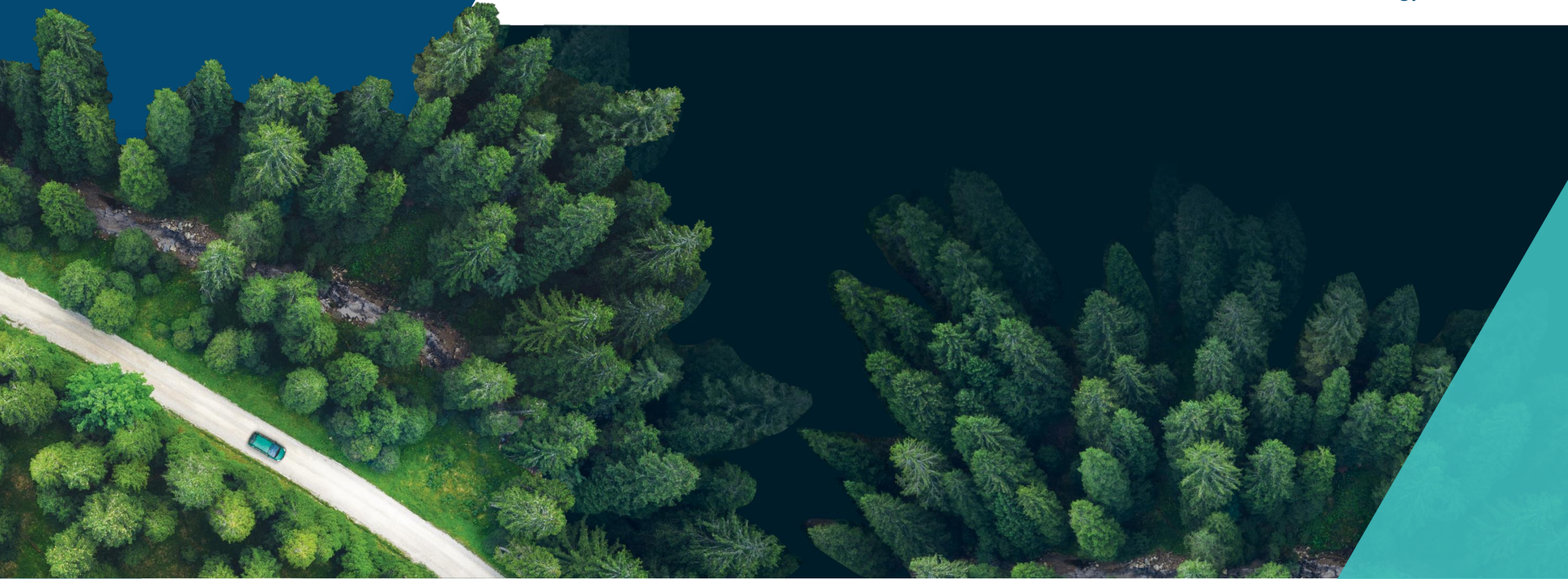


Developing a comprehensive ESG strategy

Storm Taylor | 8 November 2023
ESG Strategy Summit



ESG STRATEGY ADVICE

If you only hear three things from this presentation...



A comprehensive
ESG strategy starts
with specific
intention



Do not
underestimate the
effort required



Understand that
ESG influences and
infiltrates every
single part of your
company in one
way or another



Storm Taylor

MBA, BAHons. Art History, Grad. Dip Education

ESG Lead

Responsible for:

Development and execution of ESG (Environmental, Social, and Governance) strategy

Managing sustainability reporting to track and communicate environmental and social performance

Facilitating training and educational programs related to ESG and sustainability practices

Conducting in-depth research and preparing reports for the board of directors and leadership team



Achievements

Published ESG
and Sustainability
Framework

First Stand-alone
Sustainability and
TCFD Reports

3 years of carbon
neutral
certifications

Low
Sustainalytics ESG
Risk Rating

Completed
Human Rights DD
and Climate
Accelerator
programs

Certified GRI
Professional

Vulcan's unique **Zero Carbon Lithium™** Project aims to produce both renewable geothermal energy, and lithium hydroxide for Electric Vehicle (EV) batteries, from the same deep brine source in the Upper Rhine Valley, Germany.



