

csvmidstream.com

Shared Value Report

ESG Performance



CSV
midstream solutions

20
22

2022 Shared Value Report

03	A message from our CEO
04	2022 Sustainability Highlights
05	Creating Shared Value in ESG
06	Operations and Facilities
07	Our Assets
08	Asset Integrity
09	Health and Safety
10	Materiality Assessment
11	Environment
12	Water
13	Emissions
14	Land and Biodiversity
14	Spills and Environmental Compliance

15	Social
16	Workplace Health and Happiness
17	Diversity, Equity, and Inclusion
17	Community Commitments
17	Building Relationships – Indigenous Commitments
18	Governance
19	Board Governance
20	Supply Chain Management
20	ESG Risk Management
20	Ethical Business Conduct
21	Looking Forward
22	Performance Table

What's in it for everyone?



Shared value can't be willed into existence. It must be created intentionally and inform the way we live, make decisions, and step into relationships. When Creating Shared Value assumes a place in our hearts and consciousness, it evolves beyond theory or business practice; it transforms into a way of being.

Creating Shared Value continued to guide our company through a year of tremendous impact and achievement. We improved the efficiency of our operations while reducing our greenhouse gas emissions intensity, maintained our zero Total Recordable Injury Frequency (TRIF) rate, and invested in a new suicide prevention and mental health program, among other accomplishments. Notably, we confirmed the final investment decision for our new Albright Gas Plant — the first greenfield gas plant with sulphur recovery to be built in Alberta in more than 30 years. Albright will see the creation of a new community-based organization to be funded and developed by CSV Midstream Solutions Corp. (CSV) and co-led by CSV and members of the community to address social needs in the Albright region. With an abundance of shared value opportunities unfolding around us, we also created a new role dedicated to creating shared value in the communities where we operate.

As a year marked by deep reflection and learning, we became increasingly aware of a critical issue that impacts every one of us: mental health. But why should we, a midstream company, pour ourselves into addressing this longstanding societal challenge? Why us, and not someone else?

It's no secret that many Oil and Gas workers often work long hours in remote locations, typically away from their regular support systems. This reality can present challenges for workers and their mental health, so we are investing in a new program to enhance the wellbeing of our teams and valued contractors at Albright. Yet we are also the first to acknowledge where our strengths reside; we are midstream experts, not mental health experts. We knew we couldn't tackle this challenge alone, and so therein lies the basis of our relationship with Centre for Suicide Prevention and our first foray into this space as champions of Buddy Up, a suicide prevention campaign. Through our involvement in the campaign in 2021, we saw the potential to deepen our commitment, so we worked with Centre for Suicide Prevention to further develop a suicide prevention training program in 2022 that we could implement on site during the construction of our Albright Gas Plant. Investing in Buddy Up Skills Training has become

a perfect example of how CSV is creating shared value: we are enhancing people's wellbeing, while simultaneously improving our company's productivity, safety, and culture.

Indeed, 2022 was a momentous year. Together, we lived our commitment to creating shared value, all because we were willing to pause and ask: how can we make a difference?

Daniel Clarke

Daniel Clarke, CEO

2022

Sustainability Highlights



Mental Health

Invested in a new mental health and suicide prevention program



Greenhouse Gas

Reduced greenhouse gas intensity by 11% as a result of increased production efficiency



Community Engagement

Spent 350 hours re-engaging community in the wake of the Covid-19 pandemic



Sulphur Recovery

97.7% sulphur recovery rate, exceeding recovery requirements of 95.9%



TRIF

0 Total Recordable Injury Frequency



Our Environmental, Social, and Governance (ESG) approach is reinforced by our commitment to creating economic value in a way that addresses a range of critical needs and challenges. From striving to extend life cycles for industry by-products such as sulphur, to improving energy efficiency or developing stronger community relationships, Creating Shared Value is integral to elevating our ESG performance. We believe the Creating Shared Value business model is foundational to ESG — invariably enhancing good ESG practices. By taking an engaged and inclusive approach to everything we do, we create wide-ranging benefits for the communities and environments in which we operate.

Our Shared Value report is once again guided by and aligned with globally recognized reporting standards for ESG performance, including the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), which allows us to gauge progress on our commitments and goals. The GRI 11 Oil & Gas Standards and the SASB Oil & Gas Midstream (EM-MD) Standards for our ESG Performance

Table remain central to our reporting practices. This report recognizes our alignment with the United Nations Sustainable Development Goals (SDGs), which provide a holistic and integrated global framework for sustainable development. We have highlighted where and how our work and commitments are helping to advance these global goals. Finally, we continue to collaborate with CSV’s investment partners, Northleaf Capital Partners, as we refine and execute our ESG goals.

We are proud to let our actions speak for themselves. As a community-minded midstream company, we know we can advance critical environmental, social, and governance initiatives in a way that creates shared value and benefits generations to come. We believe this report shows the many ways we are achieving this.

- ▶ Throughout this report, we highlight Creating Shared Value stories that demonstrate CSV’s unique approach to business development. These stories give our work a heartbeat; they capture our successes and the essence of who we are as a company.

Investing in Community

Mike Crawford
Director, Community Shared Value



When Creating Shared Value gains momentum, businesses and communities are presented with countless opportunities. Yet shared value isn’t conjured out of thin air. It must be created intentionally. With this awareness, CSV began investigating the potential for a role dedicated to Creating Shared Value. In 2022, this was actualized with the addition of Mike Crawford to the CSV team. Mike was hired as our Director of Community Shared Value, with the express purpose of deepening relationships in the communities where we operate, while unearthing local challenges and opportunities that could forge a path to shared value.

“I want to ignite that CSV spark — to help people feel passion and excitement when they realize that, by working together, we can create shared value.”

