowing this project on our royalty lands, we are paid a royalty (% of oil royalty production) as oil is produced. To date the project has sequestered over 1 million tonnes of CO<sub>2</sub> that would otherwise have gone into the atmosphere, but instead was captured, compressed, and transported to a mature oilfield in Clive, Alberta where it was sequestered. This rate of carbon mitigation has the estimated equivalent emissions impact of taking approximately 350,000 cars off the road. PrairieSky collects royalties on two other CO2-enhanced oil recovery projects as well.*

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

No

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.43

[Add row]

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

No

## C9. Environmental performance - Water security

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

### Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

Not relevant

(9.2.4) Please explain

*PrairieSky's water use is only at its one office location in downtown Calgary in the First Canadian Centre which is part of GWL Realty Advisors' office portfolio. PrairieSky does not make any water withdrawals as part of its operations.*

### Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

Not relevant

(9.2.4) Please explain

*PrairieSky's water use is only at its one office location in downtown Calgary in the First Canadian Centre which is part of GWL Realty Advisors' office portfolio. PrairieSky does not make any water withdrawals as part of its operations.*

### Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:



Not relevant

#### (9.2.4) Please explain

*PrairieSky's water use is only at its one office location in downtown Calgary in the First Canadian Centre which is part of GWL Realty Advisors' office portfolio. PrairieSky does not make any water withdrawals as part of its operations.*

#### Water discharges – total volumes

#### (9.2.1) % of sites/facilities/operations

Select from:

Not relevant

#### (9.2.4) Please explain

*PrairieSky's water use is only at its one office location in downtown Calgary in the First Canadian Centre which is part of GWL Realty Advisors' office portfolio. PrairieSky does not discharge any water as part of its operations.*

#### Water discharges – volumes by destination

#### (9.2.1) % of sites/facilities/operations

Select from:

Not relevant

#### (9.2.4) Please explain

*PrairieSky's water use is only at its one office location in downtown Calgary in the First Canadian Centre which is part of GWL Realty Advisors' office portfolio. PrairieSky does not discharge any water as part of its operations.*

#### Water discharges – volumes by treatment method

#### (9.2.1) % of sites/facilities/operations

Select from:

Not relevant

#### (9.2.4) Please explain

*PrairieSky's water use is only at its one office location in downtown Calgary in the First Canadian Centre which is part of GWL Realty Advisors' office portfolio. PrairieSky does not discharge any water as part of its operations.*

Water discharge quality – by standard effluent parameters

#### (9.2.1) % of sites/facilities/operations

Select from:

Not relevant

#### (9.2.4) Please explain

*PrairieSky's water use is only at its one office location in downtown Calgary in the First Canadian Centre which is part of GWL Realty Advisors' office portfolio. PrairieSky does not discharge any water as part of its operations.*

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

#### (9.2.1) % of sites/facilities/operations

Select from:

Not relevant

#### (9.2.4) Please explain

*PrairieSky's water use is only at its one office location in downtown Calgary in the First Canadian Centre which is part of GWL Realty Advisors' office portfolio. PrairieSky does not discharge any water as part of its operations.*

Water discharge quality – temperature

#### (9.2.1) % of sites/facilities/operations

Select from:

Not relevant

#### (9.2.4) Please explain

*PrairieSky's water use is only at its one office location in downtown Calgary in the First Canadian Centre which is part of GWL Realty Advisors' office portfolio. PrairieSky does not discharge any water as part of its operations.*

Water consumption – total volume

#### (9.2.1) % of sites/facilities/operations

Select from:

100%

#### (9.2.2) Frequency of measurement

Select from:

Monthly

#### (9.2.3) Method of measurement

*PrairieSky's water use is only at its one office location in downtown Calgary in the First Canadian Centre which is part of GWL Realty Advisors' office portfolio. GWL provides monthly statements of water consumption for the building which is pro-rated back to PrairieSky based on allocated square footage.*

