

A wide-angle, high-altitude photograph of a mountain range. The foreground shows a valley with a winding river, green fields, and some buildings. The middle ground is dominated by steep, rocky mountain peaks. The background shows more distant mountain ranges under a clear blue sky with a few wispy clouds. The overall scene is bright and scenic.

SUSTAINABILITY UPDATE REPORT

2022

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MESSAGE FROM OUR PRESIDENT & CEO



Dear Stakeholders,

As governments and economies are striving to tackle climate change, and the stability of our planet is under severe pressure, businesses are making sustained efforts to reduce emissions and take a more responsible approach to the legacy they leave behind.

The Oil & Gas industry, especially the oil sands sector which accounts for roughly one-quarter of Alberta's annual emissions, is making tremendous strides in adopting sustainability governance in their operational practices and risk mitigation procedures. This evolving change to more responsible business practices will require industry collaboration, innovative approaches, and creative thinking outside the immediate value chains.

I am pleased to see this new emerging mindset as the industry is bracing itself for tighter regulations. As strong advocates of this new business approach, Pure's waste management solutions continue to enable ecological transformation towards a truly circular economy and protected environment.

For Pure, the last two years were marked with continued implementation of our strategy towards achieving our business ambitions. With our world-class facilities, engineered, constructed, and operated to lead the industry in environmental stewardship and efficiency, we want to drive innovation in waste management and processing of energy sector by-products.

I am proud to say that we commissioned our Fort Kent Facility two years ago, and we are continuing to expand our operations further, carefully choosing the locations where our solutions are most needed.

In 2022, we further invested in the training and development of our employees, recognizing that our people are our most important asset. Having expanded our learning and development, we have achieved 90% compliance with management, leadership, and organizational commitments and policies, and will be looking to increase this score further. We have also received the Certificate of Recognition (COR®) which accredits companies' health and safety programs.

2022 was a year of multiple collaborative business relationships with industry and First Nations, with an emphasis on working together on innovative approaches. We actively engaged with the Alberta Energy Regulator (AER) on the review of regulations that pertain to the oil and gas waste industry and are currently working through waste characterization changes with every client, helping them adapt and meet requirements to maintain compliance.

We have expanded our membership in various industry bodies, including the Waste Management Committee of Canadian Association of Petroleum Producers (CAPP), the Environmental Services Association of Alberta (ESAA), the Canadian Land Reclamation Association (CLRA), Western Canadian Spill Services (WCSS), and Lakeland Industry & Community Association (LICA).

Along with our business growth, we have also placed a focus on sustainability which has led us to set some very important commitments, contained in this 2022 Sustainability Update Report. I believe that systematic integration of sustainability considerations must be an integral part of any decision-making and not just the right thing to do. As Pure's business is intimately connected to the prosperity of the planet, the communities we live in, and the customers we serve, only by seeing society and the environment as integral parts of our business, and technology as its core enabler, can we achieve our goals.

This Report marks our first public disclosure of Pure's sustainability performance, and I am pleased to invite our partners, clients, and stakeholders to read this report and provide us with their valuable feedback.

I would like to express my gratitude to all employees and suppliers for their efforts that made 2022 a successful year for Pure's business growth on our sustainability journey.

Rick Manhas
PRESIDENT & CEO



PURE ENVIRONMENTAL AT A GLANCE

WHAT WE DO

Pure Environmental is in the business of engineering, constructing and operating of world-class facilities in Canada, the United States and beyond. Our team deploys industry leading innovative technologies to efficiently, responsibly and sustainably manage by-products produced during the exploration, production, processing, storage and transportation of oil and gas providing long term liability management and superior environmental protection.

Our best-in-class, responsible and sustainable waste management solutions and strategically located integrated facilities featuring innovative processes, are specifically designed to reduce the environmental footprint of our energy and industrial sector clients. Moreover, all of our facilities are 100% electric with no natural gas used to run any of the equipment.

Having achieved Net Zero carbon for energy use in our own operations, we have shown dedication to the efficient and effective management of waste materials to ensure minimal impact on the environment.

