

Corporate Sustainability Report

2022

David Messer, CEO

I am pleased to present Freepoint Commodities' first Corporate Sustainability Report. This report offers an overview of the material sustainability opportunities, risks, and challenges faced by Freepoint and the markets in which we operate, as well as the efforts our organization is making to ensure strong governance and ethical practices. By sharing our baseline Environment, Social and Governance (ESG) performance, we hope to engage with our stakeholders and provide transparency regarding Freepoint's current sustainability efforts.

In a year of geopolitical instability, 2022 presented many challenges to the energy markets, with supply disruptions arising from the conflict in Ukraine increasing Europe's dependency on coal and, in the short term, impeding the transition to renewable energy. However, Freepoint remained focused on the integration of positive ESG practices throughout our organization and supply chain. As part of our push to sustainable development, we have made investments in several sustainable energy solutions, including Freepoint Eco-Systems, an advanced waste plastic recycling operation that promotes a circular economy, and Freepoint Solar, our utility-scale renewable energy developer.

I am also pleased to share that we have established an internal ESG Committee and appointed an ESG Director. The Committee plays a crucial role in overseeing and implementing sustainability practices and considerations, such that they are deeply embedded in our decision-making processes and overall corporate governance.



Looking ahead, we remain committed to the continuous improvement of our ESG program. Our focus is on fostering a culture of environmental responsibility, social engagement, and strong governance not only within our organization but throughout our supply chain. We aim to ensure that sustainability remains a core pillar of our business operations.

I would also like to thank all our employees for their continued contributions to our ESG programs. By ensuring company-wide alignment to Freepoint's missions and values, I am confident that we can continue to drive performance and demonstrate our integrity as a global corporate citizen. I look forward to sharing updates on our sustainability journey in future reports.

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Environmental



Measuring GHG Emissions from Freepoint’s Operations

Freepoint recognizes and uses the Greenhouse Gas (GHG) Protocol to measure and report our greenhouse gas emissions. The protocol is the most widely used international standard for GHG accounting and reporting. This transparent and consistent framework allows Freepoint to assess and track our carbon footprint and progress.

Scope 1-2 Emissions

We aim to reduce our carbon footprint by carefully monitoring and reporting our energy use and greenhouse gas emissions. The majority of our operations are housed in modern, efficient offices, and as of 2022 do not own or operate assets that substantially contribute to our carbon footprint.

Our energy use and emissions, therefore, are primarily related to on-site combustion of natural gas (Scope 1) and electricity use (Scope 2). We follow the GHG protocol calculation methodology and classification to ensure that our reporting is accurate and comprehensive. By tracking our Scope 1 and 2 emissions, we can identify areas for improvement and work to reduce our carbon footprint over time.

Freepoint’s 2022 Scope 1&2 footprint (Tonnes CO2e)

Electricity	Gas	Total
1,260.89	443.3	1704.19

Scope 3 Emissions

Scope 3 missions are all indirect emissions that occur in a company’s supply chain, including both upstream and downstream emissions. As it represents a great proportion of a company’s overall environmental impact, it is important for Freepoint to measure and calculate our own Scope 3 emissions.

We are continually improving the identification and measurement of our Scope 3 emissions to improve our sustainability performance against the GHG protocol's 15-category methodology. Primary sources of our Scope 3 emissions are:

- **Category 4:** Transportation and Distribution
- **Category 6:** Business Travel
- **Category 7:** Employee Commuting

Freepoint will be developing new strategies to minimize our Scope 3 emissions and improve our supply chain sustainability. We are actively identifying a net zero strategy which will be communicated in future reports.

Carbon Offsets

Carbon offsetting is one of the ways we can address our residual unabated carbon footprint. Since 2019, we have taken steps to offset our Scope 1 and 2 emissions by purchasing carbon credits from credible and transparent offset projects, issued under market leading voluntary market standards. Each project has comprehensive and verifiable additional benefits contributing to the UN Sustainable Development Goals. We carefully evaluate carbon offsetting options, project origins, transparency, and credibility and ensure that they align with our sustainability goals.

