

20**20**

Responsibility Report

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HIGH MARGINS ZERO CAPITAL

TSX | **PSK**

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Message to our
Stakeholders

We strongly believe that the **Canadian energy industry** can play an important role in **providing energy to the world** in a **safe** and **responsible manner**.

2020 was a remarkable year. Communities and businesses world-wide were faced with the unprecedented challenges of the COVID-19 pandemic and the global response has created a economic and social impact which we are continuing to navigate.

The challenges brought forward by the COVID-19 pandemic have highlighted the importance of building a business that has sustainability criteria embedded within the corporate strategy. We have built an enduring business with the highest margins in the energy sector, a strong balance sheet and a low-cost structure. We often call it an “old-fashioned business,” and we firmly believe it is a business model for the long-term.

The global recovery is evolving and environmental, social and governance considerations are core priorities within our strategy and across our organization. With climate change influencing economic and energy policies globally, we strongly believe that the Canadian energy industry can play an important role in providing energy to the world in a safe and responsible manner. We are proud to be part of this innovative and progressive industry. We also recognize the opportunities that are available to be part of an evolving energy transition and we are participating in projects that can positively impact Canada and the world, such as carbon sequestration and early-stage hydrogen development. These types of projects will be instrumental to advancing to a lower carbon global economy over time.

We are proud to work in Canada, a jurisdiction that is a global leader for protection of the environment, good governance and human rights. Because of the long duration of our assets, we recognize the importance of responsible development of resources on our properties and believe successful execution of our strategy is only possible with a sustainable business

approach that ensures our lands are developed ethically and responsibly while prioritizing the environment. To meet these objectives, we take care to select business partners that demonstrate leadership within our industry and share our core values of integrity and respect. We perform ongoing monitoring of counterparty performance utilizing our robust leasing framework and due diligence process. Our lands are in highly regulated jurisdictions and we work collaboratively with the energy and environmental regulators across all levels of government and jurisdictions.

We noted at the beginning of this message that 2020 was a remarkable year and we believe that businesses, including ours, are fully recognizing the importance of advancing diversity and inclusion. We are proud to have strong female leadership at the Board, Executive and Senior Management levels, with a workforce that is 73% women, including 80% of our managers and 33% of our executive team. We are committed to increasing female representation on our Board to no less than 30% and ensuring diversity and inclusion throughout our organization.

We want to thank our team for their hard work in 2020 under unique and challenging circumstances due to the COVID-19 pandemic. We also appreciate the ongoing support of our shareholders as we execute the value creation strategy for the business.



James Estey
Chairman of the Board



Andrew Phillips
President & Chief Executive Officer

About

PrairieSky Royalty Ltd.



PrairieSky Royalty Ltd. is a pure-play royalty company with the largest independently-owned portfolio of fee simple mineral title and oil and gas royalty interests in Canada. PrairieSky owns 8.0 million acres of fee simple mineral title lands and has 8.1 million acres of gross overriding royalty interests in Alberta, Saskatchewan, British Columbia and Manitoba. PrairieSky is focused on encouraging third parties to actively develop our royalty properties at no incremental cost or expense to PrairieSky and we receive royalty revenues as petroleum and natural gas are produced from our over 16 million acres of royalty properties. We do not directly conduct operations to explore for, develop or produce petroleum, natural gas or other minerals.

PSK

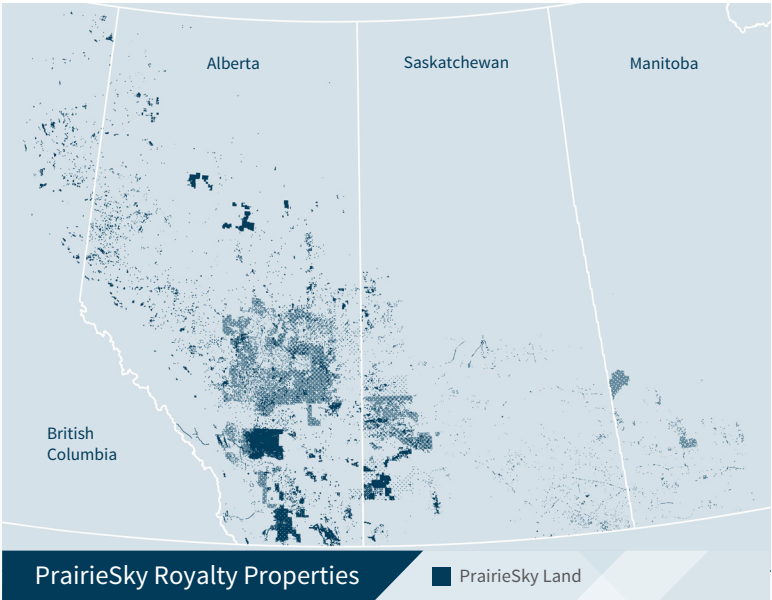
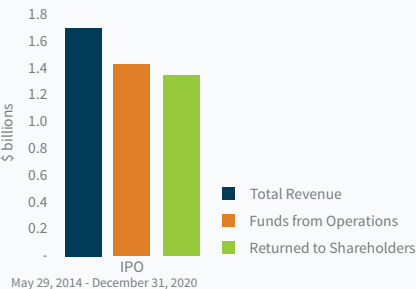


PrairieSky’s common shares trade on the Toronto Stock Exchange under the symbol PSK.

Since PrairieSky's initial public offering on May 29, 2014 to December 31, 2020, PrairieSky has generated **\$1.6 billion** in revenues which we have converted to funds from operations of \$1.4 billion, while returning over \$1.1 billion to shareholders in dividends and approximately \$224 million in share repurchases. PrairieSky currently pays a quarterly dividend of \$0.065 per share or \$0.26 per share annually.



Returns to Shareholders



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The Royalty Business Model

PrairieSky leases mineral rights to third parties. These third parties assume all costs and liabilities related to drilling and producing the resources including PrairieSky's entitlement to a share of the oil and gas production in the form of a royalty. PrairieSky does not conduct any drilling operations and is not responsible for making any capital or other expenditures with respect to operations on our properties, including those related to abandoning oil and gas wells and infrastructure and reclaiming lands.



Zero
Capital



Zero Oil & Gas
Operations



Zero
Environmental
Liabilities

Our Competitive Advantage

PrairieSky offers several competitive advantages for operators as compared to leasing Crown (government) lands, the other major owner of mineral interests in Western Canada. We work with lessees to determine the appropriate leasing arrangement, can enter into leases on a shorter turnaround time and can customize the term, royalty and capital commitments depending on the specific play type and associated economics. This allows for mutually beneficial arrangements with much shorter cycle times than going through a public auction for Crown lands and provides lessees with certainty around their development schedules.

PrairieSky offers lessees access to our extensive technical expertise, including the geological and geophysical interpretations and drilling prospects we have generated internally across our vast land base. PrairieSky has seismic data available over much of our land, which we can provide to lessees to identify prospects and support the execution of their exploration and drilling programs.

How PrairieSky Creates Value for Stakeholders



Investment in the oil and gas industry with a differentiated and lower risk profile

No capital expenditures, operational costs or environmental liabilities

Return of cash flow through dividends and share repurchases

Exposure to all resource plays with commodity, geographical and operator diversification

Timely negotiations of leasing arrangements on available land

Mutually beneficial business approach to leasing

Access to one of the largest seismic databases in Canada

Availability of technical expertise and exploration and development prospects

Fair remuneration

Rewarding work

Inclusive and safe workplace

Career progression based on merit and performance without discrimination

Flexible work arrangements

No direct oil and gas operations

Pre-screening of operators for financial, operational, and reputational criteria

Contractual obligation around good operating practices and compliance with the highest global standards

Leases incorporate stringent environmental requirements, including those relating to ongoing reduction of methane and other greenhouse gas ("GHG") emissions

Our worksite is exclusively limited to a single office location, with an option to work remotely

Business culture and practices to ensure strong corporate citizenship and social purpose



















Employee engagement in community investment and volunteer initiatives

Giving back to communities and stakeholders

Due diligence and ongoing monitoring ensure targeted investment outcomes are met

Material Topics

The topics and content of PrairieSky's Responsibility Report were determined through a materiality⁽¹⁾ assessment of environmental, social and governance ("ESG") topics. Materiality was determined by assessing both the direct and indirect financial, operational, environmental and/or social impacts to PrairieSky, with the indirect impact primarily through third-party operators on PrairieSky lands. Material topics are managed through policies, commitments, targets and initiatives which are described throughout our Responsibility Report and evaluated annually through our Enterprise Risk Management program and Board review process.

ESG Dimension	General Issue Category	Direct Impact to PSK	Indirect Impact to PSK (Third-Party Operators)
Environment	Climate Change		
	GHG Emissions		
	Air Quality		
	Water Management		
	Land Use & Biodiversity		
Social	Human Rights		
	Diversity and Inclusion		
	Health and Safety		
	PrairieSky's People		
	Community Investment		
Governance	Corporate Governance		
	Business Ethics		
	Relationship with Operators		

(1) Materiality used in the context of our Responsibility Report is based on the Global Reporting Initiative's definition which includes topics "that reflect a reporting organization's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders". This definition of materiality differs from financial materiality, used in our financial disclosures.

We report on certain environmental metrics that are not considered material to PrairieSky as a pure-play royalty company, such as our greenhouse gas emissions and water use. We report on these items to provide comparability to other businesses in the oil and gas industry. We also report these metrics because even though our direct environmental footprint is small, we want to make changes where possible to reduce it through changes in behaviour and/or investing in offsetting our impact.

About our Report

Our Responsibility Report focuses on material **governance**, **environmental** and **social** topics that are impactful to our Company and to our stakeholders.

In preparing this report, we developed a list of corporate responsibility topics using global reporting frameworks, industry guidance, peer reports, third-party environmental, social and governance survey questions, common PrairieSky investor questions and feedback from investors. Over time, our reporting has evolved as we have engaged with stakeholders, interested parties and relevant advisory bodies to enhance disclosure of topics which are important to our stakeholders and relevant to our business. We expect this evolution to continue into the future as we move forward with initiatives.



Scope and Reporting Period

> Unless otherwise noted, the scope of information covered in this report relates to PrairieSky's operations and quantitative performance for the calendar year ended December 31, 2020. When relevant and available, historical data is provided for 2018 and 2019. Prior to the launch of our 2020 Responsibility Report, our most recent report was for the calendar year ended December 31, 2019. Our Responsibility Reports are published on an annual basis.

Third-Party Review and Assurance

> PricewaterhouseCoopers LLP (PwC) performed a limited assurance engagement on select performance indicators which are noted on pages 52-55. The results of PwC's limited assurance engagement are documented in an assurance statement available in the Responsibility section of our website.

Reporting Frameworks

We used a number of reporting frameworks to identify material sustainability factors to be included in this report. The frameworks included:

- > **Global Reporting Initiative Standards** – This report has been prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Standards. In some cases, indicators suggested by the standard are not applicable, or the information is considered to be competitive and is therefore not disclosed. The GRI index is available starting on page 56.
- > **Sustainability Accounting Standards Board** – This report has been prepared using the Sustainability Accounting Standards Board (SASB) Oil & Gas - Exploration & Production Industry Standard. The SASB index is available starting on page 56. In some cases, indicators suggested by the standards are not applicable, or the information is considered to be competitive and is therefore not disclosed.
- > This report contains certain World Economic Forum (WEF) core and expanded metrics and disclosures. The WEF index is available starting on page 56.
- > Task Force on Climate-Related Financial Disclosure recommendations are included in this report, with additional disclosure in our *Task Force on Climate-Related Financial Disclosures Report*.
- > **United Nations Global Compact** – We have included references to the United Nation's Global Compact Principles on Human Rights, Labour, Environment and Anti-Corruption; and the United Nation's Sustainable Development Goals.

As the standards evolve, so will our reporting on the topics covered. We are committed to consistently improving our disclosure for stakeholders and support efforts to provide consistent and comparable sustainability performance data.

Other Reporting Data

- > The terms PrairieSky, PSK, we, our, us and the Company refer to PrairieSky Royalty Ltd.
- > Financial data is in Canadian dollars; environmental data, unless otherwise stated, is in metric units; and production data is in "BOE" or barrels of oil equivalent.

For further information regarding production or reserves, including defined or industry terms, please refer to our Annual Information Form for the calendar year ended December 31, 2020 which is available on our website www.prairiesky.com.

- > All of PrairieSky's operations are in Canada.
- > Unless noted, data does not cover contract service providers or temporary employees given they represent an insignificant portion of our staff and are typically on short duration arrangements.
- > This report does not include quantitative performance for third parties such as lessees or operators, but it does include relevant qualitative commentaries regarding third parties.
- > Senior management and relevant staff have reviewed all information and believe it is an accurate representation of our performance.
 - > For further information on PrairieSky's financial performance, please refer to PrairieSky's Annual Management Discussion and Analysis and PrairieSky's Annual Consolidated Financial Statements which are available on our website www.prairiesky.com.

Global Pandemic



As we continue navigating the COVID-19 situation, **our first priority will continue to be the health and safety of our staff and their families.**

PrairieSky implemented our business continuity plan in March 2020 in response to the World Health Organization declaring COVID-19 a global pandemic. The health and safety of our staff is our priority and, as part of our emergency assessment and planning, our staff were directed to work from home. Our investment in information technology and data management systems ensured that the transition to a remote work environment was smooth and our business continued to operate without interruption.

We are very proud of our team of professionals and their capacity to adapt and respond to the evolving situation. Alongside government and public health officials, we continue to actively monitor COVID-19 and follow all public health directives. As we continue navigating the COVID-19 pandemic, our first priority will continue to be the health and safety of our team and their families.

The challenges of COVID-19 impacted the oil and gas industry in 2020 as reduced demand and over supply resulted in lower oil pricing, which negatively impacted third-party operators on PrairieSky's lands as well as our royalty production and revenue. The industry responded first to the pandemic, prioritizing worker health and safety, and thereafter to supply and demand factors by shutting in production and reducing capital budgets. Through the second half of 2020 and into 2021, supply and demand fundamentals have improved, and we have seen field activity and production resume. The industry as a whole continues to take a cautious approach to capital budgets and we continue to monitor the situation and are prepared to adapt, along with the third-party operators on our lands.

Our approach to

Corporate Responsibility

Our commitment

We are committed to operating in an **economically**, **socially** and **environmentally** sustainable manner.



We conduct our business responsibly by actively managing risk, collaborating with our business partners and service providers to ensure alignment on best practices, proactively take steps to minimize our impact on the environment, and uphold the highest standards of governance and ethics which we believe will support long-term value creation and shareholder returns.

Our Sustainability framework

PrairieSky's sustainability framework reports on material items related to ESG topics and how those topics affect our stakeholders with the following objectives:



Governance

To act ethically and manage our business efficiently with the goal of long-term value creation.

To appropriately manage risks throughout the entire life of our assets by carefully selecting operators on our lands and ensuring adherence to contractual provisions, regulatory requirements and industry best practices.



Environment

To reduce our environmental footprint, and to actively manage our extensive land holdings.

To actively look for opportunities to reduce greenhouse gas emissions through participation in lower-carbon energy projects, including carbon sequestration and blue hydrogen projects.



Social






To provide a safe, inclusive and respectful workplace that fosters equal opportunities for employees based on merit and without discrimination.

To invest and build partnerships in the communities where we live and work.

Continuous Improvement

We are committed to continually enhancing our corporate responsibility performance and programs.

In the chart below, we provide an update on the initiatives we undertook in 2020.

