

SUSTAINABILITY REPORT

CROPTIMISTIC TECHNOLOGY INC. | 2023

MESSAGE FROM THE CEO

On behalf of the founders, board of directors, and staff, it is my pleasure to bring you our inaugural Croptimistic Sustainability Report. Our 20-year journey began in 2003 when co-founders Derek Massey, Shannon Willness, and I began developing a digital crop consulting tool. In 2018, we began operations as Croptimistic Technology Inc., and we continue to press forward with a vision to become the global leader in premium agriculture services. Sustainability has always been a cornerstone of our business and we are privileged to have a great leader, Sustainability Director Bonnie Dobchuk, to guide our sustainability efforts and showcase what it means to us. It has truly been a team effort to get to where we are now.

In 2023, we contributed to 18 active research projects with universities and other agencies promoting the use of artificial intelligence and automation to eliminate vehicles, which is a key way that we are reducing our environmental impact. Our agronomic research taking place with on-farm replicated trials are using precision tools for fertilizer, seed, water,



air stewardship and soil amendments to reduce nitrous oxide emissions while improving farm profitability.

Our core values at CROPTIMISTIC of maintaining a grassroots operation and acting with integrity define our remarkable company culture, and these values extend into our relationships with staff, the agriculture industry, farmers, and our large partner network.

With respect to governance, we are a novel agriculture technology (AgTech) company, scaling up in a challenging economic environment. We have had unprecedented consistency in retention rates, solid revenue growth rates, and strong overall fiscal health despite our heavy investment into software, hardware, agronomy and machine learning tools. On top of it all, one of our biggest accomplishments in 2023 was the official release of SWAT CAM, the world's first fully autonomous plant stand counting tool. SWAT CAM has already been used on nearly 100 farms, with an excellent response from farmers and the industry.

We have a lot to celebrate, but we also have a big road ahead of us. In 2024, our Advanced 4R Report will be released so farmers have validation of their significantly better than average farming practices. Our research and development projects will continue to provide insightful data and more precise outcomes for farmers while drastically reducing our emissions. We will continue to advance our products, services, and company culture, all while providing our customers and the environment with improved outcomes for the future.

A handwritten signature in black ink, appearing to read "Cory Willness".

Cory Willness
Founder and CEO

MESSAGE FROM THE SUSTAINABILITY DIRECTOR

Most roads in sustainability lead to agriculture. Although our goal in agriculture is about providing plentiful, healthy food to all people for a sustainable future, we acknowledge that farmers are the stewards of much of the land on our planet. Most opportunity for reducing greenhouse gas (GHG) emissions or sequestering carbon is through nature-based solutions, and farmers hold the key for many of these opportunities. At Croptimistic, our mission is to empower the modern farm with an ecosystem of technology, tools, and knowledge to optimize profitability and sustainability. We want to empower farmers to help us navigate the road to a sustainable future.

In embarking on our first corporate sustainability report, we started by thinking about our impact on society. While our greatest impact comes from our products and services that enhance the sustainability of the agricultural industry, we also impact our people and the communities in which we operate. Serving our people and our communities is one of our core values. Our impact strategy is comprised of two main categories, as per the United Nations Sustainable Development Goals (SDGs; 2016): optimizing sustainability in agriculture (relating to Sustainable Development Goals 2 and 15) and providing opportunities for our employees and our rural/agricultural communities (relating to Sustainable Development Goals 3 and 8). We are conscious of our impacts on our employees, our communities, the environment, and the broader social landscape. This report has given us an opportunity to consider the positive impact we are making, as well as identify areas where we can improve.

An important outcome in this first report is our first greenhouse gas emissions inventory for Scope 1 and Scope 2 emissions, which will become our benchmark year for future emissions calculations. In 2024, we plan on doing our first Scope 3 inventory and establishing a goal for reducing our emissions. We are working on new programs and processes across our business to improve our health and safety protocols, establish diversity, equity and inclusion training, enhance our data integrity and security protocols, inventory our waste and water usage, and ensure our procurement practices and marketing methods are in line with our sustainability strategy and core values.

The creation of this first report was a positive experience for our team. Croptimistic's focus on sustainability has been an exciting story to tell, and we are pleased this report allows us to share it with you.



Bonnie Dobchuk
Sustainability Director



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INTRODUCTION

Let's Start From the Top

In 2003, after noticing the potential in the variable rate agriculture industry that was not being utilized across the globe, we developed the world's only integrated, high-resolution, turn-key soil foundation map – known as SWAT MAPS.

Soil, Water and Topography (SWAT) MAPS are our flagship product and the foundation for all our premium services. SWAT MAPS are used to execute variable rate applications of fertilizer, seed, soil amendment, pesticide, herbicide, and irrigation. As we consider what the future holds for agronomic decision making, we know that informed decisions can only be made by using the right tools, and SWAT MAPS is currently one of the most innovative tools in the precision agriculture industry.

Over the course of 20 years, we have continued to provide premium precision agriculture services while advancing our patented technology. We introduced the SWAT ECOSYSTEM, a suite of hardware, software, and precision agriculture tools. The steps of the SWAT ECOSYSTEM are executed by a global network of precision agronomy partners who utilize SWAT MAPS in delivering precision agriculture services to their farm customers. As of the end of FY2023, the SWAT ECOSYSTEM services >3.4M acres. Farms using SWAT MAPS experience higher returns per acre, more even crops, reduced crop disease pressure, and greater crop harvestability with a lower environmental impact versus traditional fixed rate applications.

SWATMAPS

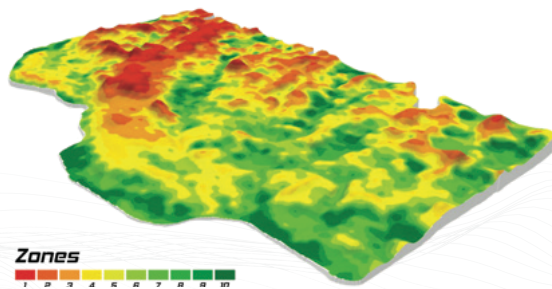


Image: A SWAT MAP with zone legend.

SWATECOSYSTEM



Image: SWAT ECOSYSTEM graphic simulating the front entrance and side profile of an agronomy company that executes the steps of the soil and yield potential processes.

In 2018, Croptimistic Technology Inc. became a privately-owned Canadian corporation with headquarters in Saskatoon, Saskatchewan and offices in Naicam, Yorkton, Edmonton, Humboldt, Kelowna, as well as additional global operations in Australia (Croptimistic Technology Pty Ltd.). We are a multi-disciplinary company with technical experts located globally, specializing in agronomy, soil science, water management,

geographic information systems, electronic sensor systems, software development, and sustainability. We take great pride in developing solutions to overcome some of the most pressing challenges in agriculture technology, and we are thrilled to be a part of the precision agriculture industry that is rapidly taking shape.



Saskatoon, SK (Headquarters)



Yorkton, SK



Naicam, SK



Edmonton, AB



Humboldt, SK



Kelowna, BC

RESOURCES WE USE

- **Technology:** Web-hosting, cellular service, computers, cellphones, sensors, software & SaaS
- **Transportation:** Vehicles, maintenance, fuel, car washes
- **Travel:** Hotels, restaurants
- **Materials:** Hardware, packaging, office supplies
- **Services:** Professional services (legal and accounting), shipping, insurance, lab testing, banking
- **Facilities:** Office leases, office buildings
- **People:** Employees, communities

WHAT WE OFFER

- Field Mapping
- Soil Sampling
- Variable Rate Prescriptions
- Agronomic Recommendations
- Plant Stand Counts
- Yield Potential
- Software Support & Training
- Hardware for Field Data Collection

GOVERNANCE

We are governed by a formal board of directors, consisting of both internal and external directors. Our internal management structure consists of a CEO, CTO, and senior management team. Sustainability accountability resides with the CEO with responsibility for day-to-day management delegated to the Sustainability Director.

