

*Sustainable Battery Value Chain
Showcase Series*

**SUSTAINABILITY
DISCLOSURES &
ACCESS TO CAPITAL**

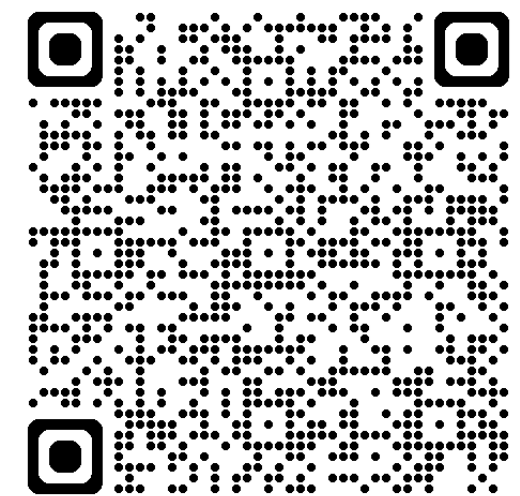
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Demian Newman, GreenWorks ESG

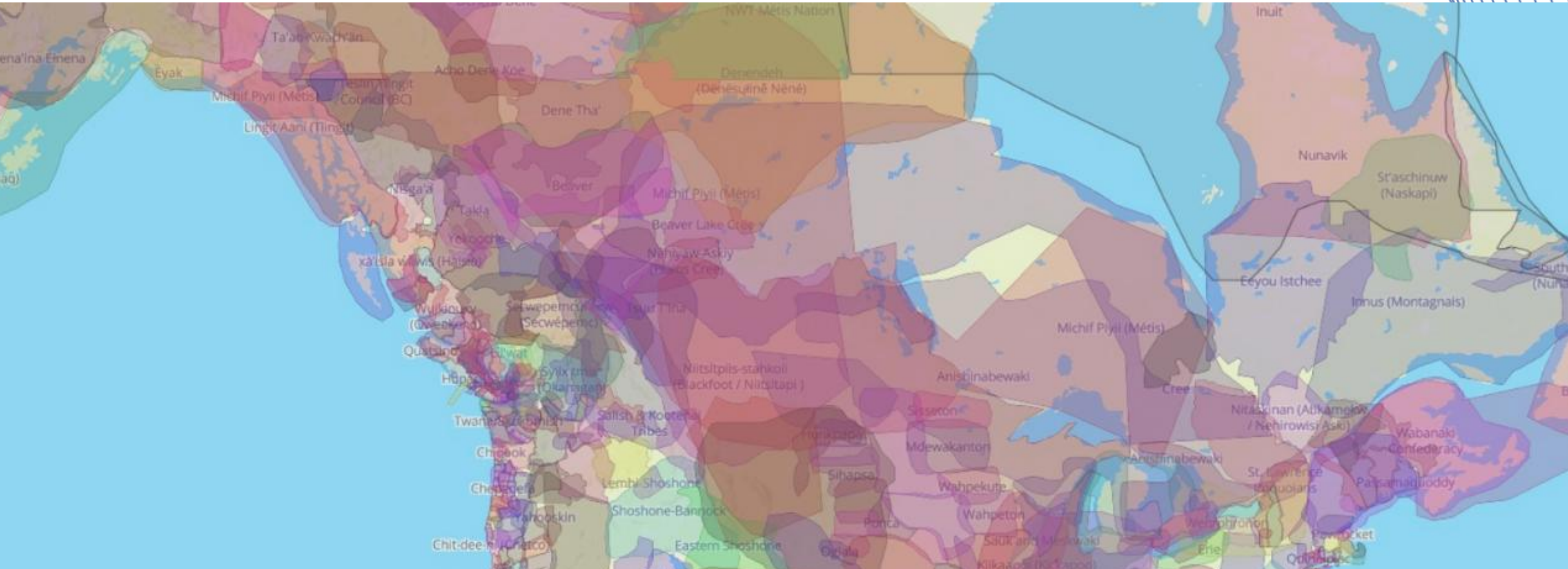
Art Robinson, Longbow Capital Inc.