Initiative	Progress	Status
Formalizing our commitment to sustainability principles by becoming a signatory and reporting on progress to the UN Global Compact.	PrairieSky provided our initial Communication on Progress to the UN Global Compact in December 2020.	
To reflect PrairieSky's commitment to best practices and continuous improvement, PrairieSky continually reviews our corporate policies.	PrairieSky has updated a number of policies, including our Human Rights Policy and Business Code of Conduct to align with international standards, and adopted a Supplier Code of Conduct.	
PrairieSky is committed to CDP and evolving our disclosure.	PrairieSky completed our second CDP Climate Change survey, receiving an A- score and completed our initial CDP Water Security survey, receiving a B score.	
Maintain our commitment to taking action on climate change through offsetting our carbon footprint.	PrairieSky purchased offsets for our Scope 1 and Scope 2 emissions (head office natural gas and electricity use).	
Further understand the financial risk from climate change through scenario analysis.	Undertook initial climate scenario analysis to assess both transition and physical risks and opportunities using a deep decarbonization scenario to keep global temperatures below 2° and a status quo scenario where little to no progress is made to curb global CO ₂ emissions.	

 Completed  Ongoing |||||

Looking Forward

In 2021, we are committed to the following initiatives:

- > Advancing our disclosures to further align with Task Force on Climate-Related Financial Disclosures (TCFD), including further advancing our climate scenario analysis;
- > Continuing to advance disclosures identified by the Sustainability Accounting Standards Board (SASB) as relevant to long-term value creation;
- > Advancing a Supplier Code of Conduct monitoring process; and
- > Continued delivery of Board education strategy for environmental, social and governance matters.

United Nations Global Compact



As a member of the United Nations (UN) Global Compact, PrairieSky, along with businesses around the world, are working towards universal long-term prosperity. To that end, we support the 17 UN Sustainable Development Goals which mobilize efforts to end all forms of poverty, fight inequalities and tackle climate change. **We continually review our business strategy and our commitment to sustainability to ensure we are contributing to these goals.** Below are the goals which we identified as being the most relevant to PrairieSky in 2020.

The UN Sustainable Development Goals

Our 2020 Progress

<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>SDG Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</p>	<p>PrairieSky provides employees and their families access to our Employee and Family Assistance Program and an extensive Company paid benefit program to support physical and mental health needs across an exhaustive spectrum of potential requirements. We also provide short-term and long-term disability insurance, paid and unpaid leaves of absences, maternity and paternity paid leave, vision and dental coverage and spousal and dependent support programs.</p> <p>PrairieSky provides flexible work arrangements and hours as our staff adapt to the challenges of COVID-19.</p> <p>See pages 41-45 of this report.</p>
<p>5 GENDER EQUALITY</p> 	<p>SDG Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p> <p>SDG Target 5.c: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.</p>	<p>Inclusion and diversity are important to us. Our leadership team includes 80% women managers, 33% women executive and 29% of our independent directors. In 2021, PrairieSky implemented a gender diversity target for independent women directors of a minimum of 30% by 2025.</p> <p>See pages 19, 44 and 53 of this report.</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>SDG Target 8.1: Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.</p>	<p>PrairieSky contributes to the local community by providing jobs and business development. Employment helps create economic growth, and as a profitable business, PrairieSky also contributes to our community through corporate income tax. We invest in education and training of our employees, developing talent and providing advancement opportunities.</p> <p>See pages 46-48 of this report.</p>
<p>13 CLIMATE ACTION</p> 	<p>SDG Target 13.2: Integrate climate change measures into national policies, strategies and planning.</p>	<p>We are working towards lowering our GHG emissions by supporting renewable energy projects and promoting energy efficiency and transition opportunities across our land base. We are committed to reducing our carbon footprint and have set an absolute target to reduce scope 1 and 2 emissions by 50% in 2025.</p>

Governance

PrairieSky is committed to the highest standard of corporate governance and our Information Circular and Proxy Statement provides detailed information on our governance practices and processes.



We conduct our business in a responsible manner by actively managing risk and upholding the highest standards of governance and ethics which we believe is essential to ensuring long-term shareholder value.

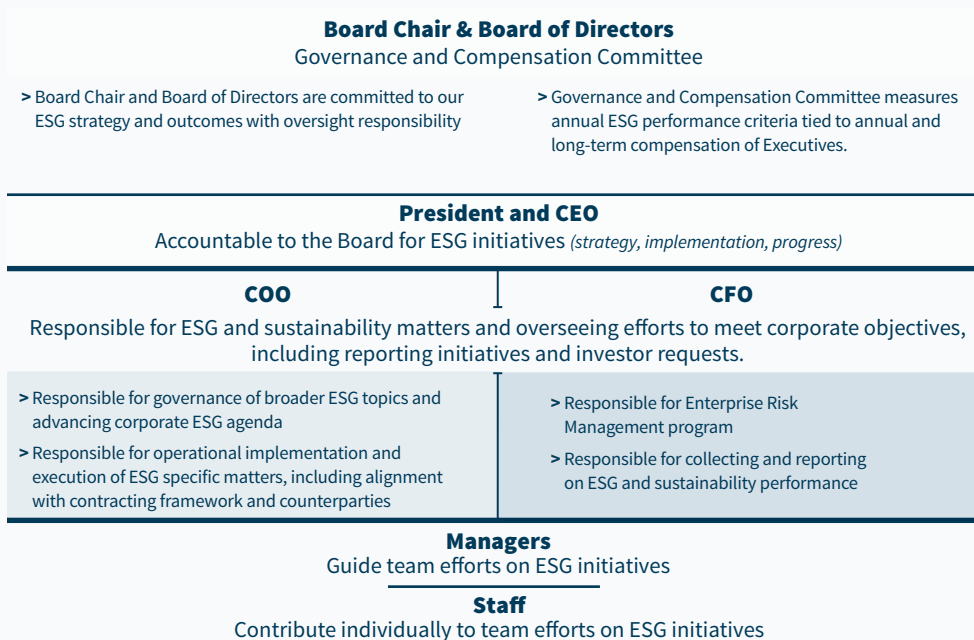
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Governance and Oversight

Our Board of Directors have oversight of ESG issues, including climate-change related risks and opportunities. PrairieSky's management is responsible for identifying principal risks, which include both transition and physical climate-change risks, through the Company's Enterprise Risk Management Program. We use our corporate risk register to conduct sensitivity analysis, assess potential implications and identify risk mitigation measures to limit or reduce risk and potential liabilities to an acceptable level. In many cases, our risk process helps us identify and assess new opportunities for the business which can add value over time. Our corporate risk register is reviewed regularly, and at least annually, and is updated to adapt to changing conditions. As responsibility for our Enterprise Risk Management program and review of the corporate risk register rests with the Board of Directors, they can ensure alignment with overall strategy.

Within PrairieSky, organizational responsibility flows from the Board to our President and CEO, and throughout the Company through the executive officers. Our governance structure has aligned ESG performance criteria to executive compensation, ensuring strategic decision-making is tied to sustainability which is discussed in our [Information Circular and Proxy Statement](#). The table below describes the executive framework and the corporate allocation of responsibility for ESG and climate-related matters.



The executive reports on ESG matters to the Board on a quarterly basis. These reports include updates on priorities and progress including, governance and compliance updates, changes to legal frameworks and best practices, sustainability initiatives and community investment. Our responsibility matrix reflects our commitment to ESG and presents the tone at the top. Detailed information on our management of climate-related risks can be found in our [TCFD Report 2020](#).

Board Composition & Independence

PrairieSky has adopted mandates, position descriptions and policies that are intended to meet or exceed the governance standards set out under applicable laws and by shareholder advisory groups. Detailed disclosure is provided in our *Information Circular and Proxy Statement* along with Board level and subject matter *specific policies* on our website.

PrairieSky’s priority is to have a Board comprised of directors who are well informed, diverse in background, experienced, and independent from management. Based on applicable laws and governance best practices, seven of eight Board members, including the Chair of the Board, are considered independent. Our President and CEO is the only non-independent Board member. Our directors have diverse backgrounds with a variety of expertise as shown in the skills matrix provided on page 41 of our *Information Circular and Proxy Statement*.



Board of Directors



Board Mandate

Standing Board Committees' Mandates

Audit Committee	Governance and Compensation Committee	Reserves Committee
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Our Board has three standing committees which are responsible for carrying out certain aspects of the Board's mandate. The Board, not a specific committee, has oversight responsibility for material risks, including environmental and social risks. Each Committee is comprised entirely of independent directors.

Shareholder Engagement

Our Board believes in the importance of engaging in constructive communication with our shareholders as it can provide valuable insight to assist the Board in maintaining the high standards of governance to which the Board is committed. Discussions are intended to be an exchange of views on governance and disclosure and only matters that are in the public domain will be discussed. Our *Shareholder Engagement Policy* can be found on our website and disclosure of shareholder engagement activities during 2020 and related outcomes are described on pages 30-34 of our *Information Circular and Proxy Statement*.

Executive Compensation

PrairieSky's executive compensation program focuses on pay-for-performance with approximately 75 to 85 per cent of executive compensation "at-risk", and an average of 60 per cent of total compensation deferred for a three-year period, the ultimate value of which is measured against stringent criteria, including performance against ESG goals. We believe this aligns management's actions with PrairieSky's core values, corporate objectives and the long-term interests of shareholders. All of PrairieSky's employees are also shareholders, with executive management investing a substantial portion of their net worth in PrairieSky shares. As at December 31, 2020, PrairieSky's President and CEO held common shares valued at over 13 times his annual salary. We provide shareholders with a "Say on Pay" advisory vote at our annual general meeting ("AGM"). This non-binding vote on executive compensation provides shareholders with the opportunity to vote for or against our executive compensation approach. At our 2021 AGM, 93.3 per cent of votes were cast in favour of the "Say on Pay" resolution in line with 2020 when 98.6 per cent of votes were cast in favour. Our executive compensation practices are outlined in our Information Circular and Proxy Statement which, along with all plan documents, are available on our website at www.prairiesky.com.



Governance Practices	2018	2019	2020
Board Independence	5 of 6	7 of 8	7 of 8
Separate Board and CEO	Yes	Yes	Yes
Independent Board Chair	Yes	Yes	Yes
Annual Board Evaluation Process	Yes	Yes	Yes
Average Meeting Attendance	100%	96%	100%
Annual Election of Directors	Yes	Yes	Yes
Majority Voting Policy	Yes	Yes	Yes
Average Age of Directors ⁽¹⁾	56.6	57.3	59.5
Average Director Tenure ⁽¹⁾	3.8 years	3.7 years	4.7 years
Women Directors	1	2	2
Board Diversity Target ⁽²⁾	n.a.	25%	25%
Share Ownership Requirements	Directors & Officers	Directors, Officers & Senior Staff	Directors, Officers & Senior Staff
Anti-Hedging Policy	Yes	Yes	Yes
Say on Pay ⁽³⁾	Yes	Yes	Yes
Shareholder Approval for Approach to Executive Compensation	78.3%	98.6%	93.3%
Clawback Policy	Yes	Yes	Yes

(1) Average age and tenure determined as of the Information Circular and Proxy Statement prepared for the Annual General Meeting held on April 20, 2021.

(2) The Board has adopted a 30% target by 2025. Please see Board Diversity on page 19.

(3) Results of voting at the April 20, 2021 Annual General Meeting and two prior Annual General Meetings.

Ethical Business Practices and Related Corporate Policies

PrairieSky has the following Board approved ESG-related policies, which can be found on our website and are discussed in our *Information Circular and Proxy Statement*.



Business Code of Conduct

Investigations Practice Policy and Whistleblower Hotline

Shareholder Engagement Policy

Board Diversity Policy

Our Approach to Corporate Responsibility



Our core values define what is important to us and are at the foundation of how we operate. Our Code of Business Conduct (the “**Code**”) is integrated into our business practices and we approach all aspects of our business with integrity and a culture of respect for each other and the environment.

Business Code of Conduct and Ethics

Honesty and integrity are fundamental values to our business. The Board has adopted the Code that guides the culture of ethical business conduct required of all directors, management, employees and consultants. We have zero tolerance for fraud, bribery, corruption, self-dealing, or misuse of confidential information and company property.

Our Code also applies to third-party service providers, such as information technology providers, consultants or other professional service firms. Annually, every employee and internal service provider must read and certify compliance with the Code.

PrairieSky has a robust process of controls to monitor for corruption which is managed by our human resources and internal legal team. The Board believes that providing a standard procedure for employees and third parties to raise concerns and treating all complaints with a high degree of seriousness fosters a culture of ethical conduct.

PrairieSky reviews the Code at least annually as part of our Enterprise Risk Management Program. In 2020, PrairieSky had no controversies, incidents or breaches related to our business, governance or pay practices.

Investigations Practice Policy

PrairieSky is committed to conducting our business ethically, responsibly and legally. In keeping with that commitment, the purpose of the *Investigations Practice Policy* is to provide an effective, consistent and appropriate procedure by which all incidents that potentially violate the Code and any related policies, practices and guidelines or statutes, regulations, rules and policies applicable to the Company or the workplace, are properly received, reviewed, investigated, documented and brought to an appropriate resolution.

Our anonymous *Whistleblower Hotline* is available to employees or third parties to report any unethical or improper business practices, grievances or complaints, directly to the Chair of the Board and the Chair of the Audit Committee. The Investigations Practice Policy (whistleblower) provides a consistent and appropriate procedure by which all incidents can be received, investigated and brought to an appropriate resolution without fear of retribution.

Supplier Code of Conduct

In 2020, PrairieSky adopted a *Supplier Code of Conduct* ("Supplier Code"). Although our supply chain is small (see page 45), we are committed to seeking opportunities to work together to reduce environmental impacts, ensure alignment on health, safety and labor standards, and promote strong governance and social engagement. Our Supplier Code was developed in alignment with principles from the United Nations Global Compact, the Universal Declaration of Human Rights, the United Nation's Guiding Principles on Business and Human Rights, and the International Labor Organization's Declaration of Fundamental Principles and Rights at Work.



Health and Safety, Discrimination, Harassment and Equal Opportunity Policies

In addition to the Code, PrairieSky's Board and executive have approved the following policies:

- > a Human Rights Policy;
- > a Respectful Workplace Policy;
- > an Environment, Climate Change, Health and Safety Policy; and
- > a Joint Worksite Health and Safety Committee Policy.

These policies provide the framework for the Company to maintain a safe working environment, free of discrimination and harassment, in which all individuals are treated with respect and dignity, are able to contribute fully and have equal opportunities. These policies also deal with harassment and workplace violence, for which PrairieSky has zero tolerance, and articulate our position with respect to:

- > diversity, equal opportunity, discrimination, harassment and threats or acts of violence;
- > ensuring a safe work environment for our employees;
- > our commitment to the protection of the environment;
- > reporting inappropriate conduct, harassment and workplace violence;
- > disciplinary measures; and
- > the development of procedures to prevent and address human rights issues.

Board Diversity

The Board has adopted the *Board Diversity Policy* that recognizes the beneficial impact of diversity on decision-making and overall Board performance. The Board Diversity Policy formally recognizes that the nomination and appointment of candidates with multiple perspectives, knowledge, skills, expertise, education, industry experience and personal characteristics such as age, gender, ethnicity and other distinctions will contribute to the continued success of the Company. The Board Diversity Policy includes a mandate to foster inclusivity across the organization, including at the Board level, for persons who identify as ethnic, racial or Indigenous.

In early 2021, the Governance and Compensation Committee and the Board approved certain amendments to the Board Diversity Policy including committing to a Board Gender Diversity Target to increase the Board composition to achieve at least thirty percent (30%) women directors by 2025.