WHO WE IMPACT

- Farmers & Agronomy Partners
- Employees
- Crop Input Providers
- Equipment Manufacturers
- Research Institutions
- Industry Associations
- Non-Governmental Organizations (NGOs)
- Communities
- Government and Regulatory Authorities

Figure 1. Croptimistic value chain.



Image: Croptimistic Board of Directors; Steven Leakos (Forage Capital), Jim Taylor (Forage Capital), Cory Willness (Croptimistic), Shannon Willness (Croptimistic), Derek Massey (Croptimistic), Greg Stewart (Chairman).

OUR MISSION, VISION, & VALUES

Tech-savvy farmers need more. With endless possibilities of ways to improve productivity and stewardship of the land, we focus our mission on: **empowering the modern farm with an ecosystem of technology, tools, and knowledge to optimize profitability and sustainability.** While on this mission, we keep our sights set ahead with a vision **to be the global leader in premium precision agriculture services.**

Regardless of the level of impact we aim to have on the future of precision agriculture, we are committed to staying true to our roots and will continue to stand by our core values:

Maintain a Grassroots Operation

- Created from the ground up, we will grow and thrive while remaining humble, passionate, and honouring our grassroots beginning.

Act with Integrity

- We are uncompromising with our integrity. We embody trust and stand unwavering by our word and our work.

Pioneers of Innovation

- We pioneer innovation using data, technology, and emerging science to be leaders in the evolving landscape of agriculture.

Serve Our People

- As team members, we grow in a culture that is challenging, rewarding, and where everyone is valued. We commit to delivering unrivalled customer service and impacting the communities in which we operate.

We have a multitude of impacts across economic, environmental, and social affairs. The key impacts that result from our business strategy are to:

- Empower sustainable agriculture by pioneering technological innovation in food production that can meet the needs of future generations.

- Serve the people and communities who are both directly or indirectly impacted by our company by providing the means for economic prosperity and social equality.
- Promote the environmental benefits of sustainable agriculture while minimizing the negative impacts from our own corporate activities and those of our clients.

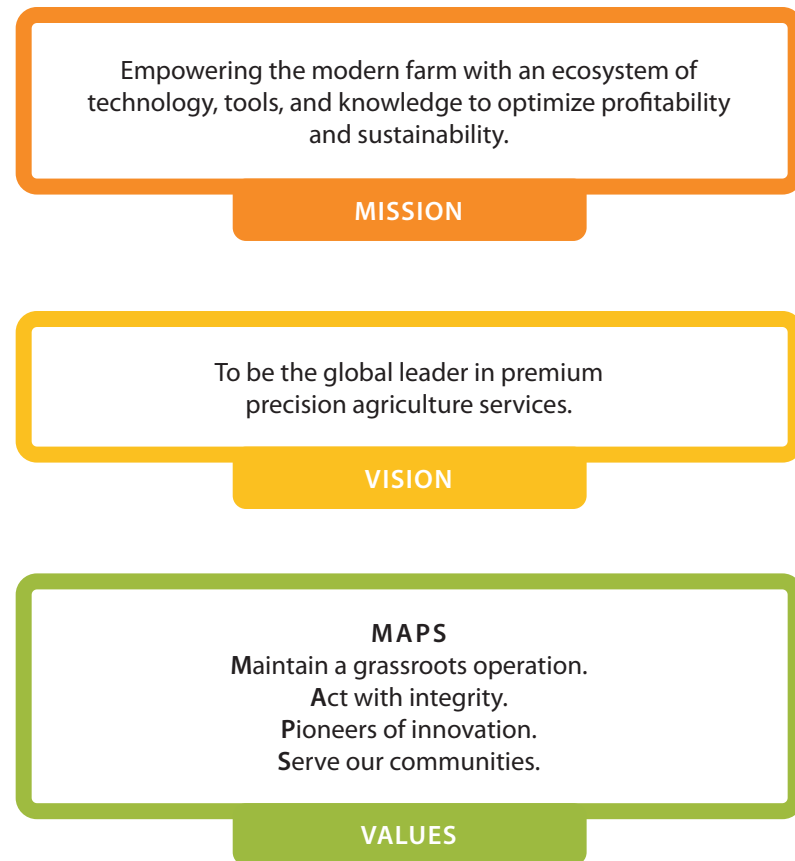


Figure 2. Croptimistic mission, vision, and values.

Croptimistic's impacts relate to the following Sustainable Development Goals (SDGs):



SDG 2 - Zero Hunger
Our mission is to empower modern food production to ensure that there is abundant, healthy food for current and future generations.



SDG 3 - Good Health and Well-being
We serve our people and work hard to ensure their well-being, both at work and at home.



SDG 8 - Decent Work and Economic Growth
We believe that rural livelihoods are vital and that choosing a rural livelihood should allow for decent work and the economic growth of rural communities.



SDG 15 - Life on Land
We are passionate about ensuring the vitality of life on land, balancing the needs of humans and wildlife to ensure a sustainable future.

STAKEHOLDER ENGAGEMENT & MATERIALITY

When we determine a process for material sustainability topics, we do so by referring to the Global Reporting Initiative's (GRI) impact materiality (i.e., double materiality) process as shown in Figure 3.

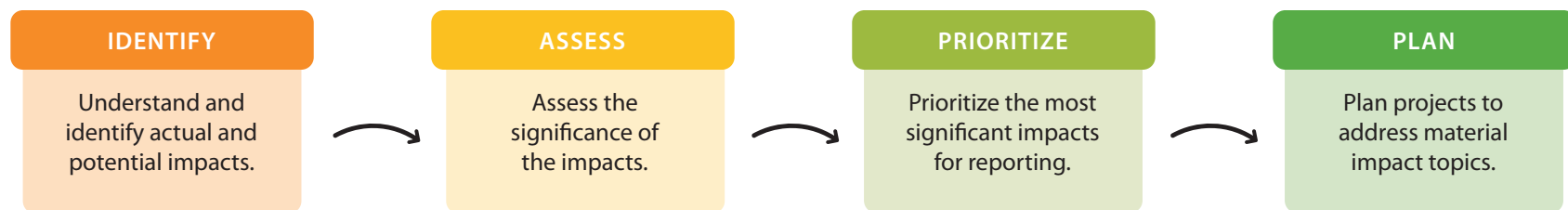


Figure 3. Croptimistic materiality assessment (adapted from Global Reporting Initiative, 2021).

Our stakeholders can be divided into three groups depending on their exposure to impacts from the business operations (see Figure 4).



Figure 4. Croptimistic stakeholder map.

Research, benchmarking, and carefully analyzing the meaning behind our core mission, vision and values is how we uncovered these impacts.

To assess the importance of our impacts to stakeholders, we used a series of anonymous surveys to capture the feedback and understanding of our owners and employees. As our sustainability activities mature in 2024, we intend to take this assessment further by surveying a wider range of stakeholders. Based on the relative importance of each of the surveyed topics, we prioritized the topics for short term focus in FY2024.

Making farming more sustainable and benefiting the agricultural communities in which we operate is how we strive to make a difference in the world around us.

SERVING OUR SOCIETY

As we evaluate the environmental and social impacts of our business, we know it is not just our products and services that make a difference, but also where we invest our time and money. In particular, our focus is placed on the impact we have towards:

- Optimizing sustainability in agriculture (SDG 2 and SDG 15).
- Providing opportunities for our employees and our rural/agricultural communities (SDG 3 and SDG 8).

