

Stormtech Performance Apparel Ltd

Greenhouse Gas Emissions Impact Report for the 2022 Calendar Year

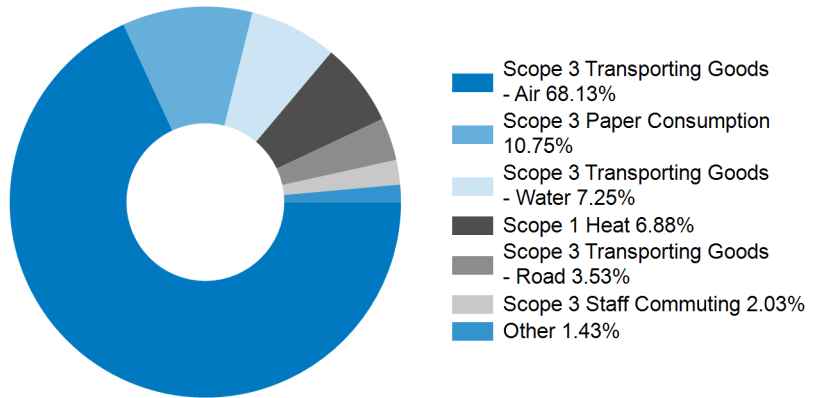
January 1, 2022 to December 31, 2022

Stormtech Performance Apparel Ltd 2022 Calendar Year GHG Emissions

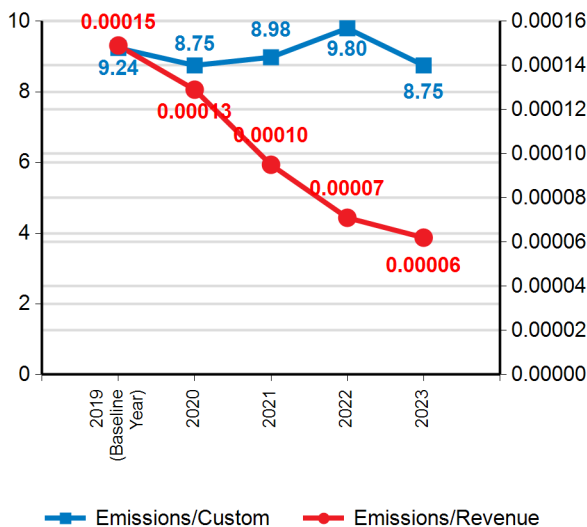
The BMO Climate Smart Impact Report (the Report) was prepared for Stormtech Performance Apparel Ltd ("Stormtech"). The Report includes a detailed breakdown of greenhouse gas (GHG) emissions by source activity for the 2022 Calendar Year, and Stormtech's plan to reduce its GHG emissions.

Total GHG emissions for the 2022 Calendar Year 5,163.79 tCO₂e

Stormtech's GHG emissions for 2022 Calendar Year is 5,163.79 tCO₂e.
This is the equivalent to 1,123 cars on the road for one year.