Disclosure Policy

PrairieSky's *Disclosure Policy* outlines the procedures and practical guidelines for the consistent, transparent, balanced, regular and timely public disclosure and dissemination of material information.

PrairieSky supports the **Ten Principles** of the **United Nations Global Compact** with respect to human rights, labour, environment and anti-corruption and provides a communication on progress annually.

Securities Trading Policies

The *Securities Trading and Insider Reporting Policy* applies to employees, contractors, officers, and directors of PrairieSky. This policy is intended to safeguard against illegal or inappropriate trading or dealing, and against the appearance of such trading or dealing or potential conflicts of interest, by:

- > restricting the trading activities of employees, contractors or directors that may know, or be presumed to know, of undisclosed material information;
- > prohibiting derivative transactions by directors and officers; and
- > requiring reporting insiders, as defined in the policy, to comply with the reporting requirements applicable to certain trading activities as required by applicable securities laws.

The Board has also adopted the *Restricted Securities Trading Policy*, pursuant to which all employees, contractors, officers and directors of the Company are prohibited from trading in any securities of an issuer who is engaged in the crude oil and natural gas or natural resources business in Western Canada (including the Company), without receiving prior authorization from the Corporate Secretary. This policy is meant to ensure that illegal or inappropriate trading violations are avoided when PrairieSky is engaged in active business negotiations with third parties or where PrairieSky may have material information about such parties' business which is not generally available to the public.

Managing Potential Conflicts of Interest

In addition to the Code and strict adherence to legal and regulatory obligations, the Board has adopted additional policies and procedures to ensure potential conflicts of interest are avoided or managed appropriately and in the best interests of PrairieSky stakeholders.

The Board has also implemented management approval and authorization levels to ensure certain types of transactions receive Board review and approval before being agreed to or completed. In particular, the Board's independent directors ensure increased scrutiny on certain types of transactions where there may be a perceived or potential conflict of interest.

Industry Advocacy

Lobbying and Political Contributions

The Company may, from time to time, participate in public policy discussions on a wide range of issues relevant to our business, including through our participation in and support of industry organizations. In 2020, PrairieSky was a member of the Canadian Association of Petroleum Producers ("CAPP"), an industry association comprised of companies from Canada's upstream oil and natural gas industry whose mission is to advocate for and enable economic competitiveness and safe, environmentally and socially responsible performance. PrairieSky contributed less than \$40,000 to CAPP in 2020 through our membership fees and PrairieSky did not renew our membership in 2021. For further information please see page 29 of our *Information Circular and Proxy Statement*. In 2020, PrairieSky did not conduct any direct lobbying activities or make any political contributions and we are committed to disclosing any future donations or lobbying expenditures.

Our Relationship With Operators



Our **core values** define what is important to us and are at the **foundation of how we carry on business.**

Environmental, Social, Governance and Corporate Responsibility

Our core values define what is important to us and are at the foundation of how we carry on business. While PrairieSky does not operate, develop or produce any hydrocarbons from our lands, we recognize that our business model is dependent on the industry operating in a responsible fashion. We are committed to conducting our business in an economically, socially and environmentally sustainable and responsible manner and encourage our clients and service providers to do the same. By conducting our business responsibly through actively managing risk and upholding the highest standards of governance and ethics, we aim to provide long-term shareholder and stakeholder value. PrairieSky approaches our relationships with all stakeholders with integrity and respect, and we take care to select operators that share our core values. Because of the long duration of our assets, successful execution of this strategy is only possible if PrairieSky's lands are developed ethically and responsibly.

Operator Selection Process

PrairieSky does not conduct any oil and gas exploration and development activities and is not a licensed operator. PrairieSky selects companies, in our sole discretion, with whom we enter into lease agreements and these third parties conduct all oil and gas exploration and development activities associated with our royalty revenues. Crucial to PrairieSky's ongoing success is developing and maintaining long-term relationships with industry partners based on mutual benefit and adhering to all contractual and legal requirements.

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. We take great care in selecting operators on our properties. Our selection process has three important components:



We are committed to conducting our business in an economically, socially and environmentally sustainable and responsible manner and encourage our clients and service providers to do the same.

Regulatory due diligence: All of PrairieSky's lands are in Canada which is one of the most highly regulated jurisdictions in the world. We do not enter into new leases or contracts with companies that fail to operate in compliance with all federal, provincial and municipal laws and regulations.

We conduct due diligence investigations, and review industry compliance and enforcement records with provincial oil and gas regulators. We take note of any operational enforcement activities and non-compliance such as failure to remediate previously leased land.

Financial capacity evaluation: We review a potential operator's financial standing based on their existing operations and evaluate their capacity to undertake additional investment and to pay future royalties. We review several factors, including the potential operator's capitalization, liquidity, liability rating and financial track record.

Reputation of the potential operator: We consider our operators as partners in developing our resources so we want to understand the reputational implications and risks related to working with certain companies. We conduct background checks, review current news, attend industry association events and conferences, and monitor operator activities.

Before any new lease can be finalized, our senior executive team conducts a final review of our assessment in conjunction with our Chief Operating Officer.

Our leases and contracts require that third-party operators meet all environmental laws and regulations and maintain good operating practices as defined by provincial and federal regulators.



We are proud to work in Canada, one of the **most highly regulated jurisdictions in the world** for oil and gas development.

PrairieSky's top 25 payors represent over **70% of our revenue.**

Approximately half of these payors are publicly traded companies that provide sustainability reports available on their websites. We encourage readers to explore these reports and discover more information on the responsible development taking place in Canada.

Managing Existing Relationships with Operators



Once a lease is in place, **we continuously monitor operator behavior.**

In 2020, we collected revenue from approximately 310 different operators. We manage operator relationships through:

Contract terms: Our contracts include requirements for operators to develop the land in a diligent and careful manner using Canadian oil and gas industry best practices, and in compliance with all applicable laws and regulations.

Weekly operations meetings: We review potential issues related to compliance, reputation and payments at weekly operations meetings. During this process, we flag and proactively resolve issues to our satisfaction before entering into new business relationships with existing operators. These meetings convene leaders and representatives from different internal groups to ensure efficient coordination of internal resources and an understanding of issues and their implications.

Lease and Royalty Compliance Department: Our compliance department focuses on monitoring and ensuring 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. In 2020, the royalty compliance department sent 780 notices to lessees and recovered \$5.8 million in compliance revenue. Since PrairieSky's IPO, we have collected over \$60 million in compliance revenue. In addition, we served 4,254 lease compliance notices and saw over 128,000 acres returned to inventory in 2020. Lands returned to inventory can be re-leased.

Audits: We have the right to audit the operators of our leases and how they conduct their business. Several factors contribute to the selection of companies to audit: slow payment of royalties; financial distress; suspected or persistent unresolved miscalculation of royalties; environmental or operational concerns; breaches of contract; or new operators on a site previously leased by another party. In 2020, issues were resolved within the lease and royalty compliance department processes discussed above.



We have collected over
\$60 million
in compliance revenues



Risk Management

PrairieSky is subject to risks that directly affect our business and operations, as well as indirect risks that affect third parties that lease our lands and the oil and gas industry generally.

Through our internal process, we continually identify, assess, monitor and manage risks associated with our business. Three areas of risk that represent common shareholder inquiries are as follows:

Operator receivership: The oil and gas industry is constantly changing and involves companies of all sizes. Phases of low commodity prices can result in increases in companies going into bankruptcy or receivership. Since IPO, certain of PrairieSky's operators were involved in receivership or restructuring proceedings, during which PrairieSky appeared in court proceedings to ensure the integrity of our assets and our interests were protected.

Acquisitions: PrairieSky holds the largest independently owned royalty land position in Canada. PrairieSky considers acquisitions if they fit our strategy or complement our existing asset base.

Reclamation and End-of-Life Liabilities: PrairieSky does not have liabilities related to the activities required at the end-of-life of the wellbores, pipelines and associated assets. Operators own these assets. Once a lease is terminated, the operator is responsible for well abandonment and land reclamation. Reclamation and end-of-life liabilities are further discussed on page 37 of this report.

Conflict Minerals

All of PrairieSky's royalties are exclusively from energy projects in Canada and PrairieSky does not directly or indirectly receive any revenues from conflict minerals. Conflict minerals, according to the Securities Exchange Commission, refers to: tin, tantalum, tungsten and gold that may have originated in the Democratic Republic of the Congo and the adjoining countries of Angola, Burundi, the Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia. The term conflict minerals may appear in our peers' corporate responsibility disclosures since many royalty or streaming companies receive revenues from mining operations in developing nations or conflict zones.

Financial Transparency (Responsible Tax)

We support global efforts to increase transparency and accountability in the mining and oil and gas industries. We report all payment made to governments (in Canada or abroad) as required by the Extractive Sector Transparency Measures Act (ESTMA). Our annual *ESTMA report* is posted on our website and describes all gross cash payments made to governments which were all in Canada.

PrairieSky's approach to tax is also included on our website.

Energy Transition Projects

PrairieSky is participating in a number of projects 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. Select additional information is set forth below:

Carbon Capture, Utilization, and Storage

Alberta was the first jurisdiction in North America to direct dedicated funding to implement carbon capture, utilization and storage (CCUS) technology across industrial sectors. Alberta has committed \$1.24 billion through 2025 to fund two commercial-scale carbon capture and storage projects. Both projects will help reduce the CO₂ emissions from industrial emitters and the fertilizer sector, and reduce GHG emissions by 2.76 million megatonnes per year. The Alberta Carbon Trunk Line project will supply pure carbon dioxide, for permanent sequestration, to where PrairieSky has partnered with the proponents of these innovative projects. These sequestration projects have typically focused on enhanced oil recovery across PrairieSky's land base with the goal to increase the ultimate recovery of oil pools while reducing the overall carbon footprint of oil and gas operations. More recently PrairieSky has 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.

Hydrogen

Both the Federal and Alberta Provincial governments are building a national strategy for hydrogen. There are a number of early-stage projects in Alberta, and PrairieSky has entered into several commercial arrangements with hydrogen companies to seed the development of these projects on our lands. While these projects are at an early stage and significant investment is required to scale infrastructure and provide energy delivery options to end users, PrairieSky is in a unique position to work with creative technical teams for the development of our natural gas resources in combination with sub-surface CCUS, with the goal of creating integrated and commercially viable "blue" hydrogen solutions.

Resource Gasification

PrairieSky has partnered with a private company in Alberta 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 and other products ultimately used to create single cell proteins that displace more energy intensive animal feedstock sources. This process has the added potential for electricity co-generation and creation of carbon/GHG credits through one or more emissions reduction protocols established by the Government of Alberta.

Helium, Lithium, and other Minerals

PrairieSky's fee mineral title lands throughout Alberta and Saskatchewan include perpetual ownership of other mines and minerals, the vast majority of which are underexplored and unexploited. Minerals such as Helium and Lithium have broad applications in the technology and battery storage sectors, respectively, and are relatively scarce in economic quantities in other parts of the world. PrairieSky has executed on early-stage exploration and development Helium leasing with industry participants, including a large-scale Helium exploration program in Southern Alberta. While Lithium extraction is at an early and experimental stage in Western Canada, PrairieSky believes that as direct lithium extraction technologies are refined, these processes may provide additional commodity diversification and new leasing opportunities for PrairieSky.



PrairieSky is participating in a number of projects with an overall goal to **provide energy with lower associated greenhouse gas emissions.**



Environment



We are committed to environmental protection and awareness, and believe that **Canada is one of the best jurisdictions in the world** with respect to regulations and laws to uphold the highest environmental standards.



PrairieSky's management is responsible for environmental activities which include due diligence on acquisitions and review of contracts and leases to ensure that PrairieSky does not assume responsibility for any environmental risks on behalf of the operator. In addition, we incorporate ESG factors into our pre-leasing due diligence process before we select operators or counterparties, and enforce any non-compliance with laws and regulations through collaboration with the provincial regulators.

Topics in this section

Climate Change	27
Carbon Pricing Analysis	30
Climate Scenario Analysis	31
Environmental Rights and Responsibilities	36

Climate Change

PrairieSky is committed to communicating with stakeholders regarding how we assess and manage climate related risks and opportunities in our business, and with respect thereto we have prepared the disclosures below based on the recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD”). Refer to our *TCFD Report 2020* for further details.

Governance

The Board of Directors provides oversight and direction in the strategic planning process. Our Board of Directors has ultimate responsibility for overseeing the Company’s ESG reporting and continuous improvement efforts, which is codified throughout our Directors’ Mandate, Board Chair Guidelines, President & CEO Guidelines, Business Code of Conduct, Environment, Climate Change and Health and Safety Policy, and other subject specific policies, each of which is available on our website at www.prairiesky.com/governance/.

Refer to page 13 of this report for our governance around climate-related risks and opportunities and management’s role in assessing and managing these.

Strategy

At PrairieSky, we believe every company and individual has a responsibility to monitor and reduce its impact on the environment. PrairieSky has identified climate change risks, both physical and transition, as principal risks through our ERM program, which are discussed in further detail in our *TCFD Report 2020*. Over the short, medium and long-term, climate change has the potential to impact our business strategy and performance. Through this same process, a number of opportunities have been identified as discussed on page 33.

Risk Management

Through our ERM framework, PrairieSky proactively identifies, assesses and manages risks inherent or evolving in our business and industry. This includes the evaluation of both potential impacts and opportunities generated by environmental and climate change risk, along with the knock-on effects of other principal risks and ESG considerations. Risks, including environmental and climate change-related risk, are assessed on a short-term, medium-term and long-term basis, and include climate scenario analysis as discussed on pages 31-33.

Metrics and Targets

We set an absolute target to lower our emissions by 5% from 2017 emissions and achieved that target in 2019. Going forward, we are committed to reducing our carbon footprint and have set an absolute target across our Scope 1 and 2 emissions. Using 2017 as our base year, our target is to reduce Scope 1 and 2 emissions by 50% in 2025. We also purchase renewable energy to offset all remaining Scope 1 and 2 emissions.

See information below and refer to pages 53-54 of this report for our Scope 1, Scope 2 and Scope 3 emissions.



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Through our
ERM framework,
PrairieSky
proactively
identifies,
assesses and
manages risks
inherent or
evolving in our
business and
industry.

PrairieSky's Energy Use and Carbon Emissions

We are headquartered in the First Canadian Centre building in downtown Calgary, Alberta, Canada. Our team of 59 employees typically collaborate in this building and create a direct environmental impact through: carbon emissions related to energy consumption, water use, and waste generation. Although PrairieSky's direct environmental footprint is small, we remain committed to reducing our resource consumption including a commitment to reducing emissions, energy consumption and water usage. We also have an impact on the environment through employee commuting and business travel. As all of our staff began working from home in March 2020 due to COVID-19, and the majority of staff have continued to do so for most of 2020 and throughout 2021, we have seen a positive impact on our carbon emissions and our overall environmental footprint in 2020. We will be evaluating how we can continue to have a positive environmental impact into the future.

First Canadian Centre is part of GWL Realty Advisors' office portfolio. GWL Realty Advisors is committed to environmental leadership and First Canadian Centre has achieved BOMA Best Platinum Certification for building environmental standards (see Boma Canada website www.bomacanada.ca). BOMA Best is Canada's largest environmental assessment and building certification program, with more than 7,000 certified buildings. GWL's Sustainability Benchmarking and Conservation Program sets targets for reducing energy averages and water intensity as well as waste diversion.