#### (9.2.4) Please explain

*PrairieSky's only water use is at our office location in downtown Calgary where our 66 employees work. This is our only business location. Water consumed is provided through the City of Calgary. PrairieSky provides water for drinking and sanitation as well as shower facilities for employees to encourage physical activity and alternative forms of transportation such as biking and walking to work.*

Water recycled/reused

#### (9.2.1) % of sites/facilities/operations

Select from:

Not relevant

#### (9.2.4) Please explain

*PrairieSky's water use is only at its one office location in downtown Calgary in the First Canadian Centre which is part of GWL Realty Advisors' office portfolio. PrairieSky does not make any water withdrawals as part of its operations.*

The provision of fully-functioning, safely managed WASH services to all workers

#### (9.2.1) % of sites/facilities/operations

Select from:

100%

#### (9.2.2) Frequency of measurement

Select from:

Continuously

#### (9.2.3) Method of measurement

*PrairieSky's water use is only at its one office location in downtown Calgary in the First Canadian Centre which is part of GWL Realty Advisors' office portfolio. GWL provides monthly statements of water consumption for the building which is pro-rated back to PrairieSky based on allocated square footage.*

#### (9.2.4) Please explain

*PrairieSky's only water use is at our office location in downtown Calgary where 66 employees work. This is our only business location. Water consumed is provided through the City of Calgary. PrairieSky provides water for drinking and sanitation as well as shower facilities for employees to encourage physical activity and alternative forms of transportation such as biking and walking to work.*

*[Fixed row]*

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

## Total withdrawals

### (9.2.2.1) Volume (megaliters/year)

0.58

### (9.2.2.2) Comparison with previous reporting year

Select from:

Lower

### (9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

### (9.2.2.4) Five-year forecast

Select from:

About the same

### (9.2.2.5) Primary reason for forecast

Select from:

Increase/decrease in business activity

### (9.2.2.6) Please explain

*PrairieSky's water use is only at its one office location in downtown Calgary in the First Canadian Centre which is part of GWL Realty Advisors' office portfolio. Water use is to serve our 66 employees in our only office location in the First Canadian Centre.*

## Total discharges

### (9.2.2.1) Volume (megaliters/year)

0

#### (9.2.2.2) Comparison with previous reporting year

Select from:

About the same

#### (9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

Maximum potential volume reduction already achieved

#### (9.2.2.4) Five-year forecast

Select from:

About the same

#### (9.2.2.5) Primary reason for forecast

Select from:

Maximum potential volume reduction already achieved

#### (9.2.2.6) Please explain

*PrairieSky does not have any water discharge as part of its operations. PrairieSky's water use is only at its one office location in downtown Calgary in the First Canadian Centre which is part of GWL Realty Advisors' office portfolio.*

Total consumption

#### (9.2.2.1) Volume (megaliters/year)

0.58

#### (9.2.2.2) Comparison with previous reporting year

Select from:

Lower

### (9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in efficiency

### (9.2.2.4) Five-year forecast

Select from:

About the same

### (9.2.2.5) Primary reason for forecast

Select from:

Increase/decrease in business activity

### (9.2.2.6) Please explain

*Water use is to serve our 66 employees at our one office location in downtown Calgary in the First Canadian Centre.*

*[Fixed row]*

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

### (9.2.4.1) Withdrawals are from areas with water stress

Select from:

No

### (9.2.4.8) Identification tool

Select all that apply

WRI Aqueduct

#### (9.2.4.9) Please explain

*PrairieSky's only water consumption is at its head office (only business location) in Calgary, Alberta. This is not considered a high baseline water stress area. [Fixed row]*

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

#### (9.3.1) Identification of facilities in the value chain stage

Select from:

No, we have assessed this value chain stage but did not identify any facilities with water-related dependencies, impacts, risks, and opportunities

#### (9.3.4) Please explain

*PrairieSky considers a number of factors, both quantitative and qualitative, when determining a financial or strategic impact to our business. These impacts include but are not limited to financial, operational, legal, strategic and reputational. When identifying or assessing a water-risk, the determination of whether it has a substantive financial impact is aligned with our corporate Enterprise Risk Management Framework taking into consideration the likelihood and the severity of the impact. We define substantive financial impact as any principal risk that has the potential to materially impact the ability of our business or business functions to meet or support a company objective and our business strategy. These are risks that are considered likely or almost certain to occur and impacts that are considered to have at least a moderate impact on our business by impacting funds from operations by at least 10% and reducing our market capitalization value by greater than 10%. We assess the annual impact of water-related risks on the costs of our business. Our only water-related expense is for water use at our office building in downtown Calgary, our only location. Costs related to water are less than 1% of our administrative expenses and are not considered substantive.*

Upstream value chain

#### (9.3.1) Identification of facilities in the value chain stage

Select from:



No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, but we are planning to do so in the next 2 years

#### (9.3.4) Please explain

*PrairieSky has not yet assessed our upstream value chain to fully understand whether there are water-related dependencies, impacts, risk, and opportunities.*  
[Fixed row]

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

#### (9.5.1) Revenue (currency)

513200000

#### (9.5.2) Total water withdrawal efficiency

884827586.21

#### (9.5.3) Anticipated forward trend

*We anticipate that our forward water use trend will remain in line with current year results. PrairieSky's only water use is in the head office, our only business location so we anticipate that the denominator (water withdrawal volumes) will remain minimal.*  
[Fixed row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes

[Fixed row]

(9.13.1) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Row 1

**(9.13.1.1) Regulatory classification of hazardous substances**

*Select from:*

List of substances (Canadian Environmental Protection Act)

**(9.13.1.2) % of revenue associated with products containing substances in this list**

*Select from:*

More than 80%

**(9.13.1.3) Please explain**

*PrairieSky owns subsurface mines and mineral rights. PrairieSky does not produce oil and natural gas but receives royalties (% of production) as third parties produce from our royalty properties. Third parties adhere to the strict environmental standards set by the Federal and Provincial governments in Canada. This includes strict standards on water use and water protection.*

[Add row]

(9.14) Do you classify any of your current products and/or services as low water impact?

#### (9.14.1) Products and/or services classified as low water impact

Select from:

Yes

#### (9.14.2) Definition used to classify low water impact

*Low impact would be minimal water usage in operations to generate revenue.*

#### (9.14.4) Please explain

*PrairieSky has no direct oil and gas operations and our only direct water use is water consumed by our 66 full and part-time staff in our head office in Calgary, Alberta, our only business location. PrairieSky has invested in royalty acquisitions in the Clearwater play in Northern Alberta. Third-party operators do not stimulate these wells by hydraulic fracturing, significantly reducing or eliminating any water required in their operations. In addition, given the multi-level well design and orientation, this play is developed using minimal surface disruption. Investments in the Clearwater lands have been an important strategic investment and represented 3.2% of our royalty acquisitions (1.9 million) in 2023, amounting to a total of 242 million since 2017.*

*[Fixed row]*

#### (9.15) Do you have any water-related targets?

Select from:

No, but we plan to within the next two years

#### (9.15.3) Why do you not have water-related target(s) and what are your plans to develop these in the future?

##### (9.15.3.1) Primary reason

Select from:

Important but not an immediate business priority

##### (9.15.3.2) Please explain

*Given the nature of our business and limited operational water footprint we have not set any water targets or goals. Water consumption is very minor to our business as it relates only to consumption at our head office location, which was 0.577 megaliters in 2023, down from 1.328 megaliters in 2017. This decrease is due to engagement with our office managers to implement low-flow facilities. Revenues from water injector and disposal wells are minimal. For example, in 2023 water disposal and injector income was approximately 1.3 million and the water disposal and injector revenue as a percentage of total revenue represented 0.3%. While important, these revenues are not considered substantive to our business and as a result we do not have any specific plans to set water reduction targets or goals in this area.*

*[Fixed row]*

## C10. Environmental performance - Plastics

(10.1) Do you have plastics-related targets, and if so what type?

	Targets in place
	<i>Select from:</i> <input checked="" type="checkbox"/> No, and we do not plan to within the next two years

[Fixed row]

## C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Actions taken in the reporting period to progress your biodiversity-related commitments
	<i>Select from:</i> <input checked="" type="checkbox"/> No, we are not taking any actions to progress our biodiversity-related commitments

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?
	<i>Select from:</i> <input checked="" type="checkbox"/> No

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Legally protected areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

Not assessed

(11.4.2) Comment

*PrairieSky has no direct oil and gas operations. All activities conducted on our royalty properties are carried out by third-party operators. We have not yet assessed whether our business activities are located in or near areas important for biodiversity.*

UNESCO World Heritage sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

Not assessed

(11.4.2) Comment

*PrairieSky has no direct oil and gas operations. All activities conducted on our royalty properties are carried out by third-party operators. We have not yet assessed whether our business activities are located in or near areas important for biodiversity.*

UNESCO Man and the Biosphere Reserves

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

Not assessed

(11.4.2) Comment

*PrairieSky has no direct oil and gas operations. All activities conducted on our royalty properties are carried out by third-party operators. We have not yet assessed whether our business activities are located in or near areas important for biodiversity.*

## Ramsar sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

Not assessed

(11.4.2) Comment

*PrairieSky has no direct oil and gas operations. All activities conducted on our royalty properties are carried out by third-party operators. We have not yet assessed whether our business activities are located in or near areas important for biodiversity.*

## Key Biodiversity Areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

Not assessed

(11.4.2) Comment

*PrairieSky has no direct oil and gas operations. All activities conducted on our royalty properties are carried out by third-party operators. We have not yet assessed whether our business activities are located in or near areas important for biodiversity.*

## Other areas important for biodiversity

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity



Select from:

Not assessed

#### (11.4.2) Comment

*PrairieSky has no direct oil and gas operations. All activities conducted on our royalty properties are carried out by third-party operators. We have not yet assessed whether our business activities are located in or near areas important for biodiversity.*

*[Fixed row]*

### C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

Methane emissions

(13.1.1.3) Verification/assurance standard

General standards

ISAE 3410, Assurance Engagements on Greenhouse Gas Statements

#### (13.1.1.4) Further details of the third-party verification/assurance process

*PwC verified the percentage of methane emissions out of the total scope 1 emissions. Please see the PwC Assurance Statement included in our Sustainability Report (starting on page 92).*

#### (13.1.1.5) Attach verification/assurance evidence/report (optional)

*2023-PRAIRIESKY-Sustainability-Report.pdf*

Row 2

#### (13.1.1.1) Environmental issue for which data has been verified and/or assured

*Select all that apply*

Climate change

#### (13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

Waste data

#### (13.1.1.3) Verification/assurance standard

General standards

ISAE 3410, Assurance Engagements on Greenhouse Gas Statements

#### (13.1.1.4) Further details of the third-party verification/assurance process

*PwC verified the waste generated, hazardous waste, and diversion rate for recovered waste. Please see the PwC Assurance Statement included in our Sustainability Report (starting on page 92).*

(13.1.1.5) Attach verification/assurance evidence/report (optional)

*2023-PRAIRIESKY-Sustainability-Report.pdf*

Row 3

(13.1.1.1) Environmental issue for which data has been verified and/or assured

*Select all that apply*

Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

Other data point in module 7, please specify

(13.1.1.3) Verification/assurance standard

General standards

ISAE 3410, Assurance Engagements on Greenhouse Gas Statements

(13.1.1.4) Further details of the third-party verification/assurance process

*PwC verified the types of greenhouse gases in scope 1 emissions (i.e. NOx, SOx, VOCs, and PM10). Please see the PwC Assurance Statement included in our Sustainability Report (starting on page 92).*

(13.1.1.5) Attach verification/assurance evidence/report (optional)

*2023-PRAIRIESKY-Sustainability-Report.pdf*

*[Add row]*

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

### (13.3.1) Job title

*Vice President, Finance & Chief Financial Officer*

### (13.3.2) Corresponding job category

*Select from:*

Chief Financial Officer (CFO)

*[Fixed row]*

