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Annual Benefit Report (2025)
of
LICO2e™, GBC

A Minnesota General Benefit Corporation

File Number: 893757700048

March 18, 2026

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LICO2e™ (was incorporated on June 29, 2016, as a General Benefit Corporation under Minnesota's Public Benefit Corporation Act (the "Act"). Pursuant to Section 304A.101 of the Act, LICO2e™'s general public benefit purpose as stated in its Articles of Incorporation is:

> **to pursue a net material positive impact from the business and operations of a general benefit corporation on society, the environment, and the well-being of present and future generations.**
>
> **In addition, LICO2e™ has also elected to pursue the following specific public benefit:**
>
> **"To foster, promote and facilitate sustainability initiatives and projects, and carbon offset services".**

The sole shareholder and sole member of the Board of Directors is Kelly D. Cain, PhD.

Brief History: LICO2e™ d/b/a/ 'Locally Invested Carbon Offsets' is a 2016 independent spin-off from a related organization, the St. Croix Institute, LLC (SCI), which transitioned into private business in 2014 from its origin as the St. Croix Institute for Sustainable Community Development (SCISCD) at the University of Wisconsin – River Falls. From SCISCD emerged a commitment to 'carbon negative, quadruple bottom line' values and principles, as well as the conceptualization of 'locally invested carbon offsets' as a fundamental way of aggregating and directing local investment in carbon offsets for the well-being of the environment, society, community, and planet in response to and as a mechanism for climate change mitigation, adaptation, and decarbonization.

Our Board of Directors has selected the following independent third-party standard:

Green America Green Business Standards

Our board of directors used the following process to choose our enumerated third-party standard:

- Web-based research of historical use of these standards by other public benefit corporations with similar mission, vision, and values as LICO2e™;
- Identification, comparison and applicability to LICO2e™ needs; and
- Discussion with our attorney regarding these standards as an appropriate choice.

And determined to use this third-party standard because:

Green America Green Business Standards are an excellent match to the mission, vision, values, and principles of LICO2e™. *Green America Green Business Standards:*

- *Operates a "values-based" social enterprise according to principles of social justice and environmental sustainability (values statement must be featured on website);*
- *Is environmentally responsible in the way the business runs its operations and facilities (green office/facility standards provided), and in how the business sources raw materials, manufactures products, and markets them;*
- *Operates in extraordinary ways that benefit workers, customers, communities, and the environment;*
- *Operates with transparency in every facet of its business; and*
- *Is on a path to even greater sustainability and actively uses their business as a tool for positive social change.*

Green America specifically provides Green Business Certification standards for businesses in the Consulting, Marketing and PR Industry that require a business to:

- *Restore or Protect the Environment.*
    - *When doing work for a client, work is around sustainability or "eco-consulting."*
- *Social and Economic Justice. When doing work for a client, the business:*
    - *Does not engage in green-washing or "paid for blogging" (misrepresenting itself as "passionate customer" of client);*
    - *Does not knowingly engage in misrepresentation of client products and company information;*
    - *Includes discussion of green values and benefit/advantage on website;*
    - *Earns at least 50% of revenues come from sustainable businesses or nonprofit organizations; and*
    - *Provides Pro-bono work to community organizations.*

In accordance with this third-party standard, LICO2e™ has done the following to pursue a general public benefit as well as its specific public benefit:

1) Joined Green America as a Standard Business Member (referenced above), in March, 2020 with continued auto-renewal membership - current.
2) Incremental reduction of its operational impact socially and environmentally in every facet of the enterprise that can be afforded at this point in its growth. For specific example, LICO2e™ and Dr. Cain's related organizations (which operate from the same office and support services), benchmarked the combined carbon footprint for 2018 utilizing the Native Energy on-line calculator and Terrapass off-line business calculator. The base calculation for 2017 was 40mT. '20% Beyond Neutral' equals 8mT. 48mT were purchased for 2017. The base calculation for 2018 was virtually the same, but with two additional remote small, home-office spaces, added an additional 4mT's, and so a purchase of 52mT from Terrapass on January 18, 2019. Footprint for 2019, was virtually identical to 2018 with a purchase of 52mT from Terrapass on March 19, 2020. The footprint for 2020 declined significantly, due to COVID pandemic lock down, loss of business, and significant reduction in travel. The 2021 carbon footprint for both