Demo Emission Intensity



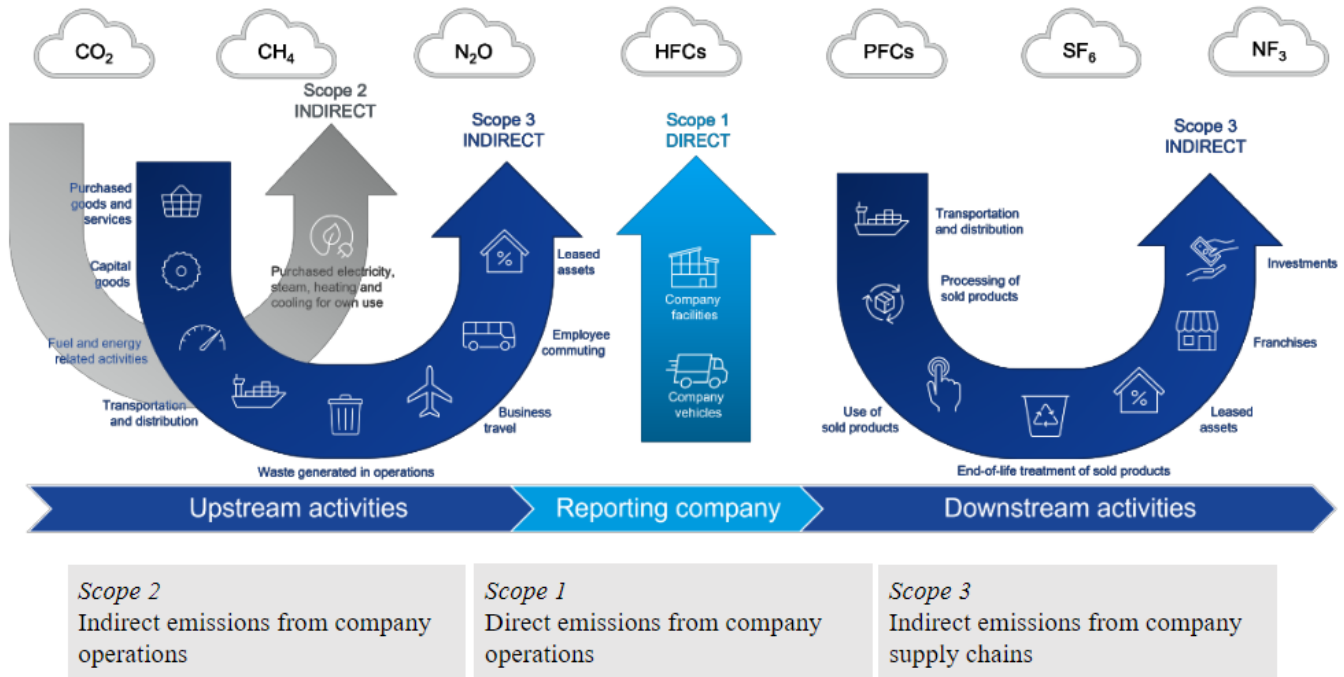
Once subsequent inventories are compiled there would be an **Overall Emissions Trend** graph and **Emission Intensity** graph to show the overall emissions performance.

The Emissions Intensity graph is the GHG emissions rate of change relative to the intensity of a specific activity or a process. For example, Overall GHG emissions per revenue or any custom metrics such as emissions/product sold etc.

The Emission Intensity graph helps to track change over time against business growth. This insight can inform target setting and efficiency improvement strategies.

Scope Coverage

The Report and all details included within were compiled in compliance with the GHG Protocol Corporate Accounting and Reporting standard (the GHG Protocol). The GHG Protocol requires the inclusion of Scopes 1 and 2 GHG direct and indirect emissions and recommends including Scope 3 indirect emissions from activities relevant to an organization’s business for which reliable data can be obtained. All 7 GHG gases (shown in graphic below) are captured in the inventory data.



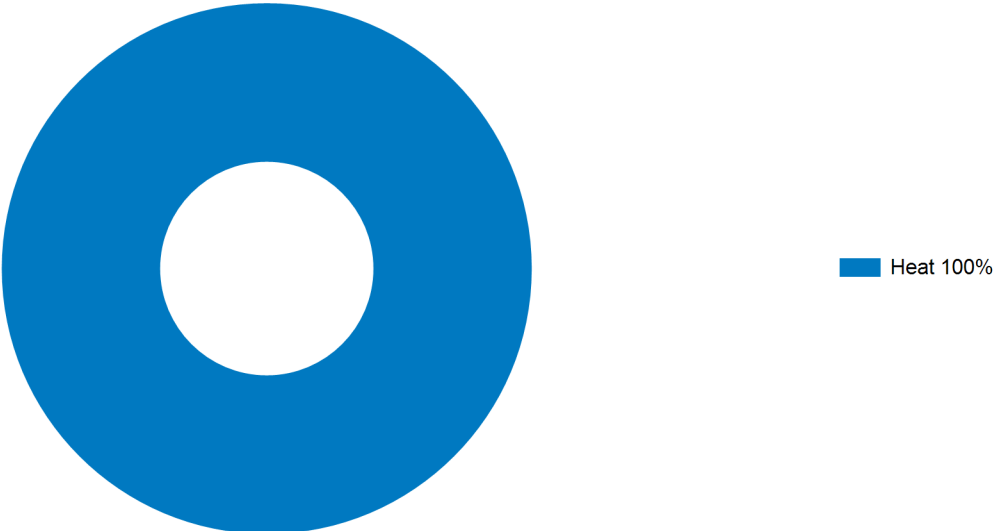
Stormtech GHG Emission Sources Covered in this Report