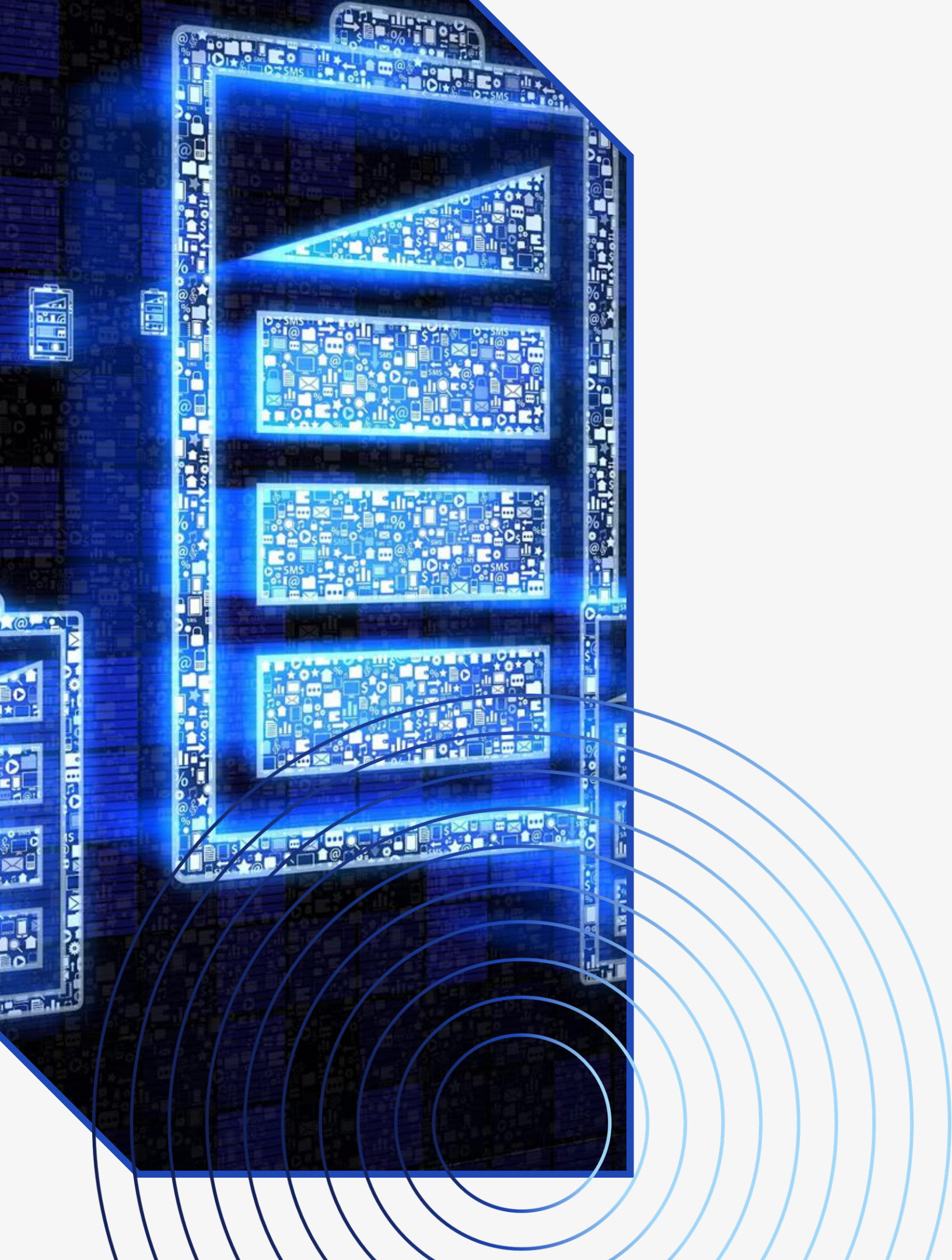


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Land Acknowledgement





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If you would like to connect with NRC IRAP, please contact Peter Howell:

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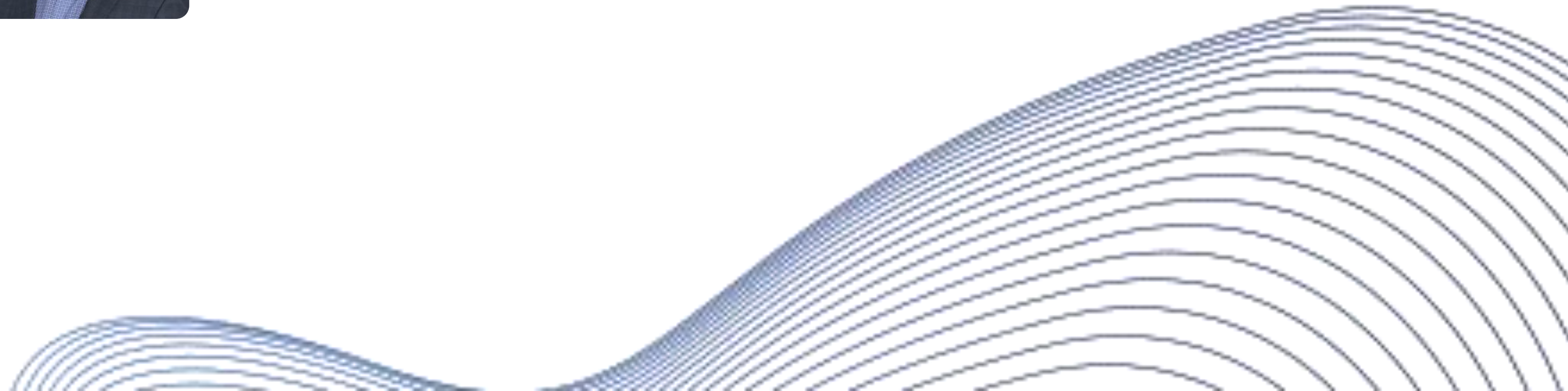
Senior Policy Director



Demian Newman

GreenWorks ESG

Co-Founder & CEO



Thank You!



