



# Argo Blockchain plc 2020 Climate Report

# Argo is taking action against climate change.

Argo has been committed to sustainability since our inception. We've been careful about choosing the right energy sources and taking measurable steps in our operations to reduce our overall impact.

The 2020s is a decisive decade for us to take urgent and meaningful action to ward off the worst effects of climate change.

Argo is addressing its emissions and taking a leadership role because we want to pave the way to reduce greenhouse gas (GHG) emissions in the industry and because we believe that cryptocurrency mining can spur renewable power innovation.

We believe in preserving our planet - not only because it makes business sense, but because it just makes good sense.



# Argo is Climate Positive

- We've gone beyond achieving net-zero carbon emissions to create an environmental benefit by addressing our GHG emissions and more.
- Argo has mitigated Scope 1, 2, and 3 GHG emissions associated with all of its respective crypto-related operations.
- Argo is also now a member of the UNFCCC Climate Neutral Now Initiative. Argo undertakes to measure, reduce, contribute, and report emissions on a yearly basis in order to achieve a Climate Neutral world by 2050.



# Argo's Climate Roadmap

## Argo Origins

Argo begins operations in Quebec where hydropower is abundant and affordable.

## Expansion & Emissions Goals

Argo expands operations to the United States, and decides to address its GHG emissions.

## Climate Advisor Enlisted

Argo begins consultation with Guidehouse to determine how best to address its emissions.

## Expansion Begins in West Texas

Argo purchases "Helios" project in West Texas to use renewables nearby and host renewable power generation at site.

## Founded Terra Pool

Together with DMG, Argo founds Terra Pool, the world's first Bitcoin mining pool powered by clean power. Launch planned for Q3 2021.

## Signed Crypto Climate Accord

Argo commits to being Climate Positive by 2030, supports the adoption & verification of blockchains powered by 100% renewable sources by 2025.

## Launched Climate Positive Strategy

Argo becomes first Climate Positive cryptocurrency mining company by purchasing RECs and VERs in excess of its Scope 2 & 3 GHG emissions; begins implementing its climate strategy.

## The Future

Argo will continue innovating and prioritizing sustainability on its path to being a climate action leader in the Bitcoin mining world.

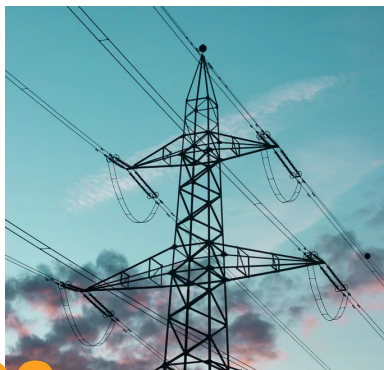
# 2020 GHG Report Results

Guidehouse assessed Argo's emissions for 2020.



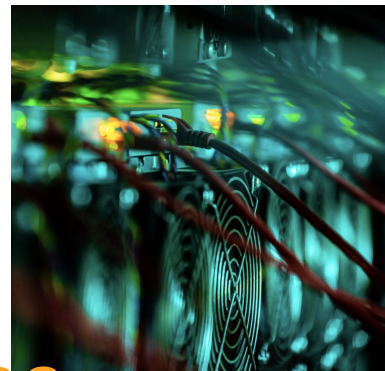
01

More of Argo's energy usage comes from clean power than other sources. Argo does not produce Scope 1 emissions.



02

Most of Argo's GHG emissions (82%) come from Scope 2 (electricity use).