VULCAN ENERGY ZERO CARBON LITHIUM™

Renewable heat
production for
more than
1 million people
by 2030¹



Enough **lithium**
hydroxide production
for
1 million EVs
per annum²



1 million tonnes of
CO₂ emissions
avoided
per annum³



ESG related regulations are increasing globally

dun&bradstreet

- ESG regulations are growing more complex
- Current regulations regarding ESG practices
- Change in private company data due to upcoming ESG regulations



Diagram displays a selection of ESG related regulations and disclosures.*

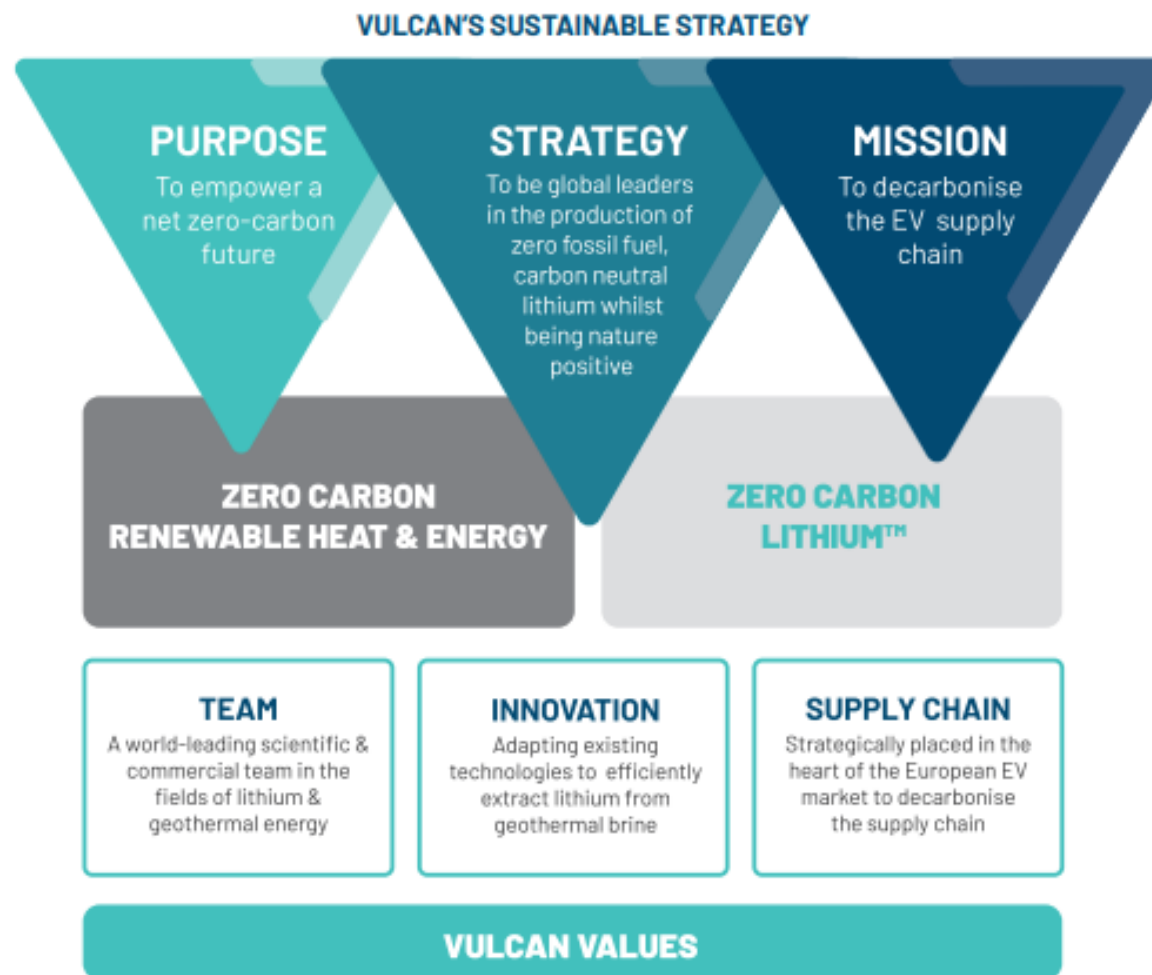