Our leadership position in the Canadian market has been possible through continuous investment and innovation, extensive R&D, highly trained personnel, and an advanced infrastructure. We take pride in our ability to set new standards in innovation and compliance and continue to set trends in the industry.

OUR ORGANIZATION

Pure is located in Calgary, Alberta with 36 employees and contractors across Canada. Please see our website for information on our leadership team.

We are a provider of waste management solutions that help oil and gas producers reduce their GHG footprint

OUR VALUES

At Pure Environmental, we believe actions speak louder than words and that our commitment to our core values can be measured by how we treat each other, how we respect the environment and how we build trusting relationships with our clients and communities.



OUR SOLUTIONS AND FACILITIES

GEOTHERMAL CAVERN FACILITIES

Salt caverns are solution-mined geologic repositories in impermeable salt deposits deep underground, below any freshwater sources, providing an underground storage receptacle for waste products.

They can accept a wide range of oil and gas exploration, production, transportation and storage by-products, including wastewaters, oily sludges, contaminated debris and soil, and drilling and production waste streams. High-quality caverns have the natural ability to store hydrocarbon products such as crude oil, natural gas, or condensate.

Salt caverns provide residence time, geothermal heat and pressure, naturally 'processing' the waste, separating it from entrained oil over time. Separated oil can be extracted from the cavern. It is believed that the geothermal processing of waste is more efficient and effective than current processes used in the oil sands.

SALT CAVERN ADVANTAGES TO ALTERNATIVE DISPOSAL METHODS:

Environmentally Conscious

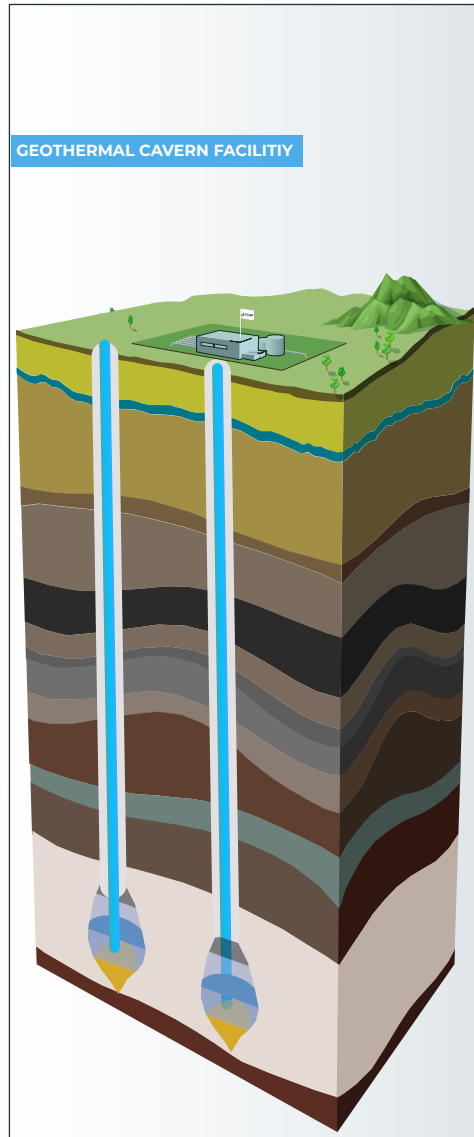
Provides waste encapsulation with no impact on surface soils, freshwater and groundwater; with natural geothermal heating, the need for fossil fuel-powered surface processing is reduced.

Sustainable

Provides highest level of containment possible for permanent storage of residual solids, with containment reaching millions of years.