Renewable Energy

PrairieSky is committed to reducing our carbon footprint. In addition to our efforts to reduce our total greenhouse gas emissions where possible, in both 2019 and 2020, PrairieSky invested in green natural gas with Bullfrog Power to offset every unit of natural gas used by putting a gigajoule of green natural gas on the pipeline on our behalf. We also invested in Bullfrog Power to offset every kWh of electricity PrairieSky used by putting a kWh from a pollution-free, renewable source on the grid on PrairieSky's behalf. Both green energy projects from which PrairieSky purchased offsets were based in Alberta.

Scope 1 Emissions

0.0

Purchased green natural gas certificates
(market-based approach)

Scope 2 Emissions

0.0

Purchased green electricity certificates
(market-based approach)



Waste Generation

PrairieSky participates in our office building's extensive recycling program, which includes composting in all kitchens, paper recycling in all offices and electronics recycling. In 2020, waste was down 56 per cent in our building, with 64 per cent of waste diverted from the landfill. Additionally, PrairieSky has an internal program to track and 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. In 2020, we saw a dramatic decline in paper use, 64 per cent, in large part due to increased remote work. We expect that process updates that were implemented will result in a positive long-term reduction in paper usage.

Water Usage

PrairieSky's water use is only at its one office location in downtown Calgary. In 2020, due to most staff working remotely, there was a decrease in water usage to 792 cubic meters, a decrease of 17 per cent.

Promoting Healthy Lifestyles and Employee Commuting

Annually, PrairieSky asks our employees to complete a survey on how they commute to work. PrairieSky tracked the Scope 3 emissions incurred through employee-related bus, rail and automobile travel in both 2019 and 2020. There was a dramatic decrease in Scope 3 emissions related to employee commuting in 2020 primarily due to the impact of COVID-19. PrairieSky provides in-office shower facilities and the building offers a secure bike storage facility to promote alternative transportation to work, and exercise such as running, walking or cycling. During 2020, 21 per cent of PrairieSky employees walked, car-shared or biked to work and approximately 26 per cent took public transit.

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52% decrease

in employee commuting Scope 3 emissions to 28.6 metric tonnes CO₂e

Business Travel

PrairieSky's executive and certain staff are, from time to time, required to travel for investor meetings, presentations and field site visits. In addition, out-of-town Board members travel to attend Board and Committee meetings in person. PrairieSky tracked the Scope 3 emissions incurred through air travel in 2019 and 2020. There was a dramatic decrease in Scope 3 emissions related to business travel in 2020 primarily due to the impact of COVID-19 and associated travel restrictions.

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81% decrease

in business travel Scope 3 emissions to 6.0 metric tonnes CO₂e

Carbon Pricing

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All of PrairieSky's lands and operations are in Canada where carbon pricing is regulated by both the Federal and Provincial governments. In 2020, the Federal carbon tax was \$30 per tonne, and this rate is expected to increase by \$10 per tonne annually, to reach a price of \$50 per tonne by 2022. In 2020, the provincial carbon tax was \$30 per tonne in Alberta and Saskatchewan, and \$40 per tonne in British Columbia. 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. Carbon prices and anticipated increases to the price per tonne have been incorporated into our Climate Scenario Analysis in this report.

Climate Scenario Analysis

PrairieSky has initiated climate scenario analysis as part of our commitment to ESG reporting and programs and we looked at two scenarios: **Deep Carbonization Now** and **Powering On**. The process provides an opportunity for discussion and analysis internally about our risks and opportunities. Our analysis is based on information currently available and our analysis will evolve to include updates to information when available, including updates to reflect the Canadian Federal government's A Healthy Environment and A Healthy Economy action plan announced in the fall of 2020.

Deep Decarbonization Now:

collaborative action to keep global temperature increases below 2°C

This scenario is aligned with the Paris Agreement and reflects major decarbonization efforts to meet net zero global CO₂ emissions by 2070, therefore limiting global warming to below 2°C in 2100. This scenario is based on The International Energy Agency's (IEA's) World Energy Outlook (WEO) 2020 Sustainable Development Scenario (SDS) and has been expanded with best estimates for equivalent projections in Canada using the Canada's Energy Future Technology Case 2018 (Technology Case), published by the Canadian Energy Regulator.

Those ambitions require stringent carbon policies and major investments in renewable-based power generation, electricity grids and networks deployment, and energy efficiency measures. Despite population growth and continued economic development, anticipated changes in the way we produce and consume energy lead to a 10% decrease in total primary energy demand between 2019 and 2040. The share of fossil fuels drops from 80% to 56% in that timeframe.

Global oil demand declines greatly from 97.9 Mbb/d in 2019 to 66.2 Mbb/d in 2040, as electricity generation is increasingly low-carbon and oil-derived products are replaced in passenger cars by biofuels and batteries. Globally, 40% of passenger cars sales are electric vehicles (EV) by 2030 in the SDS, compared to 2.5% in 2019. Although the drop in global oil demand has a direct impact on oil production levels, Canadian production is somewhat shielded from this downturn with the uptake of enhanced oil-recovery technology applied to new production from 2025 that reduces emissions intensity. In 2040, Canadian oil production will plateau in response to lower commodity prices and higher carbon prices but will remain at levels 15% above what was seen in 2019.

Global natural gas demand grows by around 3% above 2019 level in 2025 as it is used as a transition fuel to replace coal in electricity generation. Global demand then plateaus before starting to decline in 2030, resulting in a 12% decrease in demand in 2040 compared to 2019. Canadian natural gas production also decreases by 12% between 2019 and 2040.

Methane emissions from oil and gas operations are rapidly addressed and reduced. This assumption is driven by the higher global warming potential and the growing availability of many low-cost abatement options.

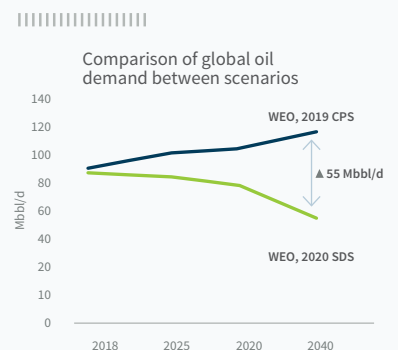
Carbon capture and sequestration technology (CCS) plays a key role to reduce global wCO₂ emissions after 2030. The SDS foresees an increase of 488% in captured emissions globally between 2030 and 2050, scaling up from 850 metric tonnes in 2030 to 5,000 metric tonnes in 2050. In Canada, the Technology Case anticipates the capture of an additional 10 metric tonnes by 2030 beyond existing projects, and 45 metric tonnes by 2040⁴.

There are high hopes for **hydrogen penetration** using electrolysis and methane reforming with CCS. Many countries develop new strategies to scale up hydrogen infrastructure and global demand is expected to reach 75 metric tonnes per year in 2040, driven mainly by transport end-uses⁵.

Signposts

(all prices are in USD)

Global population	9.15 billion in 2040 (+0.8% each year from 2019 to 2040)
Share of renewables in global electricity generation	72% in 2040
EV share of new passenger car sales	Global: 40% in 2030 Canada¹: 64% in 2040
Brent crude oil price ²	\$64/bbl in 2040
Henry Hub natural gas price ³	\$3.66/MMBtu in 2040
Carbon price in advanced economies	Ranging from \$125/tCO₂e to \$140/tCO₂e in 2040



- (1) From Canada's Energy Future Technology Case 2018.
- (2) Ibid.
- (3) Ibid.
- (4) New information about CCS capacity for Canada has become available with the publication in December 2020 of the Canada's Climate Plan.
- (5) Canada's Climate Plan also contains a new strategy for hydrogen.

Powering On:

little additional progress is made in curbing global CO₂ emissions

In this scenario, emissions continue to rise unabated and global average warming exceeds 4°C by 2100. This scenario is based on IEA's WEO 2019 Current Policies Scenario (CPS) and has been expanded with best estimates for equivalent projections in Canada using the Canada's Energy Future Reference Case 2020 (Reference Case 2020), published by the Canadian Energy Regulator.

Global assumptions for this scenario rely on existing policies and do not include future policy ambitions that may have been announced by policy makers. Therefore, although the Paris Agreement was signed in 2016, national carbon reduction actions that have not been implemented prior to 2019 globally, and to 2020 in Canada, are not considered as projections for future energy markets.

In the absence of efforts to further improve energy efficiency, global energy demand rises by 1.3% each year from 2018 to 2040 to meet the increasing population needs. Fossil fuels continue to make the most of rising energy demand and leave very little space for other energy sources to emerge. In 2040, fossil fuels represent 78% of total energy demand compared to 81% in 2018. This imbalance between fossil fuels and renewable energy cause energy-related emissions to increase steadily.

As expected, **global oil demand** also increases by 1.1 Mbb/d on average every year, from 96.9 Mbb/d in 2018 to 121 Mbb/d in 2040 and is mainly driven by road transport even if electric vehicle sales gain traction. In Canada, only Quebec and British Columbia have developed zero emission vehicle policies to boost EV sales beyond the incentives in place by the Federal program. Canadian oil production, as projected by the Reference Case 2020, grows faster than the global demand and increases 44% between 2019 and 2040, from 4.92 Mbb/d to 7.05 Mbb/d.

Global natural gas demand increases more intensively than oil, especially between 2030 and 2040, and meets a third of total energy demand growth leading to a 49% rise between 2018 and 2040, from 3,952 Bcm to 5,891 Bcm. Canadian production follows the same trend and results in a 48% increase between 2019 and 2040.

Carbon policies are in place in thirty countries around the world and cover around 7% of global emissions in 2018. Canada has implemented national carbon pricing schemes for industries, with a carbon price of \$20 CAD per tonne in 2019, rising by \$10 each year to \$50 per tonne in 2022⁹. Revenue streams from carbon capture are not enough to drive large-scale CCS development and limit progress in this area. Widespread use of hydrogen as an energy carrier is not seen in this scenario.

Signposts

(all prices are in USD)

Global population	9.15 billion in 2040 (+0.9% each year from 2018 to 2040)
Share of renewables in electricity generation	36% in 2040
Brent crude oil price ⁶	\$75/bbl in 2040
Henry Hub natural gas price ⁷	\$4/MMBtu in 2040
Global carbon prices ⁸	≈ \$30/tCO₂e in 2040

(6) From Canada's Energy Future Reference Case 2020.

(7) Ibid.

(8) Average of available countries in World Energy Outlook 2019 Current Policies Scenario.

(9) From Government of Canada: Pricing carbon pollution from industry.

Learnings from Scenario Analysis at PrairieSky



We believe we are **strategically positioned to participate** in a **lower carbon economy**.

Our portfolio of Royalty Properties provide a balanced mix of oil and natural gas reserves that can be developed in a jurisdiction with some of the strictest environmental regulations in the world. The perpetual ownership of our Fee Lands provide opportunities to participate in energy transition projects as discussed on page 25. 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 **Enterprise Risk Management Program**.

Land Stewardship

PrairieSky owns only the subsurface minerals and not the surface rights. As an owner in perpetuity of subsurface minerals, we understand the value of ensuring they are developed, managed and protected for the long-term. In addition to any environmental impact, any long-term damages to the land affect our ability to generate future value for shareholders and stakeholders. As a result, we believe we have a role in overseeing development on our lands even though we do not have direct legal or financial liability related to the environmental protection of lands where we own the mineral rights and other royalty interests.

Our royalty ownership business model differs significantly from a working interest or lease position in the oil and gas industry. A working interest owner is responsible for its share of operating costs, capital costs, environmental liabilities and reclamation obligations, usually in proportion to its ownership percentage. In contrast, PrairieSky has no obligation for operating costs, capital costs, environmental liabilities or reclamation obligations. These are the obligations of independent, third-party oil and gas producers that operate the wells drilled into our mineral title or other royalty interests.

PrairieSky is a pure-play royalty company and has no oil and gas operations. Third-party crude oil and natural gas operators are responsible for regulatory reporting of their emissions. PrairieSky does not generate any crude oil and natural gas emissions and therefore does not have policies or procedures for reporting any emissions from the drilling or operations of crude oil and natural gas exploration and development as further discussed below.

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Oil and Gas Operations Summary Table

PrairieSky does not have field operations. To ensure understanding and to provide transparency, we have included a field activity table below:

Field & Facilities	Units	2018	2019	2020
Number of offshore sites & terrestrial sites	count	0	0	0
Active wells (net – operated & non-operated)	number	0	0	0
Inactive wells (net – operated & non-operated)	number	0	0	0
Facilities and pipelines (operated & non-operated)	number	0	0	0
Water				
Total fresh water withdrawn	cubic meters	0	0	0
Total fresh water consumed	cubic meters	0	0	0
Volume of produced water and flowback generated	cubic meters	0	0	0
Water discharged, injected, recycled	percent	n.a.	n.a.	n.a.
Biodiversity Impacts				
Number of hydrocarbon spills	number	0	0	0
Volume of hydrocarbon spills	cubic meters	0	0	0
Number of fines and penalties	number	0	0	0

Environmental rights and responsibilities

Lessees and operators work to develop the lands and are responsible for all costs to:

A develop, **B** operate and **C** reclaim and abandon.



Environmental Rights and Responsibilities

Although PrairieSky does not develop, explore for, operate or control operator activities, we are committed to advancing responsible development of oil and natural gas in Canada. We comply with all federal and provincial laws and regulations regarding the environment and contractually require our operators to conduct activities in accordance with these laws and regulations. Our lands are in one of the world's most transparent and robust regulatory environments and we believe development of resources in Canada can provide safe and reliable energy to the world. Our focus on land stewardship is evident through:

Contract Obligations: PrairieSky includes several provisions in our royalty arrangements to ensure operators comply with or exceed all applicable environmental laws as well as industry best practices. These requirements are supported by an explicit allocation of all environmental liability to the lessee, as well as an indemnity clause and a requirement to hold a suite of insurance coverage in accordance with best industry practices.

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We believe development of resources in Canada can provide **safe and reliable energy to the world.**

Field Inspections: PrairieSky has the right to physically inspect operations on our royalty lands. PrairieSky has the ability to terminate a lease should the lessee fail to adhere to contractual provisions, including non-compliance with environmental laws. Non-compliance can lead to reporting to the government regulator. In 2019 and 2020, management visited 33 and 17 individual lease sites, respectively. Based on observations during these visits, no report to government regulators was required.

Audits: PrairieSky periodically audits third-party operators to ensure regulatory compliance, including regulations relating to good oilfield practices and the environment.

PrairieSky has the ability to terminate a lease where an operator is not in compliance. In 2017, PrairieSky terminated leases issued to a third party that failed to adhere to good oilfield practices and applicable regulations and was not, in PrairieSky's view, operating in a safe and environmentally responsible manner. As a result, the wells were shut-in and the operator was referred to the Alberta Energy Regulator. PrairieSky worked with the provincial regulator, the local municipality, other stakeholders and reputable oil and gas companies with a credible history to have the wells transferred to a new operator and put back on production. No such terminations were required in 2018, 2019 or 2020.

PrairieSky actively participates in the Canadian Association of Petroleum Landmen, and the Canadian Association of Petroleum Land Administration to inform industry of issues that are important to PrairieSky and to remain at the forefront of industry developments.

Land Access and Landowners

PrairieSky does not own any surface land rights. PrairieSky owns only the minerals, including petroleum and natural gas, below the surface of the land. Lessees must secure surface access to the land, legally and physically, and manage their relationship with surface landowners. We understand the importance of positive relationships with landowners and minimizing land disturbance during land access; however, we are not involved in these activities nor do we have control over these activities.

