

Galaxy Sustainability Report

Annual Sustainability Report 2021 | Published October 2022





ABOUT THIS REPORT

An Intersection of Art, Technology, and History

Galaxy’s 2021 Sustainability Report provides a detailed overview on environmental, social, and governance (ESG) issues that matter most to Galaxy’s business and stakeholders, focusing on areas that have the greatest impact. The data included in this report is as of December 31, 2021, unless otherwise noted. Other information may cover through June 2022.

Claudia Pawlak is the artist behind the artwork in Galaxy’s Sustainability Report. “Pursuit of Permanence” is a commission of anotypes created for Galaxy, a collaboration between artist and machine. A series of extinct plant images were generated using an AI model, highlighting the historical impact we all have on the environment. The images were printed on transparency film, overlaid on paper, coated with a photosensitive emulsion from plant material, and exposed to sunlight to create photograms. The photograms cannot be fixed and are temporary, gradually fading over time.

In the ethos of the blockchain being a permanent record of information, immutable, and unchanging, “Pursuit of Permanence” aims to immortalize the photograms by minting these works as non-fungible tokens (NFTs) on the Ethereum blockchain. The physical prints will fade over time, whereas their digital counterparts will be saved as a record of their own existence.

Step 1

An AI model generates a series of extinct plant images.

Step 2

The AI-generated images are used as templates for the anotypes.

Step 3

The anotypes are minted as NFTs and immortalized in the digital world.

To learn more about the artist behind this project and her process, reference the Appendix.

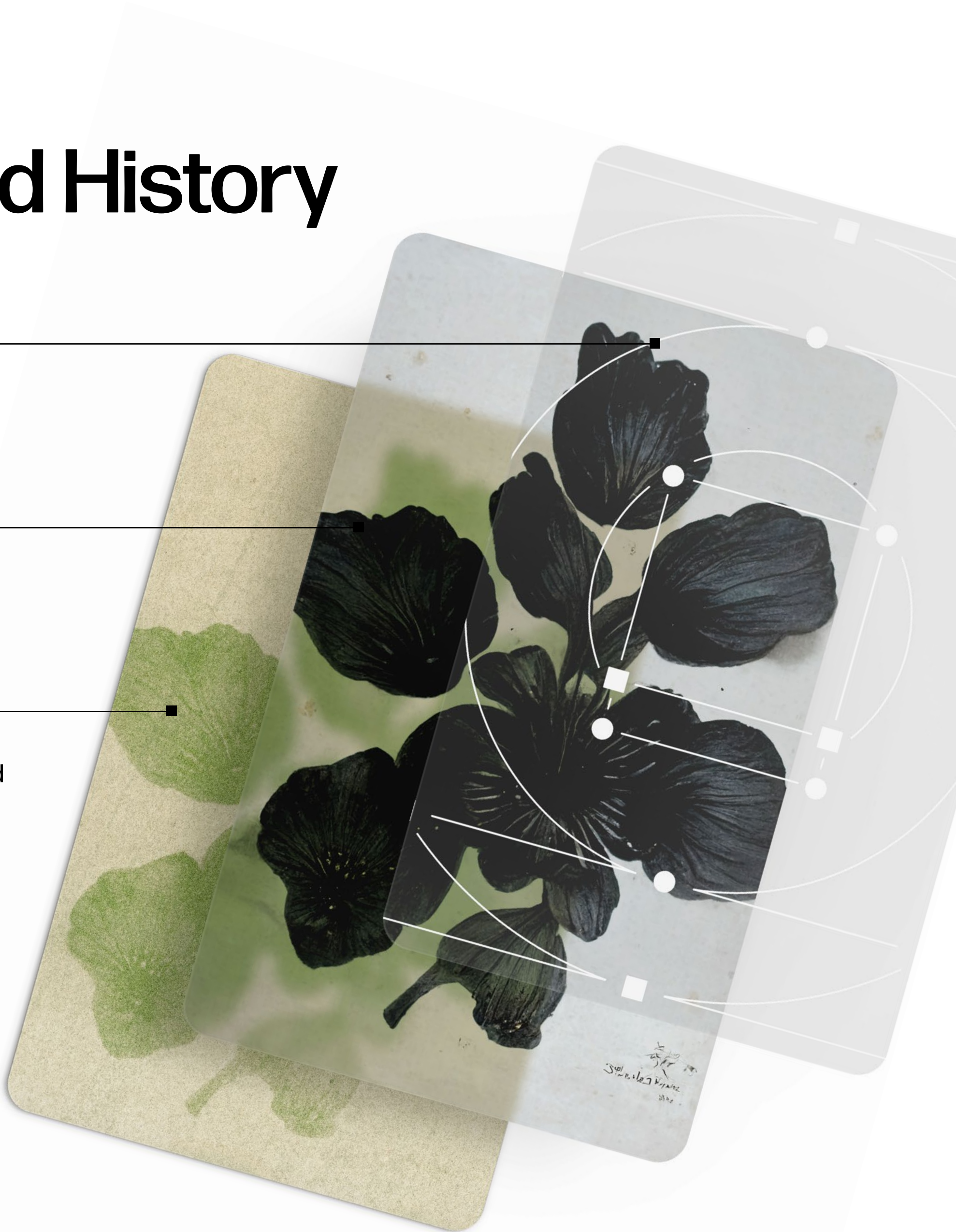




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01 Overview

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Message From Our Founder & CEO

Facilitating a transition toward a more inclusive economy is one of our greatest responsibilities as a company and an industry. Structural inequalities in our society have deepened over the last several decades, prompting distrust in institutions and disillusionment with the status quo.

The ESG movement, like crypto, was born in response to this breakdown of trust and a desire for change. Both are experiments in transparency and stakeholder inclusion, acting as foundational principles for a more equitable society.

Recognizing the potential, we announced our Sustainability Program earlier this year, underscoring our commitment to responsible environmental practices, a robust corporate governance strategy, and an equitable, inclusive environment for our employees. A key element of this program is publicly sharing our commitment and priorities, as well as our progress toward achieving our goals.

In this context, we’ve thought hard about Galaxy’s role in building a more sustainable future. Our most important impact comes from our core business activities, including the financing of critical blockchain infrastructure that will support the crypto economy, working to apply good governance principles to our business and to the new decentralized economy, ensuring the cryptoeconomy supports equitable and diverse perspectives, and increasing the use of sustainable energy in our bitcoin mining operations.

We view blockchain technology as a powerful driver of the next era of sustainability and inclusivity. Blockchain and digital assets are already expanding access to ownership and enabling more people to participate in markets. This technology has the potential to create a new economic paradigm that is more transparent and egalitarian. It is this new paradigm that we are working on every day to help engineer.

We also believe that Galaxy should reflect the values that we promote: transparency, accountability, and clarity. That has enabled us to hire and retain exceptional, diverse talent, empowering them to do their best work with purpose.

This isn't just right, it's the best way to create long-term shareholder value.

To this end, I am excited to share our first Sustainability Report – one of the first of its kind in our young industry. As crypto adoption grows, we hope to lead by example to ensure that the industry grows alongside it in a manner consistent with ESG principles.

Mike Novogratz, Founder & CEO, Galaxy

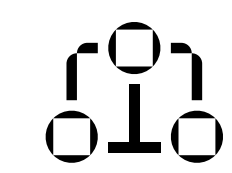
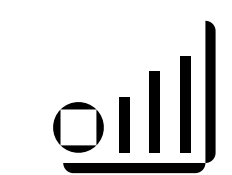
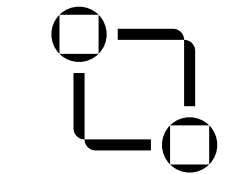

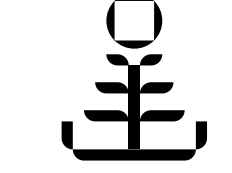


About Galaxy

Galaxy (TSX: GLXY) is a digital asset and blockchain leader providing institutions, startups, and qualified individuals access to the crypto economy. Galaxy is a center of gravity for digital assets, Web3, and the crypto economy. Integrated at every point to create value across the ecosystem, our one-stop-shop brings firsthand knowledge and a practitioner’s eye to every solution—from helping institutions trade cryptocurrencies to providing capital and holistic advice to companies at the forefront of blockchain innovations.

Our full suite of financial services is custom-made for a digitally native ecosystem, spanning multiple synergistic business lines: Trading, Asset Management, Investment Banking, Mining, and Ventures.

Business Lines

	Trading
	Asset Management
	Investment Banking
	Mining
	Ventures

Locations

The Company is headquartered in New York City, with offices in Chicago, New Jersey, San Francisco, London, Amsterdam, Tokyo, Hong Kong, and the Cayman Islands (reg. office).



Our Mission, Vision, and Values

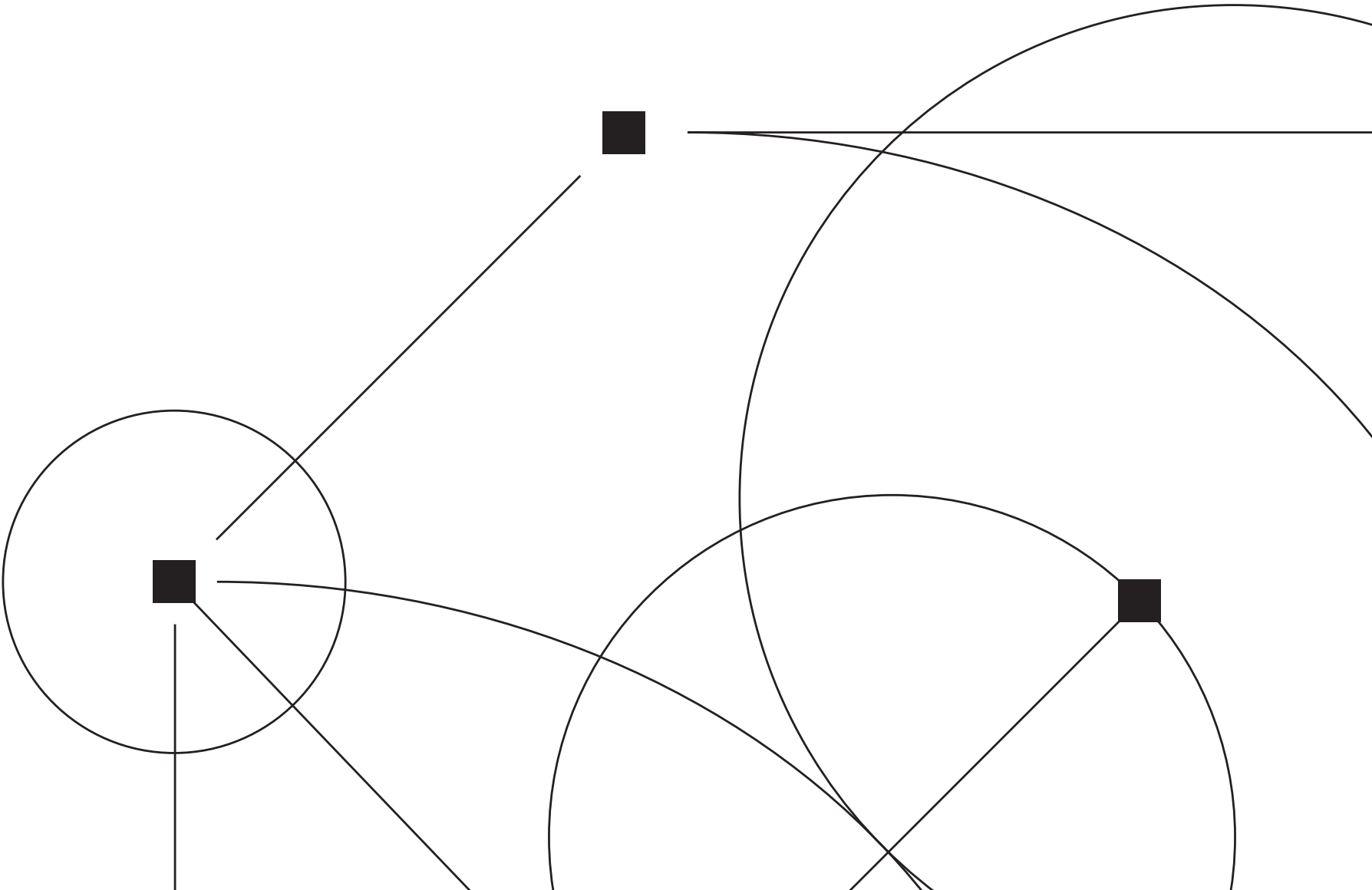
Our mission is to engineer a new economic paradigm, a globally interconnected digital economy that democratizes access to ownership through decentralized networks and blockchain technologies. In this new paradigm technology and finance work as one, creators connect with their communities, and users become partners with builders. We enable innovations that will democratize access to ownership, reestablishing trust and transparency within communities and markets.

As we execute our mission, we do so with a responsibility to generate long-term shareholder value and mitigate risk. Our core principles are the driving forces powering our mission and establish the foundation of our vision for a society where value and ownership flow as freely as information.

To engineer a new economic paradigm.

Galaxy is a systems thinker, connecting financial expertise with technological sophistication, institutions with Web3 innovations, and Silicon Valley agility with Wall Street savvy.

A globally interconnected digital economy that democratizes access to ownership through decentralized networks and blockchain technologies.





Our Sustainability Strategy

Galaxy is a young company in growth mode, operating at the forefront of the rapidly maturing crypto economy. As a leader in the space, Galaxy is committed to developing this new frontier in a sustainable manner that prioritizes the issues that matter most to our business and stakeholders, focusing on areas that have the greatest impact. Our sustainability program focuses on the following three key tenets:

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—
—
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●

Environmental

Managing and improving our environmental and carbon footprint by integrating sustainable practices and increasing the use of sustainable energy across our businesses, with a particular focus on Galaxy Mining.

■

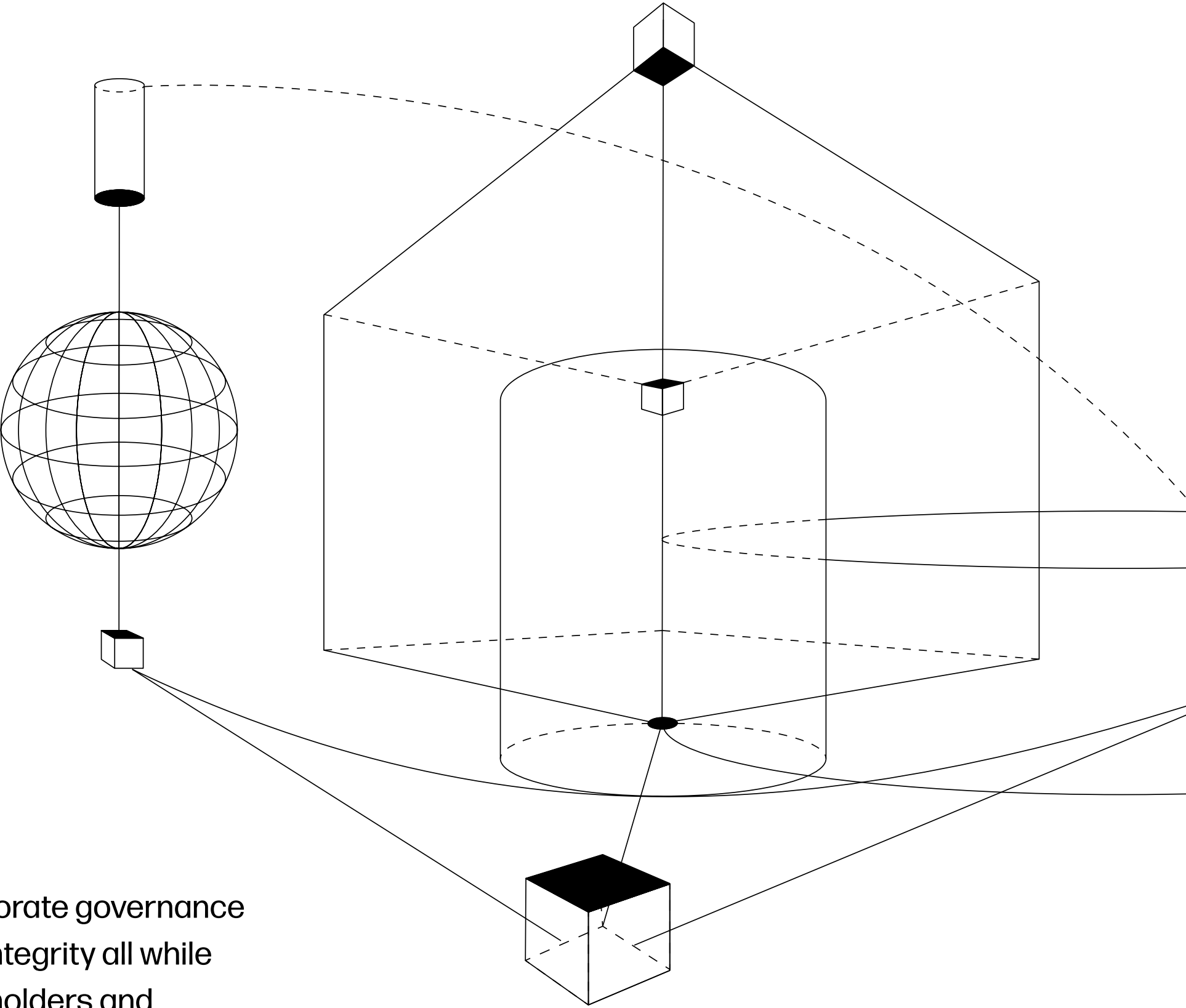
Social

Fostering a diverse, equitable, and inclusive culture for our people, stakeholders, and the broader crypto community.

▲

Governance

Establishing strong corporate governance to maintain a culture of integrity all while creating value for shareholders and stakeholders.





Our First ESG Materiality Assessment

Galaxy completed its first ESG materiality assessment to identify focus areas that are key to our long-term business strategy. The results of the ESG materiality assessment help shape our sustainability program strategy, prioritize our focus, and ensure that our reporting is aligned with addressing the ESG issues of greatest importance. Our ESG materiality assessment process included the following steps as listed on the right. We will reevaluate these results on an on-going basis.

001
Identify

We reviewed ESG frameworks, standards, raters, and our peers to understand the current ESG landscape and identified potential material ESG topics.

002
Categorize

We refined a list of potentially material ESG topics, which were categorized as relevant to Environmental, Social, or Governance issues.

003
Assess Impact

We explored each material ESG topic in detail to understand its relevance to our business and our stakeholders.

004
Gather Feedback

We engaged key stakeholders to receive feedback on material ESG topics, including subject-matter experts, employees, and external stakeholders. After gathering feedback, the results were plotted on a graph to create an ESG Materiality Matrix.