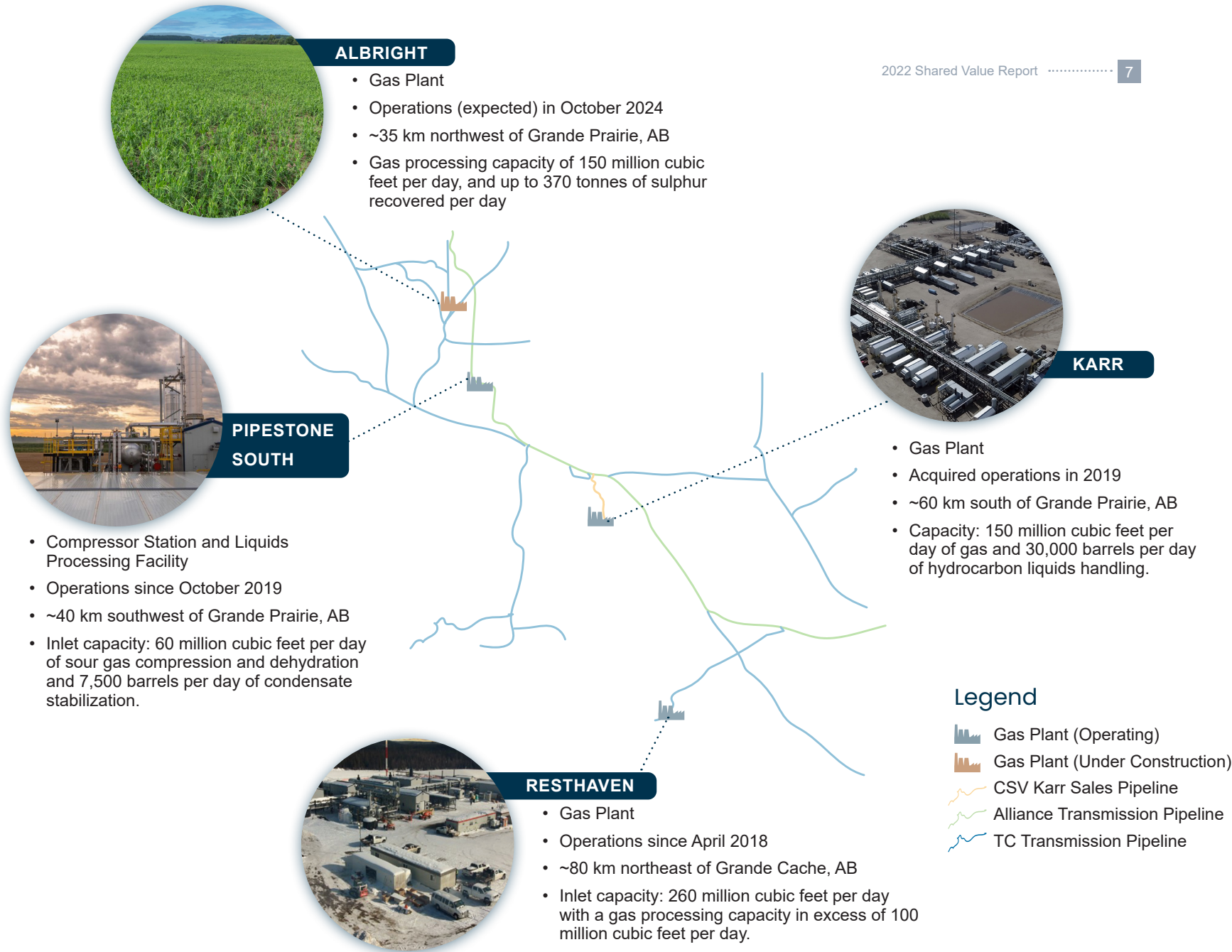
Operations and Facilities



Our Assets

At CSV we employ our own engineering, design, and operations teams in-house. With a nimble and experienced operations team, we respond quickly when operational issues arise, ensuring our facilities remain highly efficient and reliable. Meanwhile, our engineering and design teams work collaboratively with operations to identify effective solutions, and to increase reliability while minimizing costs. Excellence is our standard and our track record is proven. With industry-leading plant operations staff and deep corporate roots in Engineering, Procurement, and Construction (EPC), our personnel come from strong backgrounds in energy project execution and project management.

The CSV portfolio is comprised primarily of three fully operational midstream facilities and one facility under development. In fall of 2022, we announced a final investment decision (FID) to proceed with our Albright Gas Processing Facility, which includes sulphur recovery capabilities and is located near Grande Prairie, Alberta. This project represents the first greenfield sour gas plant with sulphur recovery in 30 years. The engineering, design, and construction management is being controlled in-house with the recovery process efficiency projected to be one of the highest in industry of similar technology. This facility will support the needs of natural gas and natural gas liquids producers within the region, while enhancing CSV's existing platform of natural gas processing infrastructure in Alberta's prolific Montney play. Construction commences in summer 2023.



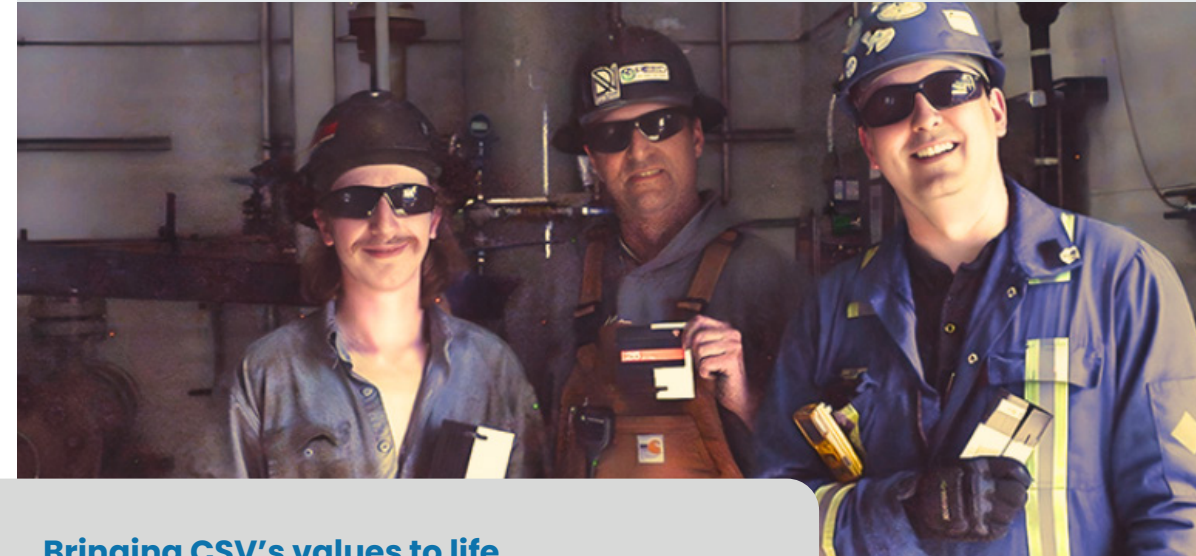


CSV executed a major maintenance turnaround at our Karr Gas Plant in June of 2022. The project required considerable coordination as numerous modifications and upgrades were completed simultaneously. Approximately one km of piping was inspected and replaced to enhance corrosion resistance.