Freepoint has purchased and retired carbon credits from the following projects:



Reforestation Degraded Grasslands | Tanzania

The project involves planting trees in an area that has suffered from land degradation, soil erosion, and deforestation, which has had a severe impact on the local environment and the livelihoods of people in the region. The project aims to re-establish forests and improve soil and water conservation, which will provide habitat for wildlife, prevent soil erosion, and reduce greenhouse gas emissions. Purchasing carbon credits from this project demonstrates Freepoint's support of the restoration of natural ecosystems and biodiversity in Tanzania.



Improved Cookstoves Program | Uganda

This project distributes energy-efficient cookstoves to households in rural communities. Traditional cookstoves burn wood or charcoal, which emit high levels of carbon dioxide and other harmful pollutants that contribute to air pollution and respiratory diseases. The new cookstoves are designed to reduce fuel consumption by up to 50% and emissions by up to 60%, which improves indoor air quality, reduces deforestation and soil degradation, and saves households money on fuel costs. We have also purchased and retired offsets from similar projects in Rwanda and Malawi.



Land-use Transformation Bi-Conservation | Peru

The Tambopata-Bahuaja Biodiversity Reserve conserves threatened tropical rainforests in an internationally recognised biodiversity hotspot of the Peruvian Amazon. The lush forests provide habitat for a variety of rare & endangered wildlife. The project integrates conservation and sustainable economic development to protect 591,951 hectares of forest. By helping local farmers transition to sustainable cacao production in the margins of the protected area, degraded land is restored, reducing the effects of deforestation, and providing local communities with forest-friendly and sustainable livelihoods.



Supporting the Energy Transition

The accelerating transition from fossil fuels to renewable energy presents exciting opportunities in the world of commodities and beyond. Freepoint has invested in projects, technologies, and new initiatives as part of our strategy to aid the transition towards sustainable energy solutions.



Freepoint Eco-Systems

Freepoint Eco-Systems was launched in early 2020 to support and contribute to our energy transition goals. Eco-Systems partners with manufacturers and companies that produce plastic waste through their operations but lack a comprehensive waste management system. Our team builds facilities which use an advanced pyrolysis process to convert industrial plastic waste to raw pyrolysis oil (EcoOil) which can be processed into LDPE (Low Density Polyethylene) granulate, the input material for further plastics production which is traditionally produced from fossil fuels.

Eco-Systems' recycling efforts contribute to a circular economy by giving new life to materials that would otherwise end up in landfill or incinerators - in turn reducing greenhouse gas emissions and reducing the depletion of natural resources through further fossil fuel extraction. Eco-System's methodology for producing LDPE granulate is less carbon intensive than the traditional fossil fuel methods. (Life-Cycle Analysis (LCA) report: EcoEngineers in 2022).

Freepoint Solar

Freepoint Solar, the solar energy development affiliate of Freepoint Commodities, originates and develops distributed and utility-scale projects in the Northeastern United States. The projects are located near population centers to help satisfy the growing demand for renewable power.

Freepoint Energy Solutions

Freepoint Energy Solutions focuses on providing a customized and comprehensive suite of energy services to our retail customers in the United States. Our business operation consists of obtaining high quality Renewable-Energy Certificates (RECs) and selling them to our regional customers. By providing RECs, we not only help our customers meet their sustainability goals and navigate the complex regulatory compliance requirements, but also promote the growth and integration of renewable energy sources.

Voluntary Carbon Business

Our Voluntary Carbon (VC) desk is actively participating in the primary and secondary VC markets to support our energy transition goals and those of our clients by providing bespoke VC emissions solutions. The business is investing globally in high-quality voluntary carbon projects and platforms, across nature-based projects, to secure long-term supplies of high-quality voluntary carbon units.

Bio-Fuels Business

Freepoint's trading in biofuels and biodiesel is a key element of our strategy to support and provide liquidity to the energy transition and help our customers meet their sustainability objectives.