BMAC

Battery Metals
Association of Canada

Contact Us

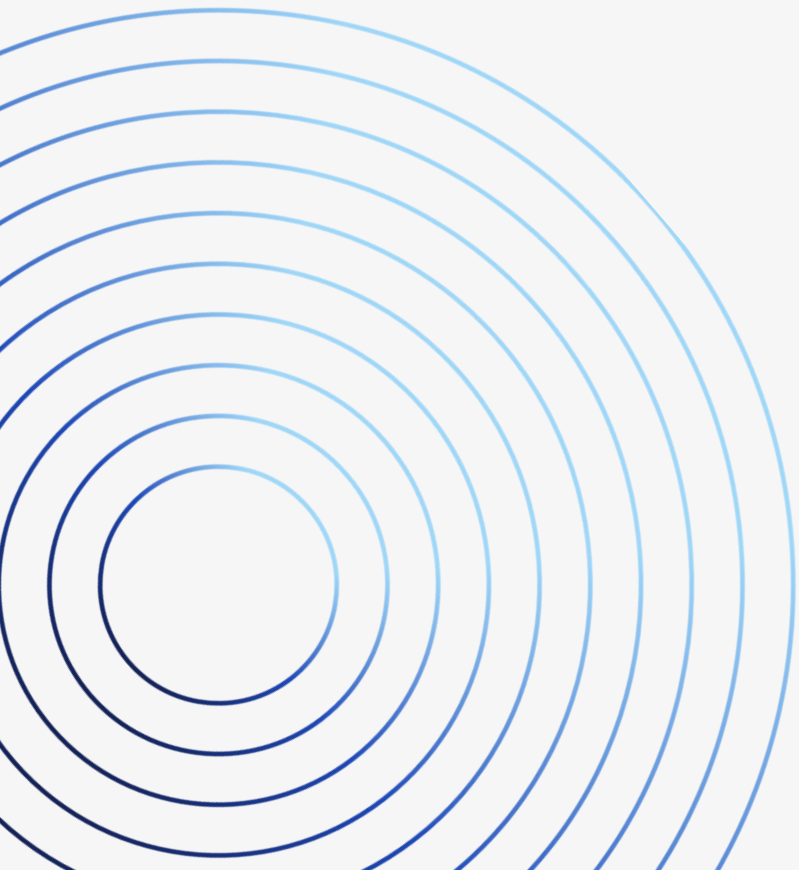
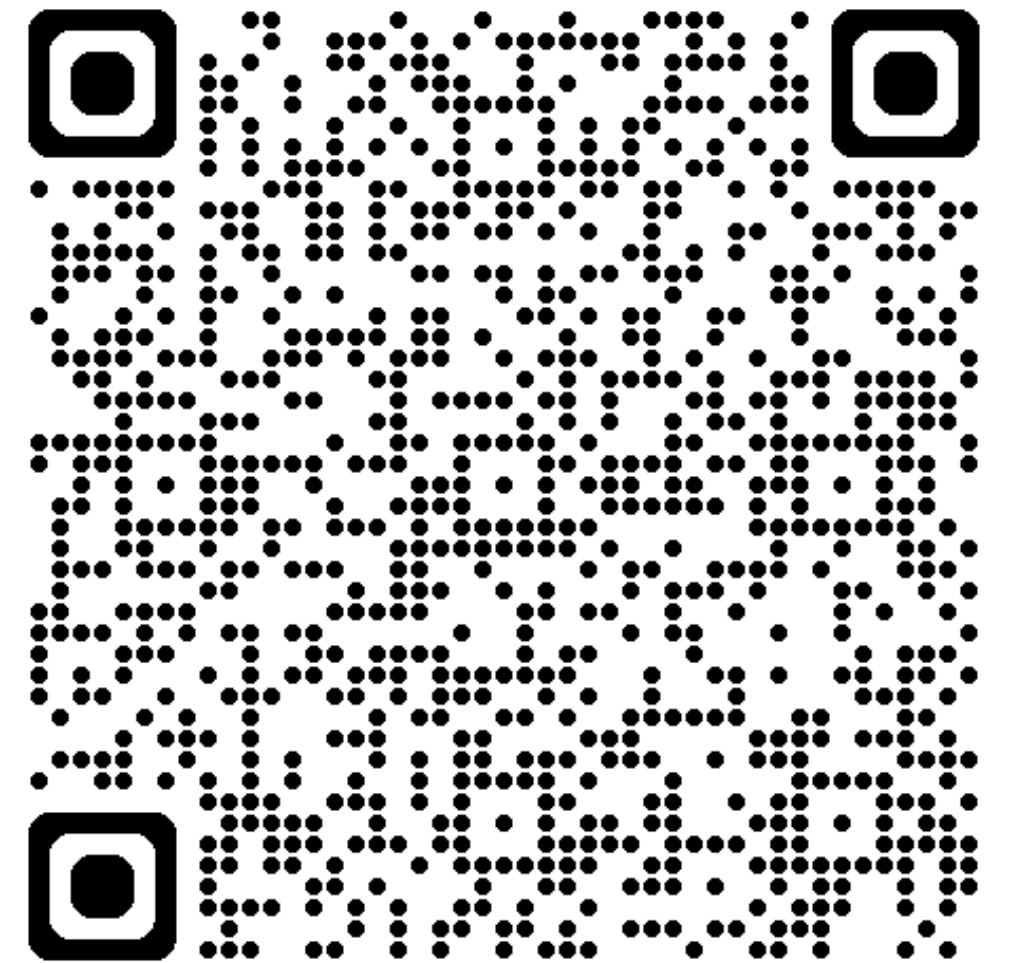
Find us here for more information about the
Battery Metals Association of Canada:



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www.bmacanada.org

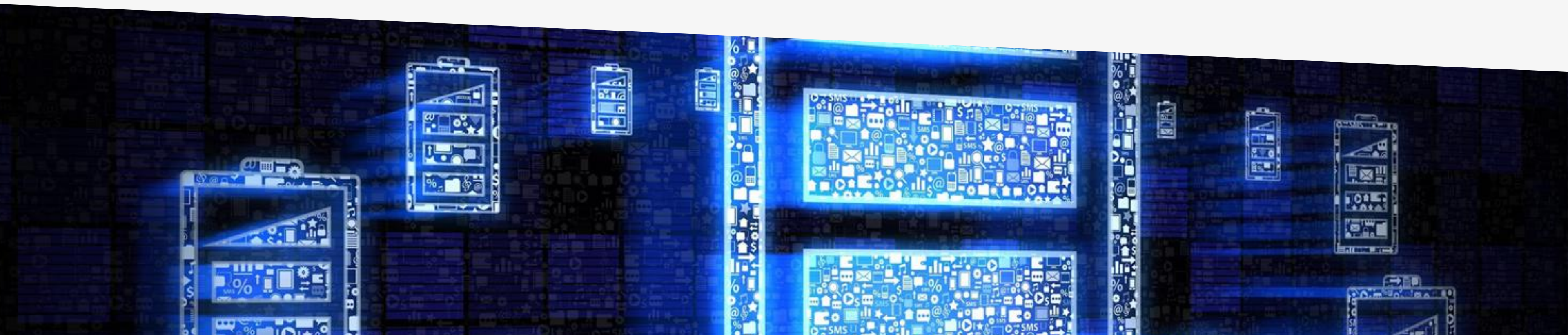


Join Us, for the Rest of the ESG Series...

Sustainability Disclosures & Access to Capital

Thursday, February 6th

9.00am PST | 12.00pm EST





GreenWorks ESG

Building Business Resiliency & Mitigating Risk



Demian Newman
CEO/Co-founder

welcome to the new normal

PSP Investments | Investissements PSP + Follow ...
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PSP Investments is proud to join Canada's leading pension investors, [BCI](#), [OPTrust](#), [CPP Investments | Investissements RPC](#), [University Pension Plan Ontario](#), [Ontario Teachers' Pension Plan](#), [Caisse de dépôt et placement du Québec \(CDPQ\)](#), [OMERS](#), [Investment Management Corporation of Ontario \(IMCO\)](#) and [HOOPP \(Healthcare of Ontario Pension Plan\)](#) to support the new [Canadian Sustainability Standards Board \(CSSB\)](#) disclosure standards.

We commend the CSSB on its efforts to broadly align with the [International Sustainability Standards Board \(ISSB\)](#) global baseline to develop a set of standards that would enhance the quality, consistency and comparability of sustainability-related information reported by Canadian entities.

We believe these standards will strengthen the Canadian market's sustainability disclosure infrastructure and improve the quality of information available to investors, stakeholders, and regulators.

To learn more: <https://lnkd.in/ecA6cG2j>



Advancing sustainability standards

Canada's leading pension fund investors express support for CSDS 1 and CSDS 2 standards

PSP

FRAS Canada Sustainability

 **GreenWorks ESG**
 1,461 followers
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On Monday a group of more than 200 financial services firms and organizations, including investors representing €6.6 trillion in AUM, announced the release of a new investor statement, warning the European Commission that easing its ...more



Breaking News (EU Edition)

€6.6 Trillion Investor Group warns against rolling back EU Sustainability Reporting will risk the flow of capital towards the EU

