Policy

ESG Framework

Approving Function	Board of Directors	**Date** 01/2024
Proponent Function	Governance, Audit & Compliance	

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1. Introduction

At Pure Energy, we are committed to operating with the highest standards of Environmental, Social, and Governance (ESG) principles. Our dedication to corporate sustainability is rooted in a profound commitment to realizing the UN Sustainable Development Goals (SDGs). By aligning our approach with these globally recognized benchmarks, we strive not only to meet the challenges of the present but to actively contribute to shaping a more sustainable and equitable future. Our dedication to sustainable business practices extends across various facets of our operations, encompassing the well-being of our workforce and our impact on society.

Pure Energy operates to the highest ethical standards and has a clearly defined risk culture. Pure Energy aims at incorporating ESG best practice while ensuring a minimum risk adjusted long term rate of return is achieved.

This ESG Policy ("Policy") sets out Pure Energy's objectives and approach to integrating ESG factors into all parts of its investment cycle – due diligence, negotiation and investment, operations, monitoring and reporting and exit/decommissioning. Pure Energy aims at identifying critical ESG factors and ensure that they are considered and integrated into the way Pure Energy conducts its business. In this way, Pure Energy aims at meeting its objective of being an investor in sustainable infrastructure while having a positive influence on the sector in which it operates.

This strategic integration extends to relevant processes and sophisticated systems designed to monitor compliance with these progressive policies. The details of these ESG-centred terms and conditions and the comprehensive framework for monitoring compliance with them are summarised in the detailed table presented below.

Name of the Policy/Code	Purpose	Application
Code of Conduct	Defines the standards for employee behavior and conduct in accordance with company policies, as well as local regulations and laws.	Employees must engage in reading, reviewing, and consulting the Code of Conduct during their onboarding process and periodically throughout their tenure. Additionally, their performance is annually assessed, taking into account their adherence of ESG metrics.
Code of Ethics	Serves as a guiding framework for ethical decision-making and behavior, fostering a culture of integrity and responsible conduct throughout Pure Energy.	All stakeholders, including employees, management, and other relevant parties, are encouraged to familiarize themselves with the Code of Ethics. The Code of Ethics is integrated into organizational practices, influencing not only individual behavior but also shaping the overall ethical climate.
Competency Model	Crafts a framework that outlines the key skills, knowledge, and attributes necessary for delivering exceptional service and value to clients, guiding professionals	Designed for all professionals engaged in client-facing roles, the Competency Model acts as a blueprint for personal and professional development. The model is integrated into client engagement strategies, ensuring that

	toward excellence in client interactions.	teams possess the competencies needed to meet and exceed client expectations.
Risk Management Framework (pending BoD approval)	Establishes a structured framework to identify, assess, and mitigate risks across the organization, providing a systematic approach to safeguarding assets, ensuring compliance, and promoting resilience.	Applicable to all levels within the organization, the Risk Management Framework serves as a comprehensive guide for anticipating and managing potential risks. Individuals involved in risk assessment and mitigation activities utilize the framework to identify vulnerabilities and implement proactive measures. Integrated into strategic planning, decision-making, and project management processes, the framework ensures a consistent and organization-wide approach to risk.
Whistleblowing Model	Establishes a structured mechanism for employees and stakeholders to report concerns, misconduct, or unethical behavior within the organization, promoting a culture of transparency, accountability, and ethical governance.	Applicable to all individuals associated with the organization, the Whistleblowing Policy encourages the reporting of any observed or suspected wrongdoing without fear of retaliation. It serves as a channel for confidential and secure disclosure, fostering a culture that values integrity and ethical conduct.

This proactive approach ensures that our commitment to ESG standards is not only contained in our policies, but is also consistently maintained throughout our organisational processes and systems.

2. ESG Governance and Oversight

The ultimate oversight of this Policy and Pure Energy's approach to integrating ESG into all activities lies with the Board of Pure Energy, which conducts a review of ESG performance on an annual basis. The board not only ensures the establishment of a robust governance framework but also delegates the regular oversight of ESG matters to the CEO.

The CEO has delegated the implementation of ESG best practice to the Governance, Audit & Compliance Function as part of its role and who ensures that ESG best practices are integrated into each part of the business and each phase of the investment cycle.