Simple and Cost Effective

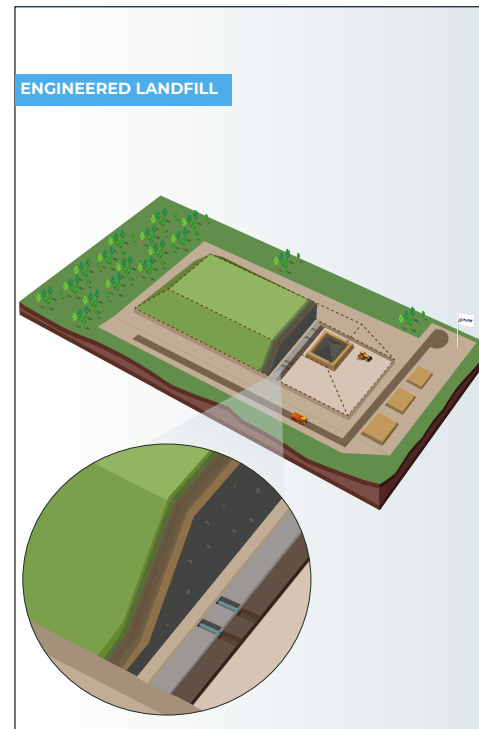
Offers high capacity injection reducing receiving delays to handle surge capacity for almost any disposal volume required. Low operating costs lead to high degree of operating leverage.



ENGINEERED LANDFILLS

Engineered landfills are engineered impoundments used for the permanent disposal of non-hazardous wastes. Waste is placed into cells that are designed according to provincial requirements intended to provide assurance regarding the protection of groundwater and surface water, and the appropriate management of nuisances associated with landfill development.

Landfill locations are pre-assessed for appropriate geologic conditions and are strategically located to minimize truck travel and associated emissions. Strict compliance and monitoring standards must be maintained and reported to the Regulator. Engineered landfills accept non-hazardous material for safe and responsible management.



FORT KENT CAVERN FACILITY

The Fort Kent Cavern Facility opened in April 2020, providing surface processing and disposal of select waste streams. Cavern operations came online January 1, 2021 enabling Pure to accept all AER-regulated solid and liquid oilfield waste, imported non-hazardous recyclable waste, and Alberta generated non-oilfield waste including process water, wash fluids, and hydrovac slurries.

Disposal of waste into salt caverns is simple and quick, allowing for surge capacity to handle almost any volume required. Caverns provide the highest level of containment possible for the permanent storage of residual solids, with containment measured in millions of years, far exceeding global best practices. The Facility is strategically located to save local waste producers almost 2 hours of trucking, greatly reducing their CO2 emissions and improving public safety on local highways. The fully electric facility provides oil recovery and treatment processes to produce recycled oil, from waste, for re-sale into markets, all while producing almost no emissions.



HANGINGSTONE FACILITY

The Athabasca oil sands region has limited options for comprehensive waste management solutions to serve the needs of producers. Oil sands operators from the region often have to ship waste products 4-10 hours to facilities in other regions.

We recognize the important need to reduce trucking costs and greenhouse gas emissions and are developing an integrated waste management facility in the heart of the region. This will provide a local option, significantly reducing the overall cost of waste management, the environmental impact of long-haul trucking, and the physical toll on our highways.

OUR APPROACH TO RESPONSIBLE BUSINESS



OUR POLICIES

SUSTAINABILITY

ENVIRONMENTAL

CLIMATE CHANGE

SUPPLY CHAIN

HEALTH & SAFETY

HUMAN RIGHTS

OUR SUSTAINABILITY PLEDGE

Our approach to sustainable, profitable growth at Pure sets a framework for making collective progress and helps us harness the power of our solutions to drive positive change. With sustainability directly connected to our business growth, and integrated in our ethos, we recognize our unique role in society to drive ourselves and inspire others, including every person and organization we engage with. Our sustainability pledge is to innovate and collaborate to develop solutions for big and complex issues and support the oil and gas industry in their quest for a healthier and cleaner world.

In order to be a positive role model and drive change in society, we are committed to collaborating with our customers, and meeting the expectations of our stakeholders, to make our business better. We promise cleaner natural environments by utilizing the diverse experience and skill sets of our people.