Scope 2	Scope 1	Scope 3
Electricity	Heat	Electricity
		Garbage
		Heat
		Paper Consumption
		Staff Commuting
		Transporting Goods - Air
		Transporting Goods - Road
		Transporting Goods - Water

Key Parameters

Geography covered	Canada	
Total number of facilities	2	Full list in appendix
Reporting period	2022 Calendar year	

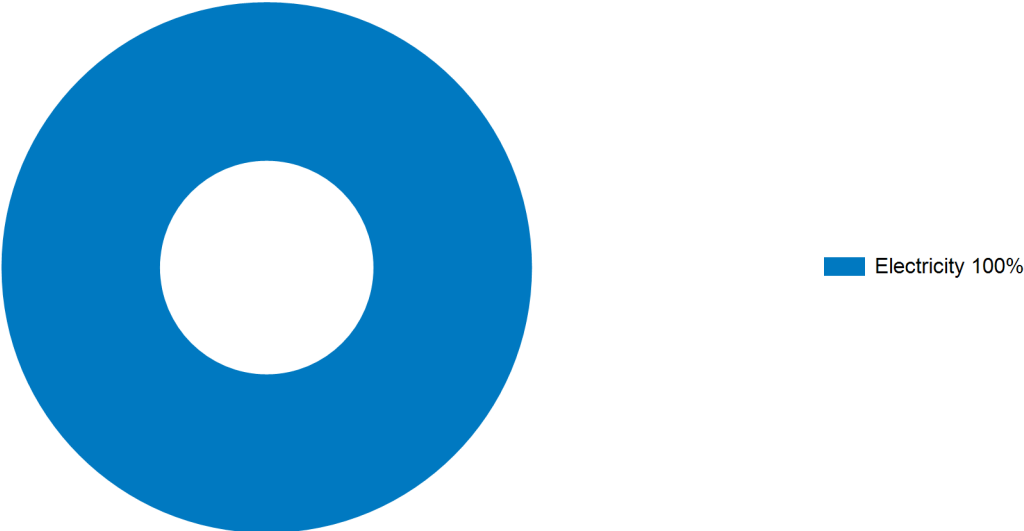
Scope 1 Level Breakdown for 2022



Scope 1 Activity	tCO ₂ e	Percentage	Cost	Cost Per tCO ₂ e
Heat 100%	355.38	6.88%	\$66,180.37	\$186.23
Total Scope 1	355.38	6.88%	\$66,180.37	\$186.23

Direct GHG emissions from Scope 1 contributes to 6.88% of Stormtech's GHG emissions.

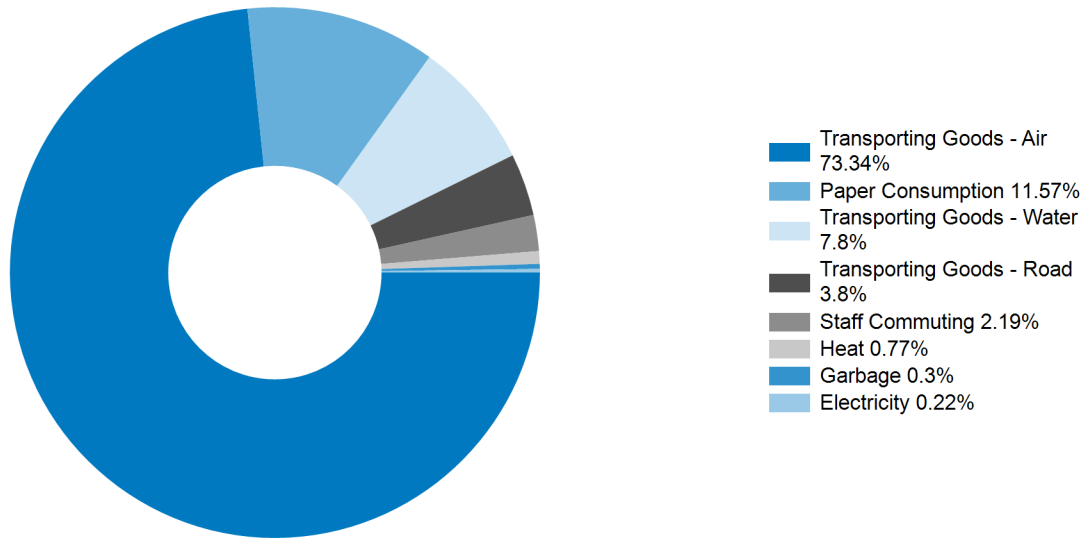
Scope 2 Level Breakdown for 2022



Scope 2 Activity	tCO _{2e}	Percentage	Cost	Cost Per tCO _{2e}
Electricity 100%	11.72	0.23%	\$96,492.75	\$8,232.35
Total Scope 2	11.72	0.23%	\$96,492.75	\$8,232.35