In addition, we expanded the inlet header to accommodate new inlet pipelines from the gas producing fields which required highly-coordinated lifts to be safely managed. The Karr team identified all potential risk zones based on a range of scenarios and strategically positioned workers to minimize any exposure to injuries. As a result of the turnaround, the stability of the operation

was improved, resulting in fewer shutdowns and reduced flaring.

Overall, the turnaround was well planned, safely and efficiently executed, and completed ahead of schedule. We estimate that there were some 16,000 worker hours associated with the turnaround, which equates to an average of over 100 people on site each day. To improve efficiency, we streamlined our approach to contractor orientation. Instead of conducting orientation on site, contractors underwent a virtual orientation that enabled CSV to confirm safety credentials ahead of time. As a result, workers were able to begin work immediately upon arrival on site.



Bringing CSV's values to life

Roger Henault
Director, Operations

Roger Henault is well known for his commitment to health and safety, which he demonstrates not only through words, but through actions. During the Karr turnaround, Roger reinforced CSV's core values — excellence is the standard, building community, safe culture, and delivering happiness — acknowledging safe behaviour by handing out \$2500 in Canadian Tire gift cards. While crew members are expected to prioritize safety and must always wear PPE, the gift cards Roger offered created a sense of community, encouraged a deeper attentiveness to safety standards, and made workers feel seen and acknowledged.

Asset Integrity and Health and Safety



We are proud to maintain a strong track record as it relates to the health and safety of our employees and contractors, with a zero Total Recordable Injury Frequency (TRIF) rate for 2022. As a core value at CSV, health and safety leadership is demonstrated with engagement throughout all levels of the organization. CSV's Management and Executive Team share the commitment of being an active participant in the health and safety program alongside workers and supervisors. In 2022, CSV Management and Executive Team participated in the multiple field visits, emergency response trainings, hazard identification, risk analysis and health and safety process improvements. This involvement strengthens the relationship and communication with Operations, allowing for hazards to be identified and addressed quickly and effectively.

CSV fosters an environment of open communication and encourages all employees to bring forward opportunities and ideas to help make our worksites safe place. A key example of this can be seen in the way CSV teams collaboratively problem solve.

Most notably, we expanded our definition of Health and Safety to include mental health. We know mental wellbeing has a direct and proven impact on our physical safety, so we are implementing new safety measures that will enrich our safety culture.

In 2022, we committed to introducing a new mental health and suicide prevention program for on-site workers involved in the construction of our Albright Gas Plant. The Buddy Up Skills Training program* is the first of its kind to launch in Canada and will benefit hundreds of construction workers at our Albright site.

Depending on a person's level of training, they will assume one of three roles: a Buddy, a Connector, or a Supporter. Everyone on site will receive a colour-coded hardhat sticker indicating their level of suicide prevention training. While Buddy Up Skills Training will officially launch in summer of 2023, we are proud to have laid the groundwork for this program in 2022. From investing in program development, to training our construction management team and creating program materials, this work will ensure a smooth roll-out in the year to come.



> * This is a newly developed extension of the Centre for Suicide Prevention's pre-existing Buddy Up Campaign.

Materiality Assessment

In 2021, CSV's Executive Team engaged in a Materiality Assessment to identify ESG priorities that will enhance the business moving forward. These priorities reflect our core values and are informed by standards and best practices set forth by leading global sustainability institutions. We incorporated GRI and SASB topics into our Materiality Assessment and collectively assessed those which are most relevant to CSV.

In 2022, we continued to focus on these priorities, allowing for deeper impact as a result of increased momentum and investment. As such, the highest priorities identified through our initial assessment remained critical focus areas for CSV during this period.

With a number of significant developments planned for 2023, CSV intends to conduct a more in-depth Materiality Assessment in the coming years, considering input from employees and key stakeholders. In time, we plan to engage with communities to understand their material priorities to ensure we are keeping to our promise of creating shared value in all aspects of our operations and relationships.



Environment

- Water Conservation
- GHG Emissions
- Land and Biodiversity
- Energy Efficiency

Social

- Occupational Health, Safety, and Happiness
- Mental Health and Wellbeing
- Local Communities

Governance

- Board Quality and Diversity
- Asset Integrity/Incident Management
- Supply Chain Management

Environment



Water



Alberta's oil and gas industry relies on significant volumes of fresh water for its operations. To conserve fresh water in our industry, CSV designed a water recycling system that efficiently removes hydrogen sulphide (H₂S) from produced water, regardless of the H₂S concentration.

By providing recycled water to our customers for use in their production activities (specifically hydraulic fracturing and well stimulation operations), producers can enhance their environmental performance while protecting community assets. Because sour water (produced water containing H₂S, among other contaminants) cannot currently be reused for fracking purposes or returned to its natural environment, CSV's new technology creates shared value for communities, industry, and our company.

In June 2022, CSV completed a successful demonstration of the commercial scale unit with one of our contracted producers. We sustained in excess of a 1,500 m³/d rate of water sweetening, exceeding initial estimates, recycling an overall total of 8,600 m³ of sour produced water for use at a nearby frack site.