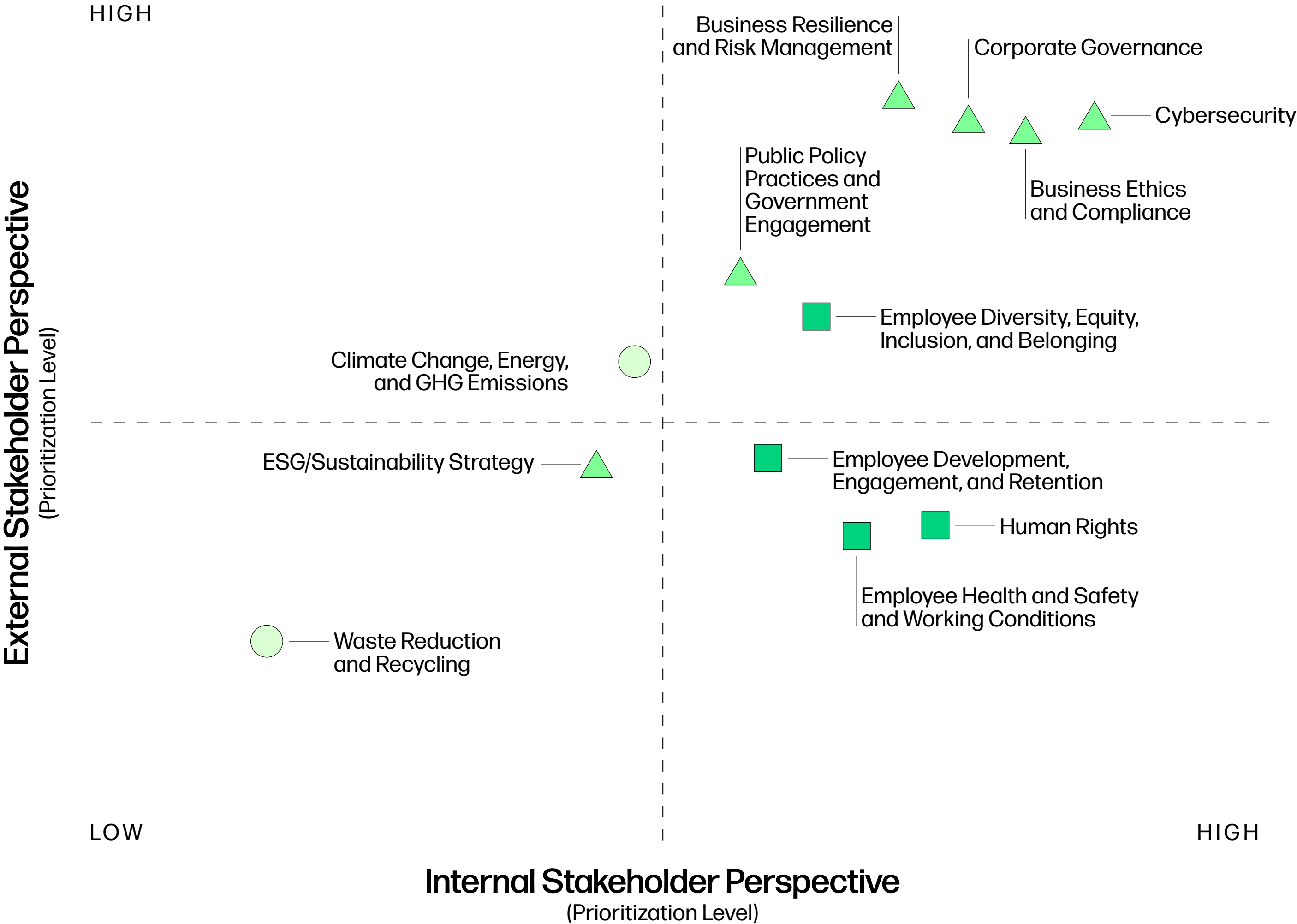
005
Engage Management

The ESG Materiality Matrix was reviewed by the ESG Working Group and Steering Committee and approved by the Board of Directors.

ESG Materiality Matrix

ESG Material Topic Categories:

- Environmental
- Social
- Governance



02 Governance

- 001**
Corporate Governance
- 002**
Sustainability Program Oversight
- 003**
Business Ethics and Compliance
- 004**
Business Resilience and Risk Management
- 005**
Cybersecurity
- 006**
Public Policy Practices and Government Engagement



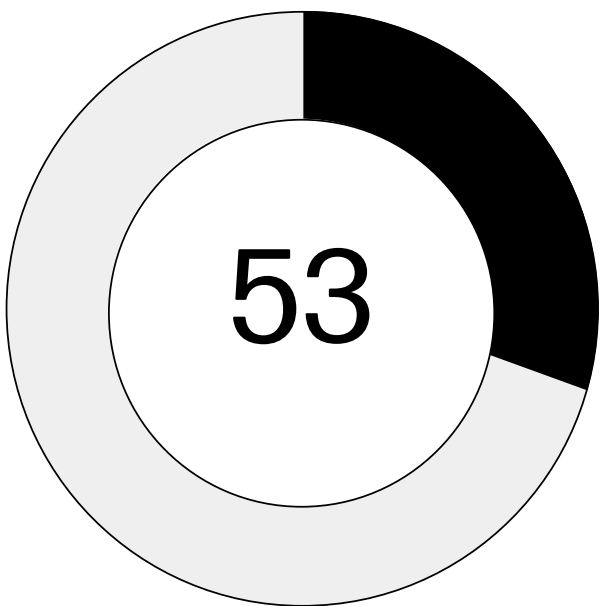
Corporate Governance

Galaxy is led by a diverse, knowledgeable, and experienced Board of Directors¹ with deep expertise in capital markets, asset management, digital assets, investing, ESG, and technology, bringing valuable insights and perspectives to the Board. We consider a wide variety of relevant skills, professional experience, and diverse backgrounds and perspectives as critical components to strong leadership at the Board level.

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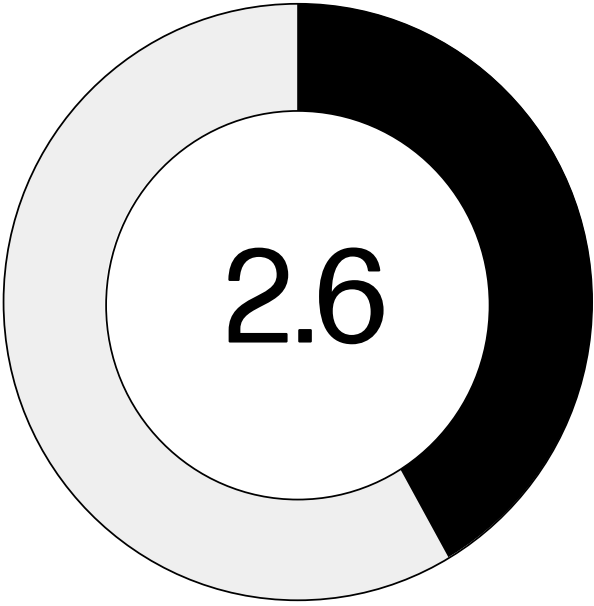
Average Age²

- < 50 years
- > 50 years



Average Tenure Years^{2*}

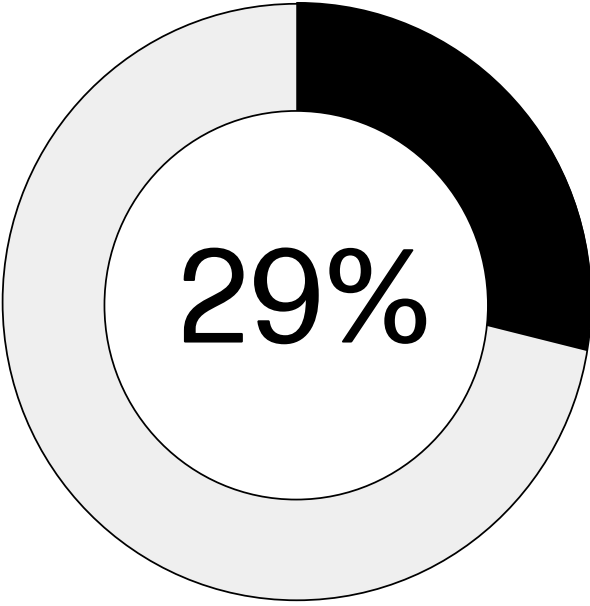
- < 2 years
- > 2 years



*Out of 4 Years.

Diversity^{2*}

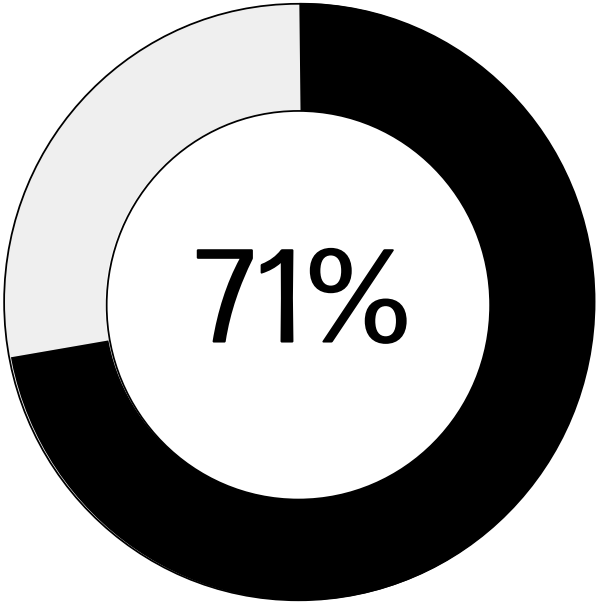
- Diverse
- Not Diverse



*Female and/or Racially/Ethnically Diverse.

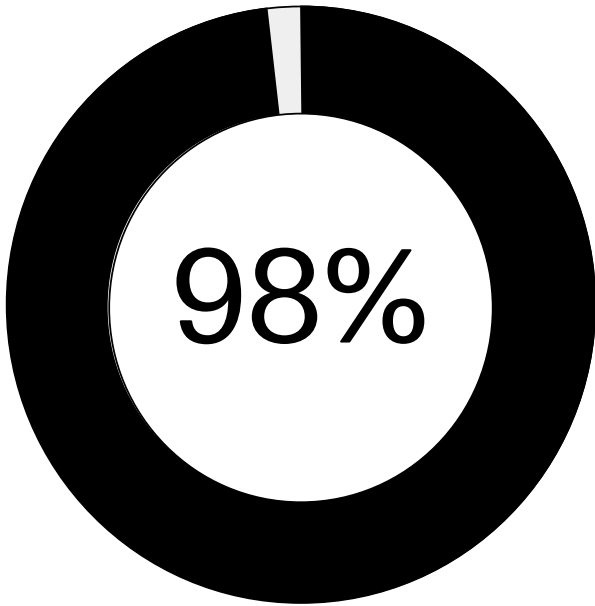
Independence²

- Independent
- Management
























Meeting Attendance³

- Attended
- Not Attended



[1] Galaxy's Board of Directors is the directors of Galaxy Digital Holdings Ltd., the Public Company. Galaxy Digital Holdings GP LLC., our Operating Company, has three additional board members: Chris Ferraro, Rhonda Adams Medina, and Richard Tavoso.
[2] As of 6/24/2022, unaudited.
[3] As of 12/31/2021, unaudited.

Committee Composition

	Pubco Board	Audit Committee Pubco	Compensation, Corporate Governance and Nominating Committee
 Michael Daffey			
 Jane Dietze			
 Dominic Docherty			
 Nereida Flannery			
 Theagenis Iliadis			
 Bill Koutsouras			
 Michael Novogratz			

 Lead Independent Director

 Chair

 Member

Board Diversity Disclosure Matrix¹

Total Number of Directors

7

Director Gender Identity

Female	Male	Non-Binary	Did Not Disclose Gender	LGBTQ+
2	5	0	0	1

Director Demographic Background

African American or Black	Female	Male
	0	0
Alaskan Native or Native American	0	0
Asian	0	0
Hispanic or Latino	0	0
Native Hawaiian or Pacific Islander	0	0
White	2	5
Two or More Races or Ethnicities	0	0
Did Not Disclose Demographic Background	0	0

[1] As of 6/29/2022, unaudited.



Board of Directors



Michael Daffey
Chairman & Senior Advisor

Mike Daffey spent over 25 years in the financial services sector at Goldman Sachs. Most recently, he was a Partner at Goldman Sachs since 2002 and Chairman of the Global Markets Division and a member of the Management Committee since 2014. Mike Daffey built his career in the trading division at Goldman Sachs, rising to top roles, including leading equities sales globally as well as fixed income and foreign exchange sales for Europe, Middle East, and Africa. He also served as a member of Goldman’s European Management Committee, Firmwide Client and Business Standards Committee, and Global Markets Executive Committee. Prior to this, Mike Daffey was the Global Co-Chief Operating Officer of Goldman’s Equities business. Mike Daffey holds a bachelor’s degree in Economics and Finance from the University of New South Wales.

As the Chairman of the Board, Mike Daffey is responsible for supervising the management of the business and affairs of Galaxy and overseeing the operations of the Board.



Dominic Docherty
Independent Director

Dominic is a British entrepreneur and has served as a Manager on the General Partner of GDH LP attending joint Board meetings since 2018. He has built and is still actively involved in several businesses in the Middle East and Asia. Dominic’s oldest business, BIOS Middle East ([BIOSME.com](#)), was formed in 2002; BIOS Middle East is a managed service and cybersecurity provider. In 2013, Dominic also founded [CloudHPT.com](#), a managed infrastructure cloud business which serves the Middle East and North Africa. In 2014, Dominic founded [CapitalAssured.com](#), which is active in the real estate sector promoting UK property investment opportunities to the Middle East and Asia. Dominic received a B.A. and M.S. in Economics from Portsmouth University.



Jane Dietze
Independent Director

Jane is a tenured investment professional with more than three decades of investing experience globally across numerous asset classes. She is the Chief Investment Officer in the Investment Office of Brown University. Prior to Brown, she was the Director of Private Equity at Bowdoin College. Jane joined Bowdoin from Fortress Investment Group, where she was a Managing Director in the Credit Funds Group. Before joining Fortress, Jane was a General Partner in venture capital funds, Nextpoint Partners, an early-stage, technology focused fund, and Columbia Capital Corporation, an IT and communications focused private equity fund, where she was a member of the Investment Committees and held Board roles in over a dozen companies. Jane came to venture capital after founding, leading and eventually selling a software company. Preceding Jane’s experience as an entrepreneur and investing in entrepreneurs, she spent several years working in Russia and Central Europe as an Investment Officer at the International Finance Corporation, the private investment arm of the World Bank. She began her career as an analyst in the Mergers and Acquisitions Department of Goldman Sachs. Jane received a B.A. in Politics from Princeton University and a M.A. in International Economics and Russian Studies from The Johns Hopkins School of Advanced International Studies.



Nereida Flannery
Independent Director

Nereida has 20 years of M&A, consulting, investment banking and operational experience in China. She is currently based in Hong Kong and advises clients independently on cross border M&A matters. From 2014 until 2018, Nereida co-founded and was the Managing Partner at GMP Securities Asia, Investment Banking. Previously, Nereida co-founded The Balloch Group (TBG) in 2001, a leading investment advisory firm in China. Prior to founding TBG, she was a Shanghai-based General Manager and Vice President for International Business Development at Alibaba.com. Before that, Nereida served as Country Manager of the Canada China Business Council in China (CCBC). Nereida is the Board Chairman for Business for Better Society, a non-profit organization she founded. Nereida received a B.A. in Political Science from Queen’s University in Canada.



Board of Directors



Theagenis Iliadis
Independent Director & Chair of Compensation,
Corporate Governance and Nominating Committee

Theagenis has been a real estate developer and investor since 1998. He was one of the main investors in the group that purchased Piraeus Bank from the Greek government in 1993; he sat on its Board of Directors and Supervisory Board for 12 years. Theagenis was also on the Board of the Piraeus Bank Investment Fund and Piraeus Leasing Company; he oversaw the bank’s growth into the second largest banking group in Greece. Theagenis received an A.B. degree in Political Economy from Princeton University.



Bill Koutsouras
Lead Independent Director & Chair of Audit Committee

Bill has been the principal of Kouts Capital since 2011, an independent investment company and consulting company providing assistance to companies with corporate finance related transactions including providing strategic advice, introduction to capital providers and transaction structuring and implementation. Previously Bill was the Executive Vice President and Chief Financial Officer of Endeavour Financial Corporation, a mining focused merchant banking business. He was primarily responsible for overseeing financial advisory mandates, investments related services and the financial management and operation of the Endeavour group of companies where he was involved in over \$25B of M&A transactions and in excess of \$4B of financing for junior / mid-tier resource companies. Bill also has extensive experience as a non-executive director of public and private companies. Bill is a Chartered Professional Accountant and Chartered Financial Analyst and is a member of the Chartered Professional Accountants of Canada and the CFA Institute. Bill holds a bachelor’s degree in Economics from the University of Toronto.

Bill has served as Lead Independent Director of Galaxy’s Board of Directors since July 2018. Bill provides a source of leadership for the Board, complementary to that of the Chair of the Board, but independent of management of the Company. Bill enables strong leadership, creates clear accountability, and enhances our ability to communicate Galaxy’s message and strategy clearly and consistently while ensuring robust, independent oversight.



Mike Novogratz
Founder & CEO

Mike was formerly a Principal and a member of the Board of Directors of Fortress Investment Group LLC and Chief Investment Officer of the Fortress Macro Fund. Mike joined Fortress in 2002 after spending more than a decade at Goldman Sachs, where he was elected Partner in 1998. Mike received an A.B. degree from Princeton University in Economics and served as a helicopter pilot in the United States Army. He is also on the Board of Directors for Beat the Streets, Inc., the Jazz Foundation, Friends of Hudson River Park, the Bail Project, Princeton Varsity Club and the Board of Overseers for New York University Hospital.

As the CEO, Mike is responsible for the overall management of the business and affairs of Galaxy. He establishes the strategic and operations priorities of the Company and provides leadership for the effective overall management of the Company.

In light of Mike’s significant ownership interest in Galaxy and alignment with other long-term shareholders of Galaxy, it was agreed by the Compensation, Corporate Governance and Nominating (CGN) Committee that, consistent with 2019 and 2020, Mike would not be paid a base salary.



ESG in Crypto

Decentralized Autonomous Organizations

Decentralized Autonomous Organizations (DAOs) are technologies that facilitate the formation, organization, and governance of communities around a set of common goals and values. DAOs underscore a crypto-native form of governance within the broader ESG framework and offer an incredible set of tailwinds to the emerging governance trend in ESG.

DAOs are analogous to other forms of governance systems that have existed for hundreds of years, such as corporations. However, DAOs differ both in how they are structured and how they are operated. Historically, governance in corporations has been top-down and hierarchical. DAOs, on the other hand, feature flat organizational structures. Voting rights are built into the DNA of a DAO through its governance token. DAO members can vote directly on proposals or delegate their vote to another member with the click of a button and results are streamed in real-time and broadcasted on public blockchains. The code driving all decisions is open-source and publicly auditable. Ultimately, community consensus anchored by immutable code drives decision-making in DAOs.

DAOs leverage blockchains to facilitate monetary flows and governance tasks. Both processes are typically facilitated by a token issued by the DAO. The borderless, trustless, and decentralized nature of DAOs, and cryptocurrencies more broadly, means anybody with a crypto wallet can participate. Since DAO activities can be traced on permissionless blockchains, they are highly transparent and auditable.

As of August 2022, DAOs control approximately \$10 billion through their treasuries, representing a 71x increase over-November, 2020. DAOs are well-positioned to revolutionize governance systems

within the broader ESG framework and how society accomplishes shared goals with unparalleled efficiency and groundbreaking innovation. While DAOs have enormous potential, many today are not sufficiently decentralized or autonomous to achieve their aspirations. Furthermore, there are serious questions about how DAOs operate within existing legal structures, which will limit their adoption for major use cases until resolved. For example, issues of legal liability, both for the DAO as an entity and its controlling members, can make it difficult for a DAO to operate in the physical world without risking legal exposures from which traditional governance bodies often have protections. There are solutions to these issues, both proposed and enacted in some jurisdictions, which have the potential to improve or resolve issues with DAO legal statuses. For instance, the Wyoming DAO LLC regulatory framework allows DAOs, registered as legal operating entities in the state of Wyoming, to be treated as LLCs. These “DAO LLCs” receive all the attendant benefits of limited liability protection without the tradeoff of subordinating the DAO rules to the LLC articles of organization. In fact, under Section 17-31-115, the Wyoming legislation explicitly provides that “where the underlying articles of organization and smart contract are in conflict, the smart contract shall preempt any conflicting provisions of the articles of organization,” thereby codifying into law the primacy of the DAO governance structure over traditional structures.

For more information on DAOs reference [**DAOs - The Future of Organizing Communities Online**](#) by Galaxy Research. For more insights by Galaxy Research reference our [**Galaxy Research website**](#).



Sal Qadir
Research Associate



Sustainability Program Oversight

Sustainability is deeply rooted in Galaxy’s business and is incorporated in our corporate governance structure. The Board of Directors and its Compensation, Corporate Governance and Nominating (CGN) Committee are responsible for overseeing our sustainability framework, strategy, and objectives. The Board of Directors and its CGN Committee are informed through, at a minimum, quarterly Board of Director meetings and annual reports from the ESG Steering Committee.

Our ESG Steering Committee, comprised of senior executives across business lines and key functions, is responsible for program execution and continuous improvement of our ESG initiatives. The ESG Steering Committee is Chaired by Damien Vanderwilt, Co-President & Head of Global Markets, and led by our Head of Investor Relations & Corporate Sustainability, Elsa Ballard. Supporting our Steering Committee is a dedicated ESG Working Group, which implements the ESG directives and strategy. The ESG Working Group is staffed by representatives from key business lines and corporate functions led by our ESG & Corporate Sustainability Specialist, Tomas Monti, who is 100% dedicated to ESG initiatives at Galaxy. Both the ESG Steering Committee and Working Group meet at least monthly.