Indirect GHG emissions from Scope 2 contributes to 0.23% of Stormtech's GHG emissions.

Scope 3 Level Breakdown for 2022

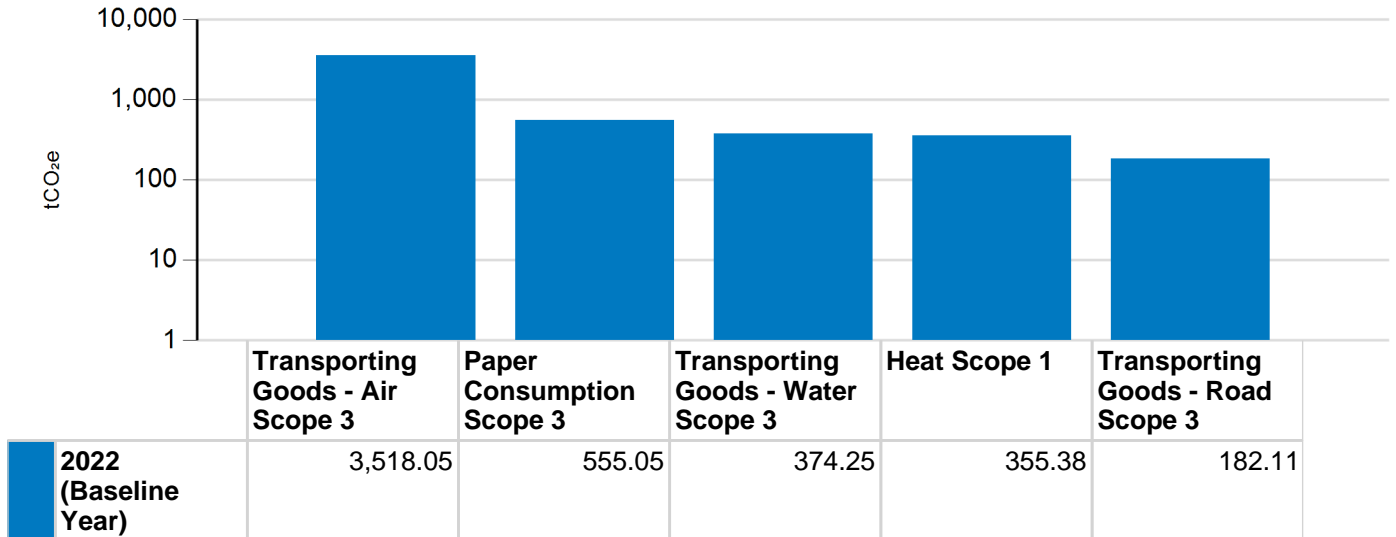


Scope 3 Activity	tCO ₂ e	Percentage	Cost	Cost Per tCO ₂ e
Transporting Goods - Air 73.34%	3,518.05	68.13%	\$3,260,734.00	\$926.86
Paper Consumption 11.57%	555.05	10.75%	\$357,651.90	\$644.36
Transporting Goods - Water 7.8%	374.25	7.25%	\$4,748,776.00	\$12,688.78
Transporting Goods - Road 3.8%	182.11	3.53%	\$3,463,370.00	\$19,018.13
Staff Commuting 2.19%	105.03	2.03%	\$0.00	\$0.00
Heat 0.77%	37.07	0.72%	\$0.00	\$0.00
Garbage 0.3%	14.51	0.28%	\$17,920.18	\$1,235.43
Electricity 0.22%	10.62	0.21%	\$0.00	\$0.00
Total Scope 3	4,796.69	92.89%	\$11,848,451.55	\$2,470.13

Indirect GHG emissions from Scope 3 contributes to 92.89% of Stormtech's GHG emissions. 68.13% of which is from Transporting Goods - Air.