Our core values of *Pioneers of Innovation* and *Serve our People* lead us to continuously invest in emerging science and continuously focus on our people. Our Impact Strategy is shown in Table 1.




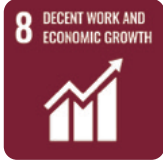
	OPTIMIZING SUSTAINABILITY IN AGRICULTURE	OPPORTUNITIES FOR EMPLOYEES AND OUR RURAL/AGRICULTURAL COMMUNITIES
SUSTAINABLE DEVELOPMENT GOALS	 	 
KEY IMPACT CONCEPTS FROM CROPTIMISTIC MISSION, VISION & VALUES	Empower sustainable agriculture by pioneering innovation in food production that can meet the needs of future generations.	Serving the people and communities who are both directly or indirectly impacted by our company by providing the means for economic prosperity and social equality.
IMPACT ACTIVITY TYPES	<ul style="list-style-type: none"> • Our products and services. • Contributions to knowledge through publications, participation on roundtable discussions, and contributions to formal research and development. • Monetary contributions to causes benefiting zero hunger or life on land initiatives. 	<ul style="list-style-type: none"> • Our operations: provide valuable rural employment opportunities. • Contributions (monetary and volunteer time) that enhance our employees' causes or causes that enhance our rural communities.

Table 1. Croptimistic impact strategy.

OUR PRODUCTS AND SERVICES

Farmers around the globe are being challenged to find ways to increase productivity, ensure profitability, use inputs more efficiently, and secure the long-term health of the land. SWAT MAPS enable farmers to better understand field variability in order to optimize crop inputs and profitability. By implementing SWAT MAPS, farmers experience a host of benefits that directly impact their operations and the broader environment.

SWAT MAPS

Unlike other maps used in precision agriculture, SWAT MAPS delineate stable soil properties with similar response characteristics for more accurate management across a field. Our patented zone maps are built from multiple layers of soil, water, and topography (SWAT) data that contribute to the spatial variability across a field, including:

- Soil: Factors such as texture, organic matter levels, topsoil depth and salinity, which all impact yield and fertilizer response.

- Water: Delineation of dry versus wet areas of the field and water flow paths.
- Topography: Landscape positions and their influence on moisture, erosion, organic matter levels, pH, and soil fertility levels.

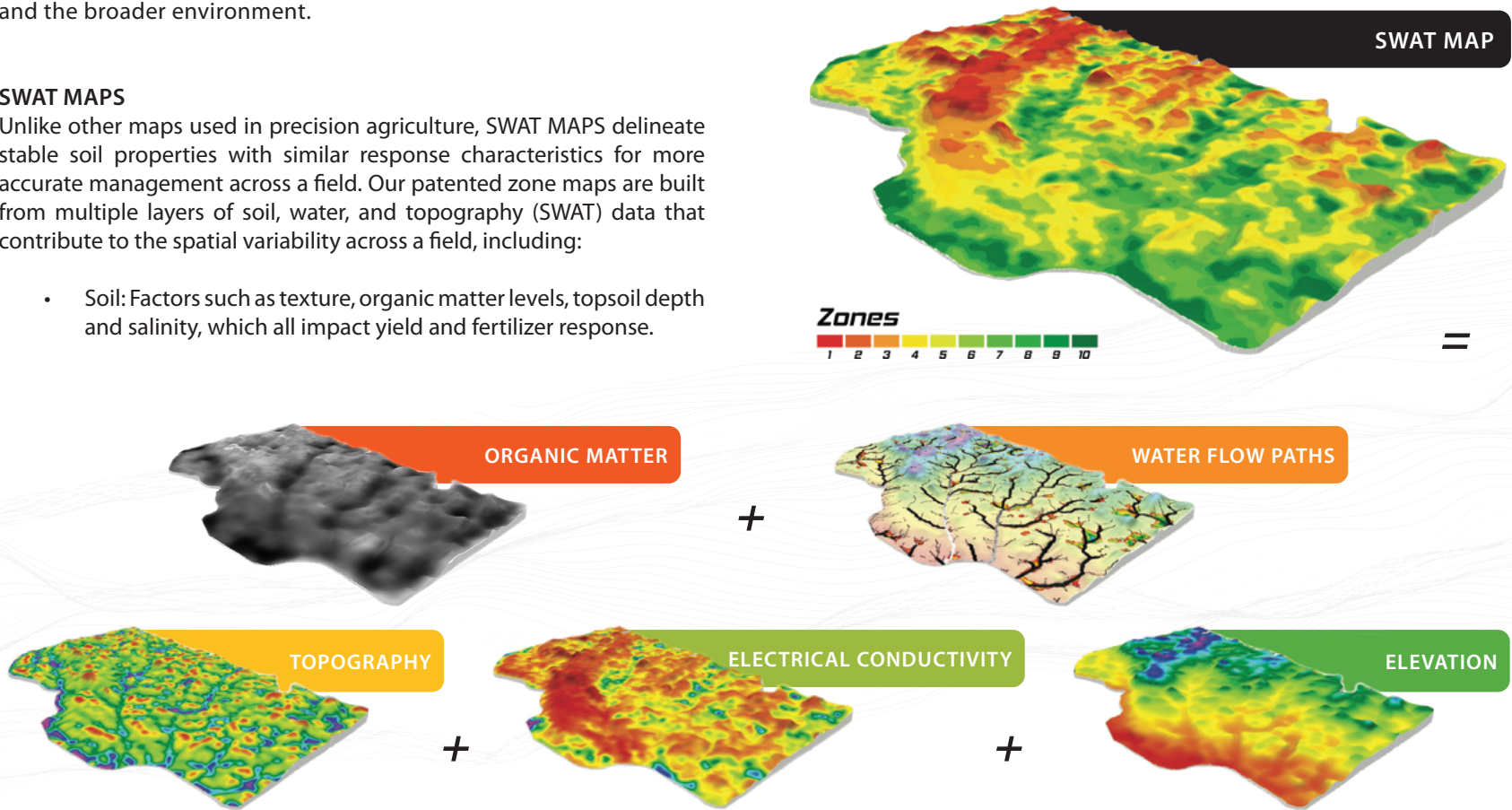


Figure 5. SWAT MAPS are created from layers of field data and divided into 10 zones (polygons) where each zone is provided a different prescription based on soil potential.

THE SWAT ECOSYSTEM

The SWAT ECOSYSTEM is a suite of hardware, software, techniques, tools, and patented precision agriculture processes. This system was designed for our global network of precision agronomy partners who utilize SWAT MAPS to deliver our reputable precision agriculture services to their farmers with consistency and accuracy.

Expert, local agronomy knowledge paired with the SWAT ECOSYSTEM has led many companies to grow into successful precision agriculture businesses. By performing the processes outlined by the SWAT ECOSYSTEM, our service providers bring the leading variable rate program on the market to their farm clients and experience 98% client acre retention rates as a result.

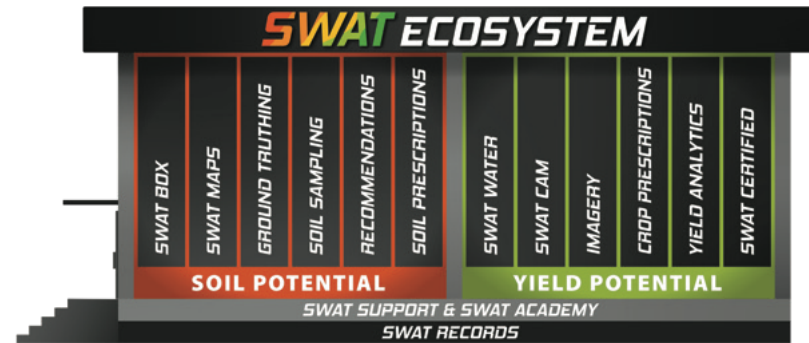


Figure 6. SWAT ECOSYSTEM of products and services.