The level of staffing and dedicated time commitments across the organization shows leadership’s commitment to advancing Galaxy’s sustainability program. Corporate governance documents and policies are publicly available on our [Investor Relations website](#).

ESG Steering Committee Members



Damien Vanderwilt
Co-President &
Head of Global Markets



Erin Brown
Chief Operating Officer



Jennifer Lee
Chief People Officer



Veronica Baird
Chief DEI & Culture Officer



Edward Schwartz
Chief Security Officer



Francesca Don Angelo
Deputy General Counsel
& Corporate Secretary



Danielle Johnson
Global Head of Distribution



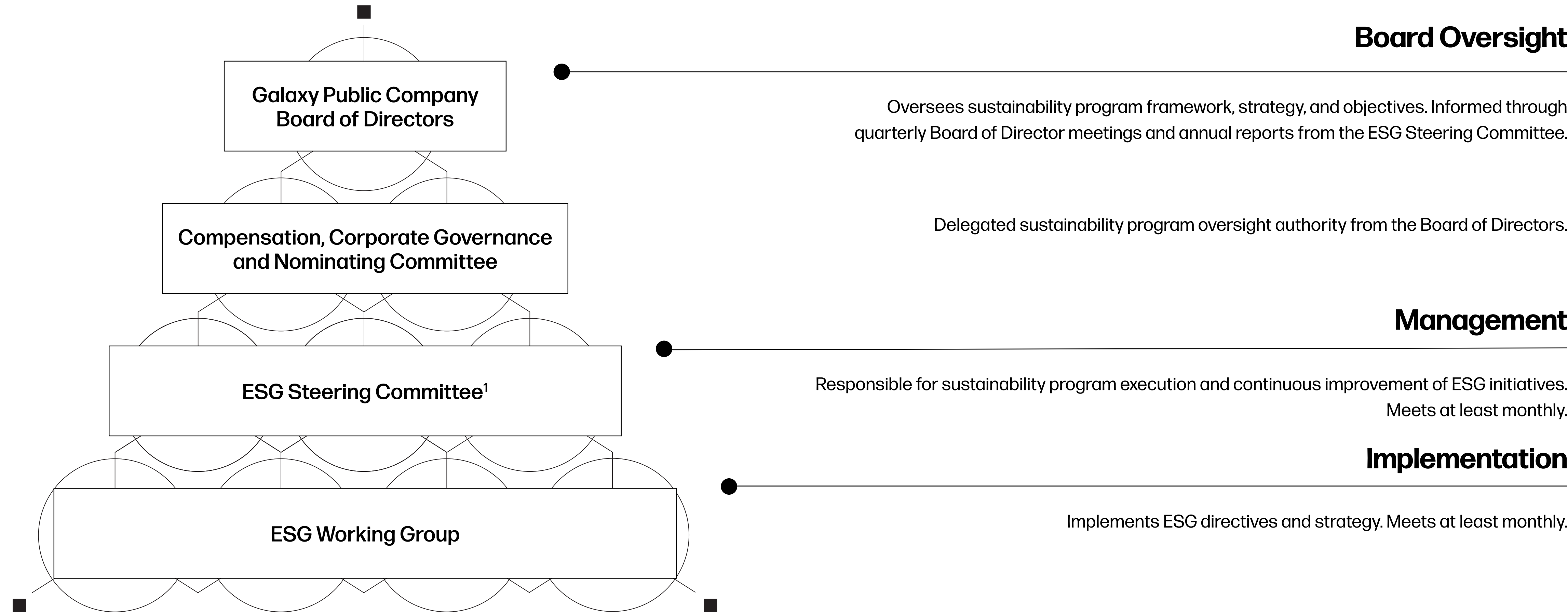
Elsa Ballard
Head of Investor Relations
& Corporate Sustainability



Tim Grant
Head of EMEA



Amanda Fabiano
Head of Mining



[1] **Chair:** Co-President & Head of Global Markets | **Membership:** Chief Operating Officer, Chief People Officer, Chief Diversity, Equity, Inclusion, and Culture Officer, Chief Security Officer, Deputy General Counsel & Corporate Secretary, Global Head of Distribution, Head of Investor Relations & Corporate Sustainability, Head of EMEA, Head of Mining.

Business Ethics and Compliance

Galaxy is committed to operating its business in accordance with the highest standards of ethical business conduct, as we believe a culture of integrity reduces risk and builds a strong foundation for success. It is imperative that we remain focused at all times on business ethics and compliance – only by doing so can we maintain the trust of our clients, regulators, and the public, and in turn protect the Company’s reputation and our shareholders investment.

Our Board of Directors and its Audit Committee set a “tone at the top” and play a critical role in our efforts to foster and maintain a culture of ethics within the Company. Our General Counsel & Chief Compliance Officer (CCO) and Deputy General Counsel & Corporate Secretary lead our Compliance and Ethics functions and provide updates to the Audit Committee quarterly or more frequently, as needed.

Our approach to business ethics and compliance begins with our **Global Code of Conduct**, which is certified annually by all employees. The Global Code of Conduct applies to all directors, partners, officers, and employees of Galaxy and establishes principles for ethical, professional, and responsible business conduct expected by Galaxy.

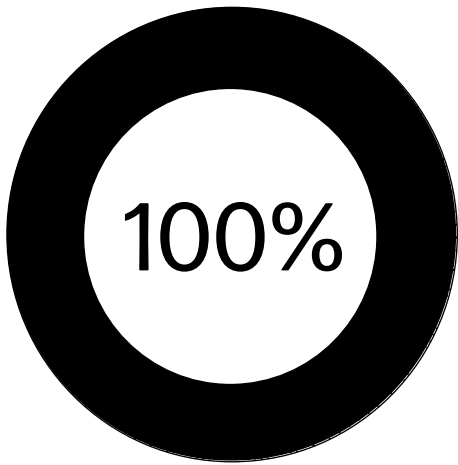
The Global Code of Conduct, Code of Ethics and Business Conduct, and our Employee Handbook provide clarity and guidance on our policies for responsible business conduct.

We encourage our employees to practice sound judgment and speak up promptly when questions or concerns arise. A **Whistleblowing Policy** is in place to enable employees, officers, and directors of Galaxy, as well as other stakeholders, including outside third-parties, to raise concerns on a confidential basis, free from discrimination, retaliation, or harassment. We take allegations of misconduct seriously and do not tolerate retaliation against anyone raising a concern in good faith.

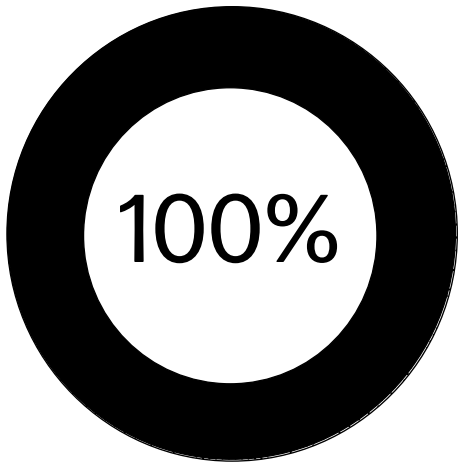
Due to the nature and nascency of digital assets and the broader blockchain industry, we are subject to an increasingly rigorous landscape of regulatory oversight and compliance. Galaxy seeks to fully comply with all applicable laws and regulations. We implement a robust risk-based anti-money laundering (AML), anti-corruption, antitrust, and competition policies, procedures, and controls in accordance with laws around the world, including the U.S. Foreign Corrupt Practices Act (FCPA). We conduct mandatory annual Compliance, AML/Know Your Customer (KYC), and Cybersecurity training.

Training Completion Rates¹

Compliance

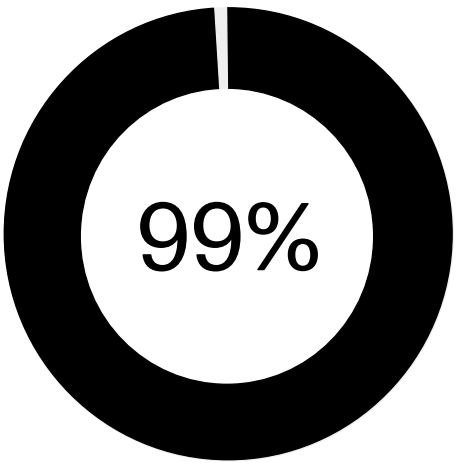


AML / KYC



Cybersecurity

Delivered over 2,000 phishing simulation campaigns.



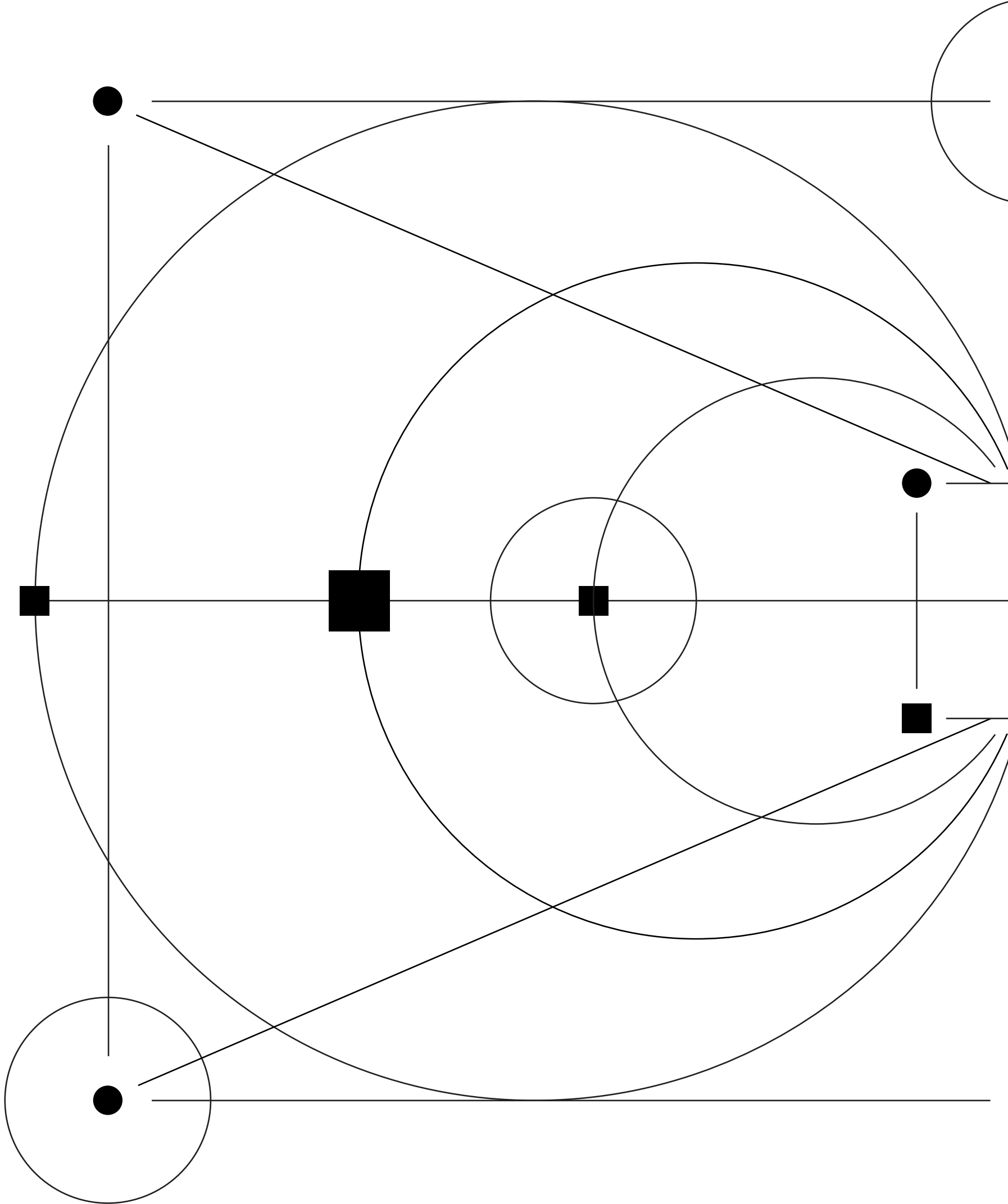
[1] As of 12/31/2021, unaudited.



We have instituted compliance standards to ensure all employees’ personal trading activities are maintained and monitored. Galaxy employees may from time to time, become aware of important corporate developments, significant plans or other material information before such matters are made public, therefore, the Company has established an **Insider Trading Policy** to assist in complying with the applicable legal requirements and prohibitions.

To avoid any trade in securities of Galaxy that may contravene or be perceived to contravene applicable securities laws, all employees are required to obtain pre-clearance from an Insider Trading Policy Administrator of any proposed trade of securities of Galaxy before effecting the trade in order to confirm that there is no inside information that has not been generally disclosed. Such pre-clearance may be requested by submitting a request to Compliance through its online preclearance system, ComplySci.

Similarly, the Company has established a Personal Trading Accounts (PTA) Policy. Under the PTA Policy employees and any family or household member are required to disclose personal trading accounts and holdings information via ComplySci. All transactions in securities and digital assets must be precleared in writing or electronically using ComplySci, or such other form approved by the CCO. Employees and any family or household member must provide a quarterly holdings report using ComplySci with respect to security or digital asset holdings as of the last day of each calendar quarter.





Business Resilience and Risk Management

We deliver a wide breadth of services and solutions, including a sophisticated digital assets financial platform – with a strong focus on compliance and risk management. Our exacting standards help even the most judicious businesses adapt and thrive on chain, starting with our own.

- ▲ Managing and mitigating risk in a constantly evolving environment is fundamental to our ability
- ▲ to run our business and serve our clients. We approach risk management as an essential
- ▲ business process integrated throughout our business lines and corporate functions.
- ▲ We believe risk management is the responsibility of everyone at Galaxy.

The Board of Directors and its Audit Committee oversee the identification, assessment, and management of risk to achieve a proper balance between risk incurred, shareholder returns, and long-term business resilience. Our Chief Operating Officer (COO) and Chief Risk Officer (CRO) lead our risk functions, including the development and maintenance of policies to identify, assess, monitor, manage, and mitigate risk. Management reports to the Board of Directors on principal risks and the steps implemented to manage them. The CRO ensures operational procedures and controls are implemented to effectively treat each risk area and is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies.

Our risk management program seeks to minimize potential adverse effects with the implementation of a resilient and well-tested strategy supervised by a dedicated professional staff and deployment of appropriate risk monitoring tools. Our strategy leverages the centralized infrastructure of Galaxy’s product, legal, compliance, and operations teams, as well as the relationships with third-party custodians and other blue-chip service providers. Our risk management system is dynamic and designed to adapt to Galaxy’s developments and any changes in the risk profile over time. The risk management system is based on a structured and systemic process which considers Galaxy’s internal and external risks. The risk management process includes the following steps:



Risk Management Process

001

Identify

We identify when, where, why, and how events could prevent, degrade, delay, or enhance the achievement of Galaxy’s objectives.

002

Analyze

We analyze existing controls to determine the likelihood, range of potential consequences, and overall level of risk.

003

Record

We record risk overages that have been identified in the identification process and scenario analysis.

004

Evaluate

We evaluate estimated levels of risk against the pre-established criteria and consider the balance between potential benefits and adverse outcomes to enable effective decision-making on the extent and nature of treatments required. We evaluate whether existing controls are adequate and allocate the responsibility of monitoring controls to treat risk.

005

Manage

We manage risk and implement strategies and action plans to increase potential benefits and reduce potential costs.

006

Monitor

We consistently monitor risk factors, stress tests, and the effectiveness of the risk management process to effectively manage ongoing risk.

007

Communicate

We communicate to management the risks across the organization through reports.



Cybersecurity

The sophistication and volume of the cyber threat landscape continues to accelerate every year. Effective cybersecurity is a key tenet of the Galaxy culture, customer commitment, and day-to-day operation.

Galaxy’s Chief Security Officer (CSO) is a member of the Executive Committee and ESG Steering Committee and provides updates to the Audit Committee and the Board of the Directors. The CSO informs the Board of Directors on privacy and cybersecurity matters, including cybersecurity policies and practices, ongoing efforts to improve security, and threats to the company, its clients, and shareholders.

The CSO directly manages a dedicated in-house Galaxy Security Team responsible for corporate security policies and standards, mandatory security training for all employees, secure systems development and lifecycle management, robust security monitoring, alerting, and incident response, third-party security assurance, security penetration testing, threat intelligence and vulnerability countermeasures.

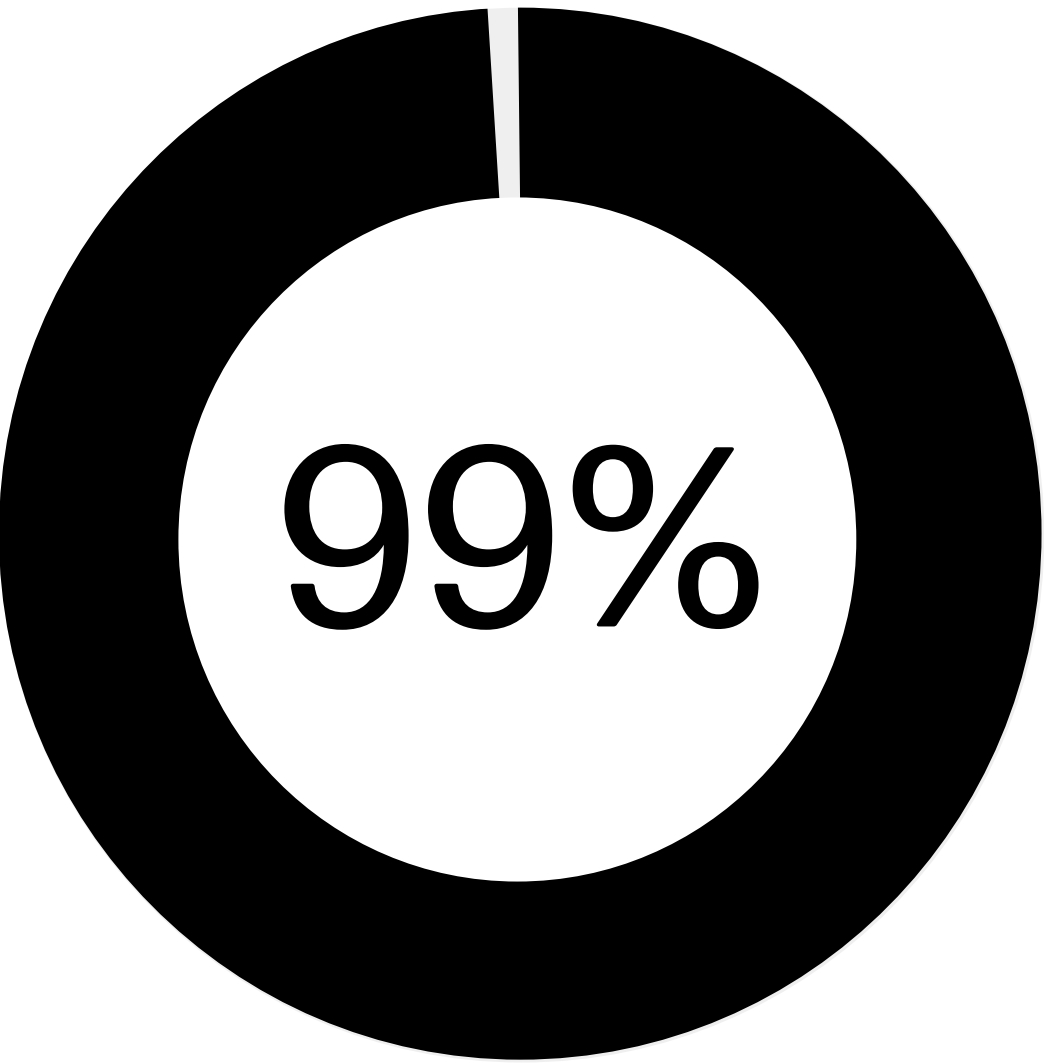
Our security program is guided by well-established industry frameworks such as FFIEC CAT and NIST 800-53, and the team is focused on ensuring compliance with corporate policies and regulatory and legal obligations. We ensure our policies, standards, and controls keep pace with the cyber threat landscape and regulatory environment.

Secure Operation and Training

Galaxy’s Security Operations Team works to detect and respond to threats in real-time using a combination of automated analytics, human threat hunting techniques, and a variety of internal and external sources of threat intelligence.