GHG Emissions Over Time

Top GHG Emissions Categories for 2022



Overall GHG Emissions

Scope 1	2022 (Baseline Year)
Heat	355.38
Scope 2	2022 (Baseline Year)
Electricity	11.72
Scope 3	2022 (Baseline Year)
Electricity	10.62
Garbage	14.51
Heat	37.07
Paper Consumption	555.05
Staff Commuting	105.03
Transporting Goods - Air	3,518.05
Transporting Goods - Road	182.11
Transporting Goods - Water	374.25

Advisory Notes

The BMO Climate Smart team has thoroughly documented each stage of Stormtech's work throughout the past year. Please see details below which are intended to augment the other sections of the Report with personalized insights.

Exclusions: Scope 3 business travel was excluded because data was difficult to find and it is likely not material compared to other major sources.

It was discovered that an original report provided by a shipping partner for Transporting Goods> Vehicles owned by others> Water was inaccurate and overestimated emissions. Initially emissions from this activity were 1750.21 tCO₂e. The provider re-issued their report and the resulting emissions for this activity were 375.25 tCO₂e.

GHG Emissions Reduction Recommendations for 2022

The data included in this Report indicates areas in Stormtech’s operation that could be more efficient. As leaders, you have the opportunity to take meaningful, measurable action on climate change. The BMO Climate Smart team is here to support your transition to the low carbon economy. Please see below for the reduction strategies that will address Stormtech’s Top GHG Emissions categories. If these or other actions are being planned, considered or implemented and were recorded in the Climate Smart Reduction Manager software, they will be reflected in your Emission Reduction Plan (see next page).



Transporting goods by air contributes to 68.13% of your overall GHG emissions. This is mainly from freight shipping operations using air transport. This is the most GHG emissions intensive method of transport compared to road, rail and water. The following solutions could be explored:

- Choose alternative modes of transporting goods, such as rail
- Reduce the frequency of shipping and combine packages/loads to increase efficiency



Paper usage contributes to 10.75% of your overall GHG emissions. Paper usage within your organization’s operations contributes to this category. The following solutions could be explored:

- Transition to a document management software to reduce paper use
- Use recycled paper in all areas of your operation



Transporting goods by water contributes to 7.25% of your overall GHG emissions. This is mainly from freight shipping operations using boats or ships. The following solutions could be explored:

- Reduce the frequency of shipping by combining packages/loads to increase efficiency



Heat generated through burning fuels on site contributes to 6.88% of your overall GHG emissions. This is mainly from heat required in any of your premises including offices, stores and warehouses. The following solutions could be explored

- Prevent heat loss by improving insulation, and replace old equipment with new energy efficient options
- Install smart thermostats in all locations to increase control



Transporting goods by road contributes to 3.53% of your overall GHG emissions. This is mainly from freight shipping operations using vehicles. The following solutions could be explored:

- Reduce the frequency of shipping by combining packages/loads to increase efficiency
- Work with vendors to use electric transport vehicles

Emission Reduction Plan

After considering the BMO Climate Smart GHG emission reduction recommendations, Stormtech submitted the plan detailed below. For additional information such as a detailed description or estimated implementation and completion dates, please see the Climate Smart software.

Plan Name: Stormtech - Reduction Plan - 1-Year Plan			
	Strategy	Estimated Impact	Targeted Activity Type(s)
Planned	Digital Marketing	Medium	Other
Planned	Reduce Paper Consumption	Medium	Other
Planned	Warehouse Location	Medium	Transporting Goods
Implemented	Thermostat Settings	Medium	Electricity, Heat
Implemented	Window Maintenance	Medium	Electricity, Heat
Considering	Air Shipping Minimum Price	Medium	Transporting Goods
Considering	Delivery Alternatives	Medium	Transporting Goods
Considering	Plastic Curtains	Medium	Electricity, Heat, Other
Considering	Recycled Paper	Medium	Other
Considering	Reminders to Keep Doors Closed	Low	Electricity, Heat
Considering	Utility Consumption Monitoring	Medium	Electricity, Heat