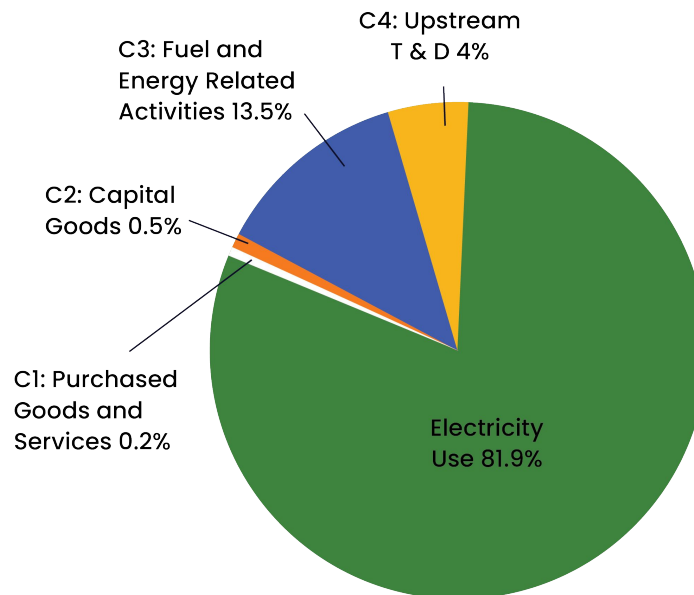
03

Scope 3 GHG emissions come mostly from fuel and energy related activities and upstream transmission and distribution (T&D) losses.

## 2020 Argo Emissions by Scope & Category

Category	Total Emissions (MTCO <sub>2e</sub> )	Share of Total (%)
<b>Scope 2</b>	<b>46,880</b>	<b>81.9%</b>
Electricity Use	46,880	81.9%
<b>Scope 3</b>	<b>10,388</b>	<b>18.1%</b>
C1: Purchased Goods & Services	89	0.2%
C2: Capital Goods	281	0.5%
C3: Fuel & Energy Related Activities	7,705	13.5%
C4: Upstream T&D	2,314	4.0%
<b>Total (Market-Based)</b>	<b>57,268</b>	<b>100%</b>

## Argo 2020 GHG Inventory



Guidehouse acts as Argo's independent climate strategy advisor.

Guidehouse has assessed Argo's overall emissions and advised on science-based solutions towards Argo's long-term strategy to reduce its climate impact.

# 2021 Projections & Results to Date

Guidehouse assessed Argo's GHG emissions for 2021.



Due to REC purchases for GHG emitting electricity sources, Scope 2 emissions for 2021 are projected to be 0.0 MTCO<sub>2e</sub>.



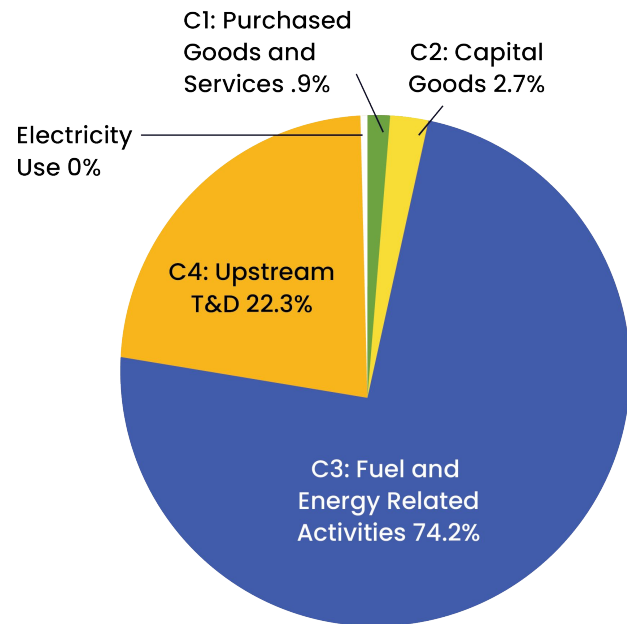
Scope 3 emissions are projected to be the same as 2020.



## Projected 2021 Argo Emissions by Scope & Category

Category	Total Emissions (MTCO2e)	Share of Total (%)
<b>Scope 2</b>	<b>0</b>	<b>0%</b>
Electricity Use	0	0%
<b>Scope 3</b>	<b>10,388</b>	<b>100%</b>
C1: Purchased Goods & Services	89	0.9%
C2: Capital Goods	281	2.7%
C3: Fuel & Energy Related Activities	7,705	74.2%
C4: Upstream T&D	2,314	22.3%
<b>Total (Market-Based)</b>	<b>10,388</b>	<b>100%</b>

## Projected Argo 2021 GHG Inventory



2021 Emissions forecasted from 2020 baseline. The primary source of Scope 3 emissions is attributable to C3: Fuel & Energy Related Activities..