SUSTAINABILITY GOVERNANCE

Our Sustainability Framework is built around five building blocks: **Our People, Business Together, Operational Efficiency, Giving Back and Continuous Innovation.** Aligned with the United Nations' Sustainability Development Goals (SDGs), these focus areas are areas where we believe we can make positive impact through our our ethos, principles, products and services, and therefore, help guide our business choices and decisions.

We are committed to ensuring our actions contribute to the UN SDGs to tackle the challenges that need to be addressed if the worst consequences of climate change are to be avoided.

As we are developing a Sustainability Strategy to enhance our commitment to sustainability principles and ensure an integrated approach to responsible business practices, we want it to reinforce our key goals in the areas of personnel training, occupational safety, environmental protection and community investment.

Pure's Sustainability Policy is the underlying framework for how we do business. Our key principles and policies – Environmental, Climate Change, Supply Chain, Health & Safety and Human Rights – enable all of our employees and partners working working at, and for, Pure to make the right decisions, in compliance with the applicable regulations and Pure's ethical standards.



MATERIALITY ASSESSMENT

As we progress on our sustainability journey, we recognize that we can only realize our corporate purpose through focused, organized management of our efforts from the highest level of the company to the very core of our operations and down the supply chain.

In line with the evolving expectations from stakeholders and global trends, we commit to regularly review our focus on sustainability issues in order to identify environmental, social and corporate governance-related risks and opportunities.

We aim to conduct a materiality assessment study for the company in order to ensure that we are aware of the emerging and shifting sustainability issues that are most relevant to our business, and that we continue to meet the expectations of our internal and external stakeholders, and investors.

Our strategic priorities that will derive from this analysis will form the basis of our evolved Sustainability Strategy which we aim to announce next year.

TRANSPARENCY

We recognize that corporate disclosure and transparency are important and as we strive to be transparent in our financial and operational reporting, we aim to follow the same principle in sustainability.

Expectations regarding voluntary sustainability data disclosure are greater than ever. Beyond this, historic levels of investment are required to enable the energy and climate transition within the oil and gas industry and beyond. Pure intends to play a major role in this deployment of capital, all while endeavoring to deliver cost savings and long-term returns for our clients.

To that end, we will share progress on our strategy, activities and achievements on a regular basis, through sustainability reports, and will seek to do so in the most meaningful way, leveraging the right communication platforms and frameworks that speak to the majority of our stakeholders.

We are considering alignment with various ESG frameworks, including the Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI) standards, the Task Force on Climate-Related Financial Disclosures (TCFD) guidance and / or the Carbon Disclosure Project (CDP) (as an external party for benchmarking). Once we have identified the relevant standards we will complete a gap analysis on the metrics/targets required for each to drive compliance.

RISK MANAGEMENT

We understand the risks we face and take a proactive approach to risk management in order to maximize opportunities, drive better commercial decision-making, and protect our people and our clients.

Our expanding Board of Directors is responsible for setting the culture and approving the strategy, ensuring appropriate oversight and monitoring of strategy and performance. On behalf of the Board, the Executive Team is responsible for reviewing and assessing the effectiveness of the Company's risk management and internal control systems. We will continue to incorporate sustainability matters, including climate change, into the broader Company Risk Register, strategic planning and budgeting to mitigate risks, and ensure effective deployment throughout the company.

The Executive Team is responsible for monitoring business level risk and implementing and maintaining an effective risk and control environment in line with the internal control systems determined by the Board.

GOVERNANCE PRINCIPLES

To support our commitment to enhance our corporate governance framework, we have chosen the following principles to serve as a framework for developing Pure’s Corporate Governance Code, which will set out our approach to business management



Ensure that our strategy and business model are designed to promote long-term value for shareholders and drive both our performance and opportunity



Maintain high standards of corporate governance structures that are fit for purpose and support sound decision-making at both the Board and Management levels



Always consider wider stakeholder and social responsibilities, and their implications for long-term success, leveraging our unique position to bring a positive impact to the Canadian Oil & Gas sector’s social development and environmental transformation



Embed effective risk management, considering both opportunities and risks as we provide clients with access to the best available advanced waste management technologies



Always aim to understand and meet shareholder needs and expectations and seek any opportunity to exercise their decision-making power in the company



Always be transparent with stakeholders and communicate how we are governed and perform in a clear, fair, and accurate fashion



Maintain a well-functioning and balanced Board and ensure the variety and diversity of experience, skills and capabilities, regular evaluation and appointment based on merit and company strategy



Promote a corporate culture based on ethical values, compliance and best corporate governance practices, wherever we operate.