CSV continues to investigate a range of technical hurdles, including the transportation and storage of high salinity produced or recycled water. Meanwhile, we are deepening discussions and collaboration with industry partners as we seek to identify future sour water recycling opportunities, including multi-party water hub installations where significant volumes of water can be treated. Because of the nature of our industry partners' intermittent stimulation programs, a multi-party approach allows a more predictable and therefore continuous operation.



Swade Holowatuk
Sr. Production and Operations Specialist

"During the initial design, I estimated that we could sweeten 600m³/day of water on the low end, up to a maximum of 1000m³/day. We've already exceeded this early prediction and have since developed a commercially viable technology that has the potential to transform our industry. Every m³ that we are able to sweeten and recycle for use in fracture stimulations offsets a m³ of fresh water that would otherwise be used for this purpose."

How CSV's water recycling technology is creating shared value

Communities benefit from water conservation efforts that reduce the risk of fresh water scarcity in the future.

Industry benefits from a growing number of technology options. It can also hedge against a range of possible future scenarios, including water scarcity, while operating sustainably.

CSV leverages its expertise in building and operating, while deepening collaboration with industry players and delivering an economic solution that enhances the core business.



This work demonstrates our commitment to SDG6 Clean Water and Sanitation, specifically Target 6.3 to improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous chemicals and materials, halving the proportion of untreated water and substantially increasing recycling and safe reuse globally by 2030.

As an energy infrastructure company, CSV has a role to play in advancing a lower carbon economy. With the global energy landscape continuing to evolve, we are making changes to our operations and the way we do business. Natural gas remains the primary source of energy powering CSV's operations, in addition to 5,946 MWh of imported electricity at our Pipestone South facility. In 2022, we utilized approximately 3.7 million GJ of natural gas. Improving our operational efficiency is a key part of CSV's emissions reduction strategy.

GHG Emissions

CSV's greenhouse gas intensity decreased by 11% on average for all facilities compared to 2021 while our processing increased by 17%. The change in emissions and processing has been shaped by a series of strategic decisions, including the purchase and expansion of our Karr facility. In 2020, Karr was expanded from a compressor station to a processing facility. As a result, operations in 2021 presented a number of operational challenges related to starting up a facility after a major expansion. As expected, operational efficiency improved in 2022.

In 2022, the Karr facility received its Technology Innovation and Emissions Reduction (TIER) facility specific benchmark based on 2021 production and emission data. The 2022 TIER compliance report for Karr showed a reduction in greenhouse gas intensity of 14%, which can be attributed to improvements in operational efficiency.

During this same period, our Resthaven and Pipestone South facilities ramped up processing, resulting in an increase in efficiency.

CSV maintains a fugitive emissions management program (FEMP) that is aligned with industry standards. Emissions are minimized through regular leak detection and repair (LDAR) surveys to ensure our facilities operate in compliance with the prescribed provincial regulation for fugitive emissions.

In alignment with these efforts, CSV partnered with Kuva Systems to pilot a continuous monitoring initiative via the Natural Gas Innovation Fund (NGIF) Program. Kuva provides continuous images of methane emissions using a low-cost camera that identifies methane release locations and quantifies flow rates based on measurements taken by the minute.

Since implementing the first LDAR program at Karr, while under CSV's management, the number of overall releases has dramatically decreased. Methane due to fugitive emissions is now an immaterial component of CSV's overall greenhouse gas emissions profile.

These various initiatives are indicative of CSV's commitment to establishing a stronger baseline and more sustainable monitoring practices.

Air Emissions

CSV also tracks other air quality parameters, including sulphur emissions. To meet stringent regulatory requirements, CSV must adhere to a minimum rate of sulphur recovery at all facilities. At our Karr facility, our cumulative yearly sulphur recovery was 97.7%, exceeding recovery requirements of 95.9%. The high rate of recovery can be partially attributed to numerous projects focused on stabilizing operations and reducing the number of outages. We continue to monitor and track emissions beyond regulatory requirements.

Emissions Intensity (tCO₂e/m³OE)



tCO₂e is tonnes of carbon dioxide equivalent; m³OE is cubic metres of oil equivalent

➤ CSV has developed an energy efficiency and greenhouse gas emissions source dashboard, which enhances our ability to accurately track and forecast emissions from our operations. The dashboard allows our operations team to quickly identify and respond to anomalous emission events. This strengthens our metered data and as a result, improves the credibility of our emissions reporting.



CSV considered many processing technologies for our Albright Gas Processing Plant. We strove to find the most efficient sulphur recovery technology, while exceeding benchmark requirements. We worked with Axens and TotalEnergies to bring two new technologies to North America, the first of which will bring operational benefits to our sulphur recovery unit, the second provides best in class sulphur recovery metrics with a smaller footprint and reduced CapEx and OpEx. Coincidentally, the pursuit of more efficient technologies played an important role in streamlining regulatory approvals. The convergence of environmental and operational benefits is therefore another example of how Creating Shared Value can arise in response to careful, strategic decision making.

Land and Biodiversity

Our total land use in 2022 remained 77.7 hectares. We do not drill wells or disturb land outside our operated and leased facilities and infrastructure. Optimizing our plan for complete remediation is a critical component of being a responsible and engaged member of the communities we call home.

CSV's engineering and operations teams also work together to minimize land disturbances. Our facility layouts are designed to optimize land use while still providing adequate space to ensure safe operations and regular maintenance.

Spills and Environmental Compliance

One minor spill was reported at our Karr facility in December 2022. A small tank farm line leak occurred in an open but contained area and was immediately addressed. As a result, no contaminated water was released into the environment. As part of remediation, all snow and ice was melted and removed. The pipe was also replaced with coated pipe during the turnaround.



Social



Workplace Health and Happiness

With Creating Shared Value at the heart of our company, we continue to make workplace health and happiness a priority in our business. In spring of 2022, the province of Alberta began easing measures implemented in response to the COVID-19 pandemic, allowing our employees and contractors to return to the Calgary office. As a company that values our shared time, we were thrilled to have everyone back together, including bringing back our '2:30 fresh pots' where a fresh pot of coffee is shared in our breakroom every afternoon for conversations and catch ups.