Appendix

2022 GHG Emissions Activity by Location:

Location Name	Scope	Activity Type	tCO _{2e}	% of Total Inventory
Burnaby	Scope 1	Heat	292.76	5.67%
	Scope 2	Electricity	7.60	0.15%
	Scope 3	Electricity	8.46	0.16%
		Garbage	11.54	0.22%
		Heat	23.59	0.46%
		Paper Consumption	555.05	10.75%
		Staff Commuting	87.37	1.69%
		Transporting Goods - Air	3,518.05	68.13%
		Transporting Goods - Road	182.11	3.53%
		Transporting Goods - Water	374.25	7.25%
		Location Total		5,060.78
	Markham	Scope 1	Heat	62.62
Scope 2		Electricity	4.12	0.08%
Scope 3		Electricity	2.17	0.04%
		Garbage	2.96	0.06%
		Heat	13.48	0.26%
		Staff Commuting	17.66	0.34%
Location Total			103.01	1.99%
Grand Total		5,163.79		

5,163.79 tCO_{2e} is the equivalent to driving 1,123 cars on the road for one year.

Methodology

As a Climate Smart business, Stormtech conducted its GHG emissions inventory according to the GHG Protocol. The GHG Protocol is an internationally recognized standard published by the World Resources Institute and the World Business Council on Sustainable Development.

Organizational Boundaries: Stormtech used the operational control approach to determine its organizational boundary and included in its inventory all operations and facilities over which it has operational control.

Inventory Boundaries: The GHG Protocol requires the inclusion of Scope 1 and 2 emissions, and recommends including Scope 3 emissions from activities relevant to an organization’s business and goals, and for which reliable data can be obtained. Stormtech included GHG emissions from the following activities under Scope 1, 2 and 3:

Scope 1: includes direct GHG emissions from sources that are owned or controlled by the reporting company or organization

Heat > Generated

Scope 2: includes indirect GHG emissions from purchased electricity and purchased heat

Electricity > Purchased

Scope 3: includes indirect GHG emissions that are consequences of the reporting company’s operations but occur at sources owned by another company

Electricity > Unmetered/Unbilled

Garbage

Heat > Unmetered/Unbilled from Electricity

Heat > Unmetered/Unbilled from Fuel

Paper Consumption

Staff Commuting

Transporting Goods > Vehicles owned by others > Air

Transporting Goods > Vehicles owned by others > Road

Transporting Goods > Vehicles owned by others > Water

Emission Factors: This inventory was conducted using the emissions factors from the Climate Smart web-based GHG management tool. The Climate Smart GHG management tool was designed for adherence to the GHG Protocol. Climate Smart’s emission factors come from a variety of sources, such as Environment Canada, the GHG Protocol Initiative, the US Environmental Protection Agency and the Intergovernmental Panel on Climate Change. Climate Smart reviews its emission factors annually to update them based on refined industry methodology and changing electricity grids. Climate Smart also acknowledges that complete adherence to the GHG Protocol requires the 7 major GHG’s to be accounted for separately, and is working towards adding this feature. Further details on Climate Smart’s emission factors, their sources, and methodology for updating them are available upon request to support@climatesmart.bmo.com

Sources of Data Included: Stormtech used the following sources of data to estimate their GHG emissions for the 2022 Calendar year.

Activity	Data Source
Heat > Generated	The total giga-joules of natural gas used were entered based on utility bills.
Electricity > Purchased	The total kilowatt-hours of electricity used, based on utility bills, were entered into the Climate Smart software tool.
Electricity > Unmetered/Unbilled	The square footage occupied was entered to estimate electricity emissions using the average provincial intensity.

Garbage	The total estimated weight of garbage was entered into the Climate Smart tool.
Heat > Unmetered/Unbilled from Electricity	The square footage occupied was entered to estimate heating emissions using the average provincial intensity.
Heat > Unmetered/Unbilled from Fuel	The square footage occupied was entered to estimate heating emissions using the average provincial intensity.
Paper Consumption	The paper type, paper bond weight, number of reams used and post-consumer recycled content were entered. The paperweight and paper type were entered into the paper calculator (http://papercalculator.org) to calculate emissions.
Staff Commuting	The distance commuted by each mode of transport was entered based on staff commuting survey.
Transporting Goods > Vehicles owned by others > Air	Distance travelled and weight for each parcel were entered.
Transporting Goods > Vehicles owned by others > Road	Distance travelled and weight for each parcel were entered.
Transporting Goods > Vehicles owned by others > Water	Distance travelled and weight for each parcel were entered.