ESG objectives play a crucial role in defining the Pure Energy team, investment considerations, trading decisions, operational choices, and monitoring and reporting of ESG matters as deemed appropriate. ESG performance also has an impact on the individual's annual performance assessment. The assesment takes into account the extent of which individuals align with and contribute to ESG objectives. This includes assessing the staffs devotion to sustainable business practices, ethical considerations, and their proactive engagement in initiatives aimed at achieving ESG goals.

3. ESG and Our People

Pure Energy prioritizes the comprehensive understanding of the ESG Policy among all staff members. Pure Energy promote awareness among its staff by granting them access and authority to shape the Policy, by fostering a corporate environment where every team member is familiar with the principles outlined in the ESG Policy.

Pure Energy actively invests in the development of its team by providing accessible and diverse ESG training opportunities, made available to all staff. This can take the format of external training sessions, in-house workshops or convenient web-based training modules. By offering various formats, we aim to accommodate different learning styles and preferences, empowering our staff to embody our ESG principles in their day-to-day activities and decision-making processes.

4. Responsible Sourcing

Sustainable practices are embedded in Pure Energy company values. As Pure Energy, we conduct our business responsibly and in compliance with the legal requirements and regulations of the country in which we operate *(please refer to Code of Ethics p. 2.1)*. We aim at extending this commitment to our suppliers, who are integral partners in maintaining sustainable practices throughout the Pure Energy value chain.

We encourage our suppliers to the highest standards of business ethics, emphasizing the principles of human rights, health and safety, environmental protection, and responsible sourcing. Committed to these principles, Pure Energy expects them to demonstrate their commitment towards the standards and principles outlined in our comprehensive Code of Conduct.

5. Pure Energy’s activities support the Int’l Accepted Principles

Pure Energy is an organisation committed to aligning its operations with internationally recognised principles. The UN Sustainable Development Goals (SDGs) serve as a guiding framework that not only influences the structural contours of Pure Energy's corporate operations but also underscores the commitment of Pure Energy towards advancing the realization of these global objectives. Pure Energy not only focuses on renewable energy and the maintainance of SDGs, but also serves with a significant impact for the UN SDGs of Affordable and Clean Energy, and Climate Action.

While our primary impact is on these two UN SDGs, as Pure Energy we believe in the interrelation of all 17 UN SDGs and their influence on a sustainable business strategy. Pure Energy identified 10 out of the 17 UN Sustainable Development Goals (see appendix for a full list) that we aim to support. In aligning with the UN SDG Principles, Pure Energy strategically integrates sustainable practices into its business operations, contributing meaningfully to the collective endeavor of achieving these vital and transformative goals.

5.1 Primary impact

SDG 7: Affordable and Clean Energy

• Positioned as a promoter and operator of renewable energy including primarily, but not limited to, wind and solar, Pure Energy's strategy focus revolves around making affordable and clean energy. By harnessing sustainable resources, we drive accessibility to energy solutions that are both cost-effective and environmentally friendly.

SDG 13: Climate Action

• Pure Energy uses the natural and freely available resources of wind and solar, generating renewable energy that plays a pivotal role in addressing climate action. This approach not only offsets carbon emissions associated with traditional fossil fuel-based energy generation, but actively contributes to the global effort to resist climate change. Recognizing the interconnectivity of global efforts, we collaborate with industry partners, research institutions, and governmental bodies to amplify our impact and advance sustainable practices on a broader scale.

• Pure Energy supports the green transition, and actively participates in the supply of renewable energy credits. We consistently engage in community outreach and educational programs to raise awareness about the importance of climate action, fostering a broader understanding and commitment to sustainable living within the communities we serve.

5.2 Secondary Impact

SDG 3: Good Health and Well-Being

• Good health and well-being of its employees is highly valued by Pure Energy. We recognize that a thriving workforce is essential for achieving our goals. Therefore, we place a high value on creating a positive working environment that fosters both physical and mental well-being. *(Please refer to Code of Ethics p. 5.2)*.

• Together with a positive working environment and active safety management, Pure Energy supports a healthy lifestyle amongst its employees. This commitment goes hand in hand with our active safety management practices, ensuring that our employees operate in a secure and health-conscious workplace.

SDG 4: Quality Education

• Pure Energy is committed to fostering a culture of continuous learning and professional development among its employees. Recognizing that education is a powerful catalyst for personal and organizational growth, we provide support to facilitate ongoing learning initiatives *(please refer to Code of Ethics p. 5.2)*.

