



Environmental Policy Statement

Updated: May 2022

Pure Cycle Corporation is a Colorado-based land and water resource development company committed to managing our environmental impact as an integral part of our water, wastewater, and land development operations. We seek to protect, preserve, and enhance the quality of our water supplies and to develop land responsibly to meet current and future human demands. We strive to minimize our footprint and strengthen our environmental performance over time, initiating projects and activities that will further reduce our impact on the natural world.

Environmental impact and risks are not restricted to Pure Cycle's immediate operations. We encourage all stakeholders, including employees, business partners, vendors, contractors, and suppliers, to align with our commitment to reducing negative environmental impacts.

Pure Cycle is committed to reducing our environmental impact through the following actions:

- Promoting environmental awareness and responsibility among our internal and external stakeholders and the public
- Employing management systems and procedures designed to minimize the use of hazardous materials, energy, and other natural resources
- Investing in innovative and highly efficient water abstraction, treatment, and storage technology
- Establishing objectives and targets, measuring progress, and refining our process
- Meeting or exceeding applicable environmental regulatory requirements
- Participating in recycling and other repurposing methods to reduce waste
- Implementing incentives that encourage customers to conserve and reduce their water usage

Our Environmental Policy is overseen by Pure Cycle's Board of Directors. Executive management, including the Principal Executive Officer and Principal Financial and Accounting Officer, oversees the implementation of these policies and coordinates our efforts to identify, address, train, and report on our environmental risks and opportunities.

NATURAL RESOURCES

Water is at the core of Pure Cycle's operations. As a wholesale water and wastewater provider, we seek to withdraw, use, and reuse water as efficiently and sustainably as possible. The consequences of water shortage are dire, and being in a region where water is scarce, we understand the importance of using only what we need. We have incorporated various water management systems and procedures to ensure sustainable and efficient water withdrawal, use, and reuse across all our operations. We perpetually seek out opportunities

to become more water efficient and sustainable while continuing to provide customers with exceptionally clean and affordable water.

GHG EMISSIONS AND CLIMATE CHANGE

Water availability and land viability are at direct risk of climate change. We recognize that climate change is a global issue that requires the cooperation and contributions of all citizens, industries, businesses, and governments, nationally and world-wide. Reducing greenhouse gas emissions, transitioning to renewable energy sources when possible, and taking other actions to mitigate the effects of climate change are imperative to help protect our future. We continue to monitor climate change and the potential impacts on the quality and quantity of our water supplies, while exploring alternative systems and processes that can reduce our carbon footprint while allowing us to continue to deliver exceptional services to our customers.

WASTE AND TOXICITY

The generation of needless hazardous waste and toxic materials poses significant risk to the environment and human health. Pure Cycle continuously seeks out ways to reduce our generation of hazardous and non-hazardous waste and toxic materials. We understand it is of the utmost importance that we comply with all environmental regulatory requirements and safety procedures pertaining to the generation and disposal of hazardous waste and toxic materials.