

GUARDIAN CAPITAL GROUP LIMITED BECOMES A FOUNDING MEMBER OF THE POND FOUNDATION

FREQUENTLY ASKED QUESTIONS

Q What is The Pond Foundation?

A The Pond Foundation is a Swiss-registered non-profit organization founded in January 2021. It exists to change the way the world acts on climate change. It is built on the more than three decades' experience of its Founder and Chief Executive Officer (CEO), Scott Poynton, who was a pioneer in global responsible sourcing programs and has supported major sustainability transitions across forest, wood, palm oil, pulp and paper and other commodity sectors.

Q What is My Carbon Zero?

A My Carbon Zero is The Pond Foundation's signature climate action program.

Q Why is My Carbon Zero different? What makes it credible?

A My Carbon Zero asks companies and individuals to go beyond traditional 'offsetting' approaches. It is not an offsetting scheme. Most climate action, net zero commitments focus only on a company's current annual emissions. Companies set targets to reduce those emissions, and then 'offset' their remaining emissions by investing in projects that aim to reduce emissions by the equivalent amount.

My Carbon Zero members go beyond a focus on this year's emissions to calculate their entire lifetime emissions, their Lifetime Carbon Balance (LCB). This is the amount of carbon they have emitted since their inception if they are a company or since they were born if they are an individual.

They then set targets to Reduce their annual emissions, they invest in projects to Remove their LCB from the atmosphere and invest in projects to Reduce emissions elsewhere. Lastly, they invest in actions to Inspire others to join them on their My Carbon Zero journey.

My Carbon Zero calls these RRRI Actions.

Q What are RRRR Actions?

A As mentioned above, My Carbon Zero asks its members to implement RRRR Actions.

R1 - Reduce your annual emissions

The Pond Foundation recognizes that we need to rapidly and significantly reduce global carbon emissions. Each Pond Foundation member company sets targets to reduce its annual emissions.

R2 - Reduce emissions elsewhere

The Pond Foundation identifies projects and actions its members can take to support others to reduce their emissions.

R3 - Remove carbon from the atmosphere

Reducing emissions will not keep us from crossing dangerous climate change thresholds. We must also remove carbon from the atmosphere. The Pond Foundation members invest in nature-based projects that remove carbon from the atmosphere, like tree planting, biochar and other soil carbon actions, as well as built environment projects. Built environment projects are human-made spaces where carbon is locked in buildings and structures.

I - Inspire

By taking action, we look to inspire others to get on board as well.

Q How will Guardian Capital Group Limited (Guardian) become carbon neutral in 2022?

A Starting in 2022 and going forward, Guardian will be taking steps to reduce its annual carbon emissions and remove any residual carbon emissions through its investments in Pond Foundation projects. Under the My Carbon Zero framework, these are Guardian's "R1 - Reduce your annual emissions" and "R3 - Remove carbon from the atmosphere" actions.

Q How will Guardian reduce its emissions?

A Guardian is working with The Pond Foundation to develop a strategy that will see it reduce its annual carbon emissions through R1 actions. Guardian will report on this in the coming months.

Q What is the difference between carbon offsetting and carbon removal?

A Carbon offsetting and carbon removal are often confused with one another but they have entirely different results.

With carbon offsetting, a company seeks to reduce overall global carbon emissions by investing in projects beyond its business operations that pledge to reduce emissions by an amount equivalent to the company's emissions. For example, one can purchase a carbon offset that would invest in building a wind farm that produces less emissions. The main problem with offsetting is that the carbon initially emitted by the company still remains in the atmosphere.

In contrast, carbon removal focuses on removing carbon from the atmosphere. Companies invest in projects that remove carbon and lock it away, for example, in trees, soils, mangroves or buildings, or by returning it to the ground so that it no longer contributes to climate change. When a company invests in removing carbon, it can bring its carbon balance to true zero because it removes an amount equivalent to that which it has emitted in a year, or over its entire lifetime.

Q Is Guardian's approach aligned with the Science Based Targets Initiative?

A The SBTi focuses on corporate climate action and defines and promotes best practice in science-based target setting. The SBTi is a partnership between Carbon Disclosure Project, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). Under the SBTi, member companies determine their annual emissions and then set strong, science-based targets to reduce them by 50% by 2030 and by 95% by 2050.

The Pond Foundation, and with it Guardian, is aligned with the SBTi in that it similarly focuses on annual emissions reduction through R1 Actions, as it believes this is key to limiting a company's future operational emissions. My Carbon Zero then goes further than the SBTi by asking its members to address their lifetime carbon balance by investing in R3 actions.

Q What about the portfolio companies that Guardian invests in – its Assets Under Management?