# Actions Taken

## 01 Buy RECs

Renewable Energy Credits (RECs) were purchased for 2020 and projected 2021 Scope 2 emissions, making the company retroactively carbon neutral as of January 1, 2020.

## 03 Purchase Additional VERs

Additional VERs in excess of 2020 and projected 2021 Scope 3 emissions were purchased to demonstrate commitment to climate action and become "Climate Positive".

## 02 Buy VERs

Verified Emissions Reductions (VERs) were purchased for 2020 and projected 2021 Scope 3 emissions.

## 04 Develop Helios site

Argo is in the process of developing its Helios site in West Texas, planned to commence operation in 2022. It will include 200 MW of electricity consumption coming mostly from renewable power.



## Voluntary REC Purchases

- 2020 Electricity Use – Purchase of Hydro and Wind RECs made by Argo to address 2020 scope 2 emissions (electricity use), calculated by Guidehouse as 72,287 MWh electricity consumption.
- 2021 Electricity Use – Purchase of U.S. Wind Green-e RECs made by Core Scientific to address projected 2021 Scope 2 emissions for fossil fuel portion of electricity use for their facilities.

Our voluntary Renewable Energy Credits (REC) purchases are intended to support ongoing investment in renewable energy generation.



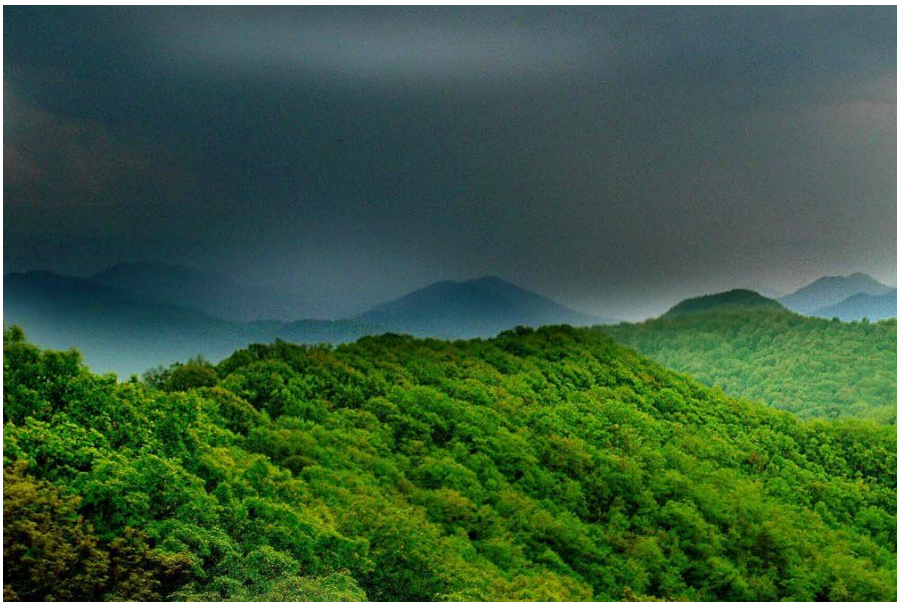


Purchase of additional VERs makes Argo Climate Positive. The company is going above and beyond by addressing its own Scope 2 and Scope 3 emissions as well as supporting more energy efficiency in China.

## Voluntary VER Purchases

- Argo has supported two projects by purchasing Verified Emission Reductions (VERs):
  - *Forestry project located in Tennessee, close to Argo's U.S. operations in Georgia and North Carolina. Certified by American Carbon Registry.*
  - *Energy efficiency project located in China, where Argo sources mining equipment. Certified by Gold Standard.*
- Argo purchased 20,776 MTCO<sub>2</sub>e VERs from these projects representing 2020 and projected 2021 scope 3 emissions from the company supply chain.
- Argo purchased an additional 10,000 MTCO<sub>2</sub>e VERs (in excess of 2020 and projected 2021 Scope 3 GHG emissions).