Reclamation and End-Of-Life Liabilities

PrairieSky does not have liabilities related to the activities required at the end-of-life of wellbores, pipelines, facilities, and associated assets. Third-party operators own these assets. Once a lease is terminated, PrairieSky notifies the provincial regulator that the operator no longer has a lease agreement and the operator is responsible for well abandonment and land reclamation and the provincial regulator is in charge of monitoring the fulfillment of that obligation. According to current regulations, operators are required to abandon within 120 days. PrairieSky also monitors progress to ensure that all regulatory requirements are met.

In the oil and gas industry, an orphan well is defined as a well or any related pipeline or facility that is deemed as not having any legally responsible and/or financially able party to deal with its abandonment and reclamation. In Alberta, oil and gas producers pay a levy to the Alberta Orphan Oil and Gas Abandonment and Reclamation Association based on their number of wells and estimated future liabilities. PrairieSky is not a producer or operator and therefore is not required to contribute to the fund.

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We understand the importance of positive relationships with landowners and minimizing land disturbance during land access.

When orphan wells are on PrairieSky lands, PrairieSky works with the provincial regulator to ensure these wells are properly abandoned and reclaimed through the Alberta Orphan Oil and Gas Abandonment and Reclamation Association in accordance with regulatory requirements.

The Alberta Energy Regulator (“AER”) operates a voluntary area-based closure program which is designed to reduce the cost of abandonment and reclamation operations through industry collaboration and economies of scale. PrairieSky worked with the AER on its strategy to encourage the decommissioning, remediation and reclamation of inactive or marginal crude oil and natural gas infrastructure. This collaboration is important as areas of the province are “checkerboard” with PrairieSky owning every second section to the Crown. This joint effort ensures best practices are applied across the province for the long-term benefit of all stakeholders.

Water Usage

Sustainable water usage is fundamental to the crude oil and natural gas industry in Canada. PrairieSky does not have any field operations and has no direct water usage in generating revenues. Third-party operators on PrairieSky’s royalty lands may use water in their oil and gas production activities. Any water used for drilling and completions is reported by third-party operators.

Third-party operators endeavor to use non-potable water, generally from saline source wells, in their operations as well as the reuse of water wherever possible through water treatment and recycling.



**Sustainable water usage
is fundamental** to the crude oil
and natural gas industry in Canada.



All of PrairieSky's Royalty Properties are in **Canada**, a **world leader** in **environmental standards** and **innovation**.



In 2020, PrairieSky completed our submission to CDP, the non-profit global environmental disclosure platform, and received an **"A-"** score in the 2020 Climate Change survey, which is **significantly above the North American average score** of D and the global average score of "C".

In 2020, PrairieSky completed our first CDP Water Security survey and received a **"B"** score which is in line with the North American and global average score.



Sustainalytics ranks PrairieSky as low risk "14.5" and **#1 out of 283** global oil and gas producers and **#847 out of 13,651** companies globally across all industries (January 7, 2021).



PrairieSky received an **"A"** rating from MSCI in 2020 which is a measurement of resilience to long-term, industry material environmental, social and governance risks.

Social

PrairieSky has a dedicated team of 59 employees that are **focused on delivering value to shareholders and driving our success.**



PrairieSky is committed to providing employees with challenging work and fair compensation, a safe work environment, and opportunities for development and career growth.

PrairieSky has one office location in downtown Calgary. Due to COVID-19 protocols, substantially all of PrairieSky’s staff worked from home in 2020 and are continuing to do so in 2021. We look forward to our team returning to a common office location when it is safe to do so.

Topics in this section

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Our People



Employee Satisfaction

PrairieSky used an annual employee engagement survey (greater than 95% participation) to assess our cultural health and to identify potential areas for improvement.

PrairieSky targets 85 per cent employee satisfaction. In 2020, PrairieSky achieved a **92 per cent** employee satisfaction score.

Employee Compensation & Benefits

PrairieSky aims to attract top talent by providing competitive compensation and benefits that reward performance and allow all employees to share in PrairieSky's success. Benefits for all employees, full-time and part-time, include company-paid comprehensive medical coverage, educational opportunities, and wellness programs, including access to mental health and employee assistance programs.

Employee Share Ownership

PrairieSky promotes a culture of employee ownership and alignment with shareholders. PrairieSky provides a non-dilutive stock savings plan in which employees can contribute up to 12 per cent of their salary, which is matched on a dollar-for-dollar basis by PrairieSky, with the aggregated funds being used to purchase PrairieSky common shares in the open market which are then subject to an escrow for two years.

Health and Safety

PrairieSky is committed to a safe and healthy work environment. Because PrairieSky does not engage in crude oil and natural gas operations and has no field operations, we do not have the same health and safety risks typically associated with the crude oil and natural gas industry. All of PrairieSky's operations take place at our corporate head office, our only business location.

PrairieSky's health and safety procedures and policies for our corporate head office are outlined in our [Environment, Climate Change, Health and Safety Policy, Respectful Workplace Policy](#), and our Drugs and Alcohol Policy and Joint Work Site Health and Safety Policy ("JWHSC") which are available on our intranet. All employees and contractors are required to read and sign that they understand and will comply with the Code as well as these other policies.

We encourage our employees to maintain a safe and healthy workplace by following established rules and practices. Management is responsible for the administration of health and safety procedures and reports to the Board of Directors. The JWHSC outlines health and safety measures for PrairieSky's business which includes an emergency evacuation plan and a business continuity plan for our corporate head office.

Health and safety training is used to raise awareness and understanding of the processes for identifying and reporting issues including reporting accidents, injuries, unsafe equipment, and conditions or practices to managers, executives or directly to our Board through our anonymous whistleblower hotline. In 2020, the JWHSC set a target to have all committee members receive Health and Safety Committee and Representative training through Energy Safety Canada by Q1 2021, a goal which has been completed.

The Health and Safety section of our Company intranet provides detailed information to employees and contractors on emergency procedures, including fire and evacuation procedures, and maps that provide a floor layout and the location of emergency exits, fire extinguishers, first aid kits and AED machines. Our designated floor wardens and additional staff are trained in First Aid and CPR/AED use.

We prioritize health and safety and have not had any workers' compensation claims, lost time injuries and/or fatalities since our inception.

Training and Development

We recognize that performance management is an essential element in maintaining an organizational culture that promotes high quality performance, teamwork and accountability. In 2020, all employees participated in performance evaluations.

We foster a culture of employee engagement and innovation, where employees can develop and advance their careers.

We support opportunities for employee development through education and training. These opportunities range from internal lunch and learn sessions and industry group presentations to post-secondary education. Our training programs cover a breadth of topics to expand employee knowledge and develop skills. In 2020, we supported employees in their pursuit of certifications, professional designations and credentials in human resources, payroll and sustainability accounting. In 2020, our staff invested approximately 210 hours in training which equates to approximately three and half hours per person. It was an attractive year for education and training as a number of options were available online which reduced our overall spend to \$3,925 while also providing unprecedented access to continuing education opportunities.

We identify high-potential employees for leadership development and succession planning. These employees receive formal and informal training focused primarily on skill development and leadership which prepare our employees for career advancement. In 2020, we provided leadership opportunities by sponsoring mentorship through the Women's Executive Network and initiating a fellowship with Energy Futures Lab, which promotes energy innovation to transition to a sustainable global energy system. Since inception in 2014, we have had two of our five managers retire and each was replaced by an internal candidate. In 2020, we were able to fill a senior position with an internal candidate which will allow her to broaden her experience and advance within the organization.

We operate an active summer student program whereby students from various universities and fields of study are hired across the Company, providing meaningful work experience for students. PrairieSky's Women's Mentorship Program with the Canadian Center for Leadership at the University of Calgary's Haskayne School of Business was put on hold in 2020 due to COVID-19. PrairieSky held lunch and learns for our senior women with the goal of development as well as a forum for mentorship and collaboration.



We foster a culture of **employee engagement** and **innovation**, where employees can **develop** and **advance their careers**.

Work-life balance

We promote work-life balance through workplace flexibility. The company has a flexible schedule in which employees need to be present daily at our offices (or online from their remote work location) for core business hours, contributing to work-life balance and job satisfaction.

Throughout COVID-19, PrairieSky has promoted flexibility for our employees, including enhanced work-from-home solutions, additional flexible hours and enhanced opportunities to ensure and promote mental health.

Diversity and Inclusion

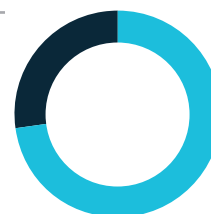
We maintain an inclusive work environment and are focused on providing advancement opportunities to persons of all genders, ethnicities and orientations, based on merit. Diversity and inclusion are important to PrairieSky, and we are committed to providing an environment where every one of our talented employees can succeed.

We have a relatively small workforce at PrairieSky. Of our 58 full and 1 part-time staff, 73% are women. Our three-person executive team includes one female member (CFO) and of our five managers, four are women (80%), including our Controller. We have two female leaders on the Board of Directors, representing 29% of the independent directors and a Board Gender Diversity Target to increase the Board composition to achieve at least thirty percent (30%) women directors by 2025.

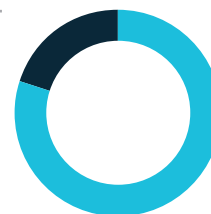
We promote **work-life balance** through workplace flexibility.

Women Leaders

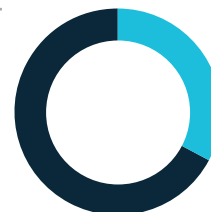
Total Workforce
73%



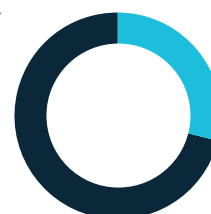
Managers
80%



Executive Officers
33%



Independent Board Members
29%



In March 2021, PrairieSky was once again recognized in the

Women Lead Here

survey by the Globe and Mail and Report on Business. This survey is the annual benchmark publication measuring gender diversity in corporate Canada. Since inception of the annual rankings, PrairieSky has been identified at the forefront of gender diversity with a significant percentage of women in leadership positions.

Discrimination and Harassment

PrairieSky is committed to providing a healthy and safe workplace where all employees are free from discrimination, harassment, and disrespectful behavior. Our Code provides the framework for an environment where all individuals are treated with dignity and respect, and our [Respectful Workplace Policy](#) outlines conduct that is prohibited and sets out a reporting process for violations of the policy along with PrairieSky's obligation to investigate and take appropriate action if complaints are received.

Human Rights and Fundamental Freedoms

All of PrairieSky's business is conducted in Western Canada and is subject to Canadian human rights and labour laws which protect the rights of workers and provide for freedom of association.

Our commitment to human rights is outlined in our [Human Rights Policy](#), as well as our [Respectful Workplace Policy](#). Both policies provide information on reporting grievances or violations directly or anonymously.

Relationships with Indigenous Peoples

We recognize and respect the constitutionally protected rights of Indigenous peoples in Canada. PrairieSky does not directly own any mineral rights that overlap with contested Indigenous territories.

PrairieSky has gross overriding royalties on two thermal oil properties that are in or near traditional territories where Indigenous peoples are partnering with industry for the development of natural resources. The two operators of these properties, Strathcona Resources Ltd. and International Petroleum Corp. have agreements in place with the Frog Lake First Nations and Onion Lake Cree Nation, respectively, to work in partnership on certain operations and development of the projects, including a commitment to sustainable development. In 2020, 5.8 per cent of our reserves were within one mile of Indigenous lands with approximately 40 per cent of these reserves in the third-party owned Onion Lake thermal project. These reserves represent PrairieSky's royalty interest share of production from third-party owned and operated wells.

Supply Chain and Social Supplier Standards

A sustainable supply chain creates and grows long-term environmental, social and economic value for stakeholders. PrairieSky has a simple cost structure, we do not own any physical assets other than sub-surface mineral rights (our Royalty Properties), and our office contents. Our cost structure is limited to administrative expenditures and federal and provincial government payments which are disclosed in our [ESTMA](#) reporting. Administrative costs include salaries and benefits for employees as well as costs related to advisors, consultants, contractors, office rent and information technology.

In 2020, PrairieSky engaged 140 suppliers investing approximately \$5.9 million in goods and services. Of this investment, approximately 20% was for critical suppliers, all of which are information technology providers. We define critical suppliers as those whose procurement has a significant impact on our competitive advantage. All of PrairieSky's operations are within Canada, which is one of the most highly regulated jurisdictions in the world. All of PrairieSky's business relationships are conducted under the umbrella of our Code and in accordance with federal and provincial laws and regulations. In 2020, PrairieSky also implemented a [Supplier Code of Conduct](#).

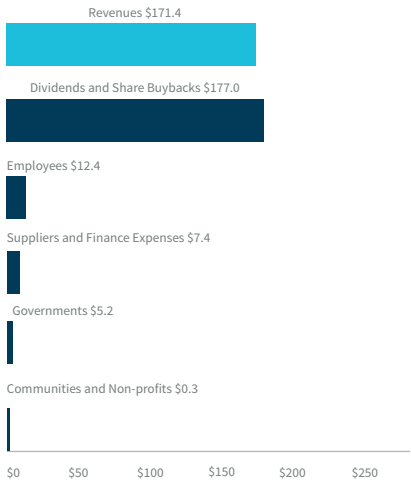
Economic Contribution



As Canada’s leading crude oil and natural gas royalty enterprise, we contribute to our local, provincial and federal economies by **providing employment**, **supporting economic activities** and **paying taxes**. The wealth that is generated positively impacts all of our stakeholders.



2020 Economic Value Generated and Distributed
(millions)



Community Investment

We encourage employees to give back to our communities and we direct our efforts to areas of interest to our employees. Our employees are active in supporting causes that make a significant and positive impact in the community and, like our employees, PrairieSky is committed to giving back to the communities where we work and live through sponsorships, donations, and volunteering.

|||||

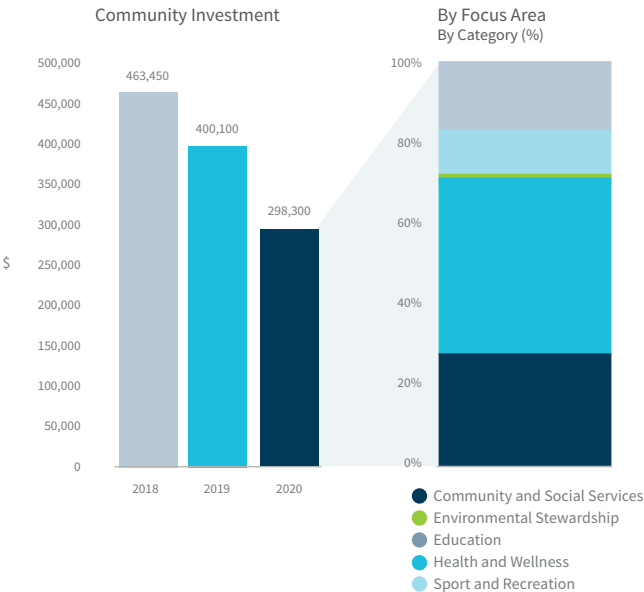
We believe our success depends on the social and economic health of communities.

Our community investment program aims to:

- > promote healthy communities;
- > give back to our communities; and
- > engage our employees in the community.

We have focused our giving in five areas:

- > community and social services;
- > health and wellness;
- > sport and recreation;
- > education; and
- > environmental stewardship



Social Responsibility

We believe that by **investing in the community**, we can contribute to a **better society** and **improve opportunities for all**. Our social investments help advance sustainable development goals and are focused on promoting healthy communities, giving back to our communities, and engaging our employees in the community.