Despite any defensive technical countermeasures today, most adversaries begin cyber-attacks by targeting the workforce. Our employees are our first line of defense and play a key role in helping us stay ahead of the latest cyber threats. We deploy significant resources to securing and scaling our cybersecurity program and to upskill our workforce continuously. Annually, we provide our employees with training on how to protect and ensure the security and privacy of Galaxy’s and our clients’ information.

Cybersecurity Training Completion¹



Delivered over 2,000 phishing simulation campaigns.

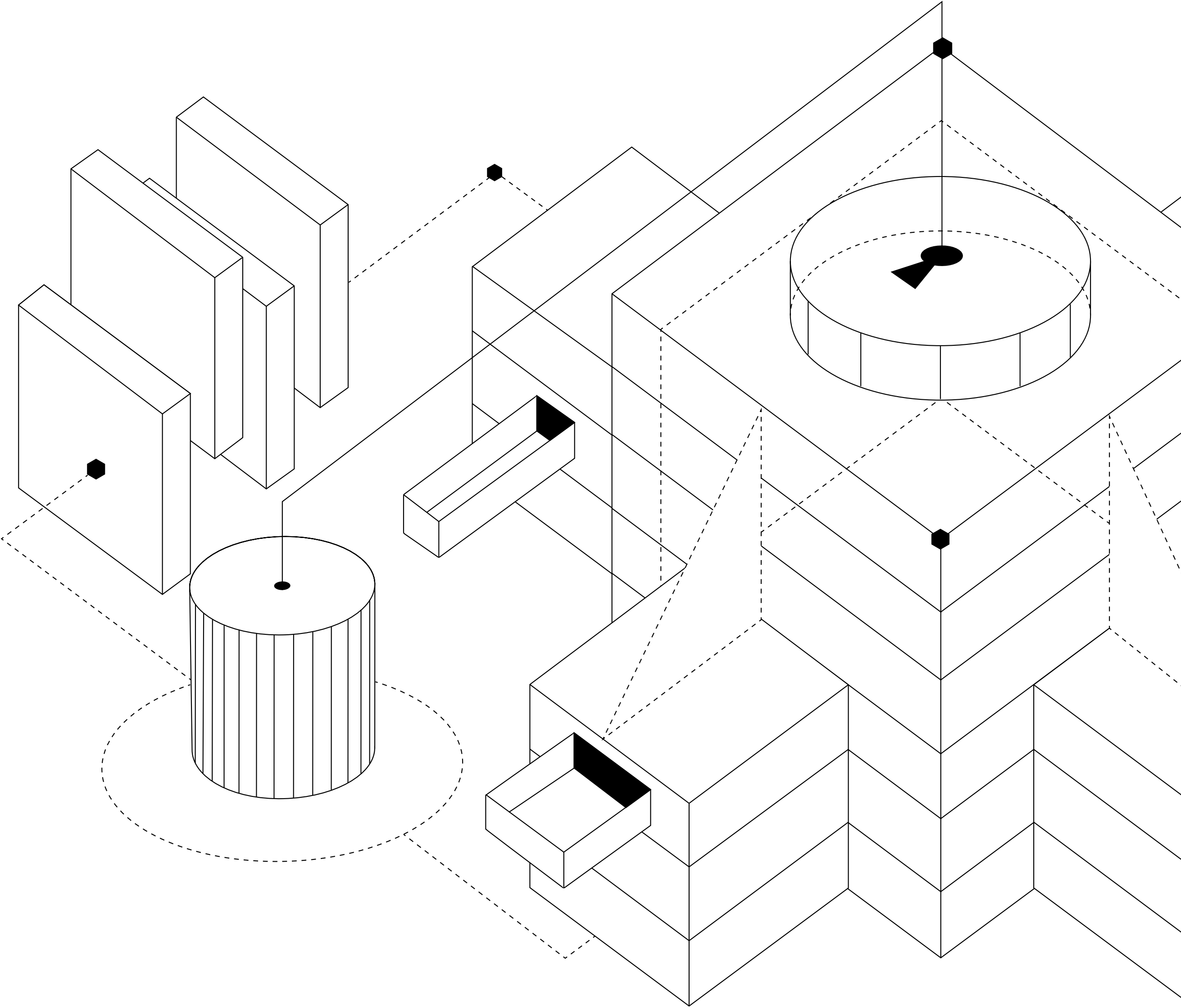
[1] As of 12/31/2021, unaudited.



Secure by Design

Any internally developed software, systems, infrastructure, or third-party services and integrations are required to follow “Secure by Design” Systems Development Life Cycle (SDLC) processes, including a combination of design and threat model reviews, code review and scanning, periodic penetration testing using both internal and vendor security experts, and testing and validation of open-source libraries. We have established numerous tactical cybersecurity processes and procedures, including ongoing software updates, escalation of suspicious emails and phone calls, encryption at rest and over-the-wire for sensitive material, privileged access management via multiple independent services, reverse proxy for internet-facing systems, multi-factor authentication, broad use of single-sign-on with restrictions limiting internal access to managed devices, and threat intel and industry monitoring.

All third-party vendors that comprise our supply chain, whether for software as a service (SaaS), managed services, or professional services undergo a third-party cyber risk review by the Security Team. This risk-based, tiered review process is just one of several checkpoints that also involve Legal, Compliance, Finance, and other parties to ensure Company, customer, and investor cyber risk is managed.





Public Policy Practices and Government Engagement

Galaxy is subject to rigorous oversight and regulation throughout its business lines. Today, we are regulated by more than two dozen federal, state, and international regulators. Given this complexity, Galaxy has built a best-in-class legal and compliance team—with nearly twenty legal and compliance professionals globally. Further, Galaxy has structured its public policy and advocacy efforts through its Legal Team.

The U.S. regulatory structure for financial institutions and market participants is complex, with many touchpoints across the federal government depending on an individual firm’s legal structure, business, and product offerings. Not dissimilar from that, in the digital asset and crypto economy, the regulatory systems are fragmented at a state and federal level in the U.S. Galaxy is committed to doing business in the U.S. and working within the legal and regulatory bounds prescribed. The digital asset and crypto economy are in the early stages of development and, because of that, the industry writ-large has become more active in its engagement with policymakers.

Galaxy is committed to engaging with policymakers at both a federal and state level in the U.S. and has added individuals to its legal and compliance department to represent the Company before the government on both an advocacy and education basis. In 2021, Galaxy added **Neal Katyal**—former Acting Solicitor General of the U.S. and current Partner at Hogan Lovells—as a Senior Advisor and Chair of the Advisory Board to work with the company on crafting our policy engagement strategy. Further, Galaxy is a member of several trade associations that are committed to policymaking and education efforts both in the U.S. and internationally.

One such channel that Galaxy uses to facilitate public policy and education engagement is the **Association of Digital Asset Markets** (ADAM). ADAM is a private, non-profit, membership-based association of firms operating in the digital asset markets that seeks to foster fair and orderly digital asset markets where participants can transact with confidence. Galaxy is a founding member of ADAM and our General Counsel & CCO, Andrew Siegel, sits on the Board of Directors. ADAM members are prominent industry leaders who are active in digital asset markets and include a wide variety of market participants including trading platforms, custodians, investors, asset managers, traders, liquidity providers, and brokers that operate in the digital asset ecosystem.

Policy engagement mediums—such as trade associations—are an important piece of Galaxy’s engagement with public officials. As the industry evolves so will its ecosystem of advocacy fora, which may necessitate Galaxy having a nimble view of how to constructively engage with such trade associations.

Galaxy also believes that it is in the best interest of our shareholders to be thoughtfully engaged in public policy and political processes—with an eye toward advancing the short- and long-term interests of the company and the cryptoeconomy more generally. As previously discussed, the industry is in its early stages, which necessitates a heightened level of engagement from a policy education and advocacy perspective.

03

■ Social

001
Employee Development, Engagement, and Retention

002
Employee Diversity, Equity, Inclusion, and Belonging

003
Financial Inclusion and Education

004
Employee Health and Safety and Working Conditions

005
Human Rights



Employee Development, Engagement, and Retention



Galaxy operates in an innovative and dynamic industry, and our hiring and talent needs are growing accordingly. We have established strategies to promote diverse hiring, development, advancement, and retention, and our ability to attract top-tier talent is at the forefront of how we operate. Our workforce expanded by 212% from 2020 to 2021. As a part of our New Hire Onboarding Program, all new hires are assigned onboarding buddies and advisor networks to help acclimate them into the Company. Buddies are designated employees that take new hires out to coffee and lunch during their first week, conduct an office tour, introduce them to co-workers, and answer any office-related questions. Advisor networks are groups of employees that a new hire can look to for advice on navigating the Company.

We offer competitive and equitable compensation and forward-looking benefits to best serve our employees in all areas of their lives. Galaxy views compensation and benefits as critical tools for attracting, developing, and retaining our workforce.

Employee Benefits

Galaxy believes a well-rounded selection of employee benefits are essential in fostering an inclusive culture and retaining a diverse workforce. Benefits may vary based on location; Galaxy’s baseline benefits include:

<div>001</div> <div>Competitive and equitable compensation</div>	<div>007</div> <div>Career development tools</div>
<div>002</div> <div>Equity exposure</div>	<div>008</div> <div>Focused leadership programs</div>
<div>003</div> <div>401(k) company contribution (U.S.)</div>	<div>009</div> <div>Free weekly lunches via Seamless</div>
<div>004</div> <div>Paid flexible time off and parental leave</div>	<div>010</div> <div>After-hours car service reimbursement</div>
<div>005</div> <div>Company-paid health insurance</div>	<div>011</div> <div>Peloton membership with insurance</div>
<div>006</div> <div>Company-paid mental health support</div>	



Our programs and resources promote health and productivity to unlock our people’s potential. We provide opportunities for our employees to learn and develop in both formal and informal settings. Galaxy allocates significant resources to employee development and training. We have launched our six-month Mentorship Program for our incoming analyst class, where each mentor and mentee pair meet monthly and receive training and a dedicated budget for mentorship materials and outings. Additionally, we have implemented monthly People Manager Training sessions for all people managers, to ensure managers are properly managing their direct reports.

We view succession planning as an integral component of our business continuity and have established succession plans for key persons at our Company for both emergencies and long-term succession. An important element of our succession plan is our commitment to building leadership from within. In 2021, there were over 30 internal promotions, representing over 20% of our eligible workforce at the time.

[1] As of 12/31/2021, unaudited.
[2] As of 12/31/2021, excludes executive assistants, unaudited.
[3] Leadership metrics include employees who are Managing Directors and Directors.
[4] Non-Leadership metrics include employees who are Vice Presidents, Associates, and Analysts.

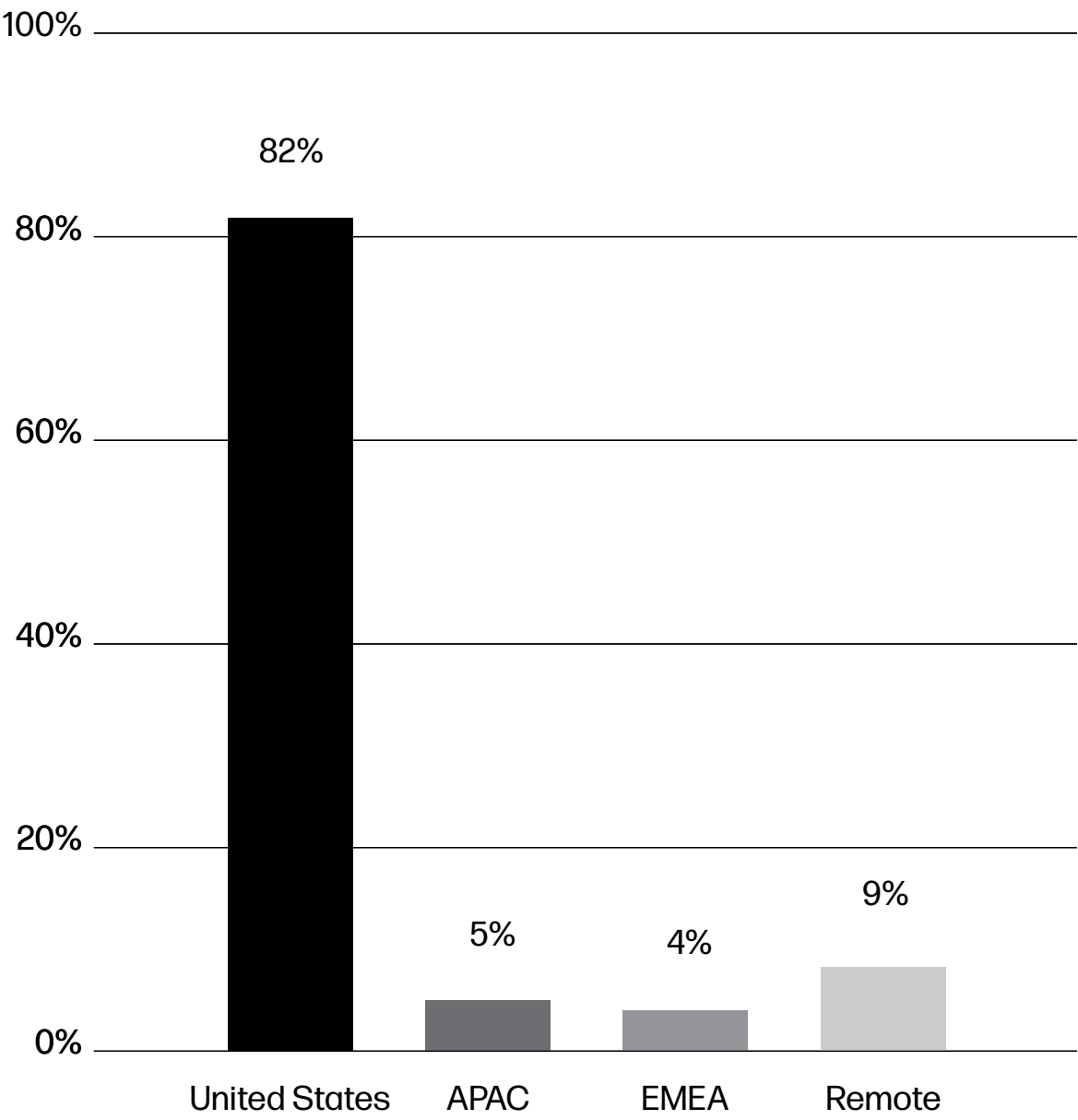
Total Number of Employees¹

281

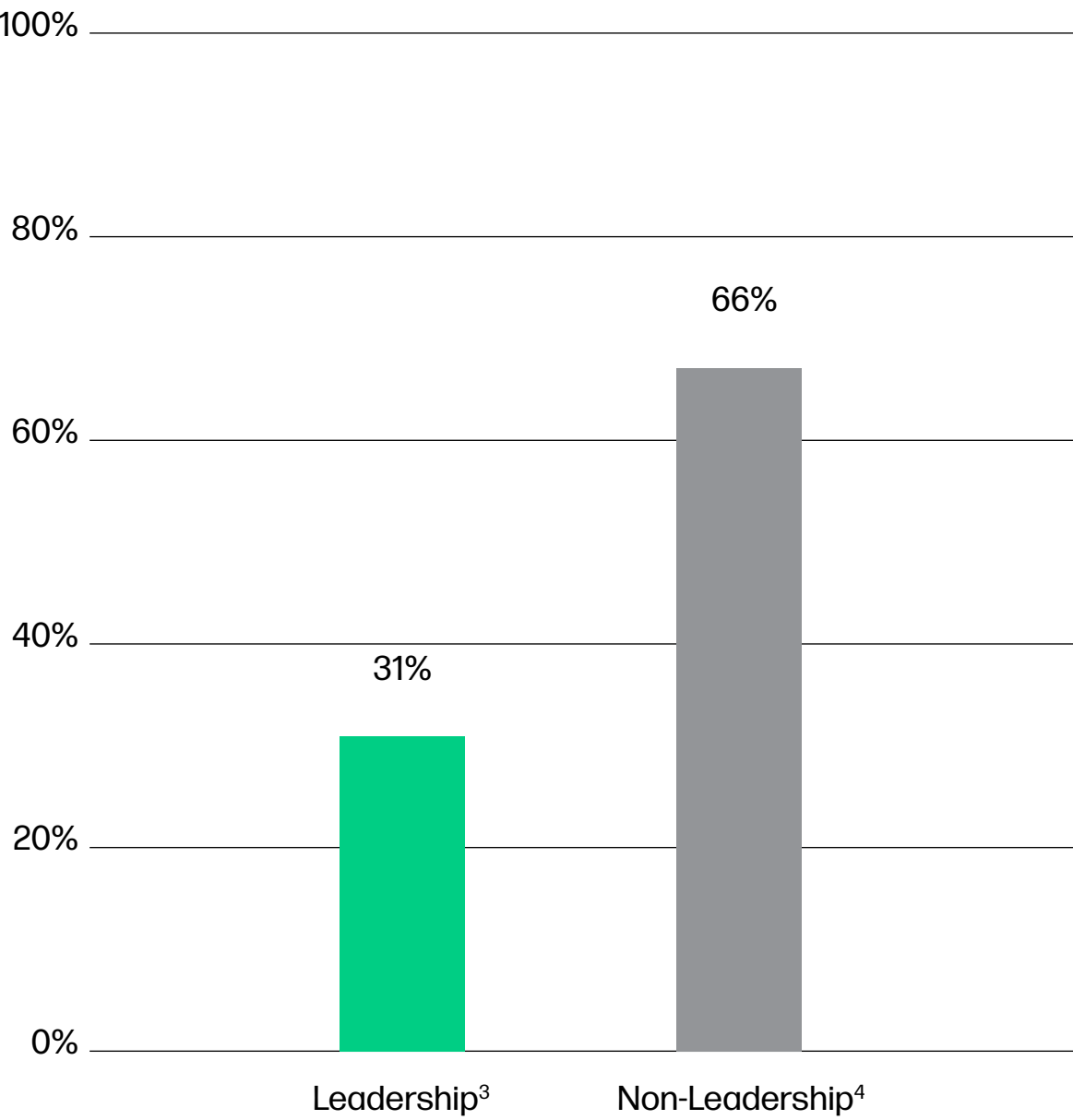
Annual Turnover Rate²

11.8%

Employees by Office Location¹



Employees by Corporate Title²





Employee Diversity, Equity, Inclusion, and Belonging



We are a diverse team of free thinkers and fast movers united to help investors and creators energize the global economy. Our Diversity, Equity, and Inclusion (DEI) strategy is driven by our principles, which are deeply rooted in our people, culture, and business. Our DEI strategy is overseen by the Board of Directors, ESG Steering Committee, and a dedicated DEI Committee led by our Chief Diversity, Equity, Inclusion and Culture Officer (CDCO). The CDCO role is led by one of Galaxy’s founding members, Veronica Baird, who partners with the CEO, Senior Executive Team, and ESG Steering Committee to provide subject matter expertise and internal consultation across business lines and key functions to execute our multi-year DEI strategy.

We pursue both a top-down and bottom-up approach to advancing DEI initiatives and principles. We recognize diverse talent is not only an important social obligation, but also a critical component in creating value, achieving our objectives, and delivering for all our stakeholders. We believe diversity mitigates the risk of groupthink, provides the opportunity to benefit from all available talent, and enhances organizational strength, problem-solving ability, and opportunity for innovation. This framework has established a clear strategic direction for our DEI efforts.

We acknowledge the powerful role storytelling, idea-sharing, and goal setting play in our commitment to fostering a diverse, equitable, and inclusive culture at Galaxy. We established the My DEI Story and Commitment Series, which is held bi-monthly and hosted as a fireside chat between our CDCO and our employees to share our stories, listen to others, and expand our perspectives.

At the beginning of each year, we invite and encourage all our employees to share their personal commitment for the year for creating a more diverse, equitable, and inclusive environment at Galaxy, where all employees feel that they are seen, heard, and known. During Goal Setting and Development Planning as part of our performance management cycle, each Galaxy employee was asked to identify and set one DEI-related goal. We hope that sharing our personal goals will contribute to our collective journey as a company.

