



ESG Policy

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1. Purpose & Implementation

Flexitricity (the “Company”) believes that robust environmental, social and governance (“ESG”) practices have the opportunity to both create and support value. Robust ESG practices also support capital protection and value growth.

- A. Purpose: The purpose of this ESG Policy (this “Policy”) is to articulate certain key sustainability and corporate responsibility policy commitments to which the Company aspires, and which guide its approach to its business activities. This Policy is based on the goals of driving value and minimizing harm through good governance practices, sound management structures, employee relations, local community impact and legal compliance.
- B. Implementation: The Company shall implement and interpret this Policy in accordance with local laws and regulations, recognizing that it may need to be modified and considered on a case-by-case basis to comply with relevant local requirements and practices, as well as scaled accordingly to its resources, while at the same time setting clear expectation with regard to progression. The Company’s goal is to conduct business and operate in a manner consistent with its policies, business objectives, and “sustainable economic activities”, meaning activities that contribute to: (i) environmental objectives in accordance with applicable laws and regulations (e.g., sustainable use of energy, renewable energy, raw materials, water and land, production of waste, greenhouse gas emissions, biodiversity or a circular economy), or (ii) a social objective in accordance with applicable laws and regulations (e.g., addressing inequality, social cohesion, social integration, labor relations, human capital or economically or socially disadvantaged communities).

2. Environmental Commitments

2.1 Climate Change Initiatives

- A. Energy Transition: The Company is committed to global climate goals and the transition to net zero by 2050, consistent with the Paris Agreement to limit global warming temperatures to 1.5°C as compared to pre-industrial levels.
- B. Carbon Reduction Initiatives: The Company’s business is fundamentally focused on building infrastructure, businesses and solutions that support the transition to a low carbon economy. The Company shall seek to engage in various carbon emissions reduction initiatives aimed at aligning with the Paris Agreement.
- C. Climate Risk Management: The Company shall strive to engage in various measures designed to identify material climate risks to projects and the development of the same, assess such risk exposure, and implement appropriate mitigation measures where necessary. This applies to physical and transition risks to the Company, its operations, contractors, and supply chains.

2.2 Compliance and Due Diligence

- A. Compliance with Environmental Laws and Regulations: The Company shall comply with all applicable environmental laws and regulations in the jurisdictions in which it operates, to include compliance with all required permits issued pursuant to such laws and regulations.
- B. Due Diligence: The Company shall, where necessary and applicable, undertake ESG due diligence to ensure compliance with this Policy. The scope of such due diligence with respect to environmental matters may integrate country-specific and project-specific risks, as applicable. For environmental matters, this may include climate change risk, greenhouse gas emissions reductions, biodiversity outcomes, water use, and waste management. The Company shall work to ensure that projects are in compliance with local environmental laws and regulations and, where applicable, international standards, for example, the European Union’s current Sustainable Financial Disclosure Regulation (“SFDR”).

2.3 Environmental Sustainability

- A. **Avoiding Adverse Impacts:** The Company is committed to conducting its business and operations in an environmentally responsible way, avoiding, or minimising any potential negative outcomes on the environment as required by applicable environmental laws and regulations and striving not to undertake any activities that would irrevocably harm the environment.
- B. **Monitoring:** The Company will strive to ensure that key environmental outcomes are monitored and, where potential negative outcomes on the environment have been identified, develop, and implement a plan to monitor any mitigation measures implemented. Key environmental outcomes may include, but are not limited to, flora and fauna, waste, water use/stress, releases of emissions and pollutants, and land degradation.
- C. **Operating in an Environmentally Conscious Manner:** The Company is committed to striving to maintain sustainable land and water management practices, conducting its operations in a manner that mitigates the risk of adverse outcomes on endangered or threatened species, and to minimizing adverse outcomes on air, soil, land, and water, as required by applicable environmental laws and regulations in the jurisdictions in which it operates, to include, where applicable, international standards.