In 2020, PrairieSky invested **\$298,300** into our community with a focus in the following five areas:



Our key community partners are:



Alberta Children's Hospital Foundation

The Alberta Children's Hospital Foundation ("ACHF") supports excellence in child and youth mental health initiatives through the proposed Child and Youth Mental Health Centre. Child and Adolescent Mental Health Inpatient Services at the ACHF offer mental health assessments and treatments for children with serious emotional, behavioural and/or psychiatric problems that cannot be treated in the community, day patient or outpatient settings. The ACHF services also involve the child's family to create a holistic approach to treatment. To help promote youth and family health and wellness, in 2018, PrairieSky committed to a \$500,000 gift over five years to be used for child and youth mental health initiatives.



University Of Saskatchewan

PrairieSky is a proud supporter of the Edwards School of Business at the University of Saskatchewan, whose mission is to serve the public good by connecting discovery, teaching and outreach by promoting diversity and meaningful change to prepare students for enriching careers and fulfilling lives as engaged global citizens. We share their desire to build a rich cultural community while supporting a long-standing and established educational institution and in 2017, PrairieSky committed to providing a \$250,000 gift over five years. The gift is to be used by the Dembroski Student Managed Portfolio Trust to deliver experiential learning opportunities to students as they put their core financial knowledge into practice managing funds in an investment account.

Below is a selection of **2020 community investment programs** and in-kind donations considered on an annual basis:



I Challenge Diabetes

The mission of I Challenge Diabetes is to support, empower, and connect people living with Diabetes by providing challenging programs to test the limits of living with the disease, and high-quality services to help them grow and take accountability for their own health. PrairieSky partnered with I Challenge Diabetes to help bring their much-needed programs to the Calgary area as well as make them available virtually.



Ski For Heart

PrairieSky is a lead sponsor for this event in support of the Heart and Stroke Foundation. The event is a family-friendly weekend in the Rockies for Albertans who share a passion for the outdoors, and a commitment to support life-saving heart and stroke research. Funds raised from the event are used to sponsor a research project for one year. In 2020, the event raised \$194,000.



Wood's Homes

Wood's Homes is a children's mental health center that provides treatment and support to children, youth and families with mental health needs. Their continuum of services includes specialized treatment, assessments, leading-edge counselling services and education. Services are focused on early intervention and prevention, immediacy of response and family-centered, trauma-informed care. PrairieSky has sponsored the last three Never Give up Galas, or in the case of 2020, the unGala, which aim to raise awareness and funding for the critical, and often life-changing, support programs Wood's Homes provides.



Lionheart Foundation

The Lionheart Foundation acts as a primary resource for adolescents with anxiety issues. Donations to the Foundation provide subsidized counselling for individuals and families who cannot afford to pay for the full cost of treatment, and training of therapists, doctors, nurses and other specialists to increase capacity in our community. PrairieSky has sponsored the last four Girl Power Hours that build awareness of the issues, including the 2020 virtual event 'Kids & COVID: Anxiety Amped – How to Help.'



UNICEF Canada WASH

UNICEF leads innovative initiatives to bring life-saving water to all children. Since 2015, PrairieSky has sponsored the UNICEF Water for Life Gala in Calgary which supports UNICEF's global Water, Sanitation and Hygiene (WASH) programs. These programs help realize the rights of children by delivering safe water, sanitation and hygiene in their communities and schools.



Community Investment Highlights

\$298,300

in sponsorship and donations



Calgary Youth Justice Society

Calgary Youth Justice Society engages communities with young people to foster choices and opportunities that build upon their strengths, diverting them from crime. Their programs support young people who are vulnerable to risk-taking and criminal activities. In 2020, PrairieSky donated three complete workstations and financial assistance to the Society.



Alberta Computers for Schools

Computers for Schools Plus is a national partnership-based program that refurbishes digital devices donated from government, private business and individuals for use by schools, libraries, not-for-profit organizations, Indigenous communities and eligible low-income individuals. In 2020, PrairieSky donated hardware to be distributed locally to assist in facilitating on-line learning during the COVID-19 pandemic.

Volunteer Opportunities

Key to our commitment to communities is providing our staff with volunteer opportunities hosting staff fundraising events. Although many of our annual volunteer programs were cancelled due to COVID-19, our staff was able to participate in the following events:

- > In February, PrairieSky staff volunteered for the Caring for Kids Radiothon which raised \$3.7 million for the Alberta Children's Hospital Foundation.
- > In April/May, PrairieSky had a 'Double the Donation' initiative where the Company double matched individual employee donations to a charitable/non-profit organization of their choosing up to a maximum \$500 corporate donation. The initiative raised \$18,756 to help valued organizations continue their work during COVID-19.
- > In November, PrairieSky held our "virtual" annual United Way Campaign in which we raised over \$40,135 to support non-profit organizations that serve vulnerable Calgarians and are helping our community recover from the impacts of COVID-19. The Campaign included a collection drive where staff donated 14 boxes of much needed children's items.

Since IPO, PrairieSky staff have donated over 1,000 hours of time towards PrairieSky sponsored community investment initiatives.

Performance Summary Table

	Units	2018	2019	2020	Verification
Company Context					
Royalty production	BOE/d	23,358	21,757	19,712	
Total acres	million acres	15.6	15.6	16.1	
Acres – fee title lands	million acres	7.8	7.8	8.0	
Acres – gross overriding royalties	million acres	7.8	7.8	8.1	
Seismic data (3-D)	square km	13,000	13,000	16,700	
Seismic data (2-D)	square km	46,000	46,000	49,200	
Operators/lessees	count	340	325	310	
Revenues	million \$	273.8	268.4	171.4	
Taxes					
Total global taxes paid (or collected)	\$	58.5	32.2	25.8	
Corporate income tax	\$	31.2	10.7	6.0	
Property tax	\$	0.1	0.1	0.1	
Sales tax	\$	1.4	1.5	0.8	
Payroll tax, including employee income tax remitted	\$	6.5	4.7	3.2	
Production and mineral taxes	\$	19.3	15.2	15.7	
Anti-Corruption					
Number of incidents of corruption confirmed in the year, but related to previous years	count	0	0	0	
Number of corruption incidents confirmed in the year not related to previous years	count	0	0	0	
Breaches of the code of conduct	count	0	0	0	PwC
Relationship with Operators					
Sites visited by senior management	count	17	33	17	
Audits of lessees	count	970	859	780	
Enforcement actions	count	–	–	–	
Notices issued to lessees	count	2,880	3,578	4,254	
Acres "recycled"	acres	112,640	99,840	128,000	
Employees					
Total employees	count	60	64	59	
Full-time	count	57	61	58	
Part-time	count	3	3	1	

	Units	2018	2019	2020	Verification
Women					
Total workforce	percent	75	73	73	PwC
Total workforce	count	45	47	43	
Managers	percent	80	80	80	PwC
Managers	count	4	4	4	
Junior managers	percent / count	–	–	–	
Middle managers	percent / count	75 / 3	75 / 3	75 / 3	
Top managers	percent / count	100 / 1	100 / 1	100 / 1	
Executive	percent	33	33	33	PwC
Independent Board members	percent	20	29	29	PwC
Age groups					
Below 30	percent	7	6	5	
30-50	percent	61	63	61	
Above 50	percent	32	31	34	
Retention					
Turnover rate, total	percent	17.6	9.7	17.9	
Turnover rate, voluntary	percent	8.0	4.8	6.5	
Human Rights					
Number of discrimination and harassment incidents	count	0	0	0	
Incidents closed	count	n.a.	n.a.	n.a.	
Monetary losses from discrimination and harassment legal proceedings	\$	0	0	0	
Grievances reported	count	0	0	0	
Facilities – PrairieSky’s Office					
Resource use, prorated to PrairieSky					
Natural gas use	gigajoules	2,771	2,644	2,762	
Natural gas use (Scope 1 emissions location-based approach)	metric tons CO ₂ e	144.0	137.4	143.5	PwC
Natural gas use (Scope 1 emissions market-based approach)	metric tons CO ₂ e	144.0	0	0	PwC
Electricity use	gigajoules	1,738	1,673	1,502	
Electricity use (Scope 2 emissions location-based approach)	metric tons CO ₂ e	386.3	315.9	279.8	PwC
Electricity use (Scope 2 emissions market-based approach)	metric tons CO ₂ e	386.3	0	0	PwC

	Units	2018	2019	2020	Verification
Scope 3 emissions					
Employee commuting	metric tons CO ₂ e	76.0	59.5	28.6	PwC
Business travel	metric tons CO ₂ e	15.7	32.1	6.0	PwC
Scope 1, 2, and 3 emissions	metric tons CO ₂ e	622.0	544.9	457.9	
Intensity	metric tons CO ₂ e/\$ revenue	0.0000023	0.0000020	0.0000027	
Energy intensity	gigajoules/\$ revenue	0.000017	0.000016	0.000025	
Water use	cubic meters	1,031	959	792	PwC
Water use, prorated per PSK employee	litres	16,085	14,980	13,429	
Water intensity	cubic meters / \$ revenue	0.000004	0.000004	0.000005	
Waste generated	metric tons	13.1	14.2	6.2	PwC
Waste diverted from landfill	percent	76	79	64	PwC
Hazardous waste generated	metric tons	0	0	0	PwC
Environmental Violations	count	0	0	0	
Communities and Society					
Community Investment	\$	463,450	400,100	298,300	PwC
By focus area					
Community and Social Services	\$	179,600	109,000	83,500	
Education	\$	50,000	50,000	50,000	
Health and Wellness	\$	156,650	162,500	129,400	
Environmental Stewardship	\$	4,850	8,850	2,900	
Sport and Recreation	\$	72,350	69,750	32,500	
Economic Value Generated and Distributed					
Revenues	millions \$	273.8	268.4	171.4	
Distributed as follows:					
Dividends declared to shareholders and share buybacks	millions \$	227.7	201.2	177.0	
Employees (salaries, benefits and cash long-term incentives)	millions \$	18.8	15.2	12.4	
Suppliers (operating expenses, other G&A, finance expenses)	millions \$	3.8	8.0	7.4	
Governments (production and mineral taxes, cash taxes)	millions \$	21.1	24.0	5.2	
Communities & Non-Profits (charitable contributions)	millions \$	0.5	0.4	0.3	
Value Retained at PrairieSky ⁽¹⁾	millions \$	2.0	19.6	(30.9)	

Notes:

1. Value retained is simply value generated minus value distributed. This is not a financial reporting indicator and should not be confused with retained earnings.

	Units	2018	2019	2020	Verification
Political Contributions	millions \$	0.0	0.0	0.0	
Health and Safety					
Lost-Time Injury Frequency Rate (LTIFR)					
LTIFR – Employees	cases per 200,000 hours	0.0	0.0	0.0	PwC
LTIFR - Contractors	cases per 200,000 hours	0.0	0.0	0.0	PwC
Total Recordable Injury Frequency Rate (TRIFR)					
TRIFR – Employees		0.0	0.0	0.0	PwC
TRIFR - Contractors		0.0	0.0	0.0	PwC
Fatalities - Employee/Contractor	count	0.0	0.0	0.0	PwC
Tier 1 process safety events	cases per million hours worked	0.0	0.0	0.0	PwC

PricewaterhouseCoopers LLP has provided limited assurance over indicators marked PwC. Verification of the data reported and assumptions made can be found in the [PwC assurance statement](#) on our website.

GRI, SASB and WEF Index

This 2020 Responsibility Report has been prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) Oil & Gas - Exploration & Production Industry Standard. In some cases, indicators suggested by the standards are not applicable, or the information is considered to be competitive and is therefore not disclosed. As the standards evolve, so will our reporting on the topics covered. We are committed to consistently improving our disclosure for stakeholders and support efforts to provide consistent and comparable sustainability performance data. To that end, we have added certain World Economic Forum (WEF) core and expanded metrics and disclosures.

The GRI, SASB and WEF Index below contains information and additional links that relate to specific content within the 2020 Responsibility Report and other annual PrairieSky disclosures. The scope of information covered in this Index, the 2020 Responsibility Report and supporting disclosures relates to our operations in the 2020 calendar year, unless otherwise noted. All of PrairieSky's operations are in Canada.

SASB Code	WEF Metric	GRI Code	Description	Reference
General Disclosures				
		102-1	Name of organization	PrairieSky Royalty Ltd.
		102-2	Activities, brands, products and services	2020 Responsibility Report (pages 2,3)
		102-3	Location of headquarters	First Canadian Centre in Calgary, Alberta, Canada.
		102-4	Location of operations	2020 Responsibility Report (pages 2,7)
		102-5	Ownership and legal form	2020 Annual Information Form (page 12)
		102-6	Markets served	2020 Responsibility Report (page 3)
		102-7	Scale of the organization	2020 Responsibility Report (page 2)
		102-8	Information on employees and other workers	2020 Responsibility Report (pages 41, 44, 52, 53)
		102-9	Supply chain	2020 Responsibility Report (pages 3, 18, 45, 47)
		102-10	Significant changes to the organization and its supply chain	Not applicable.
		102-11	Precautionary Principle or approach	2020 Responsibility Report (page 11)
		102-12	External initiatives	2020 Responsibility Report (pages 7, 11, 24)
		102-13	Membership or associations	2020 Responsibility Report (pages 20, 37)
		102-14	Statement from senior decision-maker	2020 Responsibility Report (page 1)
	•	102-15	Key impacts, risk, and opportunities	2020 Responsibility Report (pages 9, 13, 24, 25, 27, 31-33)
		102-16	Values, principles, standards, and norms of behavior	2020 Responsibility Report (pages 9, 17, 18, 20)
	•	102-17	Mechanisms for advice and concerns about ethics	2020 Responsibility Report (page 18)
		102-18	Governance structure	2020 Responsibility Report (pages 13, 14)
		102-19	Delegating authority	2020 Responsibility Report (pages 13,14)
EM-EP-530a.1		102-20	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	2020 Responsibility Report (pages 13, 20)
	•	102-21	Consulting stakeholders on economic, environmental, and social topics	2020 Responsibility Report (pages 4, 6)

SASB Code	WEF Metric	GRI Code	Description	Reference
	•	102-22	Composition of the highest governance body and its committees	2020 Responsibility Report (page 14)
		102-23	Chair of the highest governance body	2021 Information Circular and Proxy Statement (pages 11, 17)
		102-24	Nominating and selecting the highest governance body	2021 Information Circular and Proxy Statement (pages 10, 35)
		102-25	Conflicts of interest	2020 Responsibility Report (page 20)
		102-26	Role of highest governance body in setting purpose, values, and strategy	2020 Responsibility Report (page 13)
	•	102-26	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. How the company's stated purpose is embedded in company strategies, policies and goals.	2020 Responsibility Report (pages 2, 3, 9)
		102-27	Collective knowledge of the Board of Directors	2021 Information Circular and Proxy Statement (pages 40, 41)
		102-28	Evaluating the highest governance body's performance	2021 Information Circular and Proxy Statement (page 39)
		102-29	Identifying and managing economic, environmental, and social impacts	2020 Responsibility Report (pages 9, 13, 27)
		102-30	Effectiveness of risk management processes	2020 Responsibility Report (pages 13, 24, 27)
		102-31	Review of economic, environmental, and social topics	2020 Responsibility Report (pages 9, 10, 13)
		102-32	Highest governance body's role in sustainability reporting	2020 Responsibility Report (page 13)
	•	102-35	Remuneration policies	2021 Information Circular and Proxy Statement (page 48)
		102-36	Process for determining remuneration	2021 Information Circular and Proxy Statement (page 48)
		102-37	Stakeholders' involvement in remuneration	2020 Responsibility Report (page 15)
		102-40	List of stakeholder groups	2020 Responsibility Report (page 4)
		102-41	Collective bargaining agreements	Not applicable. None of PrairieSky's 59 employees is unionized.
		102-42	Identifying and selecting stakeholders	2020 Responsibility Report (pages 4, 15)
	•	102-43	Approach to stakeholder engagement	2020 Responsibility Report (pages 4, 15)
		102-44	Key topics and concerns raised	2021 Information Circular and Proxy Statement (pages 31-34)
		102-45	Entities included in consolidated financial statements	2020 Consolidated Financial Statements (page 12)
		102-46	Report content	2020 Responsibility Report (pages 6, 7)
	•	102-47	Material topics	2020 Responsibility Report (page 5)
		102-48	Restatements of information	Restatements of information from previous reporting periods can be found in the 2020 Responsibility Report notes supporting our performance summary table. There were no significant changes in 2020.
		102-49	Changes in reporting	Significant changes from previous reporting periods in scope, boundary or measurement methods can be found in the 2020 Responsibility Report notes supporting our performance summary table. There were no significant changes in 2020.
		102-50	Reporting period	2020 Responsibility Report (page 6)
		102-51	Most recent Responsibility Report	2020 Responsibility Report (page 6)
		102-52	Reporting cycle	2020 Responsibility Report (page 6)
		102-53	Contact point for questions regarding the report	2020 Responsibility Report (page 77)
		102-54	Claims of reporting in accordance with the GRI standards	2020 Responsibility Report (pages 7, 56)