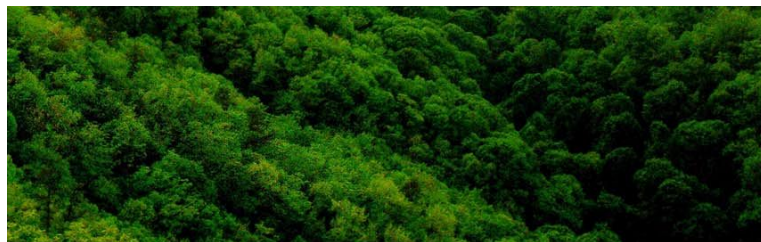


## Doe Mountain Forestry Project – U.S.A

### Sustainable Development Impacts of this project:

- The project protects and supports the many surrounding water-related ecosystems.
- Reduces emissions through enhanced carbon sequestration relative to baseline forest management. Over the 20-year life of the project, it will sequester about 38,000 metric tons of CO<sub>2</sub> annually.
- Provides a sustainable and protected habitat for 40 rare, threatened, and endangered plant and animal species.

Doe Mountain is located in Johnston, Tennessee and is one of the largest remaining blocks of privately-owned forest in the Southern Blue Ridge region. Doe Mountain Recreation Authority oversees the recreational access for the public and helps steward the land.





The CDQ Project is located in Jianjie Town in the Sichuan province of China. The purpose of the project is to install one set of 170t/h CDQ system with a capacity of 30 MW steam turbine/generator unit which will recover the waste heat previously released into the atmosphere. Instead, the system will generate electricity for captive use with annual net electricity supply amounting to 209,088MWh.

## CDQ Project – China

Sustainable Development Impacts of this project:

- Project activity will achieve average greenhouse gas (GHG) emission reductions of 153,428tCO<sub>2</sub>e annually and total 1,534,280 tCO<sub>2</sub>e over a ten year period.
- Reduce the pollutants emission in coking production
- Help stimulate the development of technology of resources, specifically comprehensive utilization in coking industry in China;
- Provide local long-term work positions, which improve the living standards of local residents.



# VER Registry Labels

To ensure real climate benefit, Argo selected VERs that are certified by the following labels:

**Gold Standard** has more than 80 NGO supporters and 1400+ certified projects in over 80 countries, creating billions of dollars of shared value from global climate and development action.

**The American Carbon Registry (ACR)** creates confidence in the environmental and scientific integrity of carbon offsets in order to accelerate transformational emission reduction actions. ACR has set the bar for offset quality that is the market standard today.



**Gold Standard**<sup>®</sup>  
*Climate Security & Sustainable Development*



**American  
Carbon  
Registry**

# Climate Positive Partnerships

Argo is now a member of the following:



## The United Nations Climate Neutral Now Initiative

This initiative encourages and supports organizations and other interested stakeholders to act now in order to achieve a climate neutral world by 2050, as enshrined in the Paris Agreement.



## REBA

REBA is an alliance of renewable energy buyers and energy & service providers that are working to lead a rapid transition to a prosperous, zero-carbon energy future.

Argo has also engaged in ongoing dialogues with other key NGOs and stakeholders to learn to contribute to a carbon neutral future for all of us.

# Crypto Climate Accord

In May 2021, Argo joined the Crypto Climate Accord. The Accord, inspired by the Paris Climate Agreement, is a private sector-led initiative for the entire crypto community focused on decarbonizing the cryptocurrency industry in record time.

As one of the first signatories of the accord, Argo has blazed a trail to become Climate Positive. Signatories of the Crypto Climate Accord pledge to achieve net-zero emissions from electricity consumption by 2030. Argo has now achieved the CCA signatory pledge.



CRYPTO CLIMATE  
ACCORD



# Terra Pool – Green mining

- In Q1 2021, Argo announced the creation of the world's first Bitcoin mining pool powered by clean power.
- Created in partnership with DMG Blockchain
- Anticipated launch in Q3 2021



# The Path Forward



Argo will continue innovating and prioritizing sustainability on its path to being a climate action leader in the crypto and Bitcoin mining world. Since embarking on our climate strategy, Argo has sprinted to become Climate Positive. Our ongoing goals are to lead by example and to motivate other companies to join the mission.

Argo's commitment to sustainability is further demonstrated by ongoing and future initiatives in energy efficiency, reducing e-waste, use of waste heat in partnership with local municipalities, carbon capture, and supporting the industry with sustainability standards.