With the increasing regulatory pressures to reduce carbon emissions in the transportation sector, the demand for renewable liquid fuels is expected to grow significantly. Freepoint is well-positioned to help our customers navigate this transition with physical and financial solutions to meet their accelerating compliance targets and manage increasingly complex supply chains.

We believe Freepoint's focus on sustainable energy solutions not only benefits the environment but also creates new opportunities for growth and investment in the energy sector.

Social



Employee Wellbeing

Freepoint places the wellbeing and success of our people first and we are focused on investing in the people on our team. Our culture is firmly rooted in respect, authenticity, and opportunity. We understand that each person is unique, which underpins our commitment to diversity, equity, and inclusiveness. Further, we value the wellbeing of people in our local communities and our supply chains and are focused on sharing our prosperity, as well as reinforcing our culture and values.

Diversity, Equity, Inclusion (DEI)

At Freepoint, employees feel valued and supported regardless of their background or identity. In an industry that has traditionally struggled to attract a diverse workforce, we have taken several proactive steps to attract the best talent while promoting both gender and ethnic diversity. In 2019 we changed our internship program to ensure a much more diverse spectrum of candidates were given opportunities within the firm.

Additionally, we strive to establish employee resource groups in our global offices, where employees can connect with one another, share experiences, and provide support.





Benefits, Health & Safety

In addition to our market-leading remuneration, Freepoint's commitment to employee health and safety is reflected in its comprehensive health and well-being benefits package. Freepoint also prioritizes workplace safety through frequent mandatory occupational training on workplace health and safety related courses. This ensures that all employees are equipped with the knowledge and skills necessary to prevent injuries and hazards in the workplace. Workstations employ state-of-the-art ergonomic and technological features to ensure comfort.

In addition to physical health, Freepoint also recognizes the importance of mental health and provides access to mental health resources and support for employees. This includes counseling services, employee assistance programs, and other resources to support employees' well-being. By prioritizing employee health and safety, Freepoint creates a positive and supportive work environment that values the well-being of its employees.

Training & Development

We are committed to investing in the professional development of our employees. We offer a range of training and development opportunities to help employees to grow in their roles and achieve their career aspirations. Our focus is not just on technical training but also on soft skills such as leadership and communication, as we believe these are crucial for success in any role. We have a robust performance management system that includes regular feedback and coaching to help our employees reach their full potential.

We employ a mandatory training program relating to key risks and controls, but also encourage employees to take ownership of their own development and to seek out opportunities to learn and grow. We provide mentoring and coaching programs to help our employees develop the skills and knowledge needed to advance in their career.

Local Communities

Corporate Giving

Freepoint's charitable giving program reflects our commitment to being a responsible corporate citizen. We believe that we have a responsibility to give back to the communities in which we operate and to support organizations that are working to make a positive impact. Our program focuses on supporting causes that align with our values and that our employees are passionate about. By doing so, we can engage employees in our charitable giving efforts and strengthen our relationships with local communities. We undertake to make charitable contributions to worthy causes and offer matching donations to charities that employees wish to support.

In addition to our ongoing charitable giving efforts, Freepoint provides opportunities for employees to volunteer their time and skills to support charitable causes. We believe that this not only benefits the organizations we support, but also strengthens our company culture and provides employees with meaningful opportunities for personal and professional growth. We are committed to continuing to make a positive impact in the communities in which we operate and to support organizations that are working to make the world a better place.

Human Rights

We believe that it is our responsibility to ensure that all employees in our supply chain are treated with dignity and respect. This includes protecting children from exploitation and ensuring that workers are not subjected to forced labor or human trafficking.

Modern Slavery, Forced Labor

At Freepoint, we take the issue of modern slavery and human trafficking very seriously. We understand that these crimes are a serious violation of human rights and have no place in our business or supply chains. As a company, we are committed to preventing modern slavery and human trafficking, and we require our suppliers to uphold the same high standards as we do.