Image: Two SWAT BOXES mounted to a sprayer.



Image: SWAT CAM mounted to a sprayer.

SWAT SUSTAINABILITY

The need for farmers to adapt their practices and demonstrate the benefits of these practices on the environment is a growing concern. This is due largely to the growing global population and concerns around environmental degradation and climate change. Figure 7 shows the key targets related to the Paris Agreement and the Global Biodiversity Framework that are most relevant for the agriculture industry. As a company who provides technical assistance and data management in agriculture, we are continually searching for ways to enhance our customer value by providing our clients with sustainability reports.

We collect, analyze, and store our clients' data (with their consent), and provide annual recommendations and advice for improving their farming

practices. Our clients entrust us with their detailed data and lean on us to find ways of reaching the highest possible sustainability standards.

Although optimization of fertilizer usage is a major recommendation we provide (and a common sustainability indicator), our role in environmental stewardship is much broader. We have the data and opportunity to help our farmers report on their environmental performance across a multitude of indicators such as soil health, water quality and use, biodiversity, and air/climate impacts. A white paper by our VP of Agronomy, Wes Anderson, details our role in environmental stewardship and can be found on our website, swatmaps.com.

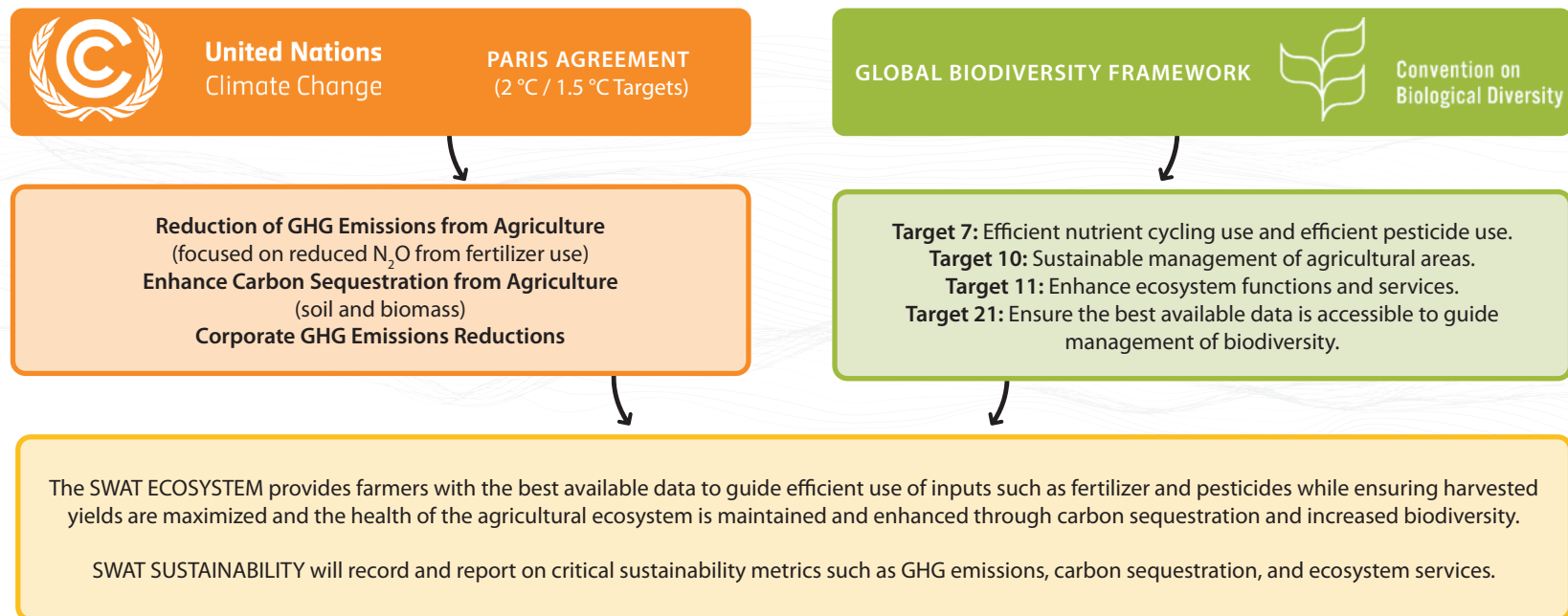


Figure 7. Global frameworks and targets leading to need for agriculture sustainability reporting.

SWAT CERTIFIED Sustainability Reports

SWAT CERTIFIED is our program for certifying farmers who consistently and accurately adhere to SWAT MAPS practices and therefore, are meeting a higher than average level of sustainability on their farm. In 2024, SWAT MAPS clientele will be able to certify their sustainability through our SWAT CERTIFICATION program. With continuous improvement plans overseen by our agronomy and sustainability professionals, our farmers can anticipate the launch of two sustainability-related reports to demonstrate their SWAT CERTIFIED sustainable farming practices:

Learn more about SWAT CERTIFIED:
swatmaps.com/products/swat-certified

The SWAT Advanced 4R Report

Available in early 2024, the SWAT Advanced 4R Report (Figure 8) will provide our farmers with verification that a field is being managed using 4R practices. 4R is a globally-accepted framework for fertilizer application pertaining to the 'Right Source, Right Rate, Right Time, Right Place' (The Fertilizer Institute, n.d.). Many sustainability frameworks require 4R methodology for fertilizer applications, which is a critical component for sustainable agriculture.

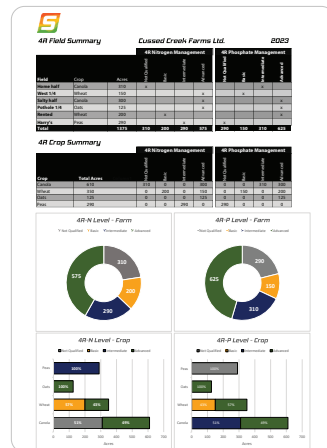


Figure 8. Draft of Croptimistic Advanced 4R report.

The SWAT SUSTAINABILITY Report

The SWAT SUSTAINABILITY Report (Figure 9) will provide our farmers with the data they need to navigate the growing need for agricultural sustainability. This could include access to improved insurance premiums, financial instruments tied to environmental performance, or access to markets linked to environmental performance. There

is also existing and incoming legislation (e.g., SEC, CSC, EUCSRD) requiring most large multi-national companies to report on their GHG emissions throughout their supply chain, which includes their farm suppliers. Canadian banks and insurance companies are also now required by their regulator (OSFI) to report their own climate risk as exposed throughout their financed and insured clients. As a major contributor to global GHG emissions and a contributor to 10% of Canada's GHG emissions, the agriculture sector is under constant scrutiny for their GHG emissions. The ability for farmers to be able to provide their emissions data (and other aspects of their environmental performance) is anticipated to become a requirement in the near future.

In this report, a strong focus will be placed on measurable outcomes for air, soil, water, biodiversity, and proprietary measurements, particularly regarding soil natural capital. As trusted keepers of their data, we are committed to providing value to our clients and delivering a sustainability report that will allow them to navigate sustainability requirements that may surface in the future. As we develop this offering, our plan is to benchmark our report against globally-recognized frameworks (e.g., SAI Platform Regenerative Agriculture Program) to ensure they have an opportunity to be certified, depending on market access they require.