A The Pond Foundation uses the Greenhouse Gas (GHG) Protocol to determine a company’s annual carbon emissions and Lifetime Carbon Balance. The GHG accounting and reporting procedure is based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition (GHG Protocol), the most widely used international accounting tool for government and business leaders to understand, quantify and manage greenhouse gas emissions. It was developed in a partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) in 2004.

The GHG Protocol outlines two distinct approaches to setting organizational boundaries – the equity share and the control approach. Using one of these approaches, companies should include investments as part of their Scope 3 emissions, which are indirect emissions such as business/commuter travels, IT equipment (production, use and end-of-life emissions), waste, paper, investments, leased assets and assets under management. However, the GHG Protocol also specifies that these approaches do not apply to fixed asset investments where the parent company has neither significant influence nor financial control. Where there is no significant influence and no financial control, companies are not expected to include investments in their Scope 3 determinations.

Guardian has neither significant influence nor financial control over its portfolio investments (or AUM), and therefore does not account for the portfolio emissions of our investee companies. Nevertheless, Guardian is committed to:

- Monitoring the carbon intensity and other climate metrics of portfolio companies.
- Taking a company’s approach to climate into consideration as part of all investment decisions.
- Engaging with portfolio companies on their approach to climate where appropriate.

Q What projects do The Pond Foundation members support?

A The Pond Foundation conducts a due diligence of projects that remove carbon from the atmosphere. These are tree planting, forest conservation, soil carbon, biochar and built environment projects. A full list is available on The Pond Foundation website: <https://thepondfoundation.org>.

The Pond Foundation is in the process of identifying blue carbon projects, which are projects that support mangrove and sea grass rehabilitation, to add to the portfolio.

Q How does the Pond Foundation identify and verify its projects?

A The Pond Foundation’s due diligence involves understanding the people behind the projects. Who are they, what is their experience and what are their values and track record? The Pond Foundation will look at:

- The technical, social and environmental aspects of what they are doing – will it work?
- The science behind what they are doing.
- The relationships they have with local communities and whether they are working with them, whether they engage and/or partner with them in project implementation.
- The legal aspects of what they are doing.
- The steps they are taking to ensure longevity of the action to sequester carbon.
- The science behind their carbon calculations.

The Pond Foundation does not expect project partners to be certified. From The Pond Foundation’s perspective, certification is expensive and delivers little benefit to project partners. Only a small proportion of the money paid to buy offset credits offered by certified projects gets to the project itself. Up to 70% is kept by project developers and certifiers. The Pond Foundation believes this runs counter to the point of supporting such projects. The Pond Foundation needs its members’ investments to get to the ground to fund actions that remove carbon from the atmosphere. As such, The Pond Foundation does not require certification, but they do verify their credentials and actions.

Q What does it mean to be a Founding member and who are other Pond Foundation members?

A Founding members joined The Pond Foundation during its first year of operation, before January 14, 2022. Founding Members are climate action pioneers, committing to go beyond the current climate action norm to remove all their ‘legacy carbon’ - the carbon their operations have emitted since their inception - from the atmosphere in addition to strong targets on emissions reductions.

The Foundation has a small but growing group of pioneer members who have committed to the strong, credible climate action The Pond Foundation proposes. A list is available on the Foundation’s website: <https://thepondfoundation.org/members>.

About Guardian Capital Group Limited (Guardian)

Guardian is a diversified financial services company, which serves the wealth management needs of a range of clients through its various business segments. The areas in which Guardian operates are: institutional and private wealth investment management, financial advisory and corporate activities and investments. Guardian operates its institutional investment management business through Guardian Capital LP, based in Canada; GuardCap Asset Management Limited, based in the UK; and Alta Capital Management, LLC and Agincourt Capital Management, LLC, both based in the US. Other investment management businesses are operated through Guardian Capital Advisors LP's Canadian private wealth business, Modern Advisor Canada Inc., a Canadian robo-advisory business, and Alexandria Bancorp a Caribbean-based international private bank. The financial advisory business is operated through IDC Worldsource Insurance Network Inc., an insurance managing general agency, Worldsource Financial Management Inc., a mutual fund dealer, and Worldsource Securities Inc., a securities dealer. Founded in 1962, Guardian's reputation for steady growth, long-term relationships and its core values of trustworthiness, integrity and stability have been key to its success over six decades. Its Common and Class A shares are listed on the Toronto Stock Exchange as GCG and GCG.A, respectively. To learn more about Guardian, visit www.guardiancapital.com.

Disclaimer

This communication is for informational purposes only and does not constitute investment, financial, legal, accounting or tax advice or a recommendation to buy, sell or hold a security, and should not be considered an offer or solicitation to deal in any product or security mentioned herein. Guardian, Guardian Capital and the Guardian gryphon design are trademarks of Guardian Capital Group Limited, registered in Canada.