companies combined was essentially identical to 2020 due to COVID pressures. While business has increased in 2022, 2023, 2024, and 2025 (~90% of which is remote / virtual in nature w/ typically not more than one domestic airfare per year), carbon footprint has been marginally reduced. In addition, significant retrofits to ArtReach/St Croix (regional arts programming non-profit) building (built in 1852) where SCI and LICO2e have leased office space since 2014 and 2016 respectively, have been completed. Whole house improvements in 2022 included Andersen high efficiency windows, spray foam throughout basement walls, LED lighting, low-flow toilets, and ENERGY STAR appliances. Average daily kWh and NG Therms for 3 years (2020-22) DEC-FEB before improvements were 14.5 and 17.2 respectively. Averages for DEC-FEB 2023-24 after improvements have been 11.4 and 13.1 for 21.6% and 21.1% improvement, respectively. In 2025, grant approval was received for one new 95% efficient / Energy Star approved NG Boiler to replace the two existing boilers (>25 years old) for the radiant heating system. This is to be installed in 1st Qtr / 2026. Will report on therm performance impacts in 2026 report. LICO2e™ /SCI contributed pro bono recommendations to conceptual design and completion of all work. Partial weatherization / floor and window sealing for part of Ely office was also completed. The LICO2e Home Office dual axis solar tracker and battery system (at Dr. Cain's residence) was fully rebuilt in DEC 2025 after 20+ years with ~5kW of Jinko panels, inverter, controller, racking, etc., making that office virtually net zero. As a matter of consistency in carbon footprint, climate action and carbon offset performance, LICO2e (& St Croix Institute), have donated the equivalent of 52mT of offsets at $15/mt (valued far in excess of Terrapass Business Carbon rates) for the 2021, 2022, 2023, 2024, and 2025 (which is again 20% above carbon neutrality for the combined companies). We have contributed that to the TICO2e (Tribally Invested Carbon Offsets) Carbon Calculator & Funding Portal (TiCO2e Travel Calculator (indiancarbon.org), with which LICO2e assisted technical development and transferred the TICO2e trademark (owned by LICO2e) to the Indian Land Tenure Foundation (ILTF) and National Indian Carbon Coalition (NICC) at cost which has now generated significant revenues to NICC. This trademark transfer with all related URL's is equivalent to significant donation value not yet assessed. Despite the fact LICO2e™ will not receive verified project carbon credits for 2020, 2021, 2022, 2023, 2024, or 2025. These equivalent funds are used by National Indian Carbon Coalition (NICC – www.indiancarbon.com – the primary client of LICO2e™) to support development of carbon offset projects in tribal communities across the country, supporting not only decarbonization, but social equity and justice, and buy-back of original historic Tribal territory as part of LICO2e™'s intergenerational mission. Future benchmarking and tracking will continue to pursue more discreet and comprehensive protocol, carbon sequestration offsets, and achievement of 'carbon negative' performance. This is LICO2e™ walk-the-talk commitment to its values and principles, especially carbon negative / climate positive outcomes, and social justice.

3) Continued development of corporate presence and ongoing maturity of its identity and services in the marketplace, especially with the development of 'Industrial Karma' metrics and graphics system through its licensing and partnership with Sustainability Dashboard Tools, now rebranded as Green2Sustsainable (Green2Sustainable). This programmatic arm of operations was relatively stagnant in 2024 due to other business /

client priorities, and in 2025 was suspended due to staff changes at G2S. 'Industrial Karma' as a conceptual programmatic initiative continues on.

4) Continued providing pro bono assistance (in partnership with SCI), to Kinni Corridor Collaborative who partners with Hope for Creation, the City of River Falls, and other sustainable community partner organizations interested in climate action and locally invested carbon offsets. This effort continues to be for the establishment of the TICO2e (Tribally Invested Carbon Offset) carbon calculator and funding portal to feed a locally managed capital development fund for underwriting their climate action plan and a wide array of decarbonization objectives and strategies. Discussions continue but were temporarily suspended due to the sudden passing of the Kinni Corridor Collaborative President & Board Chair, Judie Foster Babcock in NOV of 2024. Attempts to support this work will continue as soon as the newly designed TICO2e calculator and funding portal (which has been under redesign for ~6 months) is relaunched in March of 2026.