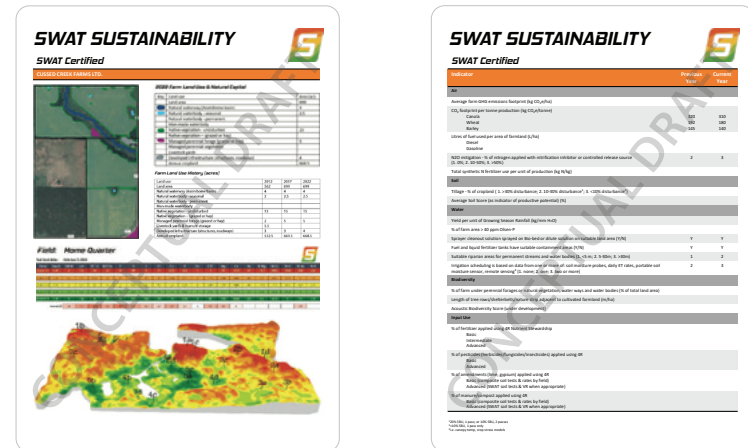


Figure 9. Conceptual draft of the Croptimistic SWAT SUSTAINABILITY report.

Our Commitment Towards GHG Emission Reduction

A key component of our SWAT SUSTAINABILITY reporting is calculating the GHG emissions footprint of our clients. We have joined the Cool Farm Alliance, which allows us to use their Cool Farm Tool (Cool Farm Alliance, 2023) to provide our clients with globally-recognized GHG emissions calculations. In early 2024, we will build an API from SWAT RECORDS to the Cool Farm Tool to facilitate the automation of these calculations. Other data inputs will also be added to SWAT RECORDS to produce the SWAT SUSTAINABILITY report which will all be rolled out to select clients for beta testing in Q2/Q3 2024.

OUR COMMUNITY IMPACT

We believe our products and services are making great strides, but it is important to also make great strides with our community impact. Our community impact focus is on:

- Optimizing sustainability in agriculture (SDG 2 and SDG 15)
- Providing opportunities for our employees and rural/agricultural communities (SDG 3 and SDG 8)

Volunteer Hours

In alignment with our core value to Serve People, we want our employees, their families, and their communities to feel supported by Cromptimistic. One way we act on this is by granting our employees paid time off to volunteer in a way that is meaningful to them. Volunteer activities could include working at a local charity, an organization that is important to an employee, such as a school or daycare, or assisting with a child's extracurricular activities. Each employee is granted eight volunteer hours each year.

Corporate Donations

Donation requests are reviewed against our impact strategy to ensure donations align with our goals and priorities (Figure 10). We allot funds to provide support and consider the following factors when evaluating requests:

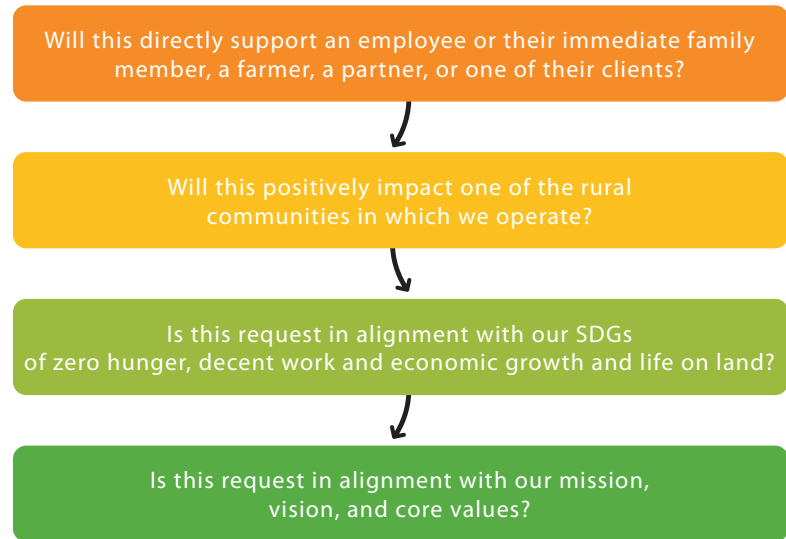


Figure 10: Corporate donations thought process.



Image: Researchers from the University of Regina during a field day.

An ongoing collaboration with the research team of Dr. Bais (University of Regina) is focused on developing and applying artificial intelligence and machine learning algorithms to perform crop and weed mapping for various crops across Canada. This work is part of the Canadian Agri-Food Automation and Intelligence Network (CAAIN) funded project "Automation and scalability of SWAT MAPS to advance Canadian Agriculture" which is led by Cromptimistic Technology Inc. The work of Dr. Bais' team is fundamental in the development of SWAT CAM and its ability to provide meaningful, automated, and scalable mapping of crop and weed characteristics to support zone specific crop planning and in-season decision making.

Investing in Research

In 2023, we partnered with Prairie Agricultural Machinery Institute (PAMI), the University of Alberta, University of Manitoba, University of Prince Edward Island, University of Regina, and University of Saskatchewan for research and development projects in the agricultural and technology sectors. Through these partnerships, we are privileged to engage with a network of globally diverse people who share our passion for this work.

In summary:

\$3.3 MILLION

We invested \$3.3 million into agriculture research and development projects in 2023.

\$2.3 MILLION

Supported by \$2.3 million from Croptimistic cash and in-kind investment and \$900K from grants through partnerships with universities and research institutions.

26 MEDIA PUBLICATIONS

We contributed to 19 blog articles on swatmaps.com, four articles in GrowPro magazine, and three presentations at colleges and universities to share our expert knowledge with the agriculture industry at large.

25 COMMUNITY INITIATIVES

Donations for community initiatives in 2023 included local food banks, mental health organizations, agricultural activities, and community sports, with an emphasis on organizations that our staff and their families or our clients are involved in.

Figure 11. Summary of Croptimistic's projects and initiatives.



Image: Gowera scanning soil samples using a soil spectrometer.

Grace Gowera, PhD student, University of Saskatchewan

As part of a Croptimistic supported Mitacs internship, while pursuing her PhD in soil science at the University of Saskatchewan, Gowera is evaluating the efficiency and accuracy of using a low cost spectrometer to estimate soil organic carbon. By comparing its performance to standard spectrometers, the goal of the study is to assess the reliability of this low-cost instrument and its ability to make soil analysis more accessible. The findings of this research could have big implications on the future of precision soil management and sustainable agriculture.

SERVING OUR PEOPLE

Serving people is one of our core values. For Cromptimistic, this means that we are committed to fostering a culture that is challenging, rewarding, and where everyone is valued. Having an inclusive and welcoming work environment is a constant focus for us, especially with the majority of our operations being remote.

WELCOMING NEW TEAM MEMBERS

When new members are onboarded, we fully embrace them. On their first day, a company wide message is sent out by our Human Resources (HR) department so the team can send them a warm welcome. We schedule welcome meetings with team members that they will be working closely with and add their name to our organizational chart from day one. New team members also get a chance to introduce themselves during our company-wide staff meetings.

COMPANY CULTURE AND COMMUNICATION

Our approach to clear and consistent communication helps us uphold a culture of transparency and trust. We hold semi-monthly company-wide staff meetings that allow each department to highlight what they are working on and celebrate their wins. Our staff meetings also prioritize a high-level update from the CEO on the company's growth targets, monthly objectives, and company initiatives.



Image: Cromptimistic employees at a Saskatchewan Roughriders football game.