GREENWORKS ESG

Eric Yeomans, CBV and 1 other

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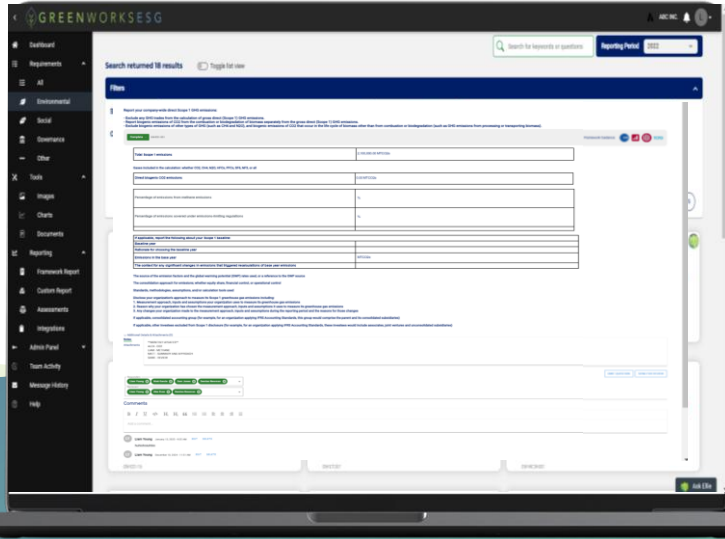
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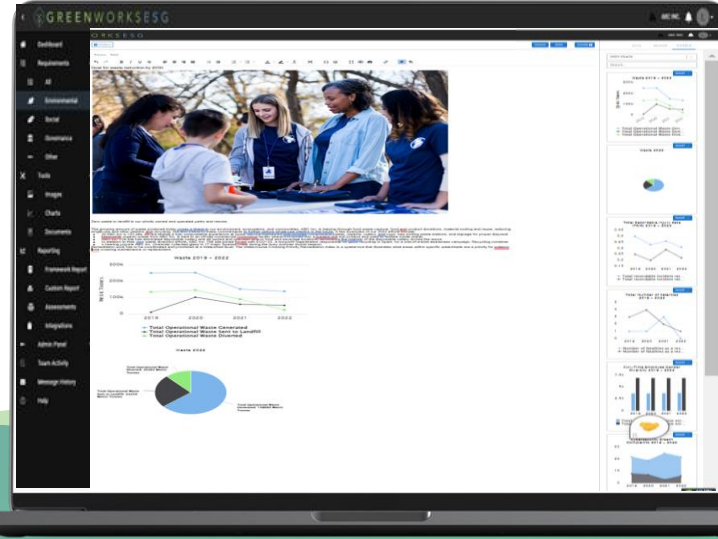
challenges of the new normal



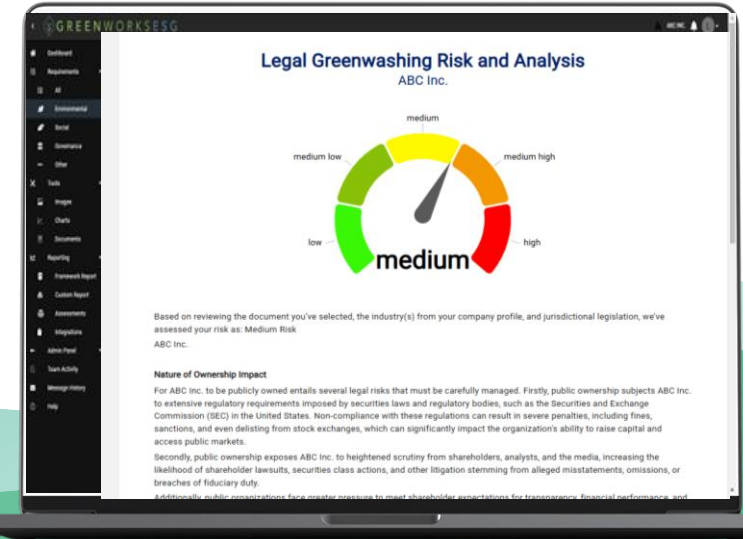
3 pillars of an ESG platform



Data Integrity



Report Building



AI Assessments

One Platform to solve the challenges of WHO, WHAT, WHERE, WHEN, & HOW

solution for every member

your ESG Starter Kit

Path

- ✓ Prebuilt key ESG topics with the most relevant and industry-demanded ESG categories
- ✓ Guidance throughout the workflow for best practices and risk mitigation
- ✓ Creates complete ease of use in data gathering and simplifies the ESG landscape
- ✓ Use for internal strategy or use Report Builder if/when members what to share data with stakeholders

members requiring a more comprehensive platform receive *preferred pricing* as an BMAC Member



HYBRID

- ✓ Single source of truth for all your sustainability programs
- ✓ RFP Assistant automates ESG responses for customers and any stakeholder request
- ✓ Chart/graph data and beautify reports with customized visuals
- ✓ Not yet ready for global ESG frameworks but would like to promote additional sustainability initiatives



ENTERPRISE

- ✓ Hybrid Platform plus:
- ✓ Global ESG Frameworks mapped together to streamline updates and avoid duplication
- ✓ Gap analysis to improve rating agency scores and reduced legal risk
- ✓ Engages with and collates stakeholders' ESG priorities and perspectives

OnePath integrated with both Hybrid and Enterprise Platforms



Building business resiliency & mitigating risk

www.gwesg.com

Navigating ESG: ESG Reporting & LP Expectations



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February 2025

Longbow Capital Overview

~\$1.5 Billion

Assets Under Management⁽¹⁾

27 Years

Investment Experience

>\$700 Million

Energy Transition Investments

2.7x MOIC

On Realized Energy Transition Investments

23% IRR

Net of Fees Since 2012⁽²⁾

>150 Exits

Across All Investments

>\$540 Million

Of Liquidity since January 2021



Longbow Capital is a Canadian investment manager focused on investing in energy, power, infrastructure, and technology; since its founding in 1997, Longbow has been a long-term strategic partner and an engaged and effective shareholder in over 150 high-growth investments.

Our long investing history, extensive relationship network and **deep understanding of how our energy system works** allows us to source and evaluate compelling opportunities that will benefit from the **multi-trillion dollar global decarbonization theme**.

Longbow is currently raising \$250 million for Longbow Energy Transition Fund II and has closed for commitments of \$236 million as of February 2025. Expecting a final close in June 2025.

Note: Figures in Canadian dollars.