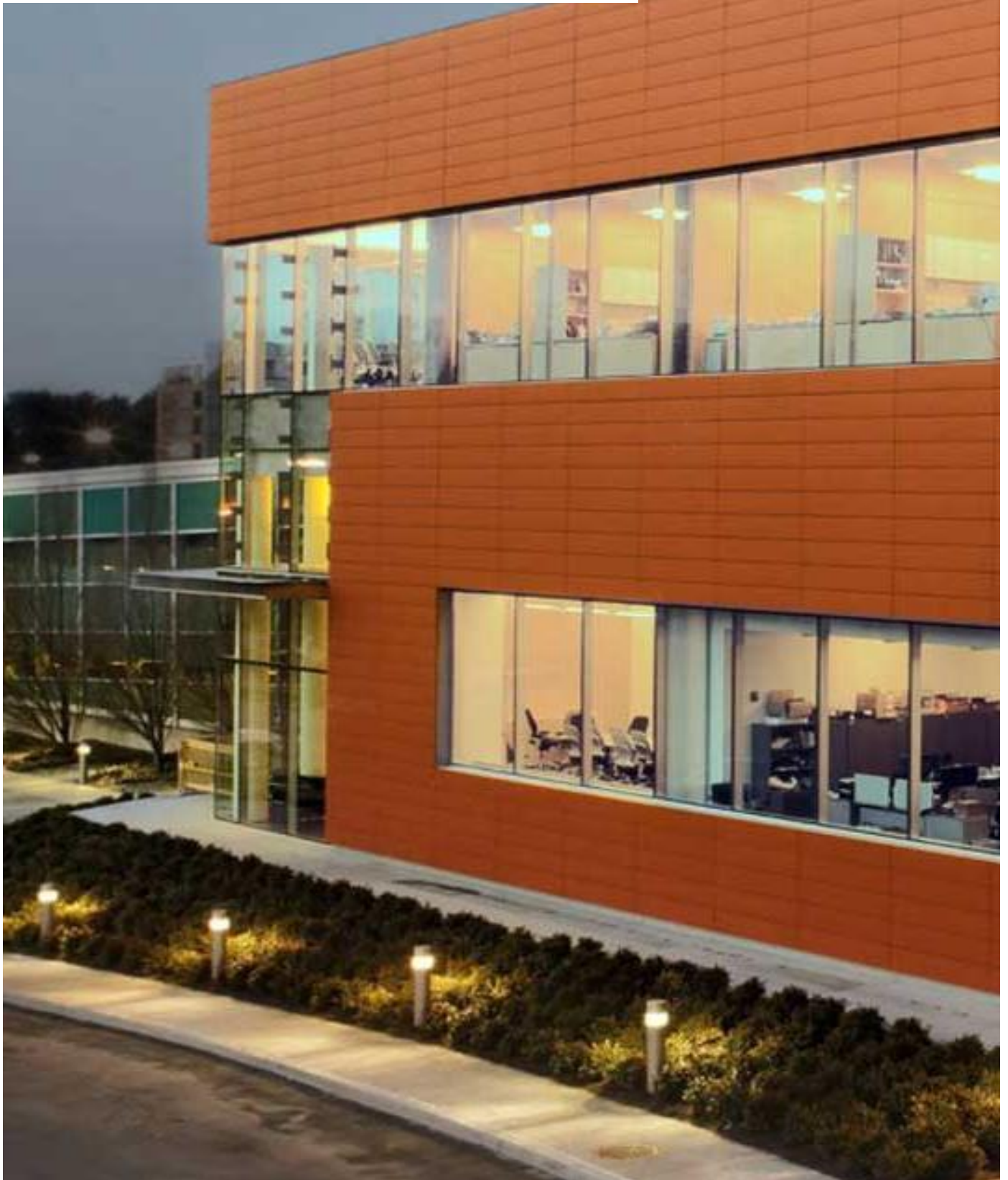
To support this commitment, we have implemented policies and procedures to assess the risks of modern slavery and human trafficking across our business and supply chains. We conduct thorough, risk-based due diligence on our business partners and

suppliers to ensure that they comply with our high ethical standards. We have also increased awareness of these issues among our employees, who are encouraged to report any suspicions through our internal whistleblowing process.