In January 2022, we again offered Education Month with accredited experts for our staff and contractors on relevant topics impacting workplace health and happiness. These included:

We recognize the importance of continual learning in the workplace and beyond. As such, we are always looking for new ways to embed learning opportunities into our work and interactions. This notion extends to every facet of our business, including our operations and the health and safety of our workforce.

For instance, we know that mental health and suicide are still highly stigmatized in our work environments and in our broader communities. CSV is committed to changing this reality through awareness building and education. This year, we partnered with Centre for Suicide Prevention to collaboratively lay the foundation for Buddy Up Skills Training. Aligning with our mission to create shared value, every on-site worker will learn to skillfully respond

to co-workers who may be struggling with their mental health. We know that when our workers are at their best, our company is also at its best.

Learnings Offered

- Environmental Protection and Land Based Learning in the Natural Resource Extraction Industry
- Medicine Wheel: Indigenous Ways of Knowing
- Creating Shared Value in an ESG World
- Mindfulness Practices in the Workplace
- Writing SMART Goals for Workplace Performance
- The Sustainable Truths about the Energy Transition
- Psychological Safety, Mental Health and Brain Nutrition
- Cyber Security and Cyber Hygiene
- COR Foundations Safety Certification



Chad Merchant
Albright Construction Manager

“Since I’ve taken the Buddy Up training, you start to notice different things more and you look at them differently, through a more compassionate lens. I feel like the education I learned from taking the course has given me a different perspective.”

Chad completed his ASIST level training and is now equipped to have a conversation with his peers on site, direct someone who is struggling to needed support, or conduct an intervention if required.



This commitment aligns with SDG3 Good Health and Well-Being, specifically Target 3.4 to reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being by 2030.

Diversity, Equity, and Inclusion

We are beginning to explore how a Diversity, Equity, and Inclusion Strategy can strengthen our diverse workplace. However, we also don't want to approach this work with biased assumptions or a generic strategy, so we intend to step thoughtfully into this space to begin developing a strategy that addresses the unique needs of our organization and is reflective of our company's values, culture, and people.

Community Commitments

Despite the impacts of the COVID-19 pandemic on in-person gathering, our relationships with communities remained strong. We believe this relational resilience is the result of the trust, respect, and care we bring to all our engagements.

In December 2022, we hosted a non-traditional Christmas party with our staff and suppliers. We wanted to bring our communities together to acknowledge the many people and companies who contribute to CSV's success. We shared our CSV story, introduced some key Shared Value partners, and were later approached by numerous industry peers who wished to "take part" in our journey to create shared value. This is how it all begins, by connecting with one another in a genuine way.

Prior to proceeding with a formal regulatory approval for Albright, we engaged extensively with the communities of Beaverlodge

and Wembley to better understand their unique needs and challenges, and to uncover opportunities to create shared value in the region. By first understanding the local issues shaping these communities, we stayed true to our Creating Shared Value commitment. In 2022, we continued to build on these relationships. With the final investment decision for Albright, CSV dove into research and design for a community-based organization that will be funded by revenue from our Albright operations.

Before announcing a final investment decision (FID) to proceed with our Albright Sour Gas Processing Facility, we conducted extensive community engagement. Once the final decision was made, we informed landowners in face to face conversations and at a Wapiti Area Synergy Partnership (WASP) meeting before making a public announcement the following day.

One of these landowners was someone whose relationship with the oil and gas industry had been tarnished. Initially reserved, they kept us standing outside, displaying their reservations. We respected their boundaries, listened to their stories, and gradually built a non-transactional relationship. After obtaining their sign off and moving the project forward, we intentionally stayed in touch. There was no contractual reason for staying connected; rather, we'd established a genuine relationship.

Recently, two members of the CSV team were warmly welcomed into their home to share coffee and donuts. These are the moments that give CSV's community work a heartbeat.

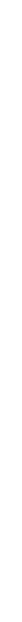
Building Relationships – Indigenous Commitments

Since founding CSV in 2014, building trust authentically and deliberately has remained central to our success. To this end, January 2022 was Education Month at CSV. Throughout the month, we hosted "lunch and learn" sessions on key topics impacting our community and industry. During one session we welcomed Casey Eaglespeaker and Crystal Manyfingers from the Kainai First Nation who taught us about how the medicine wheel has been used for centuries to encourage collaboration, understanding, community support, and self-awareness. Through this process we came to realize that much more was required to build a meaningful foundation with Indigenous communities and committed to the work necessary for establishing and maintaining mutually respectful relationships with First Nations, Inuit and Métis Peoples in the communities in which we live and work.

In 2022 CSV identified the need for a thoughtful and strategic path forward. During the second half of 2022, CSV located resources and expertise so that in 2023 we would be well positioned to develop an Indigenous Relations Action Plan. CSV's approach will be developed to align with our core purpose of creating shared value.

Casey Eaglespeaker, Blackfoot Elder from Kanai Nation, inspired the CSV Team when quoting Jennifer Bailey in saying *"Relationships are built at the speed of trust."*

Governance



Board Governance

We remain strong in our Board Governance practices, with two Independent Board Directors to ensure an objective and unbiased direction for our organization. They sit on all Board Committees, providing guidance to ensure the best interests of shareholders are prioritized in all facets of our operations. This in conjunction with our Board Directors from CSV and Northleaf provides a strong and balanced governance structure with depth of knowledge and practice relevant to our industry and beyond.

COMPENSATION COMMITTEE

INDEPENDENT DIRECTORS

Tom Ebbert
Carmine Falcone

NORTHLEAF DIRECTORS

Jared Waldron (Chair)
Paul Gill

Mandate

To oversee, review and provide recommendations for the compensation of executives and independent board members to ensure competitive compensation to retain the best people and motivate them to continue to strive for excellence.

THE AUDIT AND FINANCE COMMITTEE

INDEPENDENT DIRECTORS

Tom Ebbert (Chair)
Carmine Falcone

NORTHLEAF DIRECTOR

Paul Gill

Mandate

To support the Board in overseeing all financial matters inclusive of management, governance, and oversight of compliance, auditing, accounting, and financial reporting. They seek to identify and address any practices or transactions that could be materially damaging and provide recommendations to the Board to fulfill any obligations.