In 2023, a small group of eager planners among our team formed a Social Committee that works on planning staff events throughout the year as a way of strengthening our relationships and reminding us that we are an essential part of a bigger team. We host an annual in-person event in Saskatoon, SK, which includes conferences to help improve the operations of our client and partner stakeholders as well as a staff retreat to facilitate team building, boost morale, and provide a break from regular work activities.

WORK-LIFE BALANCE

We understand and support our employees' need for work-life balance. With the cyclical nature of agriculture, we have two peak seasons that require our employees to work extended hours to meet objectives. To provide balance throughout the year, we have implemented a Flex Time policy which permits employees to bank time during peak seasons to use during off seasons.

While Flex Time is important, we also provide the following benefits (Figure 12) to accommodate work life balance:

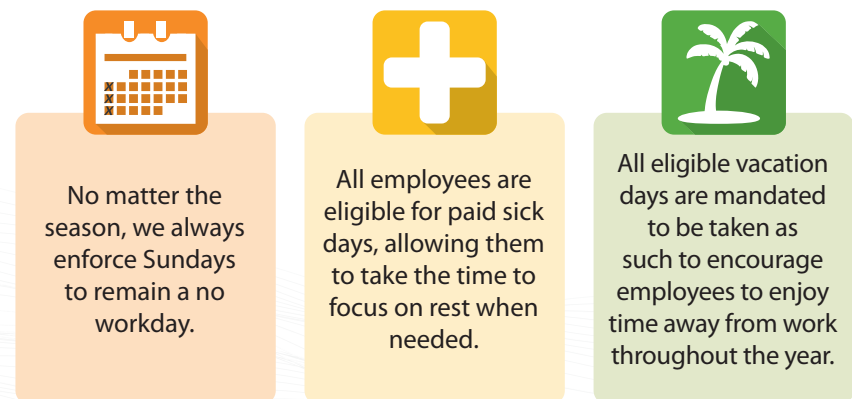


Figure 12. Cromptimistic work-life balance benefits.

EMPLOYEES

Employee Snap Shot

75 Employees (as of November 20, 2023)

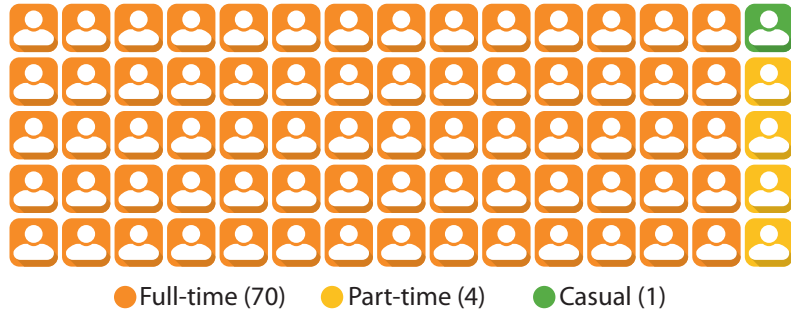


Figure 13. Cromptimistic total number of employees.

Breakdown by Region

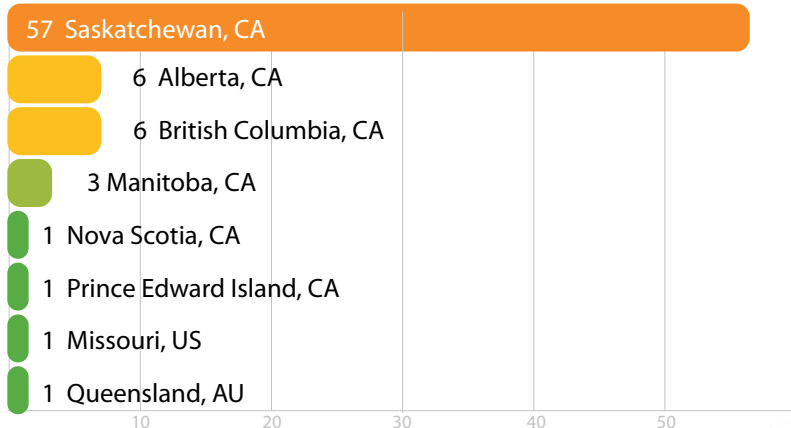


Figure 14. Number of Cromptimistic employees by region.

Remuneration

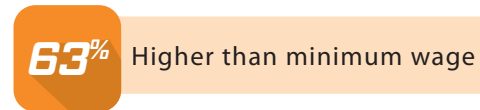
By reviewing the Consumer Price Index (CPI) both provincially and nationally, we have reinforced guidance when conducting salary reviews, which are slated to occur every November. Compensation ranges are analyzed internally using groups based on individual positions, departments, and varying management levels.

In 2024, our plan is to continue structuring analytical processes on our compensation to ensure it is competitive, fair, and unbiased. Comparative analyses will be conducted on our internal salary bands with external market research and salaries will be continually monitored for pay gaps.

We provide subsidies to our employees in consideration of every individual working remotely. In 2023, we increased both our cell phone and internet subsidies from \$50 per month to \$100 per month for each service. This was to align with the raised average costs of these services to our employees. We ensure each employee can work ergonomically and efficiently and add \$1,000 as a home office subsidy to each new employee's pay.

Minimum Wage

Our entry level positions' compensation is 63% higher than the required minimum wage in each jurisdiction.



New Hires & Turnover



Vacation Leave

Our vacation leave entitlements, which exceed provincial standards, are:



Parental Leave

In addition to standard, federally mandated parental leave benefits, we offer a supplemental top-up during the maternity, paternity, or adoptive parent portion of parental leave. We top-up the benefit to 80% of the contracted salary for the first 16 weeks.

Benefits

We provide a comprehensive group benefit plan for family life insurance, accidental death and dismemberment, critical illness, long-term disability, an employee assistance program, extended health care, dental care, and a health spending account. Our benefit plan consists of modern features such as telemedicine and free access to platforms that support mental health. We updated our plan in 2023, adding coverage and will continue to ensure we are offering a suite of benefits that meet our employees' needs.

RRSP Pension Plan

We care about our employees' wellbeing and their futures. We are happy to include an option for them to join our Group Registered Retirement Savings Plan. After one year of employment, we will match their contributions up to 2% of their salary, which we increase to 4% after five years of employment.

Service Milestones Rewards

We strive for every employee to know how valued they are, and how each of them contributes to our success. Every five years an employee is with Croptimistic, we show our appreciation with a personalized gift.

Performance Management Program

We are committed to attracting, developing, and retaining talented people who are passionate about achieving our vision of building a great business. The goal of Performance Management is to facilitate discussion about employees' performance, accomplishments, and to discuss growth opportunities within the company. We recognize the importance of having a Performance Management program that is meaningful and generates important conversation and feedback. Our program has been revitalized in 2023 and consists of an annual review and a mid-year follow up.

Twice a year, we conduct employee wellbeing checks to ensure our employees have an avenue to submit concerns and allow us an opportunity to address any concerns regarding the overall company, should they exist. Action items are created based on employee feedback to ensure we continue our journey to be the best employer we can be.

Training & Development

To ensure our employees have a way of keeping their skills and expertise sharp, we provide a comprehensive internal educational platform called SWAT ACADEMY. This media library houses a collection of modules and courses filled with resources that support our employees' knowledge of our products and processes. Successful completion of the course results in the individual becoming SWAT CERTIFIED. All new hires begin their time at Croptimistic by completing SWAT ACADEMY.

We continue to invest in our employees' professional development by offering \$1,000 to each employee every year. Professional development can involve improving skills and knowledge base or enrolling in training and/or educational courses. Additionally, we cover all professional designation fees for our employees' respective disciplines.