Child Labor

At Freepoint, we have a zero-tolerance policy towards the use of child labor in any of our facilities or by our suppliers. We firmly believe that every child should have the opportunity to receive an education and be free from the risk of exploitation. We ensure that our suppliers comply with our strict prohibition on employing children in any facility, whether it be mines, farms, plantations, mills, refineries, offices, vessels, storage facilities, or warehouses.

Governance



Corporate Governance

Freepoint is partnered with Stone Point Capital LLC, a private equity firm with a long successful track record of making private equity investments and managing businesses in the financial services industry. Freepoint's board and senior management team are highly experienced with a successful track record in not only delivering financial returns, but doing so in a legal, compliant, and ethical manner.



ESG Committee

Freepoint's ESG Committee is comprised of the senior management team, along with subject matter experts and key stakeholders from across the organization. The Committee meets regularly to discuss risks and opportunities that relate to environmental, social or governance issues and is instrumental in setting goals and targets, as well as our ethical stance on our business activities.

Stakeholder Engagement

We engage with our financial stakeholders, including institutional partners, to communicate our latest sustainability initiatives and seek their perspective and feedback. This allows us to identify areas of improvement, address material risks, and enhance our overall sustainability approach.

Risk Management

Freepoint has a comprehensive risk management policy that includes well-defined procedures and risk limits with strict separation of commercial and operational functions. We utilize trading limits, Value-at-Risk (VaR), frequent stress testing and credit risk policies to prevent traders from taking on outsized risk in relation to the company's capital. Trades are captured and managed utilizing market leading trading and risk management systems.

Policies

Onboarding / KYC Policy

Freepoint's Know Your Customer (KYC) Policy is a crucial element of our commitment to integrity and compliance with global laws and regulations. We are dedicated to conducting thorough due diligence on all potential counterparties and vendors to ensure they meet our strict standards for business conduct, reputation, and financial stability. Our KYC procedures are designed to mitigate risks such as those associated with money laundering, terrorist financing, bribery, and corruption.

As part of our KYC policy, we require all counterparties and vendors to provide detailed information about their business, ownership structure, and key personnel. We also conduct extensive background checks and review public records to verify the legitimacy of their operations and assess their risk profile. We conduct ongoing monitoring of all counterparties to ensure they continue to meet our standards for integrity and compliance.

Compliance with our KYC policy is essential to maintaining the trust of our stakeholders and safeguarding the integrity of our operations.

Anti-Bribery & Corruption Policy

As a responsible commodity trading company, Freepoint recognizes the serious risks associated with bribery and corruption in business. Freepoint is committed to complying with all relevant anti-bribery laws and regulations where we do business, including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act. We have implemented a strict Anti-Bribery and Corruption (ABC) Policy that applies to all our employees, agents, consultants, contractors, and anyone else acting on our behalf, regardless of their location.

We understand that bribery and corruption undermine fair competition, harm society, and erode public trust. Our ABC Policy sets out clear expectations for our employees and provides guidance on how to prevent, detect, and report any instances of bribery or corruption. We are committed to regularly reviewing and updating our policy to ensure that it remains in line with local and global requirements. By upholding the highest standards of ethical conduct, we can help promote a more sustainable and just business environment for everyone.

Sanctions Policy

Freepoint understands the importance of complying with all applicable laws, including those related to sanctions and anti-boycott obligations. Our Sanctions and Anti-Boycott Policy ensures that all our employees, no matter where they are located, are aware of any restrictions under these laws and understand how to comply with them fully.

Cybersecurity Policy

Freepoint understands the critical importance of business continuity management and has prioritized maintaining the resilience and continuity of our operations in the event of any disruption. This includes all material risks associated with data breaches and cybersecurity threats that can result in significant financial, legal, operational, and reputational consequences.