5) Continued providing pro bono assistance to ArtReach St. Croix, the largest arts programming non-profit [501(c)(3)] in the St Croix River Valley of both MN and WI. This is especially regarding assistance with the *What We Need Is Here*, the *Navigate*, and proposed programs, besides recommendations for building energy design and efficiency with latest results noted above in #2).

6) Continue to serve as a resource former voluntary Board of Directors for Slipstream, Inc., one of the largest US non-profits [501(c)(3)] in the US for energy efficiency, decarbonization, and social equity. Dr. Cain stepped down as the Chair for Board Development in 2022. Have served on this Board for 10 years under WECC, and for six plus years post-merger with Seventh Wave to form Slipstream, Inc. My tenure with this Board finished at the end of 2024, while continuing to provide both fee and pro bono work for some of their tribal-based projects and ongoing advisory to leadership.

7) Submitted and received TICO2e™ – Tribally Invested Carbon Offsets formal trademark issuance from US Patent and Trademark Office in 4th Qtr. 2023 based on classes 35 and 36. The TICO2e™ trademark and all pertinent url / domains for such have been transferred to NICC with only direct cost reimbursement in return. The TICO2e™ Carbon Calculator & Funding Portal (which LICO2e™ /SCI partnered in for design with G2S and NICC) is already operating as a non-profit funding mechanism to support decarbonization strategies and carbon offset development as a new revenue stream for tribal communities across the country. With severance from G2S, TICO2e is under redesign and relaunch in March of 2026. LICO2e™ and St Croix Institute™ (which received its registered TM on 3/18/25) will retain the right to use the TICO2e™ TM for white label licensing agreements with non-tribal entities. LICO2e continued to be strongly engaged in the redesign of TICO2e in 2025 and its anticipated relaunch in Qtr. 1/2 of 2026.

8) Continued work/communications with the Great Lakes Governors & Premiers Impact Investment Fund on potential utilization and licensing of the TICO2e™ Carbon Calculator & Funding Portal model for capital development fund initiatives across the Great Lakes region. Negotiations in 2025 were relatively light and no decision has yet been made on its formal use. Will re-explore in 2026 with redesign and re-launch of TICO2e.

9) LICO2e formally applied and received its 5-year trademark renewal for LICO2e in July, 2024. Decision was made to drop the RICO2e trademark (Regionally Invested Carbon Offsets) renewal due to lack of utilization and foreseeing little opportunity for such in the near future to justify the expense. No change in status.

In accordance with this third-party standard, LICO2e™ has created the following general public benefit and specific public benefit:

1) Provided significant pro bono conceptualization and strategy advice (in partnership with SCI), for non-profit organizations and government agencies in and outside Minnesota regarding sustainability values, principles, and practices, especially utilization of locally invested carbon offsets as a direct and/or indirect revenue and public benefit strategy consistent with their missions, in partnership with the National Indian Carbon Coalition (NICC), [subsidiary of the 501c3, Indian Land Tenure Foundation (ILTF)]; and numerous other partners. In parallel, continued development, enhanced function, and marketing of the web based TICO2e™ Carbon Calculator & Funding Portal as a licensable, 'white label' climate action fundraising tool for tribal and non-tribal foundations, institutions, non-profits, college campuses, and others across the country (though minimal in 2025 due to redesign and redeployment scheduled for March, 2026). Partnership with NICC has entered its ninth (9th) year;
2) Partnered with NICC and SIG-NAL for a USDA NRCS Conservation Improvement Grant (CIG) proposal in 2020 (which was awarded), for development of a web-based tool to identify and quantify co-benefit metrics for tribally based soil, grassland, and forest carbon offset development. The partner team evolved to replace SIG-NAL, with INNOVATE!, INC. as the primary GIS / APP Development contractor - (*a Virginia-based, Hispanic- and woman-owned business delivering Geospatial, Information Technology, Security, Business Consulting, Project Management and Executive Coaching solutions to our government and private sector clients.)* These co-benefits are ecosystem service and social / community-based outcomes. The Tribal Carbon & Co-Benefit Tool (TCCBT) was nationally launched in 4th Qtr. of 2023. Major evolution in 2023 resulted in 283 metrics all assigned to one or more of the 17 UN Sustainable Development Goals (SDGs), with relatively easy mapping onto other ESG reporting platforms, such as GRI, CDP, SBTN, SEC, and others. LICO2e™ / SCI continued to provide a 1:1 match on all billable hour labor through the end of the contract (FEB, 2024) as primary subcontractor to the project, which is now available with public access of basic landcover carbon data through the Tribal Energy Atlas hosted by the National Renewable Energy Lab (NREL), now referenced as the legacy Tier 1.0 model available at: NICC Carbon Project Map Viewer. Most significantly in 2025, through a one-year contract between NICC and ESRI, the Tier 1.0 model was moved from its previous home at INNOVATE!, deconstructed and rebuilt with purely ArcGIS infrastructure. It is now housed on NICC's server space at AWS as the Tier 1.5 Model on the Tribal Carbon & Co-Benefit Atlas site at: Tribal Carbon & Co-Benefits Atlas. LICO2e/Dr.Cain was instrumental in the redesign and continued evolution, including negotiations of a new two-year contract with ESRI to develop the Tier 2.0 Model which will move from purely, publicly available data, to very discreet and proprietary data of any of the 575 federally recognized tribes where tribal data sovereignty and security are of non-negotiable priority. That contract will launch in 1st Qtr of 2026. He also continued to conduct a wide variety of formal

demonstrations and strengthen the leverage and mutual benefit of the TCCBT model in 2024 and 2025 for NICC's strategic partners including, but not limited to a variety of sovereign partner tribes across the US, American Forests (NGO), American Forests Foundation (NGO), The Nature Conservancy (NGO), the US Forest Service Senior Leadership Team in the Under-Secretaries Offices of the USDA, and the American Carbon Registry to name a few. TCCBT efforts rendered two (2) major IRA sub-awardee grants for NICC utilizing the TCCBT in programmatic initiatives on behalf of American Forest and American Forest Foundation (funding still in place as of this writing). It is also the framework in 2025 for initiating a brand-new Tribal Co-Benefits Certification in partnership with the American Carbon Registry (NGO) and the proposed research of a tribal PhD candidate and NICC staff colleague awaiting formal approval from the University of MN.

3) LICO2e's has concentrated service and expertise in support of NICC over the past eight plus years which has contributed to 2025 being another banner year for tribal carbon offset projects continuing in the Voluntary Carbon Market for 4 tribes, totaling 129,700 acres, and more than 3M mt of Improved Forest Management credits, bringing very significant revenue to each tribe. A fifth tribal project was initiated in 2023 with primary feasibility and VERRA CCB certification fully in process for all of 2024 and 2025 for the Bois Forte Band of Chippewa. This will be 28,000 acres of rematriated land, the largest privately financed project so far in US history. 22,000 acres of forest carbon acres will provide carbon offset revenues to pay off the bridge loan from ILTF used in the repurchasing of those territorial lands of the tribe from the Conservation Fund who had purchased it from Potlatch Corp. Three other tribes are in the development pipeline with Bois Forte bringing pipeline projects total to 156,000 acres. Seven additional tribal projects were in the conceptual stages of 2025 to be fully launched in 2026-27, assuming continued funding with integration of the TCCBT and Verra CCB for value-add of co-benefit metrics, monetization, and TCCBT modeling. LICO2e continues to serve on the ground with personal/professional service visits to the Bois Forte reservation for trust and relationship building, besides technical support, as well as to new project pipeline tribes.