SDG 5: Gender Equality

• Pure Energy does not discriminate between genders at all levels of its organisation. Pure Energy nurtures an inclusive workplace where individuals are valued based on their skills, abilities and contributions, irrespective of

gender. We actively promote an environment that thrives on fairness, respect, and equal representation, reflecting our dedication to gender equality *(please refer to Code of Conduct p. 2.1.4)*.

• Pure Energy does not distinguish remuneration by gender. Pure Energy unequivocally ensures that compensation is determined based on merit and job responsibilities rather than gender.

SDG 8: Decent Work and Economic Growth

• Pure Energy provides a comfortable and flexible working environment for its employees.

• Pure Energy regularly benchmarks its pay scales to ensure they align with the relevant job positions and industry standards.

SDG 9: Industry, Innovation and Infrastructure

• As an operator in the renewable energy market, Pure Energy's strategy is at the heart of industry, innovation and infrastructure.

• Pure Energy is adopting and encouraging innovation. Pure Energy recognizes the importance of staying at the cutting edge of technological advancements and emerging trends. While remaining well aware of risks associated to first-movers, the company quickly adapts cost-effective proven innovations that align with our commitment to sustainability.

• Integration of renewables to the energy infrastructure in a sustainable manner. Pure Energy contributes to the advancement of industry, supports innovation, and ensures the development of resilient and sustainable infrastructure. It should be noted that while performing its activities, Pure Energy helps the grid to increase the share of renewables.

SDG 10: Reduced Inequalities

• Pure Energy is committed to providing fair and competitive income ensuring that all its employees enjoy a decent standard of living.

• By embracing the principles of equal opportunity in accordance with Code of Ethics, Pure Energy provides a workplace where its employees regardless of gender, race, religion or ethnicity have equal access to professional growth and advancement.

• Pure Energy promotes the internationalisation of its workforce, acknowledging the value of diverse perspectives and experiences in fostering innovation and global collaboration.

SDG 11: Sustainable cities and communities

• Pure Energy's strategy of developing renewable power supports sustainable development of urban centers (consultancy to municipalities). Besides, Hydrogen opportunities are analysed for further development.

• Pure Energy engages in strategic partnerships with Municipalities to help with the establishment of cities green transitions (e.g. green energy for transportation). By collaborating with local governments, Pure Energy

aims at aligning its efforts with the broader goals of urban sustainability, contributing to the establishment of cities and communities that prioritize eco-friendly practices and a high quality of life.

SDG 12: Responsible Consumption and Production

• Dealing with renewable energy projects is a core aspect of responsible consumption and production by using freely available, undiminishing natural resources to generate renewable energy.

• In carrying out its activities, Pure Energy minimises the waste generated and maximises the recycling of waste.

5.3 Other indirect impacts on SDGs

SDG 1: End poverty in all its forms everywhere

• One of the main drivers of ending poverty is the decrease of household expenditure spent on energy. As mentioned in SDG7, Pure Energy's strategy focuses on making affordable and clean energy, thus contributing to decrease household expenditure.

SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture

• The increase in food prices is closely tied to energy prices. Hence, affordable and sustainable renewable energy is crucial in food production and combating hunger.

• Mitigating drought and food security risks, as well as contributing to improved nutrition by helping in the reduction of carbon emissions is a positive consequence of Pure Energy's support to green transition.

• The changing climate conditions resulting from increased carbon emissions not only contribute to diseases in agricultural products but also necessitate a higher use of chemical inputs (herbicides and pesticides). Pure Energy is promoting sustainable agriculture.

SDG 14: Life Below Water

• Pure Energy contributes to the mitigation of ocean acidification by reducing carbon emissions through the use of renewable energy sources.

SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

• Pure Energy contributes to this SDG by establishing national and international partnerships to support clean energy projects, as mentioned under SDG13 and by amplifying our impact and sustainable practices on a broader scale.

• Pure Energy is joining platforms that promote collaboration and knowledge sharing to enhance information flow in the industry, also through memberships such as IAEE, WEC, EPİAŞ, etc. as mentioned on its website.

6. Investment Approach

Pure Energy seeks to achieve sustainable financial returns through an investment strategy that aligns with environmental and social responsibility.

Responsible investing is at the core of our approach. Sustainability considerations are actively integrated into the investment decision making processes. Pure Energy evaluates investments also by positive and negative screening.

Negative Screening: To achieve Pure Energy's ESG objective of being a sustainable infrastructure investor and positively influencing its operating sector, the approach involves excluding investments that do not align with predetermined social or environmental criteria. For example, exclusions include avoding companies involved in illegal activity such as gambling products, weapons manufacturers, as well as those utilizing child labour. Pure Energy encourages all its main suppliers to adopt the UN Global principles or equivalent standards, expecting aligment with it's Code of Conduct.