DIVERSITY, EQUITY, & INCLUSION

We are committed to ensuring our policies and practices are fully accepting of everyone. In all we do, whether it is recruiting, promoting, and/or rewarding an employee or conducting performance reviews, we adhere to the following policies as outlined in our handbook:

- Valuing Diversity, Equity, and Inclusion
- Anti-Discrimination and Harassment
- Duty to Accommodate

In 2023, we implemented a Human Resources Information System that houses features for diversity tracking in multiple areas, including trends in both our hiring and turnover data. These features allow us to continuously expand and improve Croptimistic's commitment to equity by helping us identify any systemic biases.



Image: Croptimistic employees and customers at Ag in Motion 2023.



Figure 15. Croptimistic employees by gender.

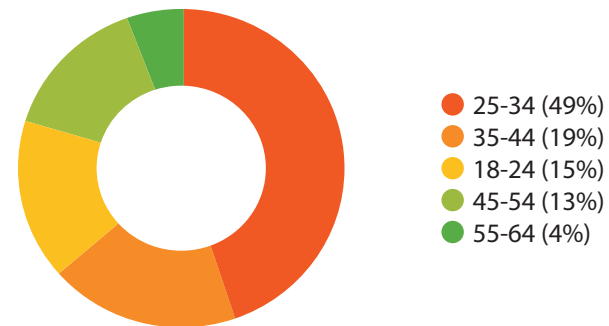


Figure 16. Croptimistic employee age demographics.

HEALTH AND SAFETY

As we aspire to continue providing a healthy and safe work environment, an overarching committee will be formed in 2024 to provide guidance for our health and safety program in all our provinces/states of employment. The committee will adhere to all individual provincial/state legislation, while being one consistent resource for all company employees.

BUSINESS PRACTICES

RESPONSIBLE BUSINESS CONDUCT

We believe our employees embody and execute the highest standards of personal and professional ethics and behaviour. The professional qualities that exist among our staff include good judgment, diplomacy, and courtesy in professional relationships. These qualities not only reflect the respectability of our company, but that of each individual employee, their contribution to Croptimistic, and their personal career growth. Our employees are guided by the Croptimistic code of conduct in our employee handbook, which outlines our requirements for business and ethical conduct.

Our business conduct is driven by our core value of *Act with Integrity*. The trust that we build with our clients is paramount, and we place incredibly high value on the trust we build with each and every one of our stakeholders. The following are excerpts from the code of business conduct in our employee handbook:

1. Croptimistic governs itself in compliance with all laws and regulations that are applicable to its operations in all areas in which we work.
2. We conduct our business with transparency. In our marketing, publications and speaking engagements, we promote our products and services with honesty.
3. We operate with openness and a genuine dedication to ethical business conduct. Any employee who raises an ethical concern is invited to speak with Croptimistic's Human Resources and may do so without fear of retribution.
4. Croptimistic employees uphold the ethical requirements for their professions, including the ethical requirements for any professional associations.

RESPONSIBLE PROCUREMENT

Ensuring our suppliers align with our values and meet ethical and legal obligations is important to us. We have outlined criteria in the vendor section of our Croptimistic Procurement & Spending Guide, which include:

- Ethical criteria (e.g., avoiding child labour and forced labour)
- Environmental criteria (e.g., regulatory compliance and resource conservation)
- Geographical criteria (e.g., a local vendor preference)

This guide serves as a framework for sustainable and responsible procurement. In 2024, we are committed to refining these criteria even further to ensure they uphold our position on ethical sourcing.

DATA INTEGRITY, SECURITY, & PRIVACY

Data Integrity

With a strict focus on maintaining system performance and minimizing the risk of data loss, we host our core information systems in cloud environments, including Google Cloud Platform and Amazon Web Services. We utilize daily backup schedules, with critical operational data being backed up to multiple external locations.

Data Security

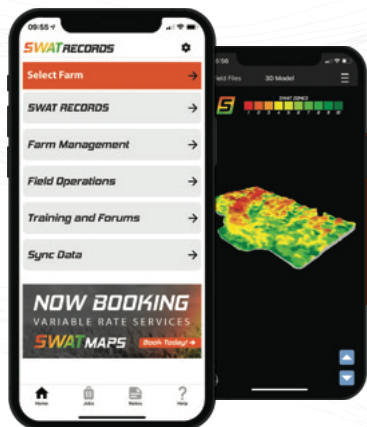
In 2023, no cybersecurity breaches occurred at Croptimistic. Our IT infrastructure is architected with security. Employee workstations are hardened against attacks through comprehensive device management policies and automatic compliance checking. Operating system updates are pushed at regular intervals, disks are fully encrypted, antivirus scans

are run daily, email filtering and phishing detection is used extensively, and various policies are in place to mitigate common surface areas of attack. Yearly cybersecurity training is provided for all employees to provide awareness and skills to recognize common attack scenarios. Employees regularly report suspected phishing and malicious emails to improve filters.

Information system access is granted according to the principle of duty segregation, and elevated accesses are granted only to those who require it for their job scope. All system actions are logged, remote access to cloud services is all conducted through secure protocols, cloud production systems are in separate networks from test environments, and system logins are guarded by multifactor authentication as well as anomaly detection restrictions (such as unexpected IP address connections). Offboarding procedures are defined for pulling access and the workstation management tools to provide reliable ways to disable access entirely on demand.

Data Privacy

Data collection is scoped only to what is necessary to provide our services and includes the least amount of Personal Identifiable Information (PII) possible. Our security controls ensure that information stored within our systems is safeguarded from unauthorized access, collection, and disclosure. Employees are trained to identify and understand privacy



We take our farmers' data seriously and are committed to protecting their privacy. Farmers will always own their data.

Image: SWAT RECORDS mobile app.

responsibilities and can only access information to the extent required to provide services.

Activity of user interaction with the system for the purpose of performance monitoring or metrics is systematically scrubbed of identifying information before being sent to any third party platforms. Third party platforms being used for these purposes are vetted extensively for security and privacy before being integrated into our systems. It is our promise that we will never sell anyone's personal information.

It's comprehensive, and it's publicly available. Our privacy policy can be viewed at swatmaps.com/privacy.



Image: SWAT CAM data being shared on a laptop.

ENVIRONMENTAL STEWARDSHIP

Our shared natural capital is what enables global food production. In agriculture, ensuring we are good stewards of the environment while enabling healthy food production is paramount to our sustainability.

The environmental goals we are committed to:



SDG 12 – Responsible Consumption and Production
We hold ourselves to the highest standards for ethical and responsible business conduct. We enable farmers to produce food in an environmentally responsible manner.



SDG 13 – Climate Action
Our services reduce the emission footprint of agriculture, which contributes to a third of global GHGs.



SDG 15 – Life on Land
We are passionate about ensuring the vitality of life on land by balancing the needs of humans and wildlife to ensure a sustainable future.

We care deeply about our own corporate environmental footprint. In this report, we completed our first GHG emissions inventory (Scope 1 and 2) with a goal to complete our Scope 3 estimation in 2024. FY2023 will be the baseline for Scope 1&2 and FY2024 will be the baseline for Scope 3. Our goals are to identify risks and reduction opportunities and to illustrate our commitment to sustainability.

GREENHOUSE GAS EMISSIONS

Croptimistic followed the GHG accounting principles as outlined in the GHG Protocol Corporate Standard (The GHG Protocol, 2004). The emissions calculations were developed to ensure the reported information represents a faithful, true, and fair account of Croptimistic’s emissions.

Croptimistic is using the control approach to establish the operational boundaries. All our operations are wholly owned. Data is consolidated using the centralized approach where each facility/office provides their activity/fuel use data and the emissions are calculated at the consolidated level. The value chain for Croptimistic is shown in Figure 17.