(1) Calculated as of September 30, 2024; includes undrawn committed capital. See valuation notes on final page of this presentation. Figures originally in US\$ have been converted to C\$ at an exchange rate of 1.3499x, as of September 30, 2024.

(2) Calculated as of September 30, 2024; See valuation notes on final page of this presentation.

Energy Transition Fund Portfolio Companies



AI software with industry-leading cloud-based tools to help wind farm asset managers and owners reduce their insurance costs and maximize production while managing asset health.



Predictive analytics software platform for managing peak electricity costs for industrial customers, municipalities and electricity suppliers.



Low carbon remote and mobile power generation business using state of the art high efficiency engines, suited to provide power to high demand users, to power energy, mining, data center and other industrial user's power needs.



Cleaner, safer, and more cost-effective electric generation and distribution solutions to power remote equipment.



Market-leading, mission-critical cell and battery pack manufacturer with highly differentiated technology built over years of field research and development.



Recycling and waste collection services group focused on acquiring a series of companies and assets within the waste to power and waste to fuels space.

Longbow's ESG Policy

Longbow's ESG policy serves as a foundation of our sustainable investment strategy, ensuring that environmental, social, and governance factors are systematically integrated into the Firm's decision-making process.

Key ESG Policy Considerations:



Environmental Stewardship: Focus on reducing greenhouse gas emissions, conserving resources, and contributing to the energy transition.



Social Responsibility: Commitment to human rights, diversity, safe workplaces, and community development.



Good Governance: Promote transparency, accountability, and ethical practices across portfolio companies.

Actions described in the ESG Policy:

- ESG due diligence integration in the investment process through a dedicated questionnaire.
- Continuous monitoring and annual reporting of ESG performance, risks and opportunities within portfolio companies.
- Regular engagement with stakeholders, including investors and communities.
- Commitment to continued review and improvement of ESG policies and practices.

Investment Thesis

Our investment thesis focuses on three categories for impact: direct carbon reduction, the supply chain to energy transition businesses, and evolving the energy system. We believe the world needs a coordinated effort between all three to achieve its decarbonization and energy objectives.

#1 - Direct Decarbonization

We search for companies with transitional technologies that help critical industries decarbonize, save money and drive efficiencies. We measure their direct carbon reduction impact based on the emissions generated relative to the emissions generated by the customer's incumbent solution.

#2 - Supply Chains for a Greener Future

As the world seeks to transform its largest industries with new processes and technologies, some supply chains will become redundant and new and growing supply chains will be established. We source, identify and invest in the new products and services necessary to support the energy transition. We measure their impact based on the potential emissions avoided when a customer uses their product or services.

#3 - Evolving the Energy System

The energy system of the future will look different than the one we currently have. Where energy comes from, where we store it, how we transport it and how we consume it will all change over time.

ESG Integration Across the Investment Process

Stage	Tool / Policy	Description
1 Pre-Investment Review	Energy Transition Mandate Fit	IC approval of mandate fit prior to resource allocation.
	ESG Due Diligence Questionnaire	Collection of data and ESG risk assessment.
	Investment Memo / Committee Review	A review of ESG risk factors for the investment committee and any post-close ESG considerations/actions.
2 Monitoring and Engagement with Portfolio	ESG / DEI Reporting Templates	Track and review annual ESG performance of portfolio.
	Board Level Engagement	Active governance and engagement on key ESG topics/risks.
3 Reporting	Longbow ESG Reporting for LPs	Compile portfolio results, benchmark, and report on findings.
4 Sale	Integration of ESG in Materials for Prospective Buyer	Demonstrated track record of ESG reporting and risk mitigation will drive robust valuations at exit.



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ESG / DEI Reporting Requirements

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Metrics and Reporting

Through our pre-investment due diligence, we will establish a baseline as it relates to ESG and DEI across our portfolio with the intent to (1) observe, report on, and encourage progress over time, (2) ensure that material non-financial issues are identified, and (3) enable an understanding of the environmental, social and governance impact of companies in an investment portfolio.

Due Diligence Questionnaire

- Designed to assess what initiatives a company has in place and what factors will be most material to the company now and in the future
- Answers provide a basis for additional related discussions, and any key learnings or risks are integrated into the investment memo

Annual ESG & DEI Reporting

- Longbow's ESG-DEI reporting document is primarily informed by BDC's ESG and DEI reporting templates for Canadian GPs and The ILPA ESG and Climate Framework
- Expectations for detailed reporting requirements are provided on subsequent slides

Incremental ESG & DEI Reporting

- Continued evolution of reporting criteria as LP requirements change
- Longbow will be revising its ESG and DEI reporting to include additional metrics on climate change, diversity & inclusion, governance & business ethics, cybersecurity & data privacy, human capital management, and innovation

Due Diligence Questionnaire Overview

Longbow recently established an ESG Due Diligence Questionnaire designed to 1) screen for investment risks and opportunities, 2) establish a baseline, 3) serve as a measurement tool and guideline for best practices. The answers provide a basis for additional ESG related discussions, and key learnings are integrated into the investment memo. This memo is presented to Longbow's investment committee and is a key component in forming a final investment decision.



ESG Practices and Policies: Assesses if the company has an ESG policy, tracks and reports ESG metrics, and details any ESG-related incidents in the last five years.