Positive Screening: Pure Energy prioritizes investment in countries with sound renewable energy policies underpinned by legislation that protects social and environmental rights. Given our exclusive focus on zero-carbon renewable energy projects/products, conducted in a fiscally and socially responsible manner, Pure Energy considers sustainable, environmentally and socially friendly investment products only.

Pure Energy's investment screening aims at identifying and evaluating the sustainability of an investment risk across the three areas of Environment, Social and Governance. This comprehensive evaluation is a prerequisite, forming an integral part of the investment paper presented for decision-making to the Board.

7. Environmental

- **Carbon Footprint**: Pure Energy prioritizes the development of zero-carbon energy projects, actively contributing to the reduction of carbon emissions in its operations.

- **Energy usage**: Pure Energy is committed to utilizing green energy for its daily consumption. Implementation of energy efficient measures, such as the adoption of led bulbs/lamps and motion sensor for lights, energy-efficient HVAC systems, exemplify our dedication to energy conservation. Ongoing efforts include exploring additional energy efficiency projects to further enhance our sustainable practices.

- **Counterparties:** Pure Energy's counterparties are selected with the ESG criteria in mind. This selection process not only ensures the reliability and quality of our counterparties but also contributes to the advancement of our Environmental targets.

- **Greenhouse Gas (GHG) Emission**:
    - Pure Energy contributes to reduction of emissions from human activities by avoiding the consumption of non-green energy for office heating and electricity consumption.
    - The implementation of remote working flexibility allows to reduce emission in terms of transportation fuel consumption, contributing to a reduction of overall consumption and emission.

- **Recycling & Waste Management**: Pure Energy adopts the waste management principles of reduce, reuse and recycle, including the use of suitably licensed waste management contractors for all waste forms including recyclables, general and hazardous wastes. Pure Energy aims at reducing Waste at minimum. Initiatives such as paper usage reduction and recycling, plastic elimination, etc. play a vital role in our waste reduction efforts. Pure Energy adopts a waste disposal mechanism according to which all waste paper and plastic bottles are collected by authorized operators and recycled.

8. Social

- **Recruitment & Diversity :** Pure Energy is commited to create workplace diversity. When recruiting, Pure Energy avoids making distinction based on race, organisational hierarchy, age, gender, marital status, religion, or ethnicity and expects the same of its employees, main contractors and suppliers.

- **Inclusion**: Beyond mere diversity, Pure Energy actively cultivates an inclusive culture. It refers to how the workforce experiences the workplace and the degree to which organizations embrace all employees and enable them to make meaningful contributions. While Pure Energy brings all its diverse workforce onboard, it also strive to develop a sufficiently inclusive culture, where all employees feel heard and valued, which is critical to retain talents and to unlock the power of its diverse workforce.

- **Flexible Working:**
    - Pure Energy applies remote working to most employees three days a week, providing flexibility in working arrangements.

- **Family Friendly Policy (e.g.Paternity Leave)**: Pure Energy applies family friendly policy in accordance with local labour legislation, recognizing and supporting the needs of its employees.

- **Community:**
    - Pure Energy is providing education opportunities to employees and interns, also through networking events and mentoring relationships.
    - Many initiatives are launched to encourage personal growth (e.g. language courses, sport benefits, etc).
    - The company diligently addresses complaints both from internal sources and clients/suppliers, which ensures that a reply to the sender is always given in the minimum time possible.

- **Health & Safety:** Pure Energy operates a proactive health and safety regime with zero tolerance for unsafe practices, in line with local applicable laws. Human Resources department of the company keeps health and safety under control during the year with continuous monitoring activities. Evacuation Plan and Safety procedures are shared with employees through regular trainings (e.g.earthquake). Health insurance coverage is provided to all employess.

- **Whistleblowing**: Pure Energy has established a Whistleblowing Policy and procedure, allowing employees to report suspicious behaviors and situations not aligned with the principles listed in Code of Conduct and Code of Ethics. Governance, Audit & Complance function and HR monitor any reported event, guaranteeing anonymity of the sender.