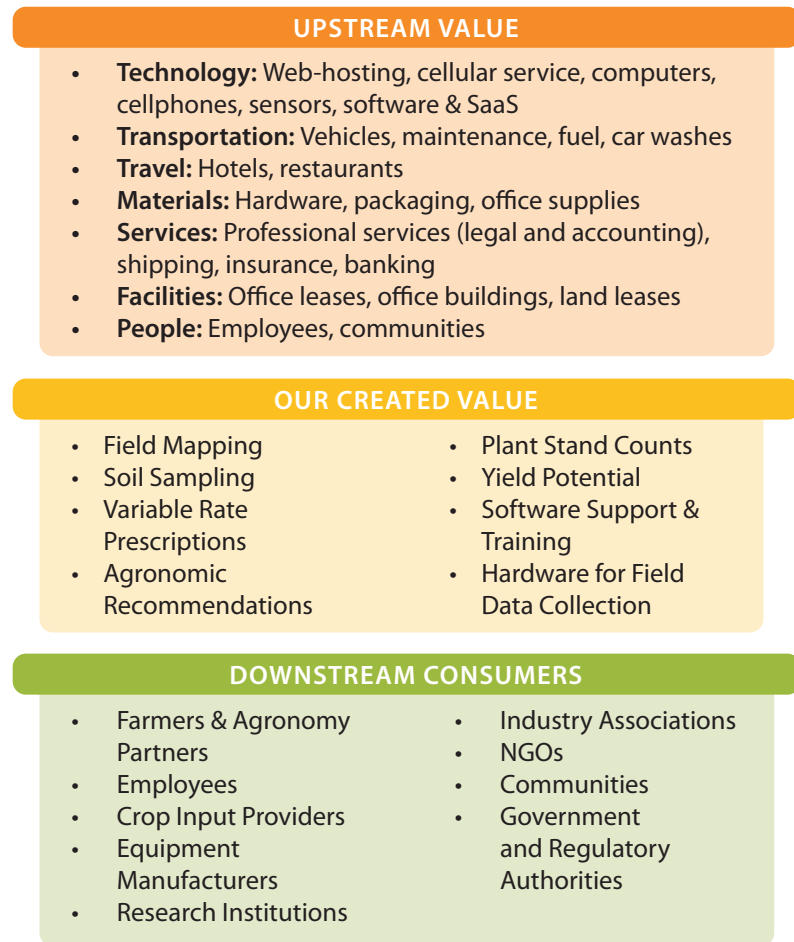


Figure 17. Croptimistic value chain.

GHG Emissions Sources

Croptimistic Emissions Sources	
Scope 1	
<ul style="list-style-type: none"> • Mobile combustion • Stationary combustion • Refrigeration equipment 	<ul style="list-style-type: none"> • Truck fleet • Natural gas furnaces • Truck fleet air conditioning, office refrigerators, office air conditioning units
Scope 2	
<ul style="list-style-type: none"> • Purchased electricity 	<ul style="list-style-type: none"> • Electricity purchases for all offices

Table 2. Croptimistic emissions sources.

Base Year

Croptimistic calculated the direct emissions from operations (Scope 1) and the indirect emissions from purchased electricity (Scope 2) for FY2023. With the acquisition of CropPro Consulting in 2023, the FY2023 emissions data is the earliest relevant year to represent the operations of Croptimistic. FY2023 will be the base year for Scope 1 and Scope 2 emissions. Additional reporting capabilities were added through FY2023 to enable the calculation of other indirect emissions (Scope 3) for FY2024.

Croptimistic GHG Emissions	Total (tonnes CO ₂ eq)	Intensity (kg CO ₂ eq per serviced acre)
Scope 1	504.23	0.38
Scope 2	45.72	0.03
Total	549.95	0.42

Table 3. Croptimistic total emissions for FY2023 (base year).

A key activity for FY2024 will be to assess the GHG inventory and establish opportunities for reductions in emissions.

WATER & WASTE

To place even higher emphasis on environmental stewardship, we are also embarking on measurements of our waste generation and water use, with opportunities for reduction assessed in 2024.

Our water use primarily stems from biosecurity washing, vehicle maintenance, and office consumption. With biosecurity being our largest source of water use, there is limited opportunity to reduce our water use. We must adhere to proper cleaning and disinfection of all Croptimistic equipment, including trucks, quads, probes, etc. to reduce the chance of contaminants between fields. We follow strict washing and biosecurity protocols from farm to farm to limit the spread of soil borne diseases and plant materials.

Primarily acting as a service provider means we do not generate substantial waste. Paper-based products are typically recycled throughout our direct operations.

In 2024, we will assess water and waste consumption and evaluate any opportunities where reductions could be made.



Image: Derek Rude, VP of R&D, installing a SWAT CAM.

2023 RECAP

In 2023, Croptimistic reached new heights in empowering precision agriculture. As we pave the way towards continual growth and improvement, we earnestly reflect on the many highlights that brought us to where we are now, including:

- Developing Croptimistic's mission, vision, and core value statements. These statements establish a foundation that drives everything we do.
- Identifying our aligned SDGs, which shape our corporate impact strategy and sustainability initiatives.

Mission, vision, core value statements, as well as SDGs were used to create a community impact strategy that enhances the vitality of the rural communities where our employees and clients live and work. We pursued initiatives to increase employee engagement, such as the formation of a social committee, the implementation of a performance management program and our new staff meeting format. We stepped up to provide high value employment with more opportunities in rural areas.

2023 brought us many opportunities to continue our pursuits in agriculture research. We played a role in 18 research projects and contributed >\$3M to partnerships with multiple universities and other research organizations. These types of investments and partnerships are what fuel our knowledge of what an innovative future looks like.

For us, an innovative future includes technologies like SWAT CAM, the world's first autonomous plant stand counting tool and the autonomous use of SWAT BOX. These technologies that we developed are making substantial reductions in manpower and vehicle use (and their associated GHG emissions) required to obtain high quality data for informed agronomic decision making.

Above all, it's the people of this business and the clients we serve that inspire us and act as the catalyst for our progress. We look forward to continuing to pursue our ambitions in 2024.

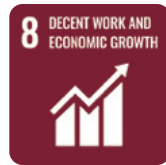


Image: Croptimistic employees meeting in a field.

REPORTING FRAMEWORKS

This sustainability report was developed with reference to the GRI Index. Financial materiality was determined using the Sustainability Accounting Standards Board topics. Impact materiality was determined using GRI and a gap analysis based on the B-Corp questionnaire. Supplemental information on Cropimistic's Material Topics, GHG Inventory, and GRI Content Index is available on our website.

Our sustainability activities align with many of the United Nation's Sustainable Development Goals, but we focus our sustainability strategy on SDG 2, 3, 8 and 15.



TESTIMONIALS

"I've been working with SWAT MAPS for over 10 years and they allow me to apply seed and fertilizer in the zones that have the highest chance of return. Salinity is an issue on my farm and with SWAT MAPS I am able to cut back fertilizer in those areas." - Corey F.

"I was able to get ahold of them quickly, they know their stuff and followed up. A+, the service is greatly appreciated." - Dustin K.

"We used our SWAT MAPS to VR some soil residual herbicides with great results in reducing weed populations in the wetter areas of our fields. We continued using the same principles when it was time to desiccate. Once again, the results were great. This saved us \$5-10 per acre without jeopardizing harvest timing." - Josh L.

"We farm a variety of soil types and topography usually in the same field and SWAT MAPS have really helped us improve plant stands and crop maturity across those fields. Crop grades, grain moisture, and straw management have all improved with VR seeding and fertility." - Rob D.

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