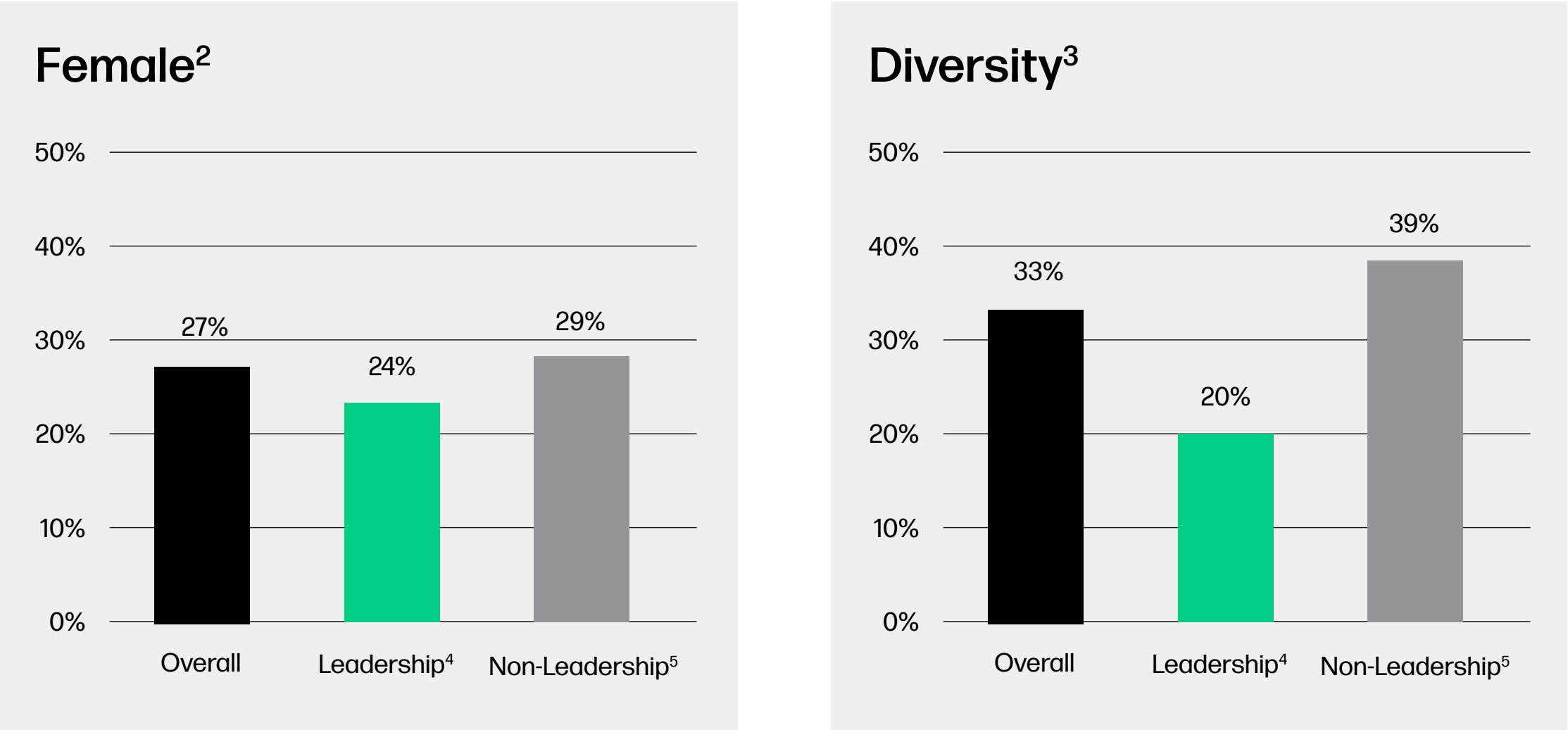


We have established a **Diversity Policy** to promote diverse hiring, development, advancement, and retention. Through headcount forecasting and succession planning, we have defined a roadmap for increasing diverse representation. Our interview process emphasizes our commitment to diverse hiring. All open roles must consider at least one diverse candidate, and we aim to provide a diverse interview panel.

While supporting diverse talent in the hiring process and within the company, we have opened our search for talent to account for nontraditional pipelines. We recognize that we operate in an innovative and dynamic industry and constantly challenge ourselves to think outside of the box to connect with Galaxy’s future leaders. This way of thinking has led us to establish alternative methods to connect with talent such as Twitter, the platform that has become the epicenter of communication for the broader crypto community. Galaxy hired one of our Mining Associates, Brandon Bailey, in such a way. Prior to Galaxy, Brandon worked in Investment Banking and Real Estate. He shared his work and connected with Galaxy’s Head of Mining, Amanda Fabiano, after she shared a job listing on Twitter. This connection landed him an initial interview that ultimately led to a fulltime role. According to Brandon, Twitter gave him the unique opportunity to showcase his work and leveled the playing field. Since joining Galaxy, Brandon has greatly contributed to our organization, collaborating with our Research Team to author **How Much Does It Cost to Mine a Bitcoin?** A report diving into the accounting methodology for Bitcoin miners’ cost to mine a bitcoin.

This is the first time we are publicly sharing employee diversity data. Our definition of diversity includes employees who identify as Asian, Black, LatinX, and Two or More Races. We are taking steps in the right direction and as we continue to scale our global business, we have the responsibility to continue to drive our DEI principles forward. Our DEI journey includes all of us.

Employee Gender and Ethnic Diversity¹



Average Age¹

34

[1] As of 12/31/2021, unaudited.
[2] 7 employees prefer not to disclose gender.
[3] Diversity metrics include employees who identify as Asian, Black, LatinX and Two or More Races. 17 employees prefer not to disclose ethnicity.
[4] Leadership metrics include employees who are Managing Directors and Directors.
[5] Non-Leadership metrics include employees who are Vice Presidents, Associates, Analysts, and Executive Assistants.

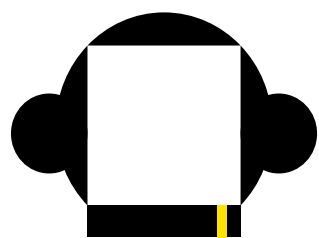


Employee Resource Groups

Our focused Employee Resource Groups (ERGs) reflect the diversity of Galaxy. We have established three different ERGs representing employees who identify as Women, Asian and Pacific Islander, and LGBTQIA+. Each ERG works closely with an executive sponsor to help Galaxy continue to foster a global culture of inclusion and belonging. ERGs receive dedicated resources,

including an annual budget and support for executing initiatives and events. As many employees continue to work from home due to the impact of COVID-19, our ERGs play an integral role in maintaining a sense of belonging at Galaxy. In 2022, we have plans to launch ERGs representing employees who identify as Black and African American, LatinX, and Executive Assistants.

001 · Women at Galaxy

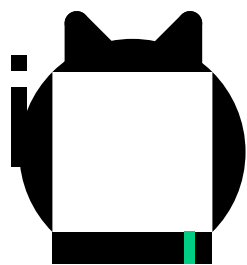


Women at Galaxy was the first ERG established at Galaxy and is sponsored by our Deputy General Counsel and Corporate Secretary, Francesca Don Angelo.

Women at Galaxy amplifies the voices of women across the company, serving as a central think tank to drive equality, make an impact, and provide a sense of belonging. Women at Galaxy is a resource for women and allies internally and externally to make a change. The role of the group is to mentor, elevate and support women. We are outcome-oriented and aim to be known for our actions over words. Our goal is to give women a unified voice and avenue to make a difference with each other and at the Company.

In honor of Women’s History Month, we hosted a Women of ExCo panel where employees had the opportunity to hear from our impressive women leaders and hear about their careers, backgrounds, and advice. Additionally, Women at Galaxy has instituted monthly coffee chats to foster mentorship within the ERG.

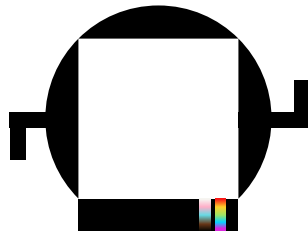
002 · APN at Galaxy



Asian Professional Network (APN) was the second ERG established at Galaxy and is sponsored by our Chief People Officer, Jennifer Lee. Asian American and Pacific Islander (AAPI) Heritage Month, celebrated each May, is a time to acknowledge the accomplishments and contributions of AAPI communities to the United States and beyond. The rise in anti-Asian hate makes the observance of Asian American and Pacific Islander Heritage Month more important than ever. In 2022, Chef David Chang joined us virtually for a fireside chat with Mike Novogratz. David Chang is the Founder of Momofuku and Majordomo Media. Since opening his first restaurant, Momofuku Noodle Bar, in 2004, he has been recognized as GQ’s Man of the Year and a Time 100 honoree. He is the host of The Dave Chang Show podcast and three documentary series, Ugly Delicious, Breakfast, Lunch, and Dinner, and The Next Thing You Eat. His cookbooks and memoir are New York Times bestsellers. Ahead of the fireside chat, Galaxy’s DEI Book Club discussed David Chang’s Memoir, Eat a Peach, which explores topics such as feelings of otherness and belonging, mental health, and leadership.



003 · Out in the Galaxy



Out in the Galaxy was the third ERG established at Galaxy and is sponsored by our Co-President & Chief Investment Officer, Chris Ferraro. Starting with the Stonewall Uprising in June 1969, Pride Month both commemorates and celebrates LGBTQIA+ activism and culture in the United States and around the world. Galaxy participated in our second annual NYC Pride Tour in New York City’s West Village following the history of the Stonewall Uprising and the rise of our modern day LGBTQIA+ Pride Movement. In 2022, we were also joined by Anthony D. Romero for an in-person fireside chat with Mike Novogratz. Anthony is the sixth Executive Director of the American Civil Liberties Union and the first LatinX and openly gay man to serve in that capacity.

In conjunction with Pride Month, Galaxy partnered with the Ali Forney Center to coordinate a series of lunch and learn events hosted in our NYC headquarters on the last Wednesday of every month for a six-month period. The Ali Forney Center is a non-profit organization that provides housing and services to homeless LGBTQIA+ youth in New York City.

Galaxy’s DEI Book Club read and discussed *Becoming Nicole* by Amy Elliss Nutt, who chronicles the journey of the Maines family and their identical twins, one of whom is a transgender girl who was assigned male at birth. The books were purchased from Café Con Libros, a local Afro-LatinX bookstore in Brooklyn.

Galaxy was a sponsor of the 2021 and 2022 Out for Undergrad (O4U) business conference hosted by Goldman Sachs. O4U is a 501(c)(3) non-profit dedicated to helping high-achieving LGBTQIA+ undergraduates reach their full potential. O4U presented an opportunity for Galaxy to find highly qualified and talented students. We believe the students we engage with at O4U have the potential to make a lasting impact on Galaxy.





ESG in Crypto Philanthropy

Giving Tuesday

In line with the crypto ecosystem ethos of financial access and inclusion, Galaxy employees donated over \$40,000 to 501(c)(3) organizations as a part of Galaxy’s Giving Tuesday initiative. To help foster a culture of giving, Galaxy matched up to \$1,000 per employee donation.

Galaxy employees selected **Experience Camps** as one of the several donation recipients. Experience Camps is a national, no-cost program for grieving children who have experienced the death of a parent, sibling, or primary caregiver. Experience Camps programs help reframe the experience of grief and empower kids with the necessary coping skills to move forward.

As highlighted by **Galaxy Digital Research**, 2021 proved to be the biggest year for crypto donations.

“Giving Tuesday is a day at Galaxy that encourages us to give back after reflecting on and celebrating everything we are thankful for. I’ve been fortunate to find causes I care about in my life – wrestling, jazz music and the arts, mental health, and criminal justice reform to name a few. I believe a big part of “knowing thyself” is finding causes you are passionate about and contributing to them. Contributions don’t need to be monetary – spending time visiting The Boat, an 800-bed jail barge anchored in the East River, opened my eyes to the horrors of our broken criminal justice system and started my mission to work with The Bail Project and end cash bail. There are so many ways to contribute.”



Mike Novogratz
Founder & CEO, Galaxy



ESG in Crypto Philanthropy

To the Moon! But First: The Finish Line.

Since the Russian invasion of Ukraine, millions of refugees have been forced to flee the country. Galaxy employees ran the Brooklyn Half Marathon in support of the families impacted by this humanitarian crisis. In the process Galaxy employees donated over \$10,000 to the International Rescue Committee (IRC), an organization long supported by Steve Kurz, Galaxy’s Head of Asset Management. The IRC has provided critical on-the-ground care to those displaced by the conflict. Our team’s donations help supply food, medical care, and emergency support services. To show our support, Galaxy Fund Management (GFM) matched \$5,000.





Financial Inclusion and Education

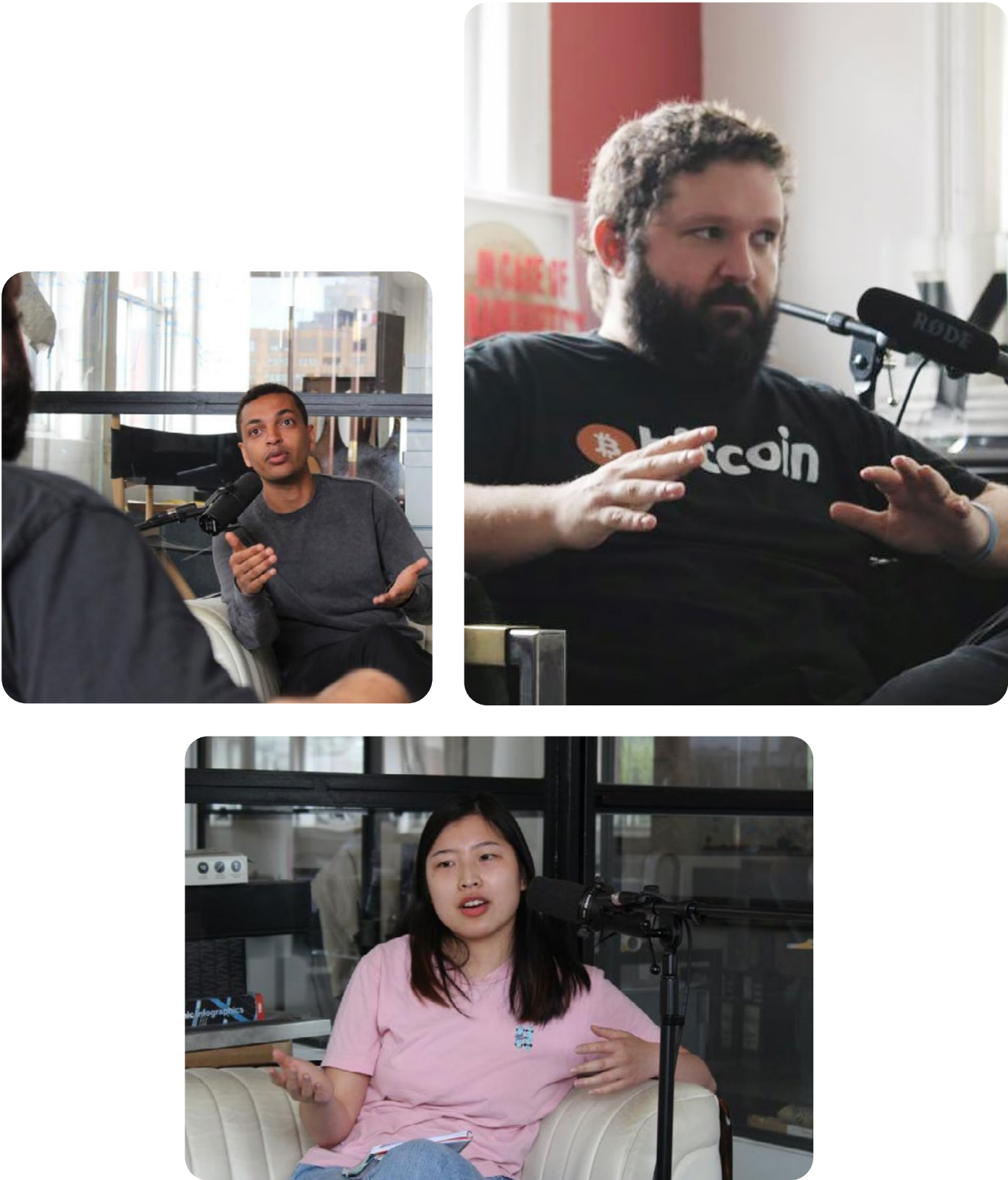
Blockchain and digital assets are already expanding access to ownership and enabling more people to participate in markets. This technology has the potential to create a new economic paradigm that is more transparent and egalitarian. It is this new paradigm that we are working every day to help engineer. We have developed several world class educational resources that are free and publicly available to all.

Galaxy Brains Podcast

Galaxy Brains is a weekly podcast providing insights and analysis on trends and events across the cryptocurrency ecosystem. The podcast is hosted by Alex Thorn, Head of Firmwide Research at Galaxy. Each week Alex is joined by members of the Research Team and other experts across Galaxy to discuss major developments throughout the crypto-verse. The Galaxy Brains podcast is available on **Amazon, Apple, Google Podcasts, Spotify, Stitcher, YouTube** or wherever you get your pods.

Bitcoin Mining Education Series

Bitcoin offers an alternative financial infrastructure that promotes financial inclusion. Galaxy Mining established the Bitcoin Mining Education Series, a 12-week course covering major topics in mining with the goal of educating anyone interested in learning about Bitcoin mining. Each week, a new topic in mining was presented through two learning formats: a presentation by leaders in the industry paired with a Twitter Spaces event to ask questions.





Cryptocademy

GFM established the **Cryptocademy**, a four-week course covering the major foundational concepts integral to understanding the digital asset class. Cryptocademy weekly course content includes educational videos featuring leaders at Galaxy and supporting articles covering digital assets, Bitcoin, Web3, and DeFi.

“Galaxy truly understands the massive growth potential for the metaverse and Web3, and the team is playing an integral role in helping to educate the traditional world on this evolution.”



Keith A. Grossman
President, TIME

TIME For Learning

The Galaxy-TIME partnership included the **TIME For Learning Metaverse Educational Video** and **Dictionary**. TIME leveraged Galaxy’s deep expertise in virtual worlds to assist in explaining the metaverse and its exciting potential for the future. This included insights from Galaxy Interactive General Partners Sam Englehardt and Richard Kim, as well as Mike Novogratz, on investing in companies operating at the intersection of content, finance, and technology.

Designed to educate on the rapidly expanding and evolving metaverse, the Galaxy-TIME partnership included a weekly TIME newsletter, “Into the Metaverse.” The newsletter explored the ways our physical and digital selves are becoming increasingly intertwined, highlighted communities that are rapidly emerging in new virtual worlds and engaged with leaders at the forefront of the transformations in business, innovation, and culture taking place within the metaverse.

True to our crypto and Web3 focus, Galaxy financed this partnership with Ether (ETH) – the native cryptocurrency of the Ethereum blockchain – marking the first time a major media organization has accepted ETH as payment. Additionally, TIME Magazine will hold ETH on its balance sheet for the first time. This payment follows TIME beginning to accept cryptocurrency as a form of payment for digital subscriptions as the brand continues to expand into the cryptocurrency space.



Employee Health and Safety and Working Conditions

COVID-19

As a company we implemented safety protocols to keep our employees and their families safe during the COVID-19 pandemic. During 2021, in order to enter the office, we required all US-based employees to provide proof of vaccination status through a secure HIPAA-compliant vaccination tracker. We also offered free, optional testing available for anyone in our US-based offices. We maintained a strict protocol around following Centers for Disease Control and Prevention (CDC) guidelines regarding the cleaning of our office, notification of close contacts, and requiring certain testing and quarantine periods for employees that contract COVID-19. Additionally, we offer free in-office flu shots for employees who want them. We continue to monitor and evaluate our COVID-19 procedures.

We have listened to and heard our employees, and many want to be in the office. But many are reluctant or apprehensive. Galaxy wants to foster an environment where our employees feel trusted to make their own choices. Our industry and our company ethos are all about individual choice, and we want our employees to know that we support and trust any personal decisions that are made around this issue. As a result, during 2021, we have offered all our employees the possibility of a hybrid work environment during these unprecedented times.

Flexible Time Off

We know that it is important to our people to balance professional and personal demands. In a high-performing culture like ours, we want to provide an environment that is flexible and supports the individual needs of our employees that extend outside of work.

In 2021, we implemented a Flexible Time Off (FTO) policy for US-based employees, which means our people can decide how many vacation or personal days off per year they want, with manager approval. Whether that means a trip to somewhere exotic, a visit with family, a staycation, or any way our people want to unwind and unplug.

Galaxy is a leading-edge company, and we want to be the market leader in everything we do. We believe in fostering an inclusive and flexible environment for our talent and want to make sure our benefits are modern and forward-looking. Forward-looking programs such as FTO help differentiate us from the competition and improve attraction and retention of talent.