SUSTAINABILITY FRAMEWORK AT PURE

Pure's Sustainability Framework revolves around eight UN SDGs which help guide our choices and decisions and keep us focused on addressing a wide range of the world's biggest issues. For each of our five key stakeholders – employees, clients, planet, communities and partners – we have five clear commitments, all linked to the UN SDGs, chosen based on the priority areas where we believe we can make positive impact through our ethos, principles, products and services.



OUR PEOPLE

Retaining great talent and driving performance by ensuring a safe and welcoming work environment

2023 FOCUS AREAS



- ▶ Health, safety and well-being
- ▶ Ethical behavior
- ▶ Human rights
- ▶ Employee engagement
- ▶ Skills and careers



OUR APPROACH

Embracing responsible management of our impact is not only the right thing to do, but a key part of how we execute our strategy and manage our business. Our people are our success. We cannot achieve our ambitions without having great talent in our company.

Engaging our colleagues, keeping them safe, retaining talent and creating inclusive environments, where we all benefit from being part of a diverse team, is fundamental. Supporting all employees and enabling them to be the best versions of themselves means ensuring that their workplace maintains high standards of safety, and that we protect and enhance everybody's health and wellbeing and provide the opportunity for career development.

We foster a culture of open and honest engagement and aim to ensure that our people have tools to share their feedback. As part of this approach, we plan to establish a platform next year for regular employee surveys and performance measurement, to also serve as a forum for professional development and inclusion initiatives.

COMPOSITION OF WORKFORCE

At the end of 2022, the headcount of the continuing operations – including those on fixed-term contracts – totaled 36 people. This equated to 24 full-time personnel and 12 contractors, with 22 staff in Head Office, and 14 at our facilities in Fort Kent and Hangingstone. Our workforce at our Head Office and Fort Kent live locally. Pure pays fair wages and offers social benefits in line with provincial regulations.

HEALTH AND SAFETY

Supporting the health and well-being of our employees remained our main goal in 2022. We currently have a zero Total Recordable Injury Frequency rate, and it will continue to be a key sustainability target in the future.

To ensure state-of-the-art health and safety awareness, sites hold regular trainings and audits and encourage employees to report any safety observations. Our efforts to ensure health and safety good practices, continuous training, and advance site certification have led to achieving a 90% compliance rate, and we will look to improve it to 100%.

DIVERSITY

As we are entering a new stage of business growth, ensuring that our employees share the same values is paramount. Our gender diversity rate stands at almost 50% for head office employees and contractors, while 100% of staff at all of our facilities are local.

TALENT MANAGEMENT

In line with our focus on continuous innovation, we strive to invest in the competencies of the future to equip our employees with the skills and motivation they need to develop in their careers and meet our clients' expectations for professionalism and integrity. We want our workplace to become more flexible, agile, dynamic, bold, collaborative, and entrepreneurial, in order to attract the best emerging talents.

Training and development opportunities are offered to ensure employees reach and exceed their potential. In addition to mandatory training in Health & Safety, Environment responsibilities and critical job competencies, we offer many different training programs for technical and leadership development in line with clients' needs and our aspiration to be a leader in our sector.



BUSINESS TOGETHER

Delivering sustainable, profitable growth through innovation and nature-focused mindset

2023 FOCUS AREAS



- ▶ Health, safety and well-being
- ▶ Customer value creation
- ▶ Innovation to support client environmental and Net Zero goals
- ▶ Service and quality
- ▶ Industry partnerships



Our responsibility comes with our clients' trust. We recognize that they choose Pure for our unique position in the market, expertise and confidence in addressing their most pressing concerns: safety and minimal environmental impact, tightening regulatory standards and emissions reduction.