- **Employee Relations & Remuneration:**

- Pure Energy provides regular employee meetings and updates to ensure employees are actively engaged in the business strategy and to address employees' concerns.
- Pure Energy remuneration policy is based on meritocracy, compensating individuals, where possible, based upon individual contribution with reference to the median point of market-based compensation comparators and to award individual performance through an annual bonus system.
- Benchmarking using off-the-shelf industry benchmarking reports, is regularly carried out. The company, when necessary, engages specialist consultancy services to carry out specific benchmarking of roles to ensure they are in line with the market.
- As per the Company fairness principle mentioned in the Code of Ethics, Pure Energy adheres to the principle of Equal Pay, guaranteeing that pay is impartial and devoid of any gender-based differentiations.

- **Personal feedback and evaluations**: Each employee is subject to annual evaluation from his/her manager. Once available, the employee receives the manager's feedback and can express his/her opinion. The formalized process is documented and managed by the HR department

- **Human Rights:** As mentioned above and in Code of Conduct and Code of Ethics, the Company respects the human rights of all its stakeholders.

- **Bullying:** Pure Energy is against any type of bullying and has set up adequate mechanisms (e.g. Whistleblowing) to prompt identify and eliminate such phenomena.

- **Political Donations:** Pure Energy has a policy of zero political donations, aligning with a commitment to impartiality and corporate neutrality in political matters.

- **Charities:** Pure Energy is involved in social responsibility activities such as charity donations.

9. Governance

The ultimate responsibility for Governance rests with the Board of Pure Energy, ensuring the establishment and maintainance of a robust governance framework. Regular oversight is delegated to CEO and implemented by Governance, Audit & Compliance Function.

- **Board and Committee Governance**

  The Pure Energy board of directors comprises members with a diverse expertise in energy markets, strategy, finance.

  The CEO in Pure Energy is in charge of all functions except Internal Audit who reports directly to Audit & Risk Committee (currently represented within the Board).

  Pure Energy Board Secretary is responsible for the maintenance of company records, including board notice, agenda and committee minutes.

  Annual external audits are conducted for Pure Energy to uphold financial accountability.

- **Transparent communication**: Transparency, together with fairness and integrity, is one of the values chosen by the management to inspire the activities in the company. Communication adheres to the transparent principle and, when appropriate, relevant information are disclosed during weekly update meetings with all staff.

- **Risk:** Pure Energy maintains a risk appetite statement annually, an integral part of the Risk Management Policy that outlines how risks are managed in Pure Energy.

- **Compliance:** Pure Energy assigned the Compliance responsibility to Governance, Audit & Compliance Function. Among the rest, the Function is in charge of preparing and updating Policies that reflect Compliance requirements. Policies are submitted to Board approval and circulated to relevant counterparties.

- **Anti-bribery and anti-corruption:** Pure Energy encourages a “speak-up” approach and it has an anti-bribery and anti-corruption articles embedded in the Code of Conduct. Employees and management are prohibited any action of bribery and corruption irrespective to whether the receiver is a public official or a private individual who acts for a company or in a function of trust and irrespective of their nationality and the place where the bribery and corruption is committed.

- **Conflict of Interest:** Employees and management in Pure Energy are expected to act in a fair and unbiased manner and to avoid finding themselves in situations of Conflict of Interest, whether actual or potential, that could impair their independence of judgment and choice. Any situation, incompatible with their duties, can harm Pure Energy interest or reputation. Conflict of Interest is embedded in the Code of Conduct.

- **ESG Incentivization:** Each employee’s contribution to ESG is considered during their performance evaluation and, if applicable, they are awarded accordingly.

APPENDIX

The 17 UN Sustainable Development Goals

Goal 1	**End poverty in all its forms everywhere**
Goal 2	**End hunger, achieve food security and improved nutrition and promote sustainable agriculture**
Goal 3	**Ensure healthy lives and promote well-being for all at all ages**
Goal 4	**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**
Goal 5	**Achieve gender equality and empower all women and girls**
Goal 6	**Ensure availability and sustainable management of water and sanitation for all**
Goal 7	**Ensure access to affordable, reliable, sustainable and modern energy for all**
Goal 8	**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**
Goal 9	**Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**
Goal 10	**Reduce inequality within and among countries**
Goal 11	**Make cities and human settlements inclusive, safe, resilient and sustainable**
Goal 12	**Ensure sustainable consumption and production patterns**
Goal 13	**Take urgent action to combat climate change and its impacts**
Goal 14	**Conserve and sustainably use the oceans, seas and marine resources for sustainable development**
Goal 15	**Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss**
Goal 16	**Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels**
Goal 17	**Strengthen the means of implementation and revitalize the global partnership for sustainable development**