THE HEALTH, SAFETY, AND ENVIRONMENTAL COMMITTEE

INDEPENDENT DIRECTORS

Carmine Falcone (Chair)
Tom Ebbert

NORTHLEAF DIRECTOR

Jared Waldron

Mandate

To support the Board in all HSE matters such as reviewing, monitoring, and assessing the effectiveness of health, safety and environmental policies, practices and procedures. Providing recommendations to the Board on potential risks and opportunities for improvements.

THE ENVIRONMENT, SOCIAL, GOVERNANCE COMMITTEE

INDEPENDENT DIRECTORS

Tom Ebbert
Carmine Falcone

NORTHLEAF DIRECTOR

Paul Gill (Chair)

Mandate

To assist the Board in overseeing ESG matters, including defining and reviewing ESG strategies, performance, policies, reports, audits, and other ESG related measures or materials.

Supply Chain Management

In 2022, we began engaging suppliers in a more intentional way. We not only communicated CSV's Shared Value commitment, but we also opened the door to hear how our suppliers are addressing social issues within their own businesses. We wanted to better understand our suppliers' values and visions. We adapted our requests for proposals (RFPs) to create space for suppliers' feedback and stories. This decision changed the conventionality of traditional procurement processes by adding another dimension to an objective process.

ESG Risk Management

CSV's Board and Executive Team work together to ensure appropriate measures and procedures are in place to identify, measure, and monitor ESG-related risks that could impact our company or the communities where we work. As part of our approach to risk management, we recognize the depth of expertise across the CSV team and invite input from all levels of the company to ensure the right solutions are being implemented.

Ethical Business Conduct

Integrity, transparency, collaboration, innovation, and learning are central to our way of doing business. We are committed to fostering open communication with all those we engage, including our employees and contractors, the communities where we operate, our suppliers, and our partners.

Looking Forward

As we deepen our commitment to Creating Shared Value in 2023, we will continue to refine and elevate our CSV story. We will also develop internal processes to help us capture compelling stories that highlight our community engagement efforts, showcase the value of our business model, and demonstrate the interconnectedness between Creating Shared Value and ESG.

In line with our ESG commitments, we intend to improve our reporting by streamlining data collection and implementing achievable targets and key performance indicators. While we will continue to evolve our environmental reporting practices, a key focus for 2023 will be on tracking and measuring community engagement and investment.

2023 is set to be an eventful year. From deepening industry partnerships and advancing our Water Recycling Technology to launching Buddy Up Skills Training at our Albright construction site, we have laid the foundation for exciting developments in the year ahead. With construction commencing on our Albright Plant, we anticipate up to 300 workers will be active on site during peak construction, each of whom will undergo mandatory suicide prevention training.

Finally, as our company continues to grow, the CSV team will develop an Indigenous Relations Action Plan and a Diversity, Equity, and Inclusion Strategy that meets the unique needs of our current and future workforce.



Operations

	2022 ¹	2021 ¹	2020 ^{1,5}	2019 ^{1,3,4}	2018 ^{1,2}	GRI Topic Disclosure	GRI 11 O&G Disclosure	SASB O&G Midstream Disclosure (EM-MD)
Total Number of Facilities	3	3	3	3	1	102-7		
Total Number of Operated Facilities	1	1	1	1	0	102-7		
Pipelines (km) ⁶	21	21	21	21	-	102-7		EM-MD-000.A
Natural Gas Gross Processing Capacity (mmcf/d) ⁷	333	333	333	169	59	102-7		
Net Gas Processed (Annual Avg mmcf/d) ⁸	240	194	155	85	43	102-7		
Gas Processing Capacity Utilization (%) ⁹	72	58	47	50	73	102-7		
Liquids Gross Processing Capacity (mmbbl/d) ⁷	46	46	46	18	1	102-7		
Net Liquids Processed (Annual Avg mmbbl/d) ⁸	19	20	5	1	0	102-7		
Liquids Processing Capacity Utilization (%) ⁹	41	43	11	6	0	102-7		

¹ For CSV operated assets, 100% of environmental statistics are reported regardless of Working Interest percentage (WI%). For non-operated assets, reporting is proportional to CSV WI%. The mandate for CSV is to report what we have ownership and responsibility for. Our Joint Venture partners for each respective asset may report using the same methodology and therefore the aggregate environmental statistics across each owners reporting may far exceed the asset-specific values.

² Resthaven began operations in April 2018, 77.4% ownership. 77.4% WI calculated across the asset metrics.

³ Karr was purchased in August 2019, 100% ownership and asset operator. 100% WI applied to the asset metrics.

⁴ Pipestone South began operations in October 2019, 100% ownership, non-operator. 100% WI applied to the asset metrics.

⁵ Capacity expansion in Karr was commissioned July 2020.

⁶ Pipeline active date is date of ownership transfer and not date of operational start.

⁷ Includes WI%. Reflective of licensed capacity.

⁸ Net processing capacity reflects the CSV specific volumes (i.e., includes CSV WI allocations). Based on Petrinex data.

⁹ Average efficiency across facilities. Equal to the net processing capacity inclusive of CSV WI divided by annual net gas/liquids processed inclusive of CSV WI.

Corporate Governance

	2022 ¹	2021 ¹	2020 ^{1,5}	2019 ^{1,3,4}	2018 ^{1,3}	GRI Topic Disclosure	GRI II O&G Disclosure	SASB O&G Midstream Disclosure (EM-MD)
Size of Board of Directors (number)	5	5	5	5	7	405-1	11.11.5	
Board Diversity – Gender (%)	0	0	0	0	0	405-1	11.11.5	
Political Contributions (\$M)	-	-	-	-	-	415-1	11.22.2	

Environment

	2022 ¹	2021 ¹	2020 ^{1,5}	2019 ^{1,3,4}	2018 ^{1,2}	GRI Topic Disclosure	GRI II O&G Disclosure	SASB O&G Midstream Disclosure (EM-MD)
Energy								
Energy Consumption – Natural Gas (GJ) ¹⁰	3,727,088	3,352,381	1,554,494	655,236	226,559	302-1	11.1.2	
Energy Consumption – Coal (GJ)	-	-	-	-	-	302-1	11.1.2	
Energy Consumption – Steam (GJ)	-	-	-	-	-	302-1	11.1.2	
Energy Consumption – Renewables (GJ)	-	-	-	-	-	302-1	11.1.2	
Purchased Electricity (MWh) ¹¹	5,946	5,514	5,514	1,378	-	302-1	11.1.2	
Energy Intensity (GJ/m ³ OE) ¹²	1.158	1.227	0.855	0.692	1.138	305-4	11.1.8	

¹⁰ Conversion: 1 e3m³ natural gas = 0.038 GJ

¹¹ Electricity is only purchased at Pipestone South. Data only currently available as far back as Dec. 2020 because Pipestone South Operator changed electricity providers in Nov 2020. Current data represents best available estimates.