This understanding holds us to the highest standards in all we do. We therefore see our responsibility to continuously improve our solutions that deliver sustainable, profitable growth through innovation and a nature-focused approach. Our responsibility also lies in our industry-shaping role in relation to risk management, professional and environmental standards, and ethics.

Canada has among the most stringent environmental regulations and highest ethical standards governing energy projects globally. One of the examples is the Oil Sands Pathways to Net Zero Alliance which is an initiative by Canada's six largest oil sands producers to work collectively with the Federal and Provincial governments to achieve net-zero GHG emissions from oil sands operations by 2050.



The phased reduction pathway seeks to achieve record GHG savings from process improvements, which include waste management, and are projected to play a key role in helping oil sands achieve net zero. Our clients' needs and requirements are at the heart of everything we do at Pure, and we nurture our relations with them going beyond just high-quality customer service. With our years of leadership and expertise in the waste management space, best-in-class waste management technologies which provide significant emissions reduction versus standard processing facilities, we are confident in our ability to turn these external drivers into a competitive advantage and drive positive environmental impact. Coupled with the strategic locations of our facilities, these technologies help to lower customers' GHG footprint across the entire waste management process cycle from collection to transportation and waste disposal.

We collaborate with provincial government and have a good dialogue with various industry bodies. However, although governments are backing well abandonments and remediation programs, oil and gas producers will still require significant support in managing their increasing waste volumes.

They need solutions that ensure there are multiple layers of protection between the waste and the surrounding environment to minimize the likelihood of any contamination.

They also need solutions that enable them to fulfill the existing and developing strict regulatory standards and requirements. At Pure, we constantly monitor the regulatory landscape and where relevant, engage with industry bodies, such as the Alberta Energy Regulator (AER), who are reviewing the proposed new and modified regulations for the waste industry. We regularly participate in industry meetings and discussions regarding regulatory changes as we recognize our role of best-practice setters in our sector. With every client, we work through waste characterization changes, legislated by the AER, helping them meet AER's requirements to maintain compliance.

