

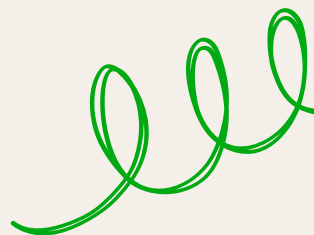


2023 ESG Report

EXECUTIVE SUMMARY



Our 2023 Annual ESG Report



CO2 GRO Inc. (CO2 GRO) is an early stage commercial precision ag-tech corporation.

We are proud to share our second annual ESG Report and this associated Executive Summary.

The 2023 report updates our corporate commitment, direction, and our progress towards achieving our sustainability goals (organization, people, planet, and prosperity).



2023 ESG Report

Our Mission

CO2 GRO's mission is to enhance all protected plant growth sustainably and naturally. Our technology reduces our customers' ecological footprints per unit of yield when they adopt or switch to our patented CO2 Delivery Solutions™ technology.

If all existing protected agriculture grow facilities adopted or switched to our technology, they could grow an extra 100 million metric tonnes per year of food, which is enough to feed 500 million people.

Further, growers could optimize their facilities and avoid building another 200 billion square feet of grow facilities to achieve that additional yield, which at an average \$20 per square foot capital cost would represent \$4 trillion of cost avoidance/facility optimization.

Our ESG Committee

CO2 GRO's ESG Committee oversees accountability to the highest standards of governance, sustainability, and ethical business practices.

The ESG topics covered are a key component of our Board of Directors' and Management's evaluation of risks and opportunities, long-term performance potential and value creation.

CO2 GRO's Board has approved this 2023 ESG Executive Summary and Report.



2023 Societal Benefits From Installing CO₂ Delivery Solutions™



Our technology is the first major improvement delivering CO₂ to plants in 50 years.

If we could install our technology into all of the existing 700 billion square feet of global protected agriculture facilities, it could add \$316 billion per year of sustainable value to society of which about \$250 billion per year would represent pre-tax profits.

That pre-tax profit would pay back our new 2023 estimated selling price of \$700 billion or \$1 per square foot in less than three years.

Assumptions

For non-CO₂ gassing protected ag

1) \$300 billion per year additional farm gate revenue on \$1.3 trillion per year 2023 protected ag revenue. Based on the existing 700 billion square feet of 2023 protected ag facilities achieving a 25% yield + value increase with our tech.

For CO₂ gassing greenhouses

1) \$1 billion per year more revenue achieved at venting greenhouses gassing CO₂ for up to 10% greater plant production (we assume 5%). Their required venting cuts into optimal production potential as their CO₂ concentrations drop while venting.

2) \$12 billion per year for CO₂ gas supply savings for CO₂ dosing greenhouses (10 billion square feet 2023 est.). We use up to 95% less CO₂ for the same yield, average cost \$500/CO₂ tonne.

3) \$2 billion per year CO₂ emissions tax savings: 19 million CO₂ tonnes per year saved at CO₂ gassing grow facilities versus emitted at an estimated long term \$90 per tonne carbon credit per tax rate.

2023 Societal Benefits

Avoided Societal Costs by applying our CO2 Delivery Solutions™

Installing our technology into existing protected agriculture facilities will save society from building an additional 200 billion square feet of new facilities to grow another 100 million metric tonnes per year of fresh produce.

This will save:

- \$4 trillion of capital expenditures at \$20 per square foot (our 2023 estimate for low-tech grow facilities).
- Avoid using the world's limited resources such as land, glass, steel, aluminum, plastic, and concrete. Additionally, there is the related shipping and handling avoidance.
- 100 million tonnes of additional CO₂ emissions avoided to manufacture all the additional protected ag facility inputs and components.



Applying our technology for local food production will increase local food supply, reduce overall food transportation, eliminate waste from spoilage and save resources.

It will reduce the cumulative environmental footprint associated with longer distance shipping, logistics, handling, and resultant waste incurred from transportation, thereby reducing unnecessary landfill waste and food spoilage.

Plants grown using our CO2 Delivery Solutions™ technology are generally healthier and require less pesticide use. Naturally increasing food production while reducing plant damage and losses via our Perimeter Pathogen Protection (PPP) technology resulting in healthier food, people, and planet.

How Our Technology Works

CO₂ Delivery Solutions™ technology dissolves CO₂ gas into water without pressure. This aqueous CO₂ solution is precisely delivered to the plants creating a temporary microfilm.

The CO₂ molecules then diffuse into the plant leaves for photosynthesis. The thin film then evaporates quickly once the CO₂ molecules are absorbed.

Our technology for enriching plants therefore uses up to 95% less CO₂ gas than greenhouses using traditional gassing.