2.4 Biodiversity

- A. **Conservation and Mitigation:** The Company recognizes the potential for infrastructure assets to impact biodiversity and ecosystems. To minimize or avoid such outcomes, the Company will endeavour to integrate biodiversity considerations into project development and develop and maintain biodiversity protection initiatives.
- B. **Biodiversity Protection Policy:** The Company is committed to implementing industry best practices and shall ensure compliance with applicable laws and regulations to conserve, protect, and mitigate any harm to biodiverse areas and locations. This may include: (i) screening activities to ensure minimal impacts on or avoidance of natural capital, including biodiversity and the protection of threatened and endangered species; (ii) implementation of pollution protection measures; (iii) measures to conserve and protect water resources; and (iv) where possible, encouragement of circular economies to minimize impact on natural resources. This Biodiversity Protection Policy applies to the Company's operational sites whether owned or leased or managed in, or adjacent to, protected areas or areas of high biodiversity value (as determined through frameworks when applicable such as the EU SFDR, the UK Sustainability Disclosure Requirements, the Integrated Biodiversity Assessment Tool Alliance or the GRI Standards).

2.5 Waste and Circular Economy

- A. **Reduction of Waste:** The Company shall consider ways to reduce, reuse, and recycle, thereby eliminating waste and conserving natural resources. For example, the Company may consider the use of highly durable and recyclable equipment which is easy to dismantle and refurbish.
- B. **Waste Management Plan:** The Company shall develop and implement a waste management plan inclusive of ensuring maximum reuse of its operational equipment and end-of-life recycling of such equipment. The Company shall regularly review its engagements and/or contractual agreements with third-party waste management partners to ensure waste is disposed of safely and responsibly, with minimal harm to the environment and communities, and, where possible, is separated and recycled. The Company shall ensure any toxic or hazardous wastes are stored and disposed of in accordance with applicable laws, regulations, and industry best practices and agree to integrate measures to minimize waste. Such waste management activities shall be reflected in the construction, development, and operation and end-of-life planning of the Company's projects, operating budgets, or other official project documentation.

3. Social Commitments

3.1 Monitoring Integration with International Responsible Business Guidance

A. Integration:

A.1. The Company shall endeavour to integrate the Ten Principles of the United Nations Global Compact (the “UNGC”), as well as the OECD Guidelines for Multinational Enterprises (the “OECD Guidelines”), across its business functions.

A.2. The Company shall strive to integrate the Ten Principles of the UNGC related to human rights, labour, environment, and anti-corruption into its practices.

B. Grievances: The Company shall consider the mechanisms in place for the submission of grievances or concerns by those potentially impacted by its activities, which are in addition to, and do not preclude access to, any other judicial system provided for by applicable law or contract.

3.2 Human Rights

A. Respect for Human Rights: The Company recognises a responsibility to respect human rights under the United Nations Guiding Principles on Business and Human Rights. The Company shall, as necessary and appropriate, conduct diligence to identify, prevent, mitigate, and account for how it addresses any impact on human rights, and accordingly consider processes to enable the remediation of any adverse human rights outcomes it causes or to which it contributes.

B. Legal and Policy Compliance: The Company shall: comply with all applicable laws and respect internationally recognized human rights wherever it operates; seek ways to honor the principles of internationally recognized human rights when faced with conflicting requirements; and treat the risk of causing or contributing to gross human rights abuses as a legal compliance issue wherever they operate.

C. Modern Slavery: The Company shall seek to identify, mitigate, and oppose all forms of slavery, forced or compulsory labor, and child labor within its organization and supply chains, and will implement processes to do so.

3.3 Diversity, Equity, and Inclusion

A. Equal Employment: The Company shall be guided by principles of equality of opportunity and treatment in employment and shall not discriminate against its workers with respect to employment or occupation on protected grounds such as race, color, sex, religion, nationality, ethnicity, or other legally protected characteristics.

B. Anti-Discrimination Policies: The Company shall be committed to the elimination of unlawful discrimination in respect of employment and occupation. The Company shall not tolerate workplace harassment, abuse, discrimination, violence, or retaliation for good faith reporting of such behaviour. The Company maintains anti-discrimination, anti-harassment, and antiretaliation policies appropriate for its jurisdictions, which are documented in its Employee Handbook. Any employee who witnesses discrimination, harassment, other inappropriate behavior, or retaliation, must immediately report the behavior to their manager, Human Resources, or another manager whom the employee feels comfortable approaching.