4) Efforts to serve as a reduced rate collaborator for design and development of a 24/7/365 energy self-sufficient, microgrid resilient food hub and local food system carbon offset protocol development for one of the MN Tribes is now off our project list. This energy and food sovereignty project was funded by the Bush Foundation. Besides the Tribe, fellow collaborators were Healthy Share (GBC), National Indian Carbon Coalition, and Slipstream Inc. However, this project was postponed /cancelled in the 3rd Quarter of 2022. The Healthy Shares (GBC) CSA program as part of that project continues. LICO2e continues to assist NICC with the buildout of a broad scope of tribal services (in addition to carbon offsets) around energy efficiency, food sovereignty and security, technology retrofit, and Tribal utility authority services, as well as workforce development curriculum and training. In 2025, this evolved to conceptualize a brand new NICC program offering for Tribal Community Climate Vulnerability Assessment in combination with Tribal Climate Action Plans that LICO2e (and SCI) will be heavily relied on due to Dr. Cain's long and deep history of related work. NICC submitted its first grant for such in partnership with the Makah Indian Tribe to the WA State Dept of Commerce which was approved in late 2025. That work kicks off first Qtr of 2026 (now

in motion as of this writing). Comprehensive energy, food, and land use planning will all be sub-sections of this work.

5) Major team responsibilities for two Tribal related projects supported by the MN Department of Commerce, Conservation Improvement Grant awards, both of which were finished in 3rd Quarter of 2022. Other primary team organizations were Slipstream, Inc. and NICC. The essence of each project was: *Recommendations to MN Electric Utilities for Support for MN Tribal Food Sovereignty Initiatives*, and the other *Recommendations to MN Utilities for Improved MN Tribal Access to Conservation Improvement Program (CIP) Funds*. LICO2e™ (SCI) updated its local food system economic development model (originally developed for the Aspen Institute Community Strategies Group) for each and the cumulative impact for all 11 Tribes. Interest in the food economic model continued in 2023 and was updated (pro bono) by LICO2e for use at River Falls Earth Day Local Food Advocacy Table for 2024 at the University of Wisconsin-River Falls.

6) Continuation of all LICO2e™ /SCI tribal energy and food initiatives continued in 2023 with conceptualization of new applications of this work in combination with the TCCBT model for three tribes in the Upper Peninsula of MI sponsored through a contract with Slipstream, Inc., from the MI Public Services Commission. LICO2e™ / SCI was asked to contract for assistance which began in 1st Qtr. of 2024. This collaboration resulted in a new research initiative for utilizing a decades old satellite program (still collecting land cover data) for assessing predictable carbon offset potential from biomass images of forest lands on tribal territories. This work was completed in 2025, and is now being used by NICC to develop a tribal carbon project feasibility model to provide fast, and low-cost predictive biomass-to-carbon conversion model compared to putting expensive boots-on-the-ground crews into the field.

7) Continued offering pro bono licensed use of either or both trademarks and support services for LICO2e™ and RICO2e with NICC, and individual communities. Due to lack of commercial activity around RICO2e, its 5-year renewal trademark was abandoned as of FEB, 2024.

8) Provided introductory and fee-based conceptualization and strategy advice and services for publicly and privately held, profit driven enterprises (in partnership w/ SCI), regarding sustainability values, principles, and practices, especially utilization of 'carbon negative – quadruple bottom line approach,' in combination with locally invested carbon offsets as a direct and/or indirect revenue and public benefit strategy consistent with their industry and market initiatives. For example, provided significantly reduced fee-based staff training in 2023 for one of the largest employee-owned, international organic / fair trade food ingredients importers – Ciranda, Inc., located in Hudson, WI, and pro bono senior staff and Board of Directors at Slipstream for training around ESG reporting of sustainability work objectives and outcomes in 2024. LICO2e (& SCI) continue to provide advisory service to Slipstream as requested.

9) Was invited and participated in a 10-person round table at the White House (DEC, 2024) for the Climate Policy Council on behalf of NICC. This was attended by other leading domestic and international voices to address issues and roadblocks to the health and growth of the Voluntary Carbon Market going forward. This policy work continued

in 2025 on behalf of NICC for two related national policy advocacy groups: one regarding the Fix Our Forests Act, and the other the USN4C (US Nature for Climate) policy group led by The Nature Conservancy.