Greenhouses that gas CO₂ have to fill the entire grow area. They make up about 10 billion square feet of the globe's 900 Billion square feet of grow facilities.

Our Technology Works in Any Climate, Anywhere

Our CO₂ Delivery Solutions™ systems work in any global protected grow structure, in any climate, anywhere.



Tunnel



Shade house



Indoor vertical farm



Greenhouse



Hoop house



Net house

Our Environmental Footprint

Our direct environmental footprint is low given we are a virtual entity. CO2 GRO outsources our key system component manufacturing to partner entities. We have not yet calculated or verified our emissions via an external third party. Our Scope 1 carbon footprint profile estimate is very small as is our Scope 2 carbon footprint.

Scope 1 emissions are mostly for business travel to customers and conferences. Our full-time staff work remotely from home as do many of our independent sales representatives and assigned staff at international partners, especially during the COVID-19 pandemic. We estimate our 2023 emission footprint as follows:

Air:

500,000 km – 75 tonnes

Car:

300,000 km – 60 tonnes

Equipment Shipping:

100,000 km – 40 tonnes

Scope 2 emissions represent the manufacturing of component parts and their transportation for sales and Technology Trials (“Trials”) in the countries we operate in. Our manufacturers use mostly stainless steel, aluminum, and plastics as raw materials for our CO2 Delivery Solutions™ technology components.

Our ecological and carbon footprint will be more than offset in 2023 by the yield improvement benefits that our CO2 Delivery Solutions™ technology brings to existing and new protected agriculture facilities.

We believe the use of our CO2 Delivery Solutions™ technology positively addresses these nine of seventeen United Nations SDG goals as follows:



Governance

CO2 GRO is a publicly traded company overseen by a Board of Directors, including four independent members out of six. All independent board members that are vetted for and exhibit:

- Reputation (integrity and ethical behavior)
- Independent thought
- Demonstrated ability to exercise judgement and to communicate;
- Financial knowledge;
- Prominence in their areas of expertise;
- Experience relevant to our operations;
- Sufficient time to dedicate to the Board and sub-committee work

They also meet all other compliance criteria set by stock exchanges.

We are an equal opportunity employer. Our direct and indirect teams are approximately 30 individuals. This includes our Board of Directors, full-time employees, international marketing partners, independent contractors, and sales representatives.

CO2 GRO works diligently to ensure that our commitment to integrity and ethical behavior remains at the core of how we conduct business throughout our organization.

Our Code of Business Conduct & Ethics (the “Code”) provides guidance to our directors, officers, and employees on ethical and responsible behavior, alongside our Whistleblower, Insider Trading, and Disclosure policies (the “Policies”).

CO2 GRO believes in the well-being and advancement of our employees while fostering diversity and inclusion. Our compensation programs reflect pay equity and do not discriminate between gender, race, or the under-represented. Our diverse team drives our sustainability performance, supported by strong governance and culture, committed leadership, our vision, mission, and values.

For a deeper dive into our ESG Report, please read our full version ESG Report available on our website www.co2gro.ca

Disclaimer

This 2023 ESG Report is not, and under no circumstances is to be construed as, a prospectus, or advertisement or a public offering of securities of CO2 GRO Inc. (or the "Company"). It contains statements which constitute "forward-looking information" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to future business activities. Forward-looking information is often identified by the words "may," "would," "could," "should," "will," "intend," "plan," "anticipate," "believe," "estimate," "expect" or similar expressions and include information regarding: statements regarding the future direction of the Company; the ability of the Company to successfully achieve its business and financial objectives; plans for expansion and the ability of the Company to obtain, develop and foster its business relationships; and expectations for other economic, business, and/or competitive factors. Investors are cautioned that forward-looking information is not based on historical facts but instead reflect the Company's management's expectations, estimates or projections concerning the business of the Company's future results or events based on the opinions, assumptions and estimates that management considered reasonable at the date the statements are made. Such assumptions include but are not limited to: general business and economic conditions; the Company's ability to successfully execute its plans and intentions; the availability of financing on reasonable terms; the Company's ability to attract and retain skilled staff; market competition; the products and technology offered by the Company's competitors; and that good relationships with business partners will be maintained.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: changes in general economic, business and political conditions, including changes in the financial markets; in particular, in the ability of the Company to raise debt and equity capital in the amounts and at the costs that it expects; adverse changes in applicable laws or adverse changes in the application or enforcement of current laws; the biotechnology industry and the greenhouse growers market are highly competitive, and technical advances in the industry will impact the success of the Company, and other risks described in the Company's filings that are available at www.sedar.com. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.



CO2 GRO Inc.