C. Diversity: The Company shall respect and value diversity (gender, ethnicity, culture and beyond) in order to engage a workforce that reflects its local populations.

D. Pay Ratio: The Company shall strive to perform regular assessment of gender pay equity among its employees, including all forms of remuneration, and/or other diversity metrics as requested by its applicable Boards of Directors.

- E. Diversity Statistics: The Company shall monitor employee diversity statistics and report those annually to its applicable Boards of Directors, or as otherwise requested.

3.4 Anti-Corruption

- A. Prohibition: The Company shall not directly or indirectly offer, promise, give, or demand a bribe or other undue advantage to obtain or retain business or other improper advantage. The Company shall also resist the solicitation of bribes and extortion. The Company shall work against corruption in all its forms, including extortion and bribery.
- B. Internal Controls: The Company shall develop or maintain appropriate internal policies, controls, training, ethics and compliance programs or other measures for the purpose of preventing and detecting illegal bribery, corruption, fraud, bribe solicitation and extortion.
- C. Compliance and Whistleblowing: The Company shall maintain a whistleblowing mechanism whereby employees may report concerns related to the Company's Code of Conduct or other internal policies. The whistleblower policy shall be documented in the Company's Employee Handbook. The Company shall not retaliate against employees for reporting potential violations in good faith.

3.5 Business Alignment with Social Principles

- A. Exclusions Based on Legal Requirements, Values and Beliefs: The Company shall avoid exposure to or investment in enterprises with a direct and material involvement in cluster chemical, biological or nuclear weapons, tobacco, alcohol, pornography, gambling, animal cruelty, or activities that violate human rights. The Company shall consider internal controls to evaluate whether its business partners and investments align with this principle.

4. Community Relations

4.1 Stakeholder Engagement

- A. Engagement and Feedback: The Company shall engage with clients and stakeholders on its initiatives, projects, products, and services, and seek feedback on relevant ESG issues as needed.
- B. Required Public Reporting and Notice: The Company shall comply with reporting and public notice requirements under relevant environmental laws and regulations.
- C. Local Community Engagement: The Company shall strive to engage with local communities in which its business operations have a significant impact and strive to measure contributions to local economies.

4.2 Recognition of Cultural Heritage

- A. Cultural Respect: The Company shall recognize the inherent value of all cultures and cultural heritage sites and treat them with respect. For purposes of this Policy, the terms "cultural heritage resources" and "cultural heritage sites" are defined to include tangible property and sites having archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values, as well as unique natural environmental features that embody cultural values.
- B. Protection of Cultural Heritage: The Company shall comply with all relevant laws and regulations concerning legally protected cultural heritage sites and resources. The Company shall have appropriate procedures in place (proportionate to the nature and context of its operations, as well as the scope and scale of any potential negative impact) to address the inadvertent discovery of cultural heritage sites or resources and appropriate mitigation measures with respect to the same.

5. Miscellaneous Policy Requirements

- A. Right to Update: This Policy may be updated at any time.
- B. No Third-Party Beneficiaries: This Policy does not confer any rights, either directly or as a third-party beneficiary, upon any person or entity, including but not limited to any rights to contract, confer or otherwise interact with the Company, to a renewal of any contract, or to participate in any process.
- C. Other Policies and Agreements: The standards of this Policy are in addition to, and do not supersede, the provisions of any legal agreement or contract, or any other applicable policy. This Policy is part of an overall framework of policies implemented by the Company.
- D. Effective Date: This Policy shall be in effect for the Company upon its Effective Date. The Company shall not be in violation of this Policy by any failure of compliance so long as they make a good faith plan for coming into compliance with this Policy – acknowledging local laws and requirements and such other matters as set forth herein – as soon as reasonably possible.

6. Supplementary Documents

This Policy is intended to be supplemented by other policies and processes of The Company that may be in effect from time to time.

Effective Date: November 2023