Recalculation: Climate Smart recommends a recalculation of baseline emissions if a change occurs that would equate to a change equal to or greater than 5 percent of company's total annual GHG emissions. Situations triggering recalculation include structural changes (e.g., the acquisition or divestment of business units); changes in calculation methodology or improvements in accuracy of GHG emission factors/activity data; or discovery of significant or cumulative errors.

Custom Emission factors: Climate Smart uses the most current, internationally recognized emission factors. A provision to use a custom GHG emission factor is available, however, the GHG emission factor needs to be verified by the Climate Smart team based on the following criteria:

- *Relevance and accuracy of the emission factor:* If the GHG emission factor suggested by the client is more accurate and relevant for the client's GHG emissions category or activity, it could be approved for use.
- *Materiality of the emission factor:* If the category to which the GHG emission factor is material (>5% of overall GHG emissions inventory), it could be applied to the current inventory. Clients are encouraged to identify this need as early in the data inventory review process as possible to avoid delays in program completion. If the change will have less than 5% impact on the overall GHG emissions inventory, Climate Smart reserves the right to use/not use the requested emission factor in the current inventory year or to apply in the subsequent inventory years.

Climate Smart GHG accounting experts ensure high integrity at every stage: setting industry-relevant operations boundaries; supporting our clients to submit and maintain complete and accurate GHG emissions inventory data; updating the GHG accounting software to include the most current available emission factors; and developing a reduction strategy that targets the highest sources of GHG emissions. Further detail is outlined below.

- Clients conduct a materiality assessment with Climate Smart advisors to ensure their GHG inventory captures their highest sources of operational emissions. This process is informed by the GHG Protocol and specific industry insights.
- During the GHG data collection process, clients are supported by Climate Smart advisors to ensure their data is complete and that there is valid supporting documentation.
- The software provides current emission factors based on internationally recognized agencies and relevant for operating locations, for all Scope categories included in the inventory.
- Once all GHG inventory data has been entered, both the software and Climate Smart advisors review all GHG inventory data for outliers - comparing to both previous year inventory data, as well as industry/business activity averages. In case of a drastic increase or decrease in reported emissions, clients are alerted to confirm accuracy, and to make any required corrections.
- The final GHG reduction plan identifies immediate reduction opportunities, and clients work closely with Climate Smart advisors to determine a detailed implementation timeline.

We encourage consistency and transparency of GHG data inventoried in Climate Smart. By using current and accurate emissions factors, a conservative approach to the data quality review process, we support our clients to accurately report their GHG emissions data with a high degree of confidence, aligned with international standards.

Key Terms:

- ◆ **Baseline GHG Emissions Inventory:** A comprehensive, quantified list of an organization's greenhouse gas emissions and sources for the initial reporting year (base year). The baseline GHG inventory is the level of greenhouse gas emissions against which future GHG inventories are compared.
- ◆ **Biologically sequestered carbon:** Long-term carbon stored in biomass, such as forests, soils and peatland. Carbon is "locked" into organic matter through biological processes. This carbon can be released through e.g., burning of biomass as fuel or change in land use.
- ◆ **Carbon Dioxide Equivalent (tCO₂e):** The universal unit for comparing the emissions from various greenhouse gases. The carbon dioxide equivalent for a gas is derived by multiplying the mass of the gas by the associated global warming potential (GWP). For example, the GWP for methane is 21. This means that emissions of one metric tonne of methane are equivalent to the emissions of 21 metric tonnes of carbon dioxide.
- ◆ **Carbon Offset:** A project or activity that results in a given amount of greenhouse gases being avoided or reduced in one place, that is used to 'balance out' another's total GHG emissions. Emission reductions that are real, additional (beyond business as usual), measurable, permanent, and verified can generate offset credits. Credits are tradable certificates.
- ◆ **Emission Factor:** A factor that converts activity data to GHG emission values, e.g., lbs of carbon dioxide emitted per barrel of fossil fuel consumed.
- ◆ **Renewable energy certificates (RECs):** RECs are tradable energy certificates representing proof that 1 megawatt-hour (MWh) of electricity was generated from an eligible renewable energy resource (e.g., solar or wind) and was fed into the electricity grid.

Prepared on: December 17, 2024

Prepared by: BMO Climate Smart

Prepared for: Stormtech Performance Apparel Ltd

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