We believe FTO will also help with mental well-being so that our people can take time away to recharge and reenergize. We want Galaxy to be an employer of choice, and a place where our employees have the support to build a long-term career.



Year of Emotional Wellbeing

Year of Emotional Wellbeing (YEW) is Galaxy’s global initiative on mental health with a goal to create a culture of awareness and acceptance around mental health issues, such as anxiety and depression. We want to create a safe environment where we look after ourselves and each other.

We all have faced unprecedented levels of stress over the past couple of years. The uncertainty of the pandemic has taken a toll on all of us both at work and at home. YEW is a multi-layer initiative and our long-term approach to providing support, well-being programs and access to mental healthcare for the Galaxy team. We recognize the growing issue of mental health and the struggle of finding or even just asking for help. YEW includes the rollout of our new global mental health partner, Ginger, which provides coaching and mental health support 24/7 via text and video sessions. In observance of Mental Health Awareness Month, all Galaxy offices were closed for a Global Mental Health Day on May 27, 2022. It is important to provide our employees with support to create a positive culture and environment to be able to be our best selves at work. These initiatives, including the buildout of YEW over the next two years, will help Galaxy maintain its status as a premier destination of choice for talent.

“Emotional well-being is important to me because it enables each of us to be the best version of ourselves. Emotional health is a vital part of overall health, so you can manage life and work challenges with perspective. I am proud to sponsor YEW at Galaxy!”



Mark Toomey
Head of North America Asset Management Sales, Galaxy

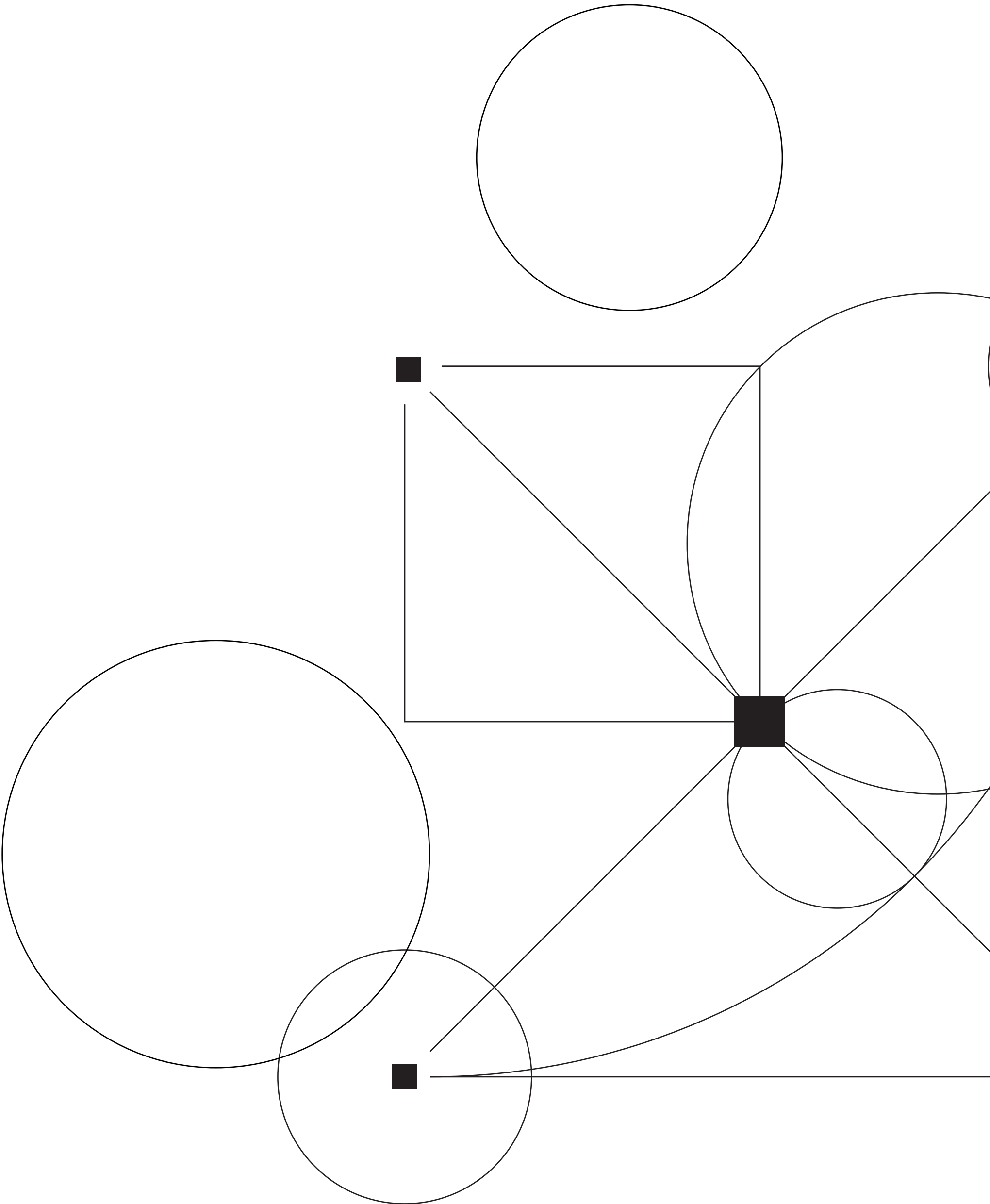


Human Rights

We have a zero-tolerance approach to human rights violations. Galaxy’s **UK Modern Slavery Act Transparency Statement**, along with our **Global Code of Conduct**, Code of Ethics and Business Conduct, and our Employee Handbook reflect our commitment to conducting business in accordance with the highest standards of ethical business conduct and integrity. Accompanying this is our **Whistleblowing Policy**, which provides a system for our employees to escalate breaches and issues of Galaxy policies.

All our employees are required to complete compliance training and attest to the Global Code of Conduct on an annual basis. As part of our onboarding process, all new employees are trained on the Global Code of Conduct and related compliance policies.

Galaxy conducts business on a global scale, and, through our activities, we interact with a number of different parties. Galaxy does not tolerate slavery, forced labor, or human trafficking in any form and is committed to preventing slavery, forced labor, and human trafficking in all aspects of our business. Third parties must not participate in or benefit from any form of slavery, forced labor, or human trafficking. Third parties are expected to fully comply with all applicable slavery, forced labor and human trafficking laws. Galaxy will not knowingly work with third parties who engage in these practices. We consider the risk of modern slavery or human trafficking existing within our business or our supply chains to be low.



04

- **Environmental**

001
Bitcoin Mining

002
Climate Change, Energy, and Greenhouse Gas Emissions

003
Waste Reduction and Recycling



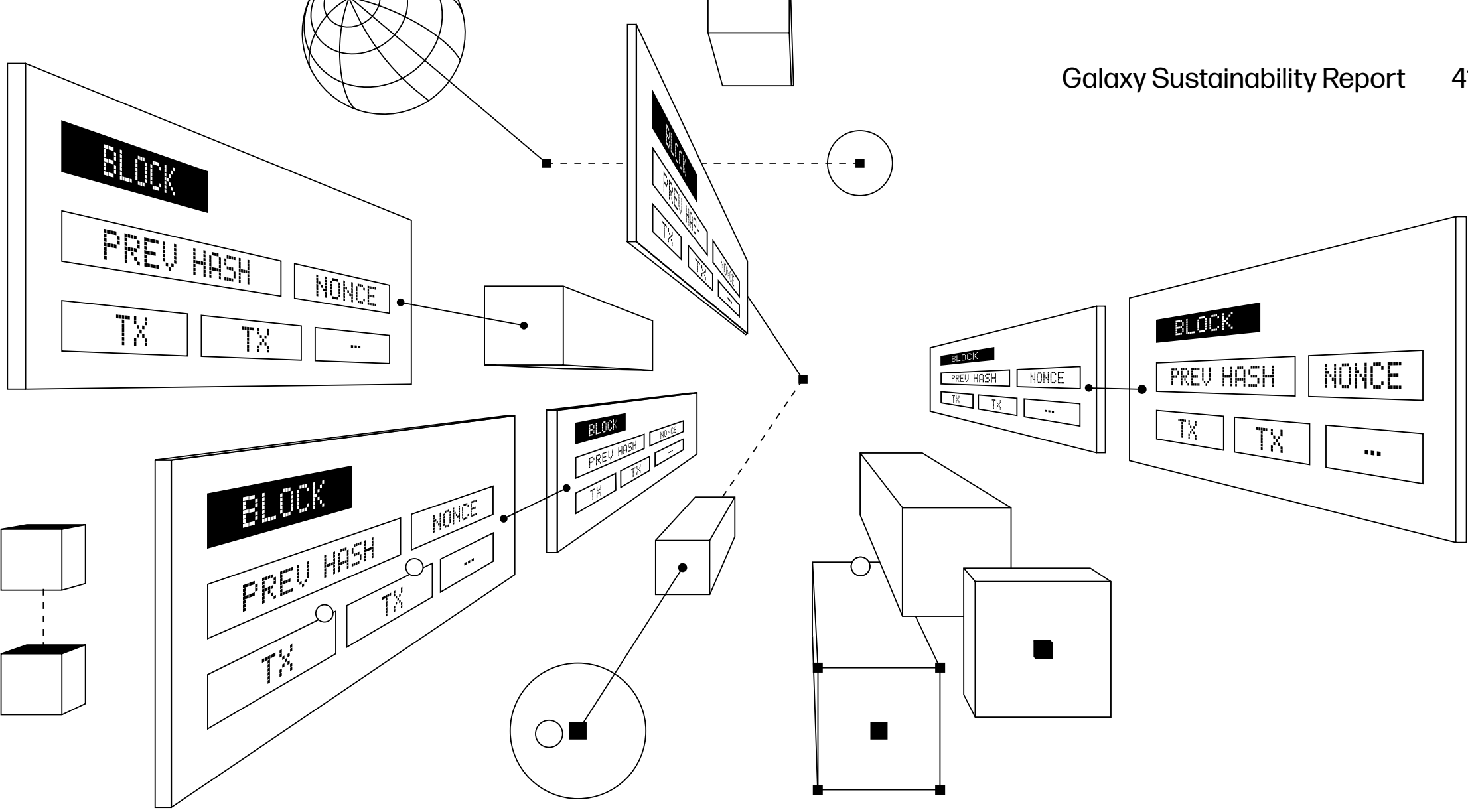


Bitcoin Mining

We believe Bitcoin innovations will permeate and improve all aspects of our global economy. Galaxy Mining launched in 2021, integrating with our existing business lines to offer trade and risk management solutions, asset-backed lending, equity investments, and M&A advisory services for Bitcoin miners. In addition to providing financial services to miners, Galaxy Mining also mines bitcoin on a proprietary basis and a key element of our business strategy is sourcing sustainable energy and promoting and educating on sustainable mining practices and its impacts. Galaxy Mining is a woman-led business line, composed of 50% women¹, and is committed to expanding female representation in the Bitcoin ecosystem.

Galaxy is a founding member of the **Bitcoin Mining Council** (BMC) and Galaxy’s Head of Mining, Amanda Fabiano, is an advisor to the **Bitcoin Clean Energy Initiative**, a commitment led by **Block Inc.** to help accelerate the global energy transition by supporting impactful and scalable solutions for the Bitcoin mining ecosystem.

The BMC is a voluntary and open forum of Bitcoin miners committed to the network and its core principles. The BMC promotes transparency, shares best practices, and educates the public on the benefits of Bitcoin and Bitcoin mining. The BMC believes that transparency



around energy usage for mining is important and agree to voluntarily share their energy mix and total hashrate for research and educational purposes.

Galaxy Mining is committed to continue to deploy our climate strategy. In the second quarter of 2021, **Galaxy Mining made a public dedication to manage our carbon footprint and increase the use of sustainable energy.**²

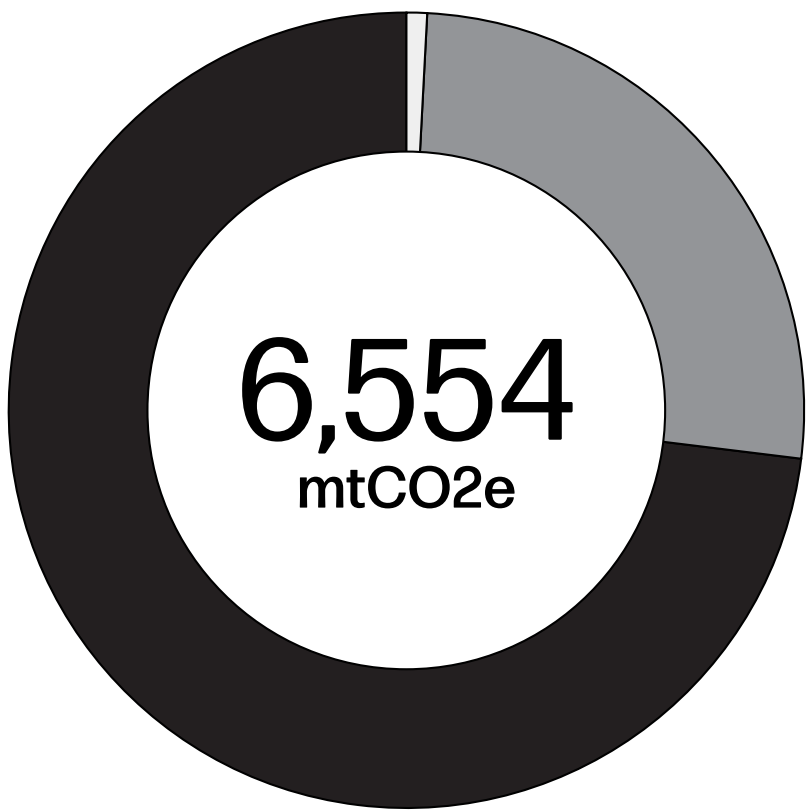
Galaxy Mining maintains a long-term goal to utilize an over-80% sustainable mix for all mining operations. This long-term goal will indirectly help decarbonize Galaxy’s Scope 2 greenhouse gas (GHG) emissions.

[1] As of 12/31/2021, unaudited.
[2] "Sustainable Energy Mix" is defined by the BMC as energy sourced from hydro, wind, solar, nuclear and geothermal energy sources. The BMCs "Sustainable Energy" definition is based on the principles brought forward by the U.S. Energy Information Administration (EIA) Net Zero by 2050 Report. The definition was updated in the fourth quarter to exclude carbon-based energy with net carbon credits.

Climate Change, Energy, and Greenhouse Gas Emissions

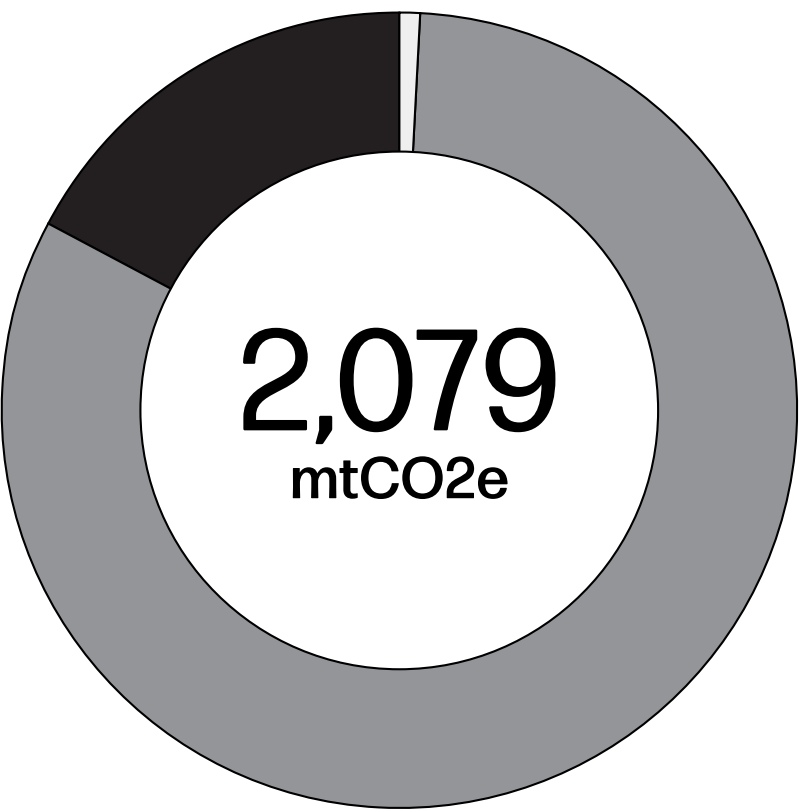
Galaxy is committed to conducting our business based on a strong sustainability framework that prioritizes responsible environmental practices. Our strategy positions our business for success both today and in the future, as we engineer a new economic paradigm in a sustainable manner.

Total Carbon Footprint¹



Transmission & Distribution Network Loss:	0.3%
Waste Generation:	0.1%
Purchased Goods & Services: <i>(includes Hardware, Servers, Software, Victuals)</i>	10%
Employee Commute & Work From Home: <i>(includes Electricity & Fuel Consumption)</i>	4%
Business Travel: <i>(includes Commercial & Private Air Travel, Car Rental & Ride Share, Hotel)</i>	12%
Electricity Consumption: <i>(includes Global Offices)</i>	5%
Bitcoin Mining Electricity Consumption ² :	68%
Scope 1 ³	0 mtCO2e
Scope 2 ⁴	4,822 mtCO2e
Scope 3 ⁵	1,713 mtCO2e
Scope Other ⁶	19 mtCO2e
Emissions Intensity	3.8 mtCO2e/\$1MM Net Comprehensive Income ⁷ 23.3 mtCO2e/Employee ⁸

Total Carbon Footprint Excluding Bitcoin Mining¹



Transmission & Distribution Network Loss:	1%
Waste Generation:	0.4%
Purchased Goods & Services: <i>(includes Hardware, Servers, Software, Victuals)</i>	31%
Employee Commute & Work From Home: <i>(includes Electricity & Fuel Consumption)</i>	13%
Business Travel: <i>(includes Commercial & Private Air Travel, Car Rental & Ride Share, Hotel)</i>	38%
Electricity Consumption: <i>(includes Global Offices)</i>	17%
Scope 1 ³	0 mtCO2e
Scope 2 ⁴	347 mtCO2e
Scope 3 ⁵	1,713 mtCO2e
Scope Other ⁶	19 mtCO2e
Emissions Intensity	1.2 mtCO2e/\$1MM Net Comprehensive Income ⁹ 7.6 mtCO2e/Employee ¹⁰

[1] As of 12/31/2021. Some estimations were used to cover electricity consumption of coworking spaces outside of the United States. Financed emissions and water consumption were not covered in this assessment.

[2] Derived from Galaxy's Bitcoin mining energy mix across our onshore third-party facility operator, as provided. As of 12/31/2021, unaudited.

[3] Scope 1: Direct emissions from owned or controlled sources.

[4] Scope 2: Indirect emissions from the generation of purchased energy.

[5] Scope 3: All other indirect emissions sources.

[6] Scope Other: Network transmission and distribution losses from supplying electricity.

[7] Emissions Intensity/\$1MM Net Comprehensive Income = total carbon footprint/FY 2021 net comprehensive income in millions USD.

[8] Emissions Intensity/Employee = total carbon footprint/total number of employees.

[9] Emissions Intensity/\$1MM Net Comprehensive Income = total carbon footprint/FY 2021 net comprehensive income in millions USD. Excludes net comprehensive income from Galaxy Mining.