Our Cybersecurity Policy is implemented to ensure that our systems and information remain secure from potential threats or disruption. It includes but is not limited to the protection of our systems and data, as well as the implementation of industry best practices, reliable system design, and continuous end-user training and awareness programs to ensure that our IT security and resiliency strategy is robust and effective.

Responsible Sourcing & Sustainable Supply Policy

As referenced in both the Environmental and Social sections of this report, Freepoint's supply chain policy is an essential control to ensure that our principles are strongly upheld. We believe that enforcing these principles is necessary for our business operations to be conducted in a responsible and sustainable manner. Freepoint's monitoring program consists of a risk-based analysis to identify sectors and suppliers at greatest risk of environmental or social risks. Our due diligence process ensures compliance with our principles is commensurate with this risk. We also work with industry organizations and NGOs (Non-Government Organizations) to monitor our suppliers and potential suppliers. We review and assess our policy regularly to determine whether additional commodities, geographic areas, or counterparties need to be made subject to this policy.

Index GRI reporting

The Global Reporting Initiative (GRI) reporting framework is currently the most widely used standard for sustainability disclosures. Freepoint has structured this report with reference to the GRI standards, taking into account the material topics most applicable to our business and operations.

GRI Standard	Disclosure Location
ENVIRONMENTAL	
GRI-302 – Energy	Scope 1-3 Emissions (pg. 5) Freepoint Solar (pg. 8) Freepoint Energy Solutions (pg. 8) Freepoint Bio-Fuels Business (pg. 8)
GRI-305 – Emissions	Scope 1-3 Emissions (pg. 5) Carbon Offsets (pg. 8) Voluntary Carbon Business (pg. 8)
GRI-306 – Waste	Freepoint Eco-systems (pg. 7)
PEOPLE	
GRI-401 – Employment	Benefits, Health & Safety (pg. 10)
GRI-403 – Occupational Health and Safety	Benefits, Health & Safety (pg. 10)
GRI-404 – Training and Education	Training and Development (pg. 11)
GRI-405 – Diversity and Equal Opportunity	Diversity, Equity Inclusion (pg. 10)
GRI-406 – Non-Discrimination	Diversity, Equity Inclusion (pg. 10)
SOCIAL	
GRI-408 – Child Labor	Child Labor (pg. 12)
GRI-409 – Forced or Compulsory Labor	Modern Slavery, Forced Labor (pg. 12)
GRI-413 – Local Community	Corporate Giving (pg. 14)
GRI-414 – Supplier Social Assessment	Responsible Sourcing & Supply Chain Policy (pg. 15)
GOVERNANCE	
GRI-205 – Anti Corruption	Anti-Bribery and Corruption Policy (pg. 15)
GRI 410 – Security Practices	Policies (pg. 15)

All information included in this Sustainability Report (the “Report”) is up to date as of August 2023. Any statistics relating to ESG metrics may be based on assumptions or developing standards and therefore subject to change in future Reports. All references to any public standards (GHG Protocol, UN Sustainable Development Goals etc) represent solely the alignment of Freepoint’s internal policies/performance to these standards, and Freepoint is therefore not obligated to provide assurance that any goals, commitments, plans, or initiatives set forth in this report can or will be achieved. Freepoint has no obligation to update or revise publicly any forward-looking statements. This is defined as statements other than historical or current facts, such as statements of future plans, initiatives, goals, comments, prospects, or expectations that are forward-looking. To identify these forward-looking statements, Freepoint uses words such as “aim”, “believe”, “commitment”, “create”, “continue”, “developing”, “drive”, “ensure”, “expect”, “goal”, “implement”, “mission”, “plan”, “seek”, “setting”, “strategy”, “strive”, “target”, “undertake”, and “will”. These forward-looking statements only represent Freepoint management’s current expectation and outlook, it does not promise, guarantee, and is not intended, to create legal rights or obligations.