Data Security: Reviews the company's cybersecurity measures, including systems in place to protect against risks, past data breaches, third-party audit compliance, and the presence of a data security policy and disaster recovery plan.



Supply Chain: Assesses the company's due diligence on supply chain risks, the implementation of KYC (Know Your Client) screening for vendors, and policies ensuring compliance with the Modern Slavery Act.



Climate: Examines the company's efforts to reduce GHG emissions, carbon offset programs, and any risks related to water usage or sensitive ecological sites.



Governance: Investigates the presence of independent board members, any existing ESG oversight at the board level, a list of board committees, their mandates, and whether the company engages in political contributions or lobbying activities.



Team & Working Environment: Reviews the completion of employee engagement surveys, wellness programs, support for employee volunteering, charitable donation programs, whistleblowing policies, maternity policies, codes of conduct, recruitment processes, and harassment reporting procedures.

Annual ESG and DEI Reporting Framework

Through annual ESG and DEI reporting, Longbow measures a baseline for both ourselves at the GP level and across our portfolio with the intent to:

- (1) Observe, report on, and encourage progress over time;
- (2) Ensure that material non-financial issues are identified and managed; and
- (3) Enable an understanding of the environmental, social and governance impact of companies in an investment portfolio.

Reporting is made available to investors annually in our Responsible Investing report.



ESG Reporting Categories:







- ESG policy and reporting methodology.
- Board composition and ESG oversight.
- Supply chain management and risks.
- Cybersecurity procedures and incidents.
- Employee engagement and protections.
- Greenhouse gas emissions and climate related disclosures.
- Energy consumption, water, and biodiversity impacts.



DEI Reporting Categories:

- DEI reporting and data collection methodology.
- Diversity metrics by role across various diversity dimensions, including gender, race/ethnicity, identification as LGBTQ2+ and veterans, and persons with disabilities; reported across total employees, management team, and board.
- Supplemental disclosure on DEI policies and practices.

Detailed ESG and DEI Reporting Metrics

Core Impact Dimensions	Metrics	Format
	<p>1. Climate Change Companies across sectors and geographies will be impacted by physical, policy, legal, technology, and market changes resulting from climate change mitigation and adaptation measures. Companies that manage their exposure to these trends are better positioned to be more resilient to the impacts of climate change.</p>	<p>Greenhouse gas emissions (Scope 1, 2 and, where possible, 3) Number</p> <p>Climate targets/objectives (short & long term) Number</p> <p>Annual avoided emissions Number</p> <p>Public disclosure (TCFD) Binary (Y/N)</p>
	<p>2. Diversity & Inclusion Diversity and inclusion (gender, ethnicity, experience, etc.) can support employee recruitment, improve customer relationships, foster creativity and lead to better decisions.</p>	<p>Diversity, equity and inclusion policy Binary (Y/N)</p> <p>Diversity of under-represented groups (board) Percentage</p> <p>Diversity of under-represented groups (c-suite) Percentage</p> <p>Indigenous community engagement program or policy Binary (Y/N)</p>
	<p>3. Governance & Business Ethics Proper business practices are essential for the long-term viability of any company. Individual or corporate misconduct related to business ethics (e.g., bribery, corruption, fraud, money laundering, discrimination, harassment, human rights) can cause significant financial or reputational damage to a company.</p>	<p>Anti-bribery and corruption policy Binary (Y/N)</p> <p>Code of Conduct Binary (Y/N)</p> <p>Responsible purchasing, supplier code of conduct or equivalent Binary (Y/N)</p>
	<p>4. Cybersecurity & Data Privacy Cyberattacks represent a material risk to many companies and can affect numerous stakeholders. Poor cybersecurity practices can lead to data breaches and business disruption, such as revenue losses, fines from regulators, reputational damage and erosion of customer confidence.</p>	<p>Cybersecurity perimeter breaches Number</p> <p>Cyber risks presented to executive management and/or board Binary (Y/N)</p> <p>Mandatory cybersecurity training for all employees Binary (Y/N)</p>
	<p>5. Human Capital Management Safe and healthy work environments are essential for the wellbeing of employees and the long-term sustainability of any company's operations. Poor policies and practices can lead to severe injuries, illnesses and fatalities. Human capital also encompasses the knowledge, motivation, skills and experience of a company's entire labor force.</p>	<p>Lost time injury incident rate (LTII) Number</p> <p>Estimated total jobs created or supported (e.g. temporary, permanent, direct and indirect), over a period of time as may be determined by the partner Number</p> <p>Employee turnover Percentage</p>
	<p>6. Innovation Metrics included to support tracking performance of investee company's against objectives and investment principles related to innovation and intellectual property</p>	<p>Annual export revenue from major projects, clean technology and/or low-carbon supply chains. Number</p> <p>Number of technologies and/or patents created, supported, or maintained Number</p> <p>% of Canadian R&D expenditures as a portion of overall revenue Number</p>



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Current ESG / DEI Landscape

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Current Pushback Against DEI & ESG