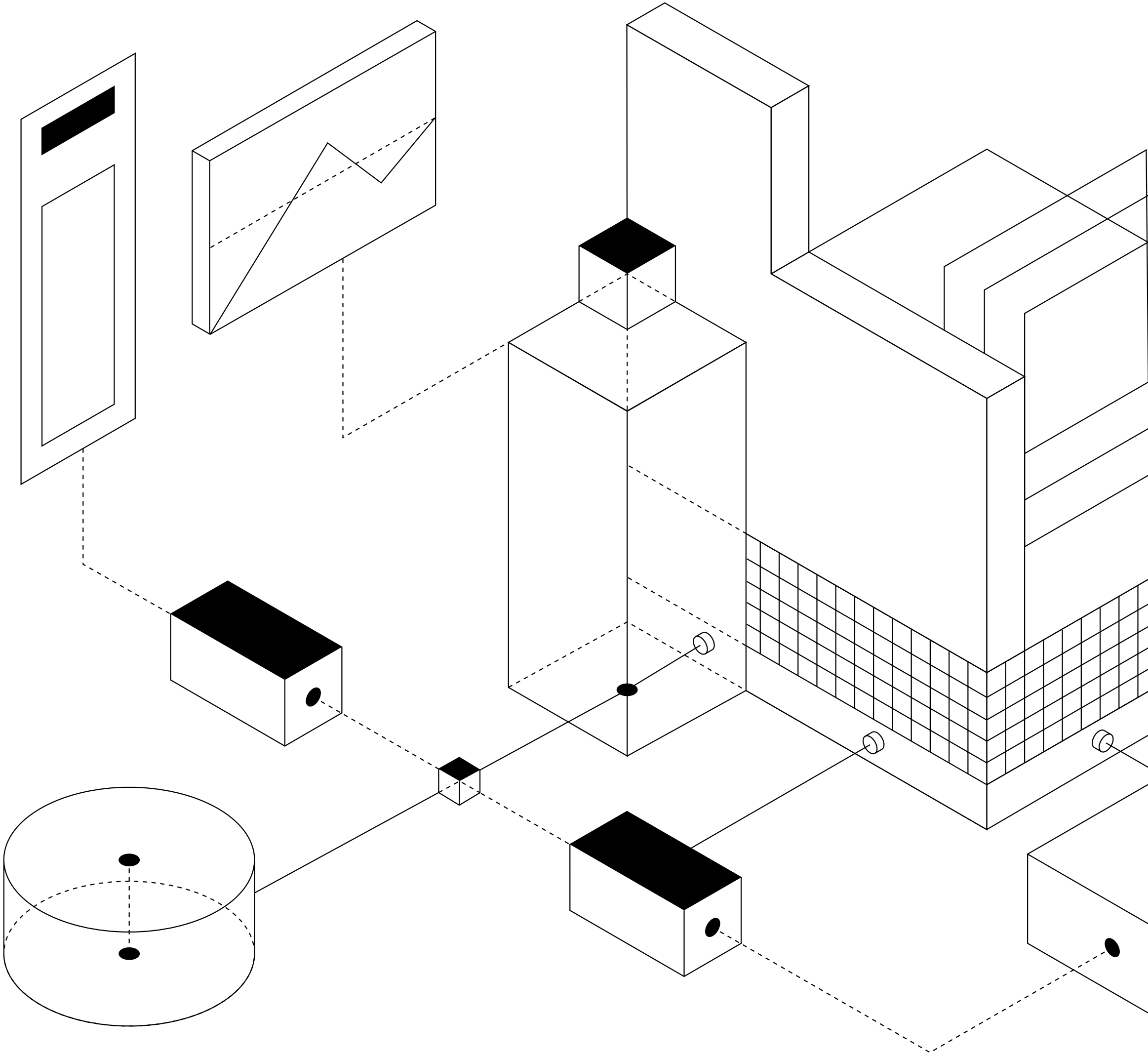
[10] Emissions Intensity/Employee = total carbon footprint/total number of employees. Excludes Galaxy Mining employees.



In 2021, we engaged Apex Group to conduct Galaxy’s first greenhouse gas (GHG) assessment covering Scope 1, 2, and 3 emissions. Apex Group follows the GHG Protocol methodology for calculating emissions and uses nationally recognized emissions factors, published by regulated authorities, to ensure the robustness of calculations. Where necessary, Apex Group may build bespoke models for unique emissions sources, grounded in best-in-class data and scientific approaches. Apex Group conducted this GHG assessment and verification of data independently, as a third-party, with no conflicts of interest with Galaxy. Galaxy’s Scope 1, 2, and 3 GHG emissions were 6,554 metric tonnes of carbon dioxide equivalent (mtCO₂e). Apex Group’s assurance letter is located in the Appendix.

- Our GHG calculations and assessment are essential to helping us to understand our impact, find opportunities to enhance our operational efficiency, and implement best practices to reduce our footprint. To better understand our impact, we also analyzed our total carbon footprint excluding Bitcoin mining electricity consumption. Bitcoin mining is one of our business lines, and while a key element of our business strategy is sourcing sustainable energy, approximately 68% of our total carbon footprint is a result of electricity consumption to help secure the Bitcoin network.

In 2022, we have already taken steps in the right direction to increase our proportional renewable energy use. Our London team relocated to a new office space that sources 100% of its electricity from renewable sources. Nevertheless, business activities that contribute to our footprint are likely to increase as we continue to move past COVID-19. We will continue to disclose our GHG emissions on an annual basis and are committed to increasing transparency around our impact.





Galaxy Earth Week

Earth Day represents the birth of the modern environmental movement and worldwide support for environmental protection. To celebrate Earth Day and show our commitment to environmental stewardship, Galaxy hosted a series of events, known as Galaxy Earth Week.

Galaxy Founder and CEO Mike Novogratz is Chairman of the Hudson River Park Friends, which supports the Hudson River Park footsteps away from Galaxy’s New York headquarters. Over 30 Galaxy volunteers participated in a gardening and horticultural maintenance project at the Hudson River Park in Manhattan’s west-side focusing on team-building activities that connected us to the park’s unique urban ecology and local community. Our team collected, composted, and redistributed five-cubic yards of debris and cutback one of the main grassland beds in preparation for spring planting. Galaxy donated \$5,000 to the Hudson River Park Friends.

Also during Earth Week, Galaxy’s People & Talent Acquisition all-star and in-house certified Yoga instructor guided a 30-minute morning yoga session. Earth Week was capped off by a company-wide ESG, Sustainability, and Corporate Responsibility Info Session by Galaxy’s in-house ESG & Corporate Sustainability Specialist.



Waste Reduction and Recycling

- Our New York and Chicago office locations host the majority of our workforce. Both hold LEED Gold Certifications and WELL Health Safety Ratings and are equipped with EnergyStar and WaterSense fixtures that help minimize our energy and water intensity. Our Hong Kong office holds a LEED Silver Certification and achieved an excellent rating in accordance with the Hong Kong Building Environmental Assessment Method. Our London team recently relocated to a new office space that sources 100% of its electricity from renewable sources. Galaxy’s Amsterdam office location received an “A” Energy Label Score. Additionally, we have established paper, plastic, and electronic waste reduction strategies, alongside our wide-scale recycling efforts, to better manage natural resources.

Waste Diversion¹

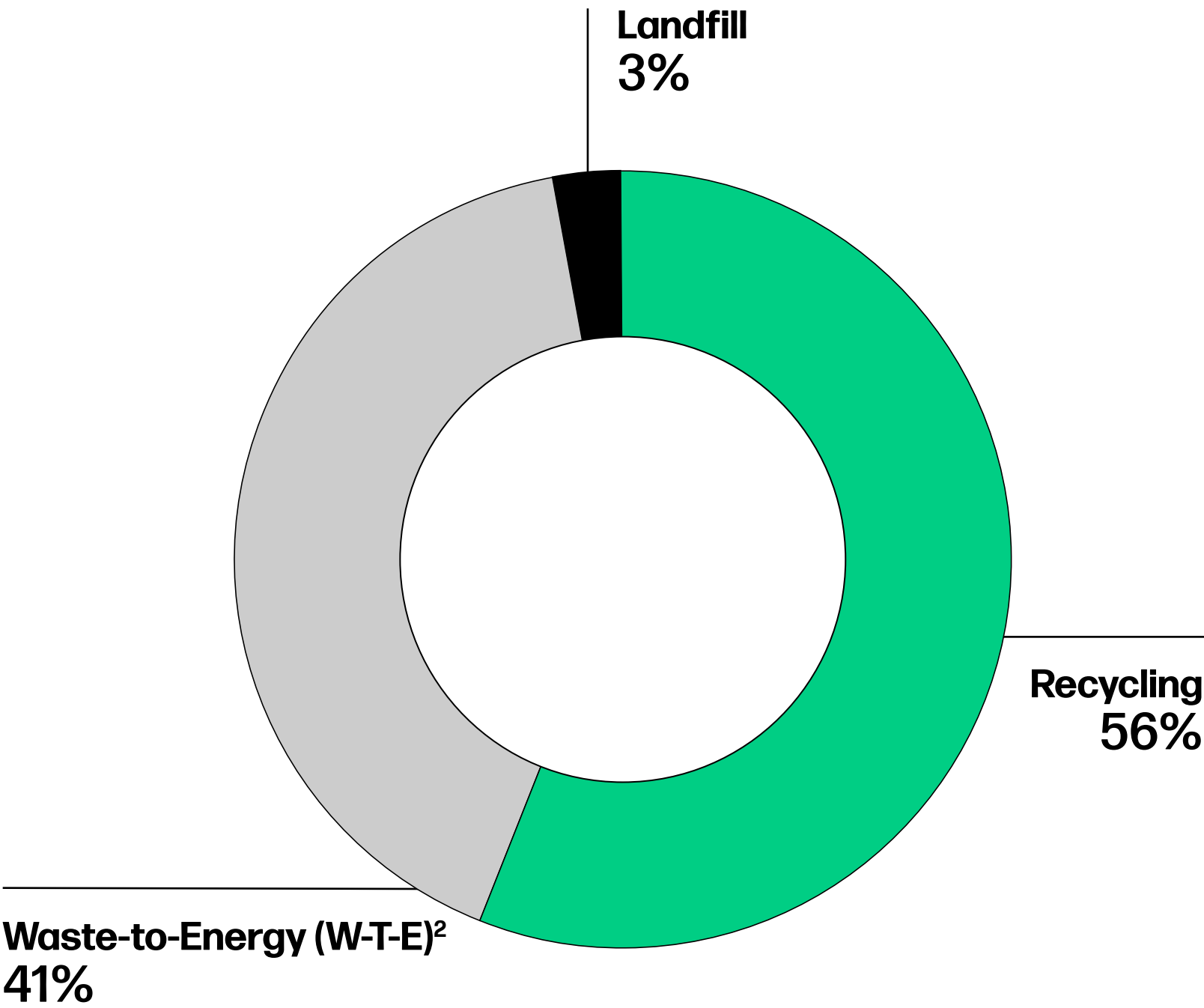
Landfill Diversion Rate

56%

Landfill Diversion Rate

Including W-T-E

97%



[1] As of 12/31/2021, unaudited. Landfill diversion rate for New York and Chicago office locations. Waste diversion rate calculated by percentage of building space occupied by Galaxy.

[2] As defined by the U.S. Environmental Protection Agency (EPA), Waste-to-Energy is the conversion of non-recyclable waste materials into usable heat, electricity, or fuel through a variety of processes, including combustion, gasification, pyrolyzation, anaerobic digestion and landfill gas recovery.

05 Appendix

- 001**
Supporting the United Nations Sustainable Development Goals (SDGs)
- 002**
Global Reporting Initiative (GRI) and Sustainable Accounting Standards Board (SASB) Index
- 003**
Task Force on Climate-Related Financial Disclosures (TCFD) Index
- 004**
Apex Group Assurance Letter
- 005**
About the Artist and Her Process





Supporting the United Nations Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) are a set of 17 global goals adopted by all United Nations Member States in 2015, designed to further peace and prosperity. We believe the crypto revolution has the potential to drive the SDGs forward. Blockchain and digital assets are already expanding access to ownership and enabling more people to participate in markets. This technology has the potential to create a new economic paradigm that is more transparent and egalitarian. It is this new paradigm that we are working every day to help engineer. Initiatives across Galaxy help advance 7 of the 17 goals, each of which are highlighted in black on the right.

Galaxy Advances 7 of 17 Goals




<div><div>1 NO POVERTY</div><div></div></div>	<div><div>2 NO HUNGER</div><div></div></div>	<div><div>3 GOOD HEALTH</div><div></div></div>	<div><div>4 QUALITY EDUCATION</div><div></div></div>	<div><div>5 GENDER EQUALITY</div><div></div></div>
<div><div>6 CLEAN WATER AND SANITATION</div><div></div></div>	<div><div>7 RENEWABLE ENERGY</div><div></div></div>	<div><div>8 GOOD JOBS AND ECONOMIC GROWTH</div><div></div></div>	<div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div>	<div><div>10 REDUCED INEQUALITY</div><div></div></div>
<div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div>	<div><div>12 RESPONSIBLE CONSUMPTION</div><div></div></div>	<div><div>13 CLIMATE ACTION</div><div></div></div>	<div><div>14 LIFE BELOW WATER</div><div></div></div>	<div><div>15 LIFE ON LAND</div><div></div></div>
<div><div>16 PEACE AND JUSTICE</div><div></div></div>	<div><div>17 PARTNERSHIPS FOR THE GOALS</div><div></div></div>			



Supporting the United Nations Sustainable Development Goals (SDGs)

<div><div><div>GOOD HEALTH</div><div></div></div><div><div>Goal 3</div><div>Ensure healthy lives and promote well-being for all at all ages</div></div></div> <div><div>Target 3.4</div><div>Launched Year of Emotional Wellbeing, our global initiative on mental health with a goal to create a culture of awareness and acceptance around mental health issues, including coaching and mental health support 24/7 via text and video sessions</div></div> <div><div>Target 3.8</div><div>Implemented COVID-19 safety protocols during 2021, including:<ul style="list-style-type: none">▪ Required all US-based employees to provide proof of full vaccination status▪ Offered free optional testing available for anyone in our US-based offices▪ Maintained a strict protocol around following CDC guidelines▪ Offered optional free in-office flu shots▪ Offered hybrid work arrangements</div></div>	<div><div><div>QUALITY EDUCATION</div><div></div></div><div><div>Goal 4</div><div>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</div></div></div> <div><div>Target 4.4</div><div>Launched Galaxy Brains podcast to provide free insights and analysis on trends and events taking place across the cryptocurrency ecosystem</div></div> <div><div></div><div>Launched Bitcoin Mining Summer Education Series, a 12-week free course for anyone interested in learning about Bitcoin mining</div></div> <div><div></div><div>Established the Cryptacademy, a four-week free course covering the major foundational concepts integral to understanding the digital asset class</div></div> <div><div></div><div>Partnered with TIME to the develop the TIME For Learning Metaverse Educational Video Dictionary, and newsletter to educate the public on the metaverse</div></div>	<div><div><div>GENDER EQUALITY</div><div></div></div><div><div>Goal 5</div><div>Achieve gender equality and empower women and girls</div></div></div> <div><div>Target 5.5</div><div>Established Women at Galaxy Employee Resource Group (ERG) to amplify the voices of women across the company, serving as a central think tank to drive equality, make an impact, and provide a sense of belonging</div></div>	<div><div><div>RENEWABLE ENERGY</div><div></div></div><div><div>Goal 7</div><div>Ensure access to affordable, reliable, sustainable, and modern energy for all</div></div></div> <div><div>Target 7.2</div><div><u>Galaxy Mining maintains a long-term goal to utilize an over-80% sustainable energy mix for all mining operations and is committed to continue to deploy our climate strategy</u></div></div> <div><div></div><div>Relocated London team to a new office space that sources 100% of its electricity from renewable sources</div></div> <div><div>Target 7.3</div><div>Achieved LEED Gold Certification and WELL Health Safety Ratings at New York and Chicago office locations and LEED Silver Certification at Hong Kong office location</div></div> <div><div></div><div>Achieved “A” Energy Label Score in Amsterdam office location</div></div>
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Supporting the United Nations Sustainable Development Goals (SDGs)

<div><div><div>GOOD JOBS AND ECONOMIC GROWTH</div><div></div></div><div><div>Goal 8</div><div>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</div></div></div> <div><div>Target 8.7</div><div>Committed to a zero-tolerance approach to human rights violations via <u>UK Modern Slavery Act Transparency Statement</u></div></div> <div><div>Target 8.10</div><div>Expanded access to banking and financial services via investments in Acorns, Bakkt, Ramp, 1inch, among others</div></div>	<div><div><div>REDUCED INEQUALITY</div><div></div></div><div><div>Goal 10</div><div>Reduce inequality within and among countries</div></div></div> <div><div>Target 10.2</div><div>Established <u>Diversity Policy</u> to promote and support equality</div></div> <div><div>Donated over \$40,000 to 501(c)(3) organizations. Our employees selected <u>Experience Camps</u>, an organization providing no-cost programs for grieving children who have experienced the death of a parent, sibling, or primary caregiver, as one of the several donation recipients</div></div>	<div><div><div>RESPONSIBLE CONSUMPTION</div><div></div></div><div><div>Goal 12</div><div>Ensure sustainable consumption and production patterns</div></div></div> <div><div>Target 12.5</div><div>Achieved 56% landfill diversion rate (97% including waste-to-energy) in New York and Chicago office locations</div></div> <div><div>Established paper, plastic, and electronic waste reduction strategies, alongside our wide-scale recycling efforts, to better manage natural resources</div></div> <div><div>Target 12.6</div><div>Integrated sustainability information into reporting aligned with GRI, SASB, TCFD, and SDGs</div></div>
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Global Reporting Initiative (GRI) and Sustainable Accounting Standards Board (SASB) Index

This report was prepared with reference to the Global Reporting Initiative (GRI) standards and the Value Reporting Foundation’s Sustainability Accounting Standards Board (SASB) standards for the Financial Sector Asset Management & Custody Activities (FN-AC) and Investment Banking & Brokerage (FN-IB) industries.

GRI and SASB Index

GRI	SASB	GRI/SASB Description	FY 2021 Disclosure Location
2-1	-	Organizational details	About Galaxy, Page 6 <u>Galaxy Digital Holdings Ltd. Annual Information Form 2021, Page 6-9</u>
2-2	-	Entities included in the organization’s sustainability reporting	About Galaxy, Page 6
2-3	-	Reporting period, frequency and contact point	This report was published on 10/11/2022 and covers calendar year 2021. Galaxy Digital’s ESG reporting follows an annual cycle. For any related questions, please contact our Investor Relations team at investor.relations@galaxy.com
2-5	-	External assurance	Apex Group Assurance Letter, Page 63-69
2-6	-	Activities, value chain and other business relationships	About Galaxy, Page 6



GRI and SASB Index (Continued)

GRI	SASB	GRI/SASB Description	FY 2021 Disclosure Location
2-7	FN-IB-330a.1 FN-AC-330a.1	Employees	Employee Development, Engagement, and Retention, Page 27-28 Employee Diversity, Equity, Inclusion, and Belonging, Page 29-30
2-9	–	Governance structure and composition	Corporate Governance, Page 12-15 Sustainability Program Oversight, Page 17-18
2-10	–	Nomination and selection of the highest governance body	Corporate Governance, Page 12-15 <u>Board of Directors Mandate</u>
2-11	–	Chair of the highest governance body	Corporate Governance, Page 12-15
2-12	–	Role of the highest governance body in overseeing management of impacts	Sustainability Program Oversight, Page 17-18
2-13	–	Delegation of responsibility for managing impacts	Sustainability Program Oversight, Page 17-18
2-14	–	Role of the highest governance body in sustainability reporting	Our First ESG Materiality Assessment, Page 9-10 Sustainability Program Oversight, Page 17-18
2-15	FN-IB-510b.4	Conflict of interest	Business Ethics and Compliance, Page 19-20 <u>Global Code of Conduct</u>
2-17	–	Collective knowledge of the highest governance body	Corporate Governance, Page 12-15 Sustainability Program Oversight, Page 17-18
2-21	–	Annual total compensation ratio	Corporate Governance, Page 15



GRI and SASB Index (Continued)

GRI	SASB	GRI/SASB Description	FY 2021 Disclosure Location
2-22	–	Statement on sustainable development strategy	Message From Our Founder & CEO, Page 5
2-23	FN-IB-510b.4	Policy commitments	Business Ethics and Compliance, Page 19-20 <u>Global Code of Conduct</u> <u>Whistleblowing Policy</u> <u>Insider Trading Policy</u> Human Rights, Page 39 <u>2021 UK Modern Slavery Act Transparency Statement</u>
2-26	FN-IB-510a.2 FN-AC-510a.2	Mechanisms for seeking advice and raising concerns	Business Ethics and Compliance, Page 19-20 <u>Whistleblowing Policy</u>
2-28	–	Membership associations	Public Policy Practices and Government Engagement, Page 25 Bitcoin Mining, Page 41
2-29	–	Approach to stakeholder engagement	Our First ESG Materiality Assessment, Page 9
3-1	–	Process to determine material topics	Our First ESG Materiality Assessment, Page 9
3-2	–	List of material topics	Our First ESG Materiality Assessment, Page 10
201-1	–	Direct economic value generated and distributed	<u>Galaxy Digital Announces 2021 Financial Results</u>



GRI and SASB Index (Continued)

GRI	SASB	GRI/SASB Description	FY 2021 Disclosure Location
-	FN-AC-000.A	AUM	<u>Galaxy Digital Asset Management: December 2021 Month End AUM</u>
201-2	-	Financial implications and other risks and opportunities due to climate change	Task Force on Climate-Related Financial Disclosures (TCFD) Index, Page 55-62
205-2	-	Communication and training about anti-corruption policies and procedures	Business Ethics and Compliance, Page 19-20 <u>Global Code of Conduct</u>
305-1	-	Direct (Scope 1) GHG emissions	Climate Change, Energy, and Greenhouse Gas Emissions, Page 42
305-2	-	Energy indirect (Scope 2) GHG emissions	Climate Change, Energy, and Greenhouse Gas Emissions, Page 42
305-3	-	Other indirect (Scope 3) GHG emissions	Climate Change, Energy, and Greenhouse Gas Emissions, Page 42
305-4	-	GHG emissions intensity	Climate Change, Energy, and Greenhouse Gas Emissions, Page 42
306-3	-	Waste generated	Waste Reduction and Recycling, Page 45
306-4	-	Waste diverted from disposal	Waste Reduction and Recycling, Page 45
306-5	-	Waste directed to disposal	Waste Reduction and Recycling, Page 45
401-1	-	New employee hires and employee turnover	Employee Development, Engagement, and Retention, Page 27-28
401-2	-	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Benefits, Page 27



GRI and SASB Index (Continued)

GRI	SASB	GRI/SASB Description	FY 2021 Disclosure Location
401-3	–	Parental leave	Employee Benefits, Page 27
403-6	–	Promotion of worker health	Employee Benefits, Page 27 Employee Health and Safety and Working Conditions, Page 37-38
404-2	–	Programs for upgrading employee skills and transition assistance programs	Employee Development, Engagement, and Retention, Page 27-28 Employee Health and Safety and Working Conditions, Page 37-38
405-1	FN-IB-330a.1 FN-AC-330a.1	Diversity of governance bodies and employees	Corporate Governance, Page 12-13 Employee Diversity, Equity, Inclusion, and Belonging, Page 29-30
408-1	–	Operations and suppliers at significant risk for incidents of child labor	Human Rights, Page 39 <u>2021 UK Modern Slavery Act Transparency Statement</u>
409-1	–	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights, Page 39 <u>2021 UK Modern Slavery Act Transparency Statement</u>

Task Force on Climate-Related Financial Disclosures (TCFD) Index

As part of Galaxy’s inaugural Sustainability Report, we have detailed our alignment to the Task Force on Climate-Related Financial Disclosures (TCFD). TCFD recommendations are organized into four pillars that allow for a consistent, standardized approach to analyzing climate-related risks and opportunities: (1) Governance, (2) Strategy, (3) Risk Management, and (4) Metrics and Targets. Galaxy’s TCFD response represents our efforts towards implementing the recommendations of the TCFD. More in-depth information can be found in our full 2021 Sustainability Report.