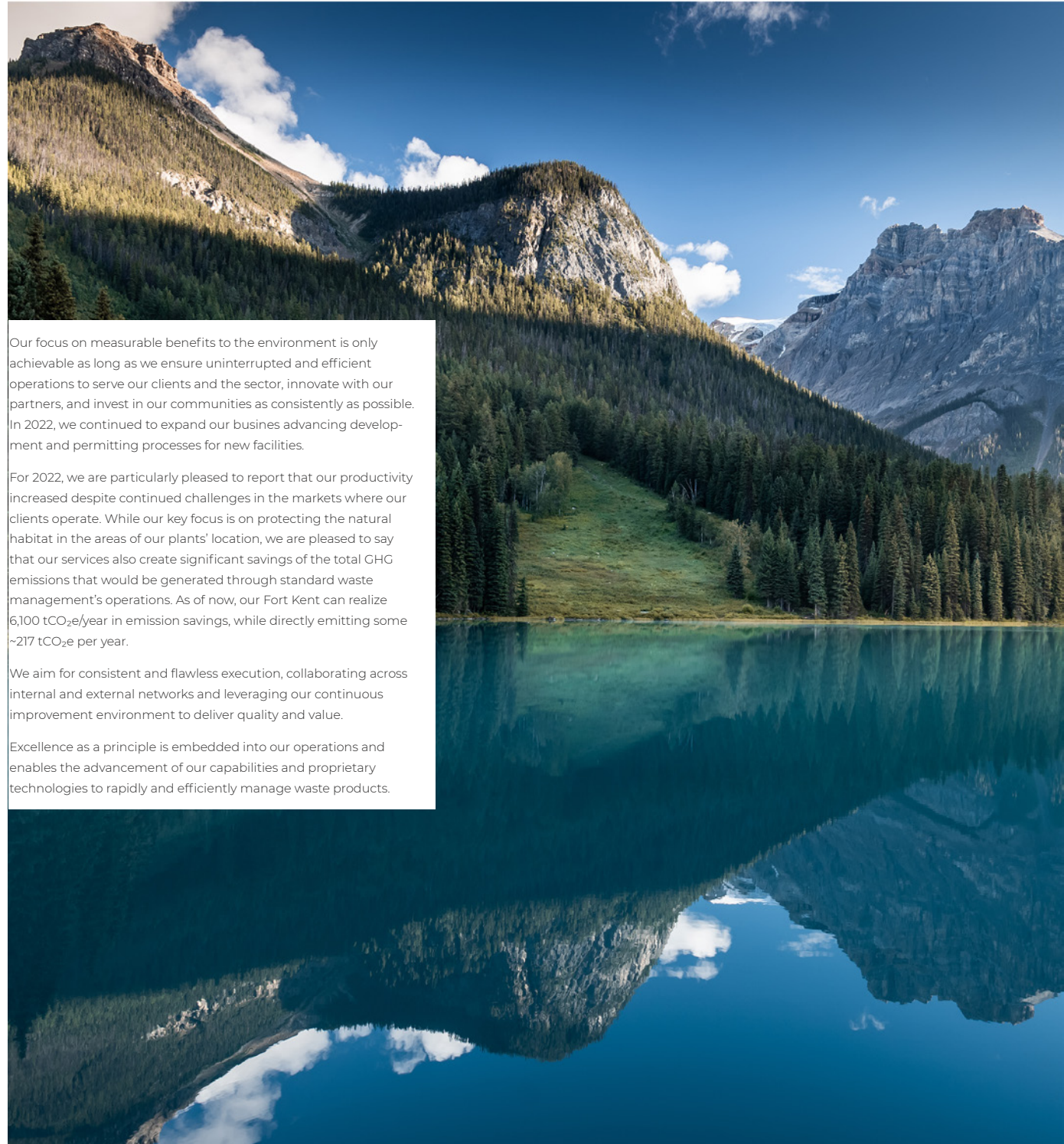
We are proud to be the provider of choice for waste disposal in an environmentally friendly and economic manner using a combination of geothermal cavern facilities and engineered landfills.

WE ARE A PROUD PARTNER OF



OPERATIONAL EFFICIENCY

As well as helping customers achieve their environmental goals, we aim to keep our own operations nature-positive, and our management ethical



Our focus on measurable benefits to the environment is only achievable as long as we ensure uninterrupted and efficient operations to serve our clients and the sector, innovate with our partners, and invest in our communities as consistently as possible. In 2022, we continued to expand our business advancing development and permitting processes for new facilities.

For 2022, we are particularly pleased to report that our productivity increased despite continued challenges in the markets where our clients operate. While our key focus is on protecting the natural habitat in the areas of our plants' location, we are pleased to say that our services also create significant savings of the total GHG emissions that would be generated through standard waste management's operations. As of now, our Fort Kent can realize 6,100 tCO₂e/year in emission savings, while directly emitting some ~217 tCO₂e per year.

We aim for consistent and flawless execution, collaborating across internal and external networks and leveraging our continuous improvement environment to deliver quality and value.

Excellence as a principle is embedded into our operations and enables the advancement of our capabilities and proprietary technologies to rapidly and efficiently manage waste products.



2023 FOCUS AREAS

- ▶ *Environmental governance and performance*
- ▶ *Net Zero target and roadmap*
- ▶ *Climate risk and opportunities assessment*
- ▶ *Supplier engagement*
- ▶ *Ethical behaviour*
- ▶ *Governance and compliance*
- ▶ *Relationships and corporate reputation*



GIVING BACK

Creating a ripple effect with clients and partners to leave a long-lasting positive legacy in our communities and beyond

2023 FOCUS AREAS



- ▶ Local employment
- ▶ Local suppliers
- ▶ Support for health, education, and infrastructure
- ▶ Meaningful consultation, support and relationship-building with First Nations



Our long-standing commitment to operating responsibly also underpins the actions we are taking in our local communities. For example, through job creation and our assistance during the pandemic, Pure seeks to support its local communities not only through wages and tax payments, but also through donations, volunteering and engagement, education, and improvement of local infrastructures.