SASB Code	WEF Metric	GRI Code	Description	Reference
		102-55	GRI content index	2020 Responsibility Report (page 56)
		102-56	External assurance	An independent third-party has provided assurance on selected 2020 key performance indicators. <i>PwC assurance statement</i>
	*		Disclosure of the material strategic economic, environmental and social milestones expected to be achieved in the following year, such milestones achieved from the previous year, and how those milestones are expected to or have contributed to long-term value.	2020 Responsibility Report (pages 9, 10)
	*		How the highest governance body considers economic environmental and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments.	2020 Responsibility Report (pages 6, 13)
Material Topics				
Management Approach				
		103-1	Explanation of the material topic and its Boundary	2020 Responsibility Report (pages 5-7)
		103-2	The management approach and its components	2020 Responsibility Report (pages 5-7)
		103-3	Evaluation of the management approach	2020 Responsibility Report (pages 5 7)
Economic Performance				
	*	201-1	Direct economic value generated and distributed	2020 Responsibility Report (pages 46, 54)
	*	201-1	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	2020 Responsibility Report (pages 24, 52)
	*		The total additional global tax collected by the company on behalf of other taxpayers, including VAT and employee-related taxes that are remitted by the company on behalf of customers or employees, by category of taxes.	2020 Responsibility Report (pages 24, 52)
	*		Total tax paid and, if reported, additional tax remitted, by country for significant locations.	<i>2020 Consolidated Financial Statements</i> (pages 29, 33)
		201-2	Financial implications and other risks and opportunities due to climate change	2020 CDP Climate Disclosure <i>TCFD Report 2020</i> 2020 Responsibility Report (pages 27, 31-33)
	*	201-4	Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	<i>2020 Management's Discussion and Analysis</i> (page 10)
	*		1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. 2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	As a royalty company, PrairieSky does not have capital expenditure requirements, which enhances its financial flexibility. 2020 Responsibility Report (pages 3, 46) <i>2020 Management's Discussion and Analysis</i> (pages 15-16)
	*		Total costs related to research and development.	Not applicable.

SASB Code	WEF Metric	GRI Code	Description	Reference
Indirect Economic Impact				
	▪	203-1	Qualitative disclosure to describe the below components: 1. Extent of development of significant infrastructure investments and services supported. 2. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. 3. Whether these investments and services are commercial, in-kind or pro bono engagements.	Not applicable. PrairieSky does not own or operate any infrastructure.
	▪	203-2	1. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. 2. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g national and international standards, protocols, policy agendas).	2020 Responsibility Report (page 46)
	▪		Percentage of gross revenue from product lines added in last three (or five) years calculated as the sales from products that have been launched in the past three (or five) years divided by total sales, supported by narrative that describes how the company innovates to address specific sustainability challenges.	No additional product lines were added in the last five years.
	▪		Total Social Investment (TSI)	2020 Responsibility Report (page 47)

SASB Code	WEF Metric	GRI Code	Description	Reference
Business Ethics and Transparency				
EM-EP-510a.1		205-1	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	0% All of PrairieSky's proved and probable reserves are in Canada and relate to our royalty interest share of production from third-party owned and operated wells. PrairieSky does not own or operate any well bores or infrastructure. For more information on our proved and probable reserves, please see our <i>2020 Annual Information Form</i> (page 17).
	•		Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice or violations of other related industry laws or regulations.	\$0 No legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice or violations of other industry laws and regulations occurred.
EM-EP-510a.2		205-2	Description of the management system for prevention of corruption and bribery throughout the value chain	Honesty and integrity are fundamental values to our business. PrairieSky's Board of Directors has adopted a written Business Code of Conduct (the "Code") that guides the culture of ethical business conduct required of all directors, management, employees and consultants. We have zero tolerance for fraud, bribery, corruption, self-dealing, or misuse of confidential information and company property. Our Code also applies to third-party service providers, such as information technology providers, consultants or other professional service firms. Annually, every employee and internal service provider must read and certify compliance with the Code. The Board believes that providing a standard procedure for employees and third parties to raise concerns and treating all complaints with a high degree of seriousness fosters a culture of ethical conduct. Our Code is available at www.prairiesky.com . 2020 Responsibility Report (page 18) Each year, PrairieSky submits its <i>Extractive Sector Transparency Measures Act</i> ("ESTMA") report to the Canadian government and posts it on our website. ESTMA reporting delivers on Canada's international commitment to contribute to global efforts to increase transparency and deter corruption. See our website at https://www.prairiesky.com/responsibility/governance/ for further details. 2020 Responsibility Report (page 24) We have also codified a lobbying framework within our Code of Conduct, expanding the concept of lobbying activities, associated protocols and required disclosures. 2020 Responsibility Report (page 20)
	•	205-2	Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	2020 Responsibility Report (pages 9, 17, 18)
	•	205-3	a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year.	2020 Responsibility Report (pages 18, 52)

SASB Code	WEF Metric	GRI Code	Description	Reference
Energy				
		302-1	Energy consumption within the organization	2020 Responsibility Report (pages 28, 29, 53, 54)
		302-2	Energy consumption outside of the organization	2020 Responsibility Report (pages 28-33)
		302-3	Energy intensity	2020 Responsibility Report (page 54)
		302-4	Reduction of energy consumption	2020 Responsibility Report (pages 28, 29, 53, 54)
Reserves Valuation & Capital Expenditures				
EM-EP-420a.1			Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	2020 Responsibility Report (pages 30-33)
EM-EP-420a.2			Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	The downstream combustion emissions related to PrairieSky's royalty share of production (crude oil, natural gas, and NGL) is reported by third-party operators for the royalty lands. Royalty volumes are recorded as revenue by the operator and then paid as a royalty to PrairieSky.
EM-EP-420a.3			(1) Amount invested in renewable energy (2) revenue generated by renewable energy sales	(1) \$21,332 (2) \$0 2020 Responsibility Report (page 28)
EM-EP-420a.4			Discussion of how price and demand for hydrocarbons and/or climate regulation influences the capital expenditure strategy for exploration, acquisition, and development of assets	PrairieSky is a royalty company and does not own any well bores or infrastructure. We do collect royalties on third-party production of oil and natural gas 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. The influence of price and demand for hydrocarbons and/or climate regulation on the capital expenditure strategy for exploration, acquisition and development of assets is further discussed under Risk Factors in our <i>2020 Annual Information Form</i> (starting on page 55).
Water Management				
EM-EP-140a.1	*	303-3 303-5	(1) Total fresh water withdrawn (2) Total fresh water consumed (3) Percentage of each in regions with High or Extremely High Baseline Water Stress	(1) Not applicable as PrairieSky does not have any oil and gas exploration, development, production or field operations. PrairieSky's only operations are at head office in Calgary, Alberta. (2) 792 cubic meters (3) 0% 2020 Responsibility Report (pages 29, 35, 54) and our 2020 CDP Water Disclosure.
EM-EP-140a.2		306-1	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	Not applicable. PrairieSky does not have any oil and gas exploration, development, production or field operations. PrairieSky's only operations are at our office building in Calgary, Alberta. 2020 Responsibility Report (pages 34, 35)

SASB Code	WEF Metric	GRI Code	Description	Reference
EM-EP-140a.3			Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Not applicable. PrairieSky does not have any oil and gas exploration, development, production or field operations. 2020 Responsibility Report (page 35)
EM-EP-140a.3			Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Not applicable. PrairieSky does not have any oil and gas exploration, development, production or field operations. 2020 Responsibility Report (page 35)
EM-EP-140a.4			Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	Not applicable. PrairieSky does not have any oil and gas exploration, development, production or field operations. 2020 Responsibility Report (page 35)
	▪		Estimate and report wherever material along the value chain: metric tonnes of nitrogen, phosphorous and potassium in fertilizer consumed.	Not applicable. PrairieSky does not consume fertilizer.
	▪		Report wherever material along the value chain: the valued impact of water pollution, including excess nutrients, heavy metals and other toxins.	Not applicable. PrairieSky does not have any oil and gas exploration, development, production or field operations. PrairieSky's operations include an office building in Calgary, Alberta. 2020 Responsibility Report (pages 28, 34, 35)
Greenhouse Gas Emissions				
EM-EP-110a.1	▪	305-1	(1) Gross global Scope 1 GHG Emissions (2) Percentage methane (3) Percentage covered under emissions-limiting regulations	(1) 143.5 metric tons of CO ₂ e (tCO ₂ e) (2) 0.05% (3) 0% For more information, see our 2020 Responsibility Report (pages 28, 53) and our 2020 CDP Climate Disclosure.
EM-EP-110a.2	▪	305-1	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	Not applicable. PrairieSky does not have any oil and gas exploration, development, production or field operations. 2020 Responsibility Report (page 35)
	▪	305-2	Energy indirect (Scope 2) GHG emissions	2020 Responsibility Report (pages 28, 53)
	▪	305-3	Other indirect (Scope 3) GHG emissions	2020 Responsibility Report (pages 29, 54)
		305-4	GHG emissions intensity	2020 Responsibility Report (page 54)
EM-EP-110a.3		305-5	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	We are committed to reducing our carbon footprint. For 2019 and 2020, we purchased green renewable energy to offset the total amount of PrairieSky's Scope 1 emissions. 2020 Responsibility Report (pages 28, 53) and our 2020 CDP Climate Disclosure.
	▪		Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).	2020 Responsibility Report (pages 7, 10, 27) TCFD Report 2020

SASB Code	WEF Metric	GRI Code	Description	Reference
	*		Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.	2020 Responsibility Report (pages 7, 31-33)
Air Quality				
EM-EP-120a.1	*	305-7	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10) Wherever possible estimate the proportion of specified emissions that occur in or adjacent to urban/densely populated areas.	1) NOx 0.1186 metric tons of CO ₂ e (tCO ₂ e) (2) SOx 0.0007 metric tons of CO ₂ e (tCO ₂ e) (3) VOCs 0.0065 metric tons of CO ₂ e (tCO ₂ e) (4) PM10 0.0090 metric tons of CO ₂ e (tCO ₂ e) The estimated proportion of emissions that occur in or adjacent to urban/densely populated areas is 100%.
	*		Report wherever material along the value chain: the valued impact of air pollution, including nitrogen oxides (NOx), sulphur oxides (SOx), particulate matter and other significant air emissions.	Not applicable.
Effluents and Waste				
		306-2	Waste by type and disposal method	PrairieSky's only waste is generated from our head office, our only business operations. 2020 Responsibility Report (pages 29, 54)
	*		Report wherever material along the value chain: estimated metric tonnes of single-use plastic consumed. Disclose the most significant applications of single-use plastic identified, the quantification approach used and the definition of single-use plastic adopted.	Not applicable. Single-use plastic consumed is not material to our operations.
	*		Report wherever material along the value chain, the valued societal impact of solid waste disposal, including plastics and other waste streams.	Not applicable, PrairieSky's solid waste disposal is not material to our value chain.
Biodiversity Impacts				
EM-EP-160a.1			Description of environmental management policies and practices for active sites	Not applicable. PrairieSky does not own any well bores and has no exploration, development, production or field operations. As a result, PrairieSky does not have any "active" or "non-active" sites. PrairieSky has never incurred or paid a fine or penalty related to the environment or any ecological issue. 2020 Responsibility Report (page 35)
EM-EP-160a.2		306-3	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	Not applicable. PrairieSky does not own any well bores and has no exploration, development, production or field operations. As a result, PrairieSky does not have any "active" or "non-active" sites. 2020 Responsibility Report (page 35)
EM-EP-160a.3		304-1	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Not quantified at this time. We are currently working on quantifying our percentage of proved and probable reserves (our royalty interest share of proved and probable reserves from third-party owned and operated wells) in or near sites with protected conservation status or endangered species habitat. We plan to quantify this figure within the next two years.

SASB Code	WEF Metric	GRI Code	Description	Reference
	*		Report for operations (if applicable) and full supply chain (if material): (1) Area of land used for the production of basic plant, animal or mineral commodities (e.g. the area of land used for forestry, agriculture or mining activities). (2) Year-on-year change in the area of land used for the production of basic plant, animal or mineral commodities. (3) Percentage of land area in point 1 above or of total plant, animal and mineral commodity inputs by mass or cost, covered by a sustainability certification standard or formalized sustainable management program. Disclose the certification standards or description of sustainable management programs along with the percentage of total land area, mass or cost covered by each certification standard/program.	Not applicable. PrairieSky does not own any surface land rights. PrairieSky owns only the minerals, including petroleum and natural gas, below the surface of the land. PrairieSky does not own any well bores and has no exploration, development, production or field operations. 2020 Responsibility Report (pages 34, 35)
	*		Report wherever material along the value chain: the valued impact of use of land and conversion of ecosystems.	Not applicable. PrairieSky does not own any surface land rights. PrairieSky owns only the minerals, including petroleum and natural gas, below the surface of the land. PrairieSky does not own any well bores and has no exploration, development, production or field operations. 2020 Responsibility Report (pages 34, 35)
Security, Human Rights & Rights of Indigenous Peoples				
	*	406-1	Number of discrimination and harassment incidents, status of the incidents and actions taken, and the total amount of monetary losses as a result of legal proceedings associated with: a) law violations; and b) employment discrimination.	PrairieSky has had no incidents of discrimination or harassment. 2020 Responsibility Report (pages 19, 53)
	*	407-1	1. Percentage of active workforce covered under collective bargaining agreements. 2. An explanation of the assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk, including measures taken by the organization to address these risks.	Not applicable. PrairieSky has no unionized employees
	*	412-1	1. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country. 2. Number and type of grievances reported with associated impacts related to a salient human rights issue in the reporting period and an explanation on type of impacts.	None of PrairieSky's operations have been subject to human rights impact assessments. All of PrairieSky's operations are within Canada and we adhere to all laws. PrairieSky has had no human rights grievances. None to report. 2020 Responsibility Report (page 53) PrairieSky's commitment to protecting human rights is outlined in our <i>Human Rights Policy</i> .
EM-EP-210a.1		412-1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	0% None of PrairieSky's proved and probable reserves (our royalty interest share of proved and probable reserves from third-party owned and operated wells) are in or near areas of conflict. All of PrairieSky's lands are in Western Canada, from northeast British Columbia to southwest Manitoba. 2020 Responsibility Report (page 2)

SASB Code	WEF Metric	GRI Code	Description	Reference
EM-EP-210a.2		412-1	Percentage of (1) proved and (2) probable reserves in or near indigenous land.	5.8% These reserves represent PrairieSky's royalty interest share of production from third-party owned and operated wells. At December 31, 2020, PrairieSky had 48,189 MBOE of proved plus probable reserves of which 5.8% are on or within 1 mile of Indigenous lands. Just over half these reserves are in the third-party owned and operated Onion Lake thermal project. For more information, please see our 2020 Responsibility Report (page 45). PrairieSky owns over 16 million acres of royalty lands across Western Canada. Annually, PrairieSky prepares its corporate reserves which are disclosed in our <i>2020 Annual Information Form</i> (page 17).
EM-EP-210a.3		411-1	Discussion of engagement processes and due diligence practices with respect to human rights, Indigenous rights, and operations in areas of conflict.	PrairieSky does not have any oil and gas operations and we do not operate in areas of conflict. PrairieSky has a Business Code of Conduct, Human Rights Policy, and Environment, Climate Change, Health and Safety Policy which provide a framework to maintain a safe working environment, free of discrimination and harassment, in which all individuals are treated with respect and dignity, are able to contribute fully and have equal opportunities. These policies also deal with harassment and workplace violence, for which PrairieSky has zero tolerance, and articulate our position with respect to: diversity and inclusion, equal opportunity, discrimination, harassment and threats or acts of violence; ensuring a safe work environment for our employees; our commitment to the protection of the environment; reporting inappropriate conduct, harassment and workplace violence; disciplinary measures; and the development of procedures to prevent and address human rights issues. We recognize and respect the constitutionally protected rights of Indigenous peoples in Canada. PrairieSky does not directly own any mineral rights that overlap with contested Indigenous territories. For more information, please see our 2020 Responsibility Report (pages 18, 19, 21, 45).
	*		Current wages against the living wage for employees and contractors in states and localities where the company is operating.	100% of PrairieSky's employees earn a salary that on an hourly basis is above the hourly living wage for Calgary, Alberta, Canada (location of our only office). In addition to a salary, employees are provided with benefits, participate in the long-term incentive program and have the opportunity to earn an annual bonus upon meeting annual performance goals.