¹² Purchased power from Pipestone South in MWh converted to GJ at 1:3.6 conversion, respectively.

	2022 ¹	2021 ¹	2020 ^{1,5}	2019 ^{1,3,4}	2018 ^{1,2}	GRI Topic Disclosure	GRI 11 O&G Disclosure	SASB O&G Midstream Disclosure (EM-MD)
Emissions								
Greenhouse Gas Emissions – Scope 1 (tCO _{2e}) ¹³	255,799.91	243,803.69	172,977.82	67,227.08	21,487.78	305-1	11.1.5	EM-MD-110a.1
GHG Emissions Scope 1 due to Flaring	10,442.92	13,865.82	11,763.92	4,961.85	2,999.73	305-1	11.1.5	EM-MD-110a.1
GHG Emissions Scope 1 due to Processes	-	-	-	-	-	305-1	11.1.5	EM-MD-110a.1
GHG Emissions Scope 1 due to Fugitive	2,740.32	3,298.61	4,386.15	365.11	89.03	305-1	11.1.5	EM-MD-110a.1
GHG Emissions Scope 1 due to Other Combustion	242,152.54	226,222.24	156,164.49	61,448.56	18,060.57	305-1	11.1.5	EM-MD-110a.1
GHG Emissions Scope 1 due to Vented	464.13	417.02	663.25	451.56	338.45	305-1	11.1.5	EM-MD-110a.1
Percentage Scope 1 Emissions from Methane (%)	11	11	11	11	9	305-1	11.1.5	EM-MD-110a.1
Percentage Scope 1 Emissions under Emissions-Limiting Regulations (%) ¹⁴	100	100	100	100	100	305-1	11.1.5	EM-MD-110a.1
Greenhouse Gas Emissions – Scope 2 (tCO _{2e}) ¹⁵	3,389.45	3,142.98	3,142.98	785.46	-	305-2	11.1.6	EM-MD-110a.1
Greenhouse Gas Emissions Intensity - Scope 1 & 2 (tCO _{2e} /m ³ OE)	0.080	0.090	0.087	0.071	0.108	305-4	11.1.8	
Methane emissions – Stationary Combustion (tonnes) ¹⁶	899.40	918.83	496.69	246.67	45.61	305-1	11.1.5	
Methane Emissions – Venting (tonnes) ¹⁷	12.19	7.87	13.58	17.63	13.52	305-1	11.1.5	
Methane Emissions – Flaring (tonnes) ¹⁸	31.07	31.38	45.60	17.26	14.97	305-1	11.1.5	
Methane Emissions – Fugitive (tonnes) ¹⁹	97.76	131.84	175.44	13.57	3.56	305-1	11.1.5	
Air Emissions – CO (tonnes) ²⁰	1,057.78	1,094.61	625.08	359.88	-	305-7	11.3.2	EM-MD-120a.1
Air Emissions – NO _x (tonnes) ²⁰	302.77	-	-	-	-	305-7	11.3.2	EM-MD-120a.1
Air Emissions – SO _x (tonnes) ²⁰	214.99	238.55	122.01	-	-	305-7	11.3.2	EM-MD-120a.1
Air Emissions – Particulate Matter (tonnes) ²⁰	12.71	21.38	13.62	5.06	-	305-7	11.3.2	EM-MD-120a.1
Air Emissions – Volatile Organic Compounds (tonnes) ²⁰	194.02	109.72	65.56	32.02	-	305-7	11.3.2	EM-MD-120a.1

¹³ CO_{2e} totals the following emissions: carbon dioxide, methane, nitrous oxide.

¹⁴ All CSV emissions regulated under the Environment and Climate Change Canada (ECCC) Greenhouse Gas Reporting Program (GHGRP) regulation.

¹⁵ Applied 0.57 tCO_{2e}/MWh as per 2020 - 2023 prescribed grid emissions factor from the Carbon Offset Emission Factors Handbook (Government of Alberta, Nov. 2019).

¹⁶ Methane portion (stationary combustion) of above Scope 1 emission totals as reported to GHGRP.

¹⁷ Methane portion (venting) of above Scope 1 emission totals as reported to GHGRP.

¹⁸ Methane portion (flaring) of above Scope 1 emission totals as reported to GHGRP.

¹⁹ Methane portion (fugitive) of above Scope 1 emission totals as reported to GHGRP.

²⁰ Data is for CSV-operated facilities only (Karr) up to 2021. 2022 data includes non-operated facilities.