The following circumstances hindered LICO2e™, GBC efforts to pursue and/or realize its full potential in general public benefits:

1) LICO2e™, while still a relatively small, boutique organization, and intends to stay so. It continues to gain traction with multiple national organizations (both profit and non-profit), on both pro bono and paid services basis which were selectively scaled back in 2024 and 2025 to focus primarily on service to NICC. LICO2e™ continues to initiate and mature relationships that can actively lead to the broadening of these collaborative partnerships, market-based success, and other professional capacities, primarily on behalf of NICC. Buildout of LICO2e™ staff capacity remains unlikely for the foreseeable future due to critical mass of one-person consulting work for the CEO. Legacy considerations for the company are increasingly a priority as Dr. Cain contemplates the end to his professional career over the next few years.

2) Limited revenue / funding to provide full menu of strategic services inhibited by the COVID pandemic lock-down was survived, though resulted in significant debt for the two combined companies. There was moderate improvement throughout 2022 yet continuing to impose some limitations of business. While LICO2e™ achieved its first invoiced revenues for service at the end of 2018, and improved invoiced revenues in 2019 and 2020, a very significant USDA NRCS CIG contract with NICC initiated in 2021 helped to moderate a very challenging fiscal situation. 2022 was a much better year with 2023 being a breakout year through contract with NICC. LICO2e™ and significant personal investment was required to support the St Croix Institute™ (who provides significant consulting to LICO2e™), partnership initiatives once its financial buffer was consumed. Significant LICO2e™ revenue in 2021, 2022, and 2023 was also utilized to pay off greater than 50% of debt accumulated during the darkest period of the COVID pandemic. LICO2e™ /SCI were able to fully recover from accumulated business debt in 2024 and has maintained positive cash flow throughout 2025. LICO2e™ /SCI also negotiated a new 2-year contract (beginning JAN 1, 2024) with NICC, continuing to serve as Senior Program & Policy Strategist. This contract was renewed for 2026 at the end of 2025. Our work for NICC in 2023 - 2025 significantly contributed to ~$8M of new corporate, philanthropic, and federal grants for continued evolution of the TCCBT and related programming. Significant corporate, philanthropic, and carbon project services fees were gained in 2025. No new federal funding emerged but NICC also did not lose any federal pass-through funding from American Forests and American Forest Foundation, compared to the fate of many other NGO's federal claw-back losses.

3) Limited operational funding inhibited ability to comfortably pay for further: corporate development, expansion legal services, trademark applications, url-domain fees, media / webpage design and development; office overhead, travel, etc. Due to the USDA NRCS new NICC contract in early 2021, LICO2e™ in 2022 was able restart major webpage and marketing revitalization in partnership with the St Croix Institute. Continued evolution of the LICO2e™ web-presence continued in 2025 in anticipation of the sale of the LICO2e (and SCI) in the next few years.

4) Formal issuance of trademarks for LICO2e™ and RICO2e (classes 35 and 36 for both), were still limited in successful marketing and licensing of such to others, other than for the company itself. As noted above, the RICO2e trademark 5-year renewal was cancelled in 4th Qtr of 2023, and finalized in FEB, 2024. LICO2e remains fully protected.

5) Limited human resource / capacity to maximize startup efforts utilizing both LICO2e™ and RICO2e in bonified commercial applications, both profit and/or non-profit, were once again very limited due to emergence from COVID and refocusing on the NICC contract which consumed most of the business capacity. However, the major success was final issuance of the TICO2e trademark and its transfer at reimbursed costs to the Indian Land Tenure Foundation / National Indian Carbon Coalition for their permanent programmatic efforts as part of LICO2e environmental and social-justice mission. Once again, LICO2e™ /SCI will retain the rights to utilize TICO2e for non-tribal commercial purposes. That use agreement is still under development as of this writing as TICO2e is redesigned and relaunched.

CERTIFICATION BY THE BOARD OF DIRECTORS GBC

The undersigned, being the sole director of LICO2e™, GBC hereby acknowledges and certifies: (1) we have chosen the third-party standard designated in this Annual Report; (2) we have determined that the organization that promulgated this third-party standard is independent; and (3) we have reviewed and approved the enclosed Annual Benefit Report.

Kelly D. Cain



SUBMISSION:

I, the undersigned, certify that I am the Chief Executive Officer of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have provided all required information and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.



Kelly D. Cain
Chief Executive Officer

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Steve Simon
Secretary of State