SASB Code	WEF Metric	GRI Code	Description	Reference
Community Relations				
EM-EP-210b.1		413-1	Discussion of process to manage risks and opportunities associated with community rights and interests	<p>PrairieSky manages risks and opportunities associated with community rights and interests through the careful selection of property operators that value community relationships and development. Crucial to PrairieSky's ongoing success is developing and maintaining long-term relationships with industry partners based on mutual benefit and adhering to all contractual, ethical and legal requirements.</p> <p>We recognize and respect the constitutionally protected rights of Indigenous peoples in Canada. While we do not directly own any mineral rights that overlap with contested Indigenous territories, we have gross overriding royalties on two thermal oil properties that are in or near traditional territories where Indigenous peoples are partnering with industry for the development of natural resources. The two operators of these properties, Strathcona Resources Ltd. and International Petroleum Corp., have agreements in place with the Frog Lake First Nations and Onion Lake Cree Nation, respectively, to work in partnership on certain operations and development of the projects, including a commitment to sustainable development.</p> <p>2020 Responsibility Report (pages 21, 24, 45)</p>
EM-EP-210b.2			(1) Number of non-technical days (2) Duration of non-technical delays	(1) 0 (2) 0 <p>PrairieSky does not have any oil and gas exploration, development, production or field operations. As a result, there have been no non-technical delays.</p>
Workforce Health & Safety				
EM-EP-320a.2		403-1	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	<p>Health and safety is a priority and our policies and procedures cover our operations which includes our head office in Calgary, Alberta. Health and safety protocols are covered under our Joint Work Site Health and Safety Policy. PrairieSky does not own any well bores and has no exploration, development, production or field operations.</p> <p>2020 Responsibility Report (pages 35, 42, 55)</p>
		403-2	Hazard identification, risk assessment, and incident investigation	<i>Environment and Climate Change, Health and Safety Policy</i>
		403-3	Occupational health services	<i>Environment and Climate Change, Health and Safety Policy</i>
		403-4	Worker participation, consultation, and communication on occupational health and safety	<i>Environment and Climate Change, Health and Safety Policy</i> 2020 Responsibility Report (page 42)
		403-5	Worker training on occupational health and safety	<i>Environment and Climate Change, Health and Safety Policy</i> 2020 Responsibility Report (pages 19, 42)
	*	403-6	Promotion of worker health	<i>Environment and Climate Change, Health and Safety Policy</i> 2020 Responsibility Report (pages 19, 42)
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<i>Environment and Climate Change, Health and Safety Policy</i>

SASB Code	WEF Metric	GRI Code	Description	Reference
EM-EP-320a.1		403-9	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	(1) 0 (2) 0 (3) 0 (4) 0 PrairieSky does not have any field operations. Health and safety policies and procedures cover our head office location in Calgary, Alberta. Health and safety protocols and training are covered under our Joint Work Site Health and Safety Policy. PrairieSky had no work-related health and safety incidents in 2020, or in any prior year. 2020 Responsibility Report (pages 42, 55)
	*	403-9	The number and rate of fatalities as a result of work-related injury, high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked.	PrairieSky does not have any field operations. Health and safety policies and procedures cover our head office location in Calgary, Alberta. Health and safety protocols and training are covered under our Joint Work Site Health and Safety Policy. PrairieSky had no work-related health and safety incidents in 2020, or in any prior year. 2020 Responsibility Report (pages 42, 55)
	*	403-10	1. The number of fatalities as a result of work-related ill-health, recordable work-related ill-health injuries, and the main types of work-related ill-health for all employees and workers. 2. a) Percentage of employees participating in “best practice” health and well-being programs, and b) Absentee rate (AR) of all employees.	PrairieSky does not have any field operations. Health and safety policies and procedures cover our head office location in Calgary, Alberta. Health and safety protocols and training are covered under our Joint Work Site Health and Safety Policy. PrairieSky had no work-related health and safety incidents in 2020, or in any prior year. 2020 Responsibility Report (pages 42, 55)
	*		Monetized impacts of work-related incidents on organization. By multiplying the number and type of occupational incidents by the direct costs for employees, employers per incident (including actions and/or fines from regulators, property damage, healthcare costs, compensation costs to employees).	PrairieSky does not have any field operations. Health and safety policies and procedures cover our head office location in Calgary, Alberta. Health and safety protocols and training are covered under our Joint Work Site Health and Safety Policy. PrairieSky had no work-related health and safety incidents in 2020, or in any prior year. 2020 Responsibility Report (pages 42, 55)
	*		1. Investment in training as a percentage (%) of payroll. 2. Effectiveness of the training and development through increased revenue, productivity gains, employee engagement and/or internal hire rates.	2020 Responsibility Report (page 43)
Critical Incident Risk Management				
EM-EP-540a.1			Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Not applicable. PrairieSky is not a licensed operator. PrairieSky owns no well bores and does not operate in the field. As a result, PrairieSky has no process safety event rates for loss of primary containment. 2020 Responsibility Report (page 55)
EM-EP-540a.2			Description of management systems used to identify and mitigate catastrophic and tail-end risks	Not applicable. PrairieSky is not a licensed operator. PrairieSky owns no well bores and does not operate in the field. As a result, PrairieSky has management systems to identify and mitigate catastrophic and tail-end risks. 2020 Responsibility Report (page 35)

SASB Code	WEF Metric	GRI Code	Description	Reference
People				
	▪	401-1	New employee hires and employee turnover 1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	2020 Responsibility Report (pages 43, 53) In 2020, over 95% of our employees responded to our employee engagement survey. Of those that responded, 92% of our employees indicated high employee satisfaction, exceeding our internal target of 85%. 2020 Responsibility Report (page 41)
		401-2	Benefits provided to full-time employees that are not provided to part-time employees	2020 Responsibility Report (page 41)
	▪	404-1	Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	2020 Responsibility Report (page 43)
		404-2	Programs for upgrading employee skills and transition assistance programs	2020 Responsibility Report (page 43)
		404-3	Percentage of employees receiving regular performance and career development reviews	2020 Responsibility Report (page 43)
	▪	405-1	Diversity of governance bodies and employees	2020 Responsibility Report (pages 16, 19, 44, and 53)
	▪	405-1	Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	2020 Responsibility Report (pages 53)
Forced Labour				
	▪	408-1 409-1	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	PrairieSky does not have operations or suppliers that are considered to have significant risk for incidents of child labour, forced or compulsory labour. 2020 Responsibility Report (pages 19, 45)
Public Policy				
		415-1	Political Contributions	In accordance with our <i>Business Code of Conduct</i> , PrairieSky does not make political contributions. 2020 Responsibility Report (page 20)
	▪	415	The significant issues that are the focus of the company's participation in public policy development and lobbying; the company's strategy relevant to these areas of focus; and any differences between its lobbying positions and its purpose, stated policies, goals or other public positions.	2020 Responsibility Report (page 20)

SASB Code	WEF Metric	GRI Code	Description	Reference
Activity Metrics				
EM-EP-000.A			Production of: (1) oil (2) natural gas (3) synthetic oil (4) synthetic gas	Oil: 7,124 bbl/d Natural gas liquids: 2,571 bbl/d Natural gas: 60.1 MMcf/d Total production: 19,712 BOE/d PrairieSky is allocated royalty production from approximately 37,000 third-party owned and operated wells. PrairieSky does not own any well bores and has no field operations. For more information, see our <i>2020 Management's Discussion and Analysis</i> (page 6).
EM-EP-000.B			Number of offshore sites	Not applicable. PrairieSky does not own any well bores and has no field operations. 2020 Responsibility Report (page 35)
EM-EP-000.C			Number of terrestrial sites	Not applicable. PrairieSky does not own any well bores and has no field operations. 2020 Responsibility Report (page 35)

UNGC Communication on Progress

Statement of Continued Support from PrairieSky's CEO

We are committed to operating our business responsibly and with integrity. We believe that our governance and management approach is consistent with the principles set forth in the UN Global Compact on human rights, labour, environment and anti-corruption and we are dedicated to incorporating these principles into our strategies, policies and procedures. We are providing this Communication on Progress (COP) to demonstrate the advancement initiatives that we have implemented and to provide information on plans to advance the UN Global Compact principles within our business and sphere of influence. In this CoP, we have provided information on our strategies, policies and procedures and how they relate to the UN Global Compact Principles for the calendar year ended December 31, 2020.



Andrew Phillips, President & Chief Executive Officer

Topic	Principles	Progress
Human Rights	<p>Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights.</p> <p>Principle 2 Businesses should make sure that they are not complicit in human rights abuses.</p>	<p>2020 Responsibility Report (pages 11, 19, 45, 53)</p> <p>To further demonstrate our commitment, we implemented a separate Human Rights Policy in February 2020, which along with our <i>Code of Business Conduct</i> and <i>Respectful Workplace Policy</i>, underscore our commitment.</p> <p>In 2020, we also implemented a <i>Supplier Code of Conduct</i> to further integrate our commitment to the Ten Principles of the UN Global Compact to include our core service providers and suppliers.</p> <p>We have demonstrated our commitment through our human rights metrics in our performance summary table.</p>
Labour	<p>Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p>Principle 4 Businesses should uphold the elimination of all forms of forced and compulsory labour.</p> <p>Principle 5 Businesses should uphold the effective abolition of child labour; and</p> <p>Principle 6 Businesses should uphold the elimination of discrimination in respect of employment and occupation.</p>	<p>2020 Responsibility Report (pages 17, 19, 40, 41, 42, 45, 53)</p> <p>In 2020, our business employed 59 full and part-time staff. We do not have any unionized workers. In February 2020, we implemented a <i>Human Rights Policy</i> which underscored our commitment to adhering to all applicable domestic laws and best practices within Canada, including those concerning freedom of association and collective bargaining, non-discrimination, forced labour and underage workers in the workplace.</p> <p>In addition to our <i>Code of Business Conduct</i> and <i>Human Rights Policy</i>, both of which are discussed above, PrairieSky has adopted:</p> <ul style="list-style-type: none"> • a <i>Respectful Workplace Policy</i>; • an <i>Environment, Climate Change, Health and Safety Policy</i>; and • a Joint Worksite Health and Safety Committee Policy. <p>In 2020, we expanded our sphere of influence by implementing a <i>Supplier Code of Conduct</i> to further integrate our commitment to the Ten Principles of the UN Global Compact to include our core service providers and suppliers.</p> <p>We have demonstrated our commitment through our human rights metrics in our performance summary table.</p>

Topic	Principles	Progress
Environment	<p>Principle 7 Businesses should support a precautionary approach to environmental challenges.</p> <p>Principle 8 Businesses should undertake initiatives to promote greater environmental responsibility.</p> <p>Principle 9 Businesses should encourage the development and diffusion of environmentally-friendly technologies.</p>	<p>2020 Responsibility Report (pages 25-39)</p> <p>We amended our corporate policies to include environmental, social and governance as part of our long-term strategy and goals.</p> <p>We have demonstrated our commitment through our resource use metrics in our performance summary table.</p>
Anti-Corruption	<p>Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>2020 Responsibility Report (pages 17, 18, 52)</p> <p>We have demonstrated our commitment through our anti-corruption metrics in our performance summary table.</p>

Statement of Continued Support from PrairieSky's CEO

Refer to pages 11 and 48 for examples of how PrairieSky is contributing to advancing the 17 Sustainable Development Goals.

Forward-Looking Statements

Certain statements and information contained in this Responsibility Report may constitute forward-looking information and forward-looking statements (collectively referred to here in “forward-looking statements”) within the meaning of applicable securities laws, including, but not limited to, statements regarding: PrairieSky’s plans, objectives and strategies to continue to look for ways to reduce our impact on the environment, including but not limited to reducing greenhouse gas emissions; PrairieSky’s commitment to continuous improvement with respect to ESG topics; PrairieSky’s initiatives and participation in energy transition opportunities; PrairieSky’s monitoring of the impacts of oil and gas operations on the environment; the belief that Canadian energy is subject to one of the highest regulatory and legal standards in the world for the protection of the environment, good governance and human rights; PrairieSky’s business outlook, such as our ability to remain financially profitable and resilient, create value for shareholders and retain our competitive advantage; PrairieSky’s initiatives to continually develop our environmental, social and governance objectives, including CDP reporting, advancing certain disclosures to include standards outlined by the Task Force on Climate -Related Financial Disclosures, and the Sustainability Accounting Standards Board, as well as World Economic Forum core and expanded metrics and disclosures; and providing third-party assurance of certain key ESG performance indicators; and other statements that are not historically facts. Readers are cautioned that the forgoing list is not exhaustive and readers should not place undue reliance on forward-looking statements as they are subject to a number of assumptions and known and unknown risks and uncertainties that may cause the actual results, performance or achievements of PrairieSky to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Please refer to PrairieSky’s most recent Annual Information Form and Management’s Discussion and Analysis both of which are available at www.prairiesky.com for a discussion of the material assumptions and risks that could cause actual results or events to differ materially from our expectations expressed in, or implied by, the forward-looking statements contained in this Responsibility Report. The forward-looking statements contained herein are made as of the date of this document, and except to the extent required by applicable securities laws and regulations, PrairieSky disclaims any intention or obligation to update or revise forward-looking statements made herein or otherwise, whether as a result of new information, future events, or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary note.

Measurement of Outcomes

Refer to our performance summary table starting on page 52 which includes metrics used to measure the outcomes of our commitment.

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