With our dedication to increase our share of purchases from local suppliers every year and employ local workforce, we always keep that positive effect on the development of the regional economy in mind.

To maximize the impact of our community investment and engagement, we aim to be supportive of the local development initiatives, leveraging our resources and funding. Through continued engagement with federal, provincial and local authorities and nonprofit organizations we carefully select projects aimed at helping the local population in the areas where our support is needed the most.

An example of such initiatives is our membership in the Lakeland Industrial and Community Association (LICA), a non-profit organization that supports a sustainable environment through educational activities and events. We also donate to the Ardmore Parent Advisory Association and the Cold Lake First Nations.

To obtain and maintain a robust license to operate during all phases of waste management operations, we must build relationships based on trust and mutual respect with communities, the government, nonprofits, and other local, national and global stakeholders.



Our key focus is on increasing the share of local suppliers and vendors for our ongoing facility work, and we are in regular discussions with communities to facilitate that. Next year, we will aim to increase the number of socially and environmentally important projects and seek to expand the impact of the existing programs and the number of beneficiaries.

Part of our Giving Back ambition is to enable employees, who are typically part of these communities, and clients as part of our value chain, to volunteer. This creates a sense of pride and belonging and benefits Pure's reputation both as an employer and community member

Pure's Sustainable Procurement Policy affirms our commitment to uphold high moral and ethical principles and specifies the norms of behaviour for employees, suppliers and others conducting business on our behalf. We expect our suppliers to apply standards to the same level as our own as appropriate to the nature of their activities, the goods they supply, and the services they perform. We are committed to using only those suppliers that adhere to the same fundamental principles relating to legal compliance, fairness, honesty and anti-corruption. Where applicable, we will request critical information about the environmental and social conditions, and potential impacts and opportunities arising from our business activities.



CONTINUOUS INNOVATION

Supporting advanced thinking by fostering creativity and assisting in the transition to a low-carbon economy



2023 FOCUS AREAS

- ▶ *Innovation culture*
- ▶ *Improved capabilities and collaboration*
- ▶ *Circular economy opportunities*

Our team deploys industry leading innovative technologies to efficiently, responsibly, and sustainably operate the management, storage and transportation of oil and gas waste, providing superior environmental protection.

With innovation ingrained in our DNA, we aim to mitigate any climate-related risks through management discipline, innovation, and operational-level adaptation with a future-focused culture aligned with our purpose and strategy. This helps us utilize our expertise and insight to develop new ways of working, relevant client solutions, and robust business models.

Our innovation ambition is delivered under two key themes: reduction of our clients' CO2 emissions and nature-conscious approach to managing, transporting and storing oil and gas waste. Encouraged by the concept of the circular economy, we will seek to take waste by-products to create new, useful products, and we aim to explore how commercially viable these options are and what stands in the way of their wide adoption.

Through our innovation-focused mindset, we aim to support clients in managing their waste in an efficient, affordable and secure way, so that they can focus on core operations, while we help them reduce the potentially negative legacy they might be leaving behind.



OUR KEY AREAS OF FOCUS MOVING FORWARD >>>



“2023 will be a game changer for our sustainability ambitions and we will lay the necessary foundations for our ongoing climate mitigation activities and milestones for the future in collaboration with our clients’ initiatives. To live up to our ambitions, we still have plenty of work to do. But I am confident that we can do this together and become a model for innovation and responsibility in sustainable management of waste streams from the energy sector and beyond.”

Ramin Bogzaran

VP CORPORATE DEVELOPMENT





Our purpose is to protect the air we breathe, the water we drink, and the ground we walk on.

Visit our full 2022 Sustainability Update Report at pureenviro.eco

Pure Environmental 500, 727-7th Ave SW Calgary, AB, Canada T2P 0Z5 | +1 (403) 234-8590 | info@pureenviro.eco