Governance

Recommended Disclosure	GLXY Response
Describe the board’s oversight of climate-related risks and opportunities	Galaxy’s Board of Directors and its Compensation, Corporate Governance, and Nominating (CGN) Committee are responsible for overseeing our sustainability framework, strategy, and objectives. The Board of Directors and its CGN Committee are informed through, at a minimum, quarterly Board of Director meetings and annual reports from the ESG Steering Committee. Updates to the Board of Directors and its CGN Committee may include climate-related risks and opportunities that may materially affect Galaxy.
Describe management’s role in assessing and managing climate-related risks and opportunities	Our ESG Steering Committee, comprised of senior executives across business lines and key functions, is responsible for program execution and continuous improvement of ESG initiatives. Supporting our Steering Committee is a dedicated ESG Working Group, which is responsible for the day-to-day management and implementation of ESG directives and strategy, with representatives from key business lines and corporate functions. The ESG Steering Committee and Working Group meet at least monthly and discuss ESG strategic implementation, which may include climate-related risks and opportunities that may materially affect Galaxy.

Task Force on Climate-Related Financial Disclosures (TCFD) Index

As a technology-driven financial services and investment management firm in the digital asset ecosystem, climate-related risks are unlikely to substantially impact Galaxy’s diverse business lines and operations. However, we understand climate-related risks may lead to potential shifts in the operations of our business lines. TCFD identifies two categories of risks, transition risks and physical risks. Transition risks are those associated with transitioning to a lower-carbon economy, particularly the policy, legal, technological, and market changes that may require mitigation and adaptation. Physical risks can be event-driven (acute) or longer-term shifts in climate patterns (chronic).

We consider each risk and opportunity across three time horizons: short-term (ST; 0-3 years), medium-term (MT; 3-5 years), and long-term (LT; 5+ years). The table below exhibits Galaxy’s identified climate-related risks and opportunities and discusses their potential impact based on TCFD guidelines.

Strategy – Climate Related Risks

Potential Risk		Potential Impact on GLXY
TRANSITION RISK: POLICY & LEGAL		
Increased pricing of GHG emissions	MT-LT	Introduction of mandatory carbon pricing may result in increased operating and/or compliance costs.
Enhanced emissions-reporting obligations	ST-MT	Introduction of new or enhanced climate-related reporting obligations may result in increased operating and/or compliance costs.
Mandates on and regulation of existing products and services	MT-LT	Introduction of climate-related mandates on and regulation of digital assets may result in increased operating and/or compliance costs and reduced demand for digital asset products and services, investor appetite, and capital availability.

Strategy – Climate Related Risks (Continued)

Potential Risk	Potential Impact on GLXY	
TRANSITION RISK: MARKET		
Uncertainty in market signals	ST-MT	<u>Reference Galaxy Digital Holdings LTD. Annual Information Form 2021, Risk Factors, Page 67-68</u>
Increased cost of raw materials	MT-LT	Increased cost of raw materials may affect energy and supply-chain costs. This may result in increased operating costs. <u>Reference Galaxy Digital Holdings LTD. Annual Information Form 2021, Risk Factors, Page 94-95</u>
TRANSITION RISK: REPUTATION		
Shifts in client preferences Stigmatization of sector Increased stakeholder concern	ST	<u>Reference Galaxy Digital Holdings LTD. Annual Information Form 2021, Risk Factors, Page 71</u>
PHYSICAL RISK: ACUTE & CHRONIC		
Increased severity of extreme weather events Rising mean temperatures Rising sea levels	MT-LT	<u>Reference Galaxy Digital Holdings LTD. Annual Information Form 2021, Risk Factors, Page 81</u>

Strategy – Climate Related Opportunities

Potential Opportunity	Potential Impact on GLXY	
OPPORTUNITIES: RESOURCE EFFICIENCY		
Resource efficiency	ST-MT	<p>Enhancing our operational efficiency presents an opportunity to decarbonize.</p> <p>Our New York and Chicago office locations host the majority of our workforce. Both hold LEED Gold Certifications and WELL Health Safety Ratings and are equipped with EnergyStar and WaterSense fixtures that help minimize our energy and water intensity. Our Hong Kong office holds a LEED Silver Certification and achieved an excellent rating in accordance with the Hong Kong Building Environmental Assessment Method. Galaxy’s Amsterdam office location received an “A” Energy Label Score. Additionally, we have established paper, plastic, and electronic waste reduction strategies, alongside our wide-scale recycling efforts, to better manage natural resources.</p>
OPPORTUNITIES: ENERGY SOURCE		
Use of lower-emission sources of energy	ST-MT	<p>Use of lower-emission sources of energy present an opportunity to decarbonize and reduce risk exposure to the potential introduction of carbon pricing. This may reduce operating costs and increase revenue, capital availability, and reputation.</p> <p><u>In the second quarter of 2021, Galaxy Mining made a public dedication to manage our carbon footprint and increase the use of sustainable energy.</u> Galaxy Mining maintains a long-term goal to utilize an over-80% sustainable mix for all mining operations. Additionally, our London office has moved to a new office space that sources 100% of its electricity from renewable sources.</p>
Use of new technologies	MT	Blockchain technology and digital assets may play a role in the transition to a low carbon economy.
Shift toward decentralized energy generation	MT-LT	Bitcoin miners may have the potential to enhance the shift toward decentralized energy generation by co-locating near renewable energy producers and acting as an off-taker for excess energy production. This may lead to a de-stigmatization of the asset class, increased capital availability, and enhanced reputation.

Strategy – Climate Related Opportunities (Continued)

Potential Opportunity		Potential Impact on GLXY
OPPORTUNITIES: PRODUCTS & SERVICES		
Shift in client preferences	MT-LT	<p>Introduction of climate-related and broader mandates on and regulation of digital assets may lead to a shift in client preference and facilitate institutional adoption of digital assets.</p> <p>As Galaxy has one of the first and most comprehensive sustainability programs in the digital asset ecosystem, stakeholders may perceive us as adequately addressing climate-related issues resulting in increased demand for products and services, revenue, investor appetite, and capital availability to grow the ecosystem.</p>
OPPORTUNITIES - RESILIENCE		
Participation in renewable energy programs	MT	Bitcoin miners offer flexible load and through participation in demand-response programs may present an opportunity to help balance electricity grids and encourage investment in renewable projects.

Strategy

Recommended Disclosure	GLXY Response
Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	We have not conducted a climate-related scenario for our inaugural TCFD report. We may consider conducting a climate-related scenario in future iterations of TCFD reporting as we remain focused on business resilience.



Risk Management

Recommended Disclosure

Describe the organization’s processes for identifying and assessing climate-related risks

GLXY Response

When identifying the potential climate-related risks Galaxy may face, we utilized our established risk-management framework and leveraged management’s key role in our sustainability program’s governance structure. Additionally, our first ESG materiality assessment identified key focus areas that are essential to our long-term business strategy, consequently informing our climate-related risk identification process. Our climate-related risk identification process included the following steps:

- **Identify:** We reviewed Galaxy’s business lines and risk factors, TCFD guidelines and recommendations, ESG frameworks, standards, raters, and our peers to understand the current climate-related risk landscape and identified potential material climate-related risks.
- **Categorize:** We refined a list of potentially material climate-related risks, which were categorized under TCFD guidelines and recommendations.
- **Assess Impact:** We explored each potential climate-related risk in detail to understand its potential impact on our business.
- **Gather Feedback:** We engaged key internal stakeholders to receive feedback on potential climate-related risks, including our Chief Operating Officer (COO) and Chief Risk Officer (CRO), who lead our risk functions.
- **Engage Management:** Galaxy’s TCFD response, including potential climate-related risks, was reviewed by the ESG Working Group and Steering Committee, and approved by the Board of Directors.

Risk Management (Continued)

Recommended Disclosure

Describe the organization’s processes for managing climate-related risks

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management

GLXY Response

Managing and mitigating risk in a constantly evolving environment is fundamental to our ability to run our business and serve our clients. We approach risk management as an essential business process integrated throughout our business lines and corporate functions. We believe risk management is the responsibility of everyone at Galaxy.

The Board of Directors Audit Committee oversees the identification, assessment, and management of risk to achieve a proper balance between risk incurred, shareholder returns, and long-term business resilience. Our COO and CRO lead our risk functions, including the development and maintenance of policies to identify, assess, monitor, manage, and mitigate risk.

Our COO and CRO focus on financial risks, such as exchange credit and counterparty risks. While Galaxy does not formally integrate climate-related risks into our overall risk management, all climate-related risk is managed through our sustainability program’s governance structure, which includes the Board of Directors, COO, and other senior executive members of the Risk Committee. Additionally, Galaxy indirectly manages climate-related financial risks by continuously hedging our exposure through a macro approach that considers a wide array of scenarios.

Metrics & Targets

Recommended Disclosure

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

GLXY Response

To assess climate-related risks and opportunities in line with our strategy and risk management process, we measure the following climate-related metrics:

- Scope 1, 2, and 3 greenhouse gas (GHG) emissions
- GHG emissions intensity per \$1MM net comprehensive income and employee
- Bitcoin mining energy mix
- Global offices operational efficiency

Metrics & Targets

Recommended Disclosure

Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks

GLXY Response

We engaged Apex Group to conduct Galaxy’s first GHG assessment covering Scope, 1, 2, and 3 emissions. Apex Group follows the GHG Protocol methodology for calculating emissions and uses nationally recognized emissions factors, published by regulated authorities, to ensure the robustness of calculations. Where necessary, Apex Group may build bespoke models for unique emissions sources, grounded in best-in-class data and scientific approaches. Apex Group conducted this GHG assessment and verification of data independently, as a third-party, with no conflicts of interest.

Galaxy’s Scope 1, 2, and 3 GHG emissions were 6,554 metric tonnes of carbon dioxide equivalent (mtCO2e).

To better understand our impact, we also analyzed our total carbon footprint excluding Bitcoin mining electricity consumption. Bitcoin mining is one of our business lines, and while a key element of our business strategy is sourcing sustainable energy, approximately 68% of our total carbon footprint is a result of electricity consumption to help secure the Bitcoin network.

Galaxy’s Scope 1, 2, and 3 GHG emissions excluding Bitcoin mining electricity consumption were 2,079 mtCO2e.

We will continue to disclose our GHG emissions on an annual basis and are committed to increasing transparency around our impact.

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

Our GHG calculations and assessment are essential to helping us to understand our impact, find opportunities to enhance our operational efficiency, and implement best practices to reduce our footprint. **In the second quarter of 2021, Galaxy Mining made a public dedication to manage our carbon footprint and increase the use of sustainable energy.** Galaxy Mining maintains a long-term goal to utilize an over-80% sustainable mix for all mining operations. This long-term goal will indirectly help decarbonize Galaxy’s Scope 2 GHG emissions.

Apex Group Assurance Letter



APEX ESG RATINGS AND ADVISORY

GHG EMISSIONS DATA ASSURANCE

GALAXY DIGITAL



12.05.2022



GHG Emissions Data Assurance

Company: Galaxy Digital

Headquarters: New York, NY

Sector: Financials

Full Time Employees: 281

Galaxy Digital GHG Emissions Data Summary

Apex has conducted a formal review of the Scope 1, 2 and 3 greenhouse gas (GHG) emissions of Galaxy Digital for the year 2021. Apex set the framework and organizational boundary for Galaxy Digital's data collection. Apex then reviewed all data, used its bespoke models and applied the relevant emissions factors to accurately quantify the 2021 carbon footprint of Galaxy Digital. The data assessed covered the following emissions sources:

- i. Electricity consumption at all sites, including shared office spaces
- ii. Electricity consumption of Bitcoin mining activities
- iii. Fuel consumption
- iv. Employee work from home electricity and fuel consumption
- v. Employee commuting, including rail, road, and marine commuting
- vi. Business travel, including commercial and private air travel, car rental, ride share, and hotel stays
- vii. Purchased goods and services, including servers, software, hardware, and victuals
- viii. Waste generation

✓ **Apex can confirm that all of the data collected had no inconsistencies or outliers.**



GHG Emissions Data Assurance

Galaxy Digital GHG 2021 Emissions

Scope	GHG Protocol Category	Emissions (tCO2e)
1	Direct fuel consumption	0
2	Electricity location-based	4,822
	Electricity market-based	4,822
3	1 – Purchased goods and services	644
3	5 - Waste generated in operations	8.6
3	6 – Business travel	790.3
3	7 – employee commuting	167.8
3	Work from Home Employees	103
Other	Transmission & Distribution Losses	19.3



GHG Emissions Data Assurance

Method

The Apex ESG carbon footprint method uses the **GHG Protocol methodology** for calculating the emissions of our clients. Under this methodology, we use nationally recognized emissions factors, published by regulated authorities, to ensure the robustness of our calculations. Other standards used: **CDP, TCFD, ISO.**

The emissions factors database includes over **1 million time-stamped, activity-specific emissions factors** from sources including but not limited to:

- GHG Protocol
- EPA (USA)
- NGA (Australia)
- Defra (UK)
- CEA (India)
- Bilan Carbone (France)
- IEA (International)

Where necessary **Apex ESG also builds bespoke models** where clients have unique emissions sources, grounded in best-in-class data and scientific approaches.



GHG Emissions Data Assurance

Limitations

The following emissions sources used some estimations to cover the data:

- Electricity consumption outside of the US for shared office spaces

Exclusions

The following emissions sources were not covered in this assessment:

- Water consumption (Scope 3, category 1 – Purchased goods and services, category 5 – Waste generated in operations)
- Financed emissions (Scope 3, category 15 – Investments)



GHG Emissions Data Assurance

Assurances and independence

Apex can confirm that the emissions calculated and reported are accurate, based on the data provided by Galaxy Digital, and that any estimations used to plug data gaps are based on best practices and the standards used throughout our carbon footprint assessment methodology.

Apex has conducted this assessment and verification of carbon footprint data independently, as a 3rd party, with no conflicts of interest with Galaxy Digital.



GHG Emissions Data Assurance

Attestation

Andrew Pitts-Tucker
Managing Director
Apex ESG Ratings and Advisory
London, UK

Will Wilson, Lead Verifier
ESG AVP, Climate Lead
Apex ESG Ratings and Advisory
London, UK

For further questions and enquires please contact: esg@theapexgroup.com



About the Artist and Her Process

Claudia Pawlak is a photographer currently residing in Toronto, Ontario. She uses photography as a means of documenting spaces of transition in a way that evokes emotional response. Claudia's work aims to create a personal narrative connecting her relationship with people, place, and change. More recently, she has been exploring the intersection of historic photography processes and artificial intelligence. Claudia has exhibited work in both group shows and solo shows on a local and international scale. Claudia holds an M.A. in Arts Management and Leadership as well as a B.F.A. in Photography Studies.

“Pursuit of Permanence”



by Claudia Pawlak
Commissioned by Galaxy for the "Galaxy Sustainability Report", 2021





The Anthotype Process

An eco-friendly and sustainable process at its heart, anthotypes date all the way back to Victorian England and the very beginnings of photography. Anthotype prints are created using photosensitive emulsion from plant material. An object is placed on the surface of the treated paper and left in the sunlight for extended periods of time, often days, until an image is created by the sun’s harsh rays. The final image cannot be fixed and is temporary, gradually fading over time.

For her work, the artist generated a series of plant images using an artificial intelligence model, which were then physically printed out on transparency film and overlaid on paper.

Documents of Past, Present, and Future

Working with the ethos of the blockchain as being a permanent record of information, immutable, and unchanging, “Pursuit of Permanence” aims to immortalize these prints as documents of past, present and future. By minting these works, the artworks are fragmented in two different directions. The physical prints will fade over time, whereas their digital counterparts will be saved as a record of their own existence; specimens of a virtual herbarium awakened through an archaic photography process, scanned, and stored back into cyberspace.

Through this body of work, the artist hopes to inspire the viewer to explore sustainable ways to create art in their own practices.



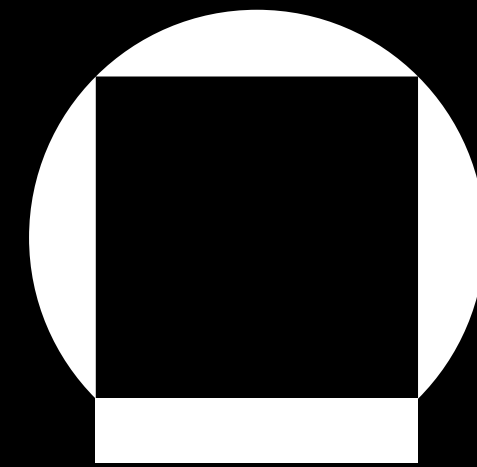


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This report contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These forward-looking statements relate to the future of the industry, environmental, social or governance initiatives, or the Company’s future plans or opportunities. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, “seeks” or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. The forward-looking statements contained in this report are based on our current expectations and beliefs concerning future developments and their potential effects on us taking into account information currently available to us. There can be no assurance that future developments affecting us will be those that we have anticipated. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company’s ability to predict or control. Forward-looking statements are subject to the risk that the industry or the Company’s businesses do not perform as anticipated or meet the ESG goals as outlined in the report. They are also subject to the risks described in the Risk Factors section of the Annual Information Form (“AIF”) dated March 31, 2022 of Galaxy Digital Holdings Ltd. Factors that could cause outcomes to differ materially from those described in such forward-looking statements include, but are not limited to, a decline in the digital asset market or general economic conditions; a delay or failure in developing ESG process or implementing goals; and changes in applicable law or regulation. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. The forward-looking statements in this report are applicable only as of the date of this report or as of the date specified in the relevant forward-looking statement and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws. Investors are cautioned that forward-looking statements are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

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