Water²¹

	2022 ¹	2021 ¹	2020 ^{1,5}	2019 ^{1,3,4}	2018 ^{1,2}	GRI Topic Disclosure	GRI 11 O&G Disclosure	SASB O&G Midstream Disclosure (EM-MD)
Water Withdrawal (m³)						303-3	11.6.4	
Withdrawal from Groundwater (m ³) ²²	365	245	269	204	-	303-3	11.6.4	
Third Party Water (m ³)	0	0	0	0	-	303-3	11.6.4	
Other Withdrawal (m ³) ²³	720	720	360	0	-	303-3	11.6.4	
Water Consumed (m³)²⁴	1,085	965	629	204	-	303-5	11.6.6	
Water Discharge (m³)²⁵						303-4	11.6.5	
Discharged in Surface Water (m ³)	-	-	-	-	-	303-4	11.6.5	
Discharged in Groundwater (m ³)	-	-	-	-	-	303-4	11.6.5	
Biodiversity								
Total Land Use (ha)	49.81	49.81	49.81	49.81	8.67	304-1	11.4.2	EM-MD-160a.2
Total Owned Land (ha)	-	-	-	-	-			EM-MD-160a.2
Total Leased Land (ha)	49.81	49.81	49.81	49.81	8.67			EM-MD-160a.2
Spills and Environmental Compliance								
Spills Hydrocarbon, Total Number (Externally Reportable) ²⁶	1	-	-	-	-			EM-MD-160a.4
Number of Reportable Pipeline Incidents	-	-	-	-	-			EM-MD-540a.1
Percentage Significant Reportable Pipeline Incidents	-	-	-	-	-			EM-MD-540a.1
Percentage of Natural Gas Pipelines Inspected (%)	100	100	100	100	-			EM-MD-540a.2
Percentage of Hazardous Liquid Pipelines Inspected (%)	100	100	100	100	-			EM-MD-540a.2

²¹ Karr only - regulatory requirement does not carry over to Pipestone South and Resthaven.

²² Ground water from an onsite source water well at Karr and represents only source of measurable water withdrawal. Volumes are estimated based on operator feedback.

²³ There is a 750BBL make up water tank that came into service in July 2020 at Karr and is the only other source of water brought in to site. This water is trucked in. The tank is filled 5-6 times per year. 2020, 2021 and 2022 are estimated at 360, 720 and 720 cubic meters respectively.

²⁴ CSV water consumed is the aggregate of water withdrawn.

²⁵ All water is disposed of by an established third party.

²⁶ Externally reportable - reportable to the regulator (based on volume of spill, or spill occurring offsite).

People²⁷

	2022 ¹	2021 ²	2020 ^{1,5}	2019 ^{1,3,4}	2018 ^{1,2}	GRI Topic Disclosure	GRI II O&G Disclosure	SASB O&G Midstream Disclosure (EM-MD)
Total Number of Employees (Number)	55	47	44	32	12	102-8		
Permanent Employees (Number)	41	39	35	25	5	102-8		
Contract Employees (Number)	14	8	9	7	7	102-8		
Employee Diversity – Overall (% of Female)	18	17	18	15	17	405-1	11.11.5	
Employee Diversity – Executive (% of Female)	0	0	0	0	0	405-1	11.11.5	
Turnover for Permanent Employees (%)	17	8	4	9	50	401-1	11.10.2	
Employees Covered by Collective Bargaining Agreements (%)	0	0	0	0	0	102-41		
Total Recordable Injury Frequency (TRIF – Score)	0	0	0	1.23	N/A	403-9	11.9.10	
Lost Time Injury/Illness Frequency (LTIF – Score)	0	0	0	0	N/A	"403-9 403-10"	"11.9.10 11.9.11"	
Lost Time Injury/Illness Severity (LTIS – Score)	0	0	0	0	N/A	"403-9 403-10"	"11.9.10 11.9.11"	
Fatality Rate (Rate)	0	0	0	0	0	403-9	11.9.10	

Rights of Indigenous Peoples

	2022	2021	2020 ^{1,6}	2019 ^{1,4,5}	2018 ^{1,3}	GRI Topic Disclosure	GRI II O&G Disclosure	SASB O&G Midstream Disclosure (EM-MD)
Incidents of Violations Involving Rights of Indigenous Peoples	0	0	0	0	0		11.17.2	

²⁷ Inclusive of CSV direct hire personnel.



Legal Statement

This report may contain or contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable securities laws. The use of any of the words “will”, “expects”, “believe”, “plans”, “potential” and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this report may contain forward looking statements, including management’s assessment of: CSV’s future focus, strategy, plans, opportunities and operations; the quality of CSV’s asset base and economics; CSV’s ESG plans, targets and results from ESG initiatives; future commodity prices; expectations with respect to future liquidity; asset retirement obligations and the amount and timing of such expenditures and the source of funding thereof; timing and expected results of projects and existing operations; expectations with respect to the structure set-up of global oil and gas supply and demand; and expectations with respect to the energy price environment for 2021. By their nature, forward-looking statements are based upon certain assumptions and are subject to numerous risks and uncertainties, some of which are beyond CSV’s control, including the impact of general economic conditions, the impact of ongoing global events including European tensions, impacts of higher inflation and interest rates, industry conditions, current and future commodity prices, currency and interest rates, anticipated production rates, expected natural decline rates, borrowing, operating and other costs and adjusted funds flow, the timing, allocation and amount of capital expenditures and the results therefrom, anticipated reserves and the imprecision of reserve estimates, the performance of existing assets and of producers/customers; the sufficiency of budgeted capital expenditures in carrying out planned activities, access to infrastructure and markets, competition from other industry participants, availability of qualified personnel or services; stock market volatility; effects of regulation by governmental agencies including changes in environmental regulations, tax laws and royalties; the ability to access sufficient capital from internal sources and bank and equity markets. Readers are cautioned that the assumptions used in the preparation of such information in this report, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. CSV’s actual results, performance or achievement could differ materially from those expressed in, or implied by, forward-looking statements, or if any of them do so, what benefits CSV will derive therefrom. This report may also contain future-oriented financial information and financial outlook information (collectively, “FOFI”) about CSV’s prospective results of operations including, without limitation, CSV’s ability to repay debt, expectations with respect to future net debt to adjusted funds flow ratios, projected adjusted funds flows at current strip prices and capital expenditures, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI and forward-looking statements. Our actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI and forward-looking statements, or if any of them do so, what benefits we will derive therefrom. We have included the FOFI and forward-looking statements in this report in order to provide readers with a more complete perspective on our ESG activities and operations and CSV strongly cautions that such information may not be appropriate for other purposes. The FOFI and forward-looking statements and information contained in this report are made as of 2021 and we undertake no obligation to update publicly or revise any FOFI or forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable laws.



This report was prepared with the support of



cmrconsulting.ca

Many of the photos in this report were captured by Roger Henault, Director of Operations