- In January 2025, President Trump signed Executive Order 14173, titled "Ending Illegal Discrimination and Restoring Merit-Based Opportunity." This order mandates federal agencies to eliminate DEI programs and prohibits federal contractors from implementing DEI-related employment practices. It also revokes several prior executive orders that supported DEI efforts, including Executive Order 11246, which had established requirements for non-discriminatory practices in hiring and employment.
- The order further directs agencies to review and potentially terminate contracts with organizations that continue DEI practices, compelling many companies to reassess their internal policies to maintain federal contracts.
- Following these federal directives, several major corporations have scaled back or eliminated their DEI programs. Companies such as Walmart, Meta, Amazon, McDonald's, Ford, Lowe's, Harley-Davidson, John Deere, and Tractor Supply have reduced or ended DEI initiatives, citing the new executive orders and associated legal risks.
- In recent months, several major banks have also withdrawn from the United Nations-backed Net-Zero Banking Alliance (NZBA), a coalition committed to aligning lending and investment portfolios with net-zero greenhouse gas emissions by 2050.

Trump order ending federal DEI programs leaves agencies and stakeholders on uncertain ground

War On DEI: Target Sued Over 'Ill-Advised DEI Campaigns'

RBC becomes the last big Canadian bank to quit major global climate alliance

Canadian withdrawal from Net-Zero Banking Alliance follows a similar exodus in the U.S

DEI backlash: From Meta to Walmart, here are top US companies scaling back or abandoning Diversity programs

However Continued Support Still Remains...

- While certain entities are retreating from DEI and ESG initiatives due to various pressures, a significant number of organizations remain committed, adapting their strategies to uphold these principles in alignment with their values and long-term objectives.
- Leaders like Jamie Dimon of JPMorgan Chase have publicly defended DEI initiatives, emphasizing their importance for innovation and financial performance. Costco has also maintained its DEI policies, opposing shareholder proposals that sought to limit them.
- Despite withdrawals from the Net-Zero Banking Alliance, several banks have stated their continued dedication to achieving net-zero emissions through independent strategies, focusing on providing capital for climate initiatives and supporting clients in their transition to low-carbon operations.



We believe that the global energy transition represents one of the most significant economic opportunities of our time and acknowledge the importance of DEI in fostering a more innovative and competitive business environment. Our core mission is to deliver superior financial returns by contributing to a cleaner, more resilient energy future.

Valuation and Returns Notice

The **Longbow net internal rate of return since 2012** of 23% represents the estimated internal rate of return for all of the dissolved and existing Longbow partnerships from vintage year 2012 onwards after accounting for fees and carried interest assuming a hypothetical dissolution of all existing partnerships as of September 30, 2024, to the extent that the partnership had not been dissolved in a prior year, at the estimated fair market values of unrealized investments. The IRR is calculated using a committed capital weighted average of the net IRR for each partnership.

Notes to Investment History. The performance figures in this presentation have been prepared in good faith and are based on original sources and data, as applicable, that Longbow believes to be reliable, but no representations are made as to their accuracy or completeness. Past or projected performance is not necessarily indicative of future results, and there can be no assurance that the Fund will achieve comparable results or that targeted returns will be met. Any specific investments discussed herein are for illustrative purposes only and are intended to demonstrate the investing experience of Longbow. There can be no assurance that the Fund will make comparable investments, implement its investment strategy, achieve its investment objective, or avoid substantial losses. The ultimate returns realized by the Fund will depend on numerous factors that are subject to uncertainty. The performance figures in this presentation are based on unaudited fair value calculations that are internally prepared or based on recent third-party transactions.

Actual realized proceeds on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the valuations reflected in the historical investment performance data contained herein are based. Accordingly, the actual realized proceeds on these unrealized investments may differ materially from the returns indicated herein.

Net Multiple of Original Capital (“Net MOIC”) in this presentation refers to the multiple derived from dividing the total realized and unrealized value by the total contributed capital, on a net basis, and reflects the deduction of fees, expenses, carried interest and other expenses borne by investors. Figures are pre-tax.

Net Internal Rate of Return (“IRR” or “Net IRR”) in this presentation refers to the aggregate, annual, compound internal rate of return after the deduction of fees, expenses, carried interest and other expenses borne by investors. Net IRR is based on the actual or expected timing of investment cash flows for realized investments and assume liquidation of unrealized investments as of the measurement date at the estimated fair market value. Net IRR is calculated using the Microsoft Excel XIRR function. Figures are pre-tax.

Gross MOIC (“Gross MOIC”) in this presentation refers to the multiple derived from dividing the total realized and unrealized value by the total Invested Capital, on a gross basis, and does not reflect the deduction of fees, expenses, taxes, carried interest and other expenses borne by investors, which are expected to be substantial.

Gross Internal Rate of Return (“Gross IRR”) in this presentation refers to the aggregate, annual, compound internal rate of return prior to the deduction of fees, expenses, taxes, carried interest and other expenses borne by investors, which reduce returns and in the aggregate are expected to be substantial. Gross IRR is based on the actual or expected timing of investment cash flows for realized investments and assume liquidation of unrealized investments as of the measurement date at the estimated fair market value. The Gross IRR of an individual investment does not include any rate of return on any cash or cash equivalent instruments held by such fund or individual investment during the periods presented. Gross IRR is calculated using the Microsoft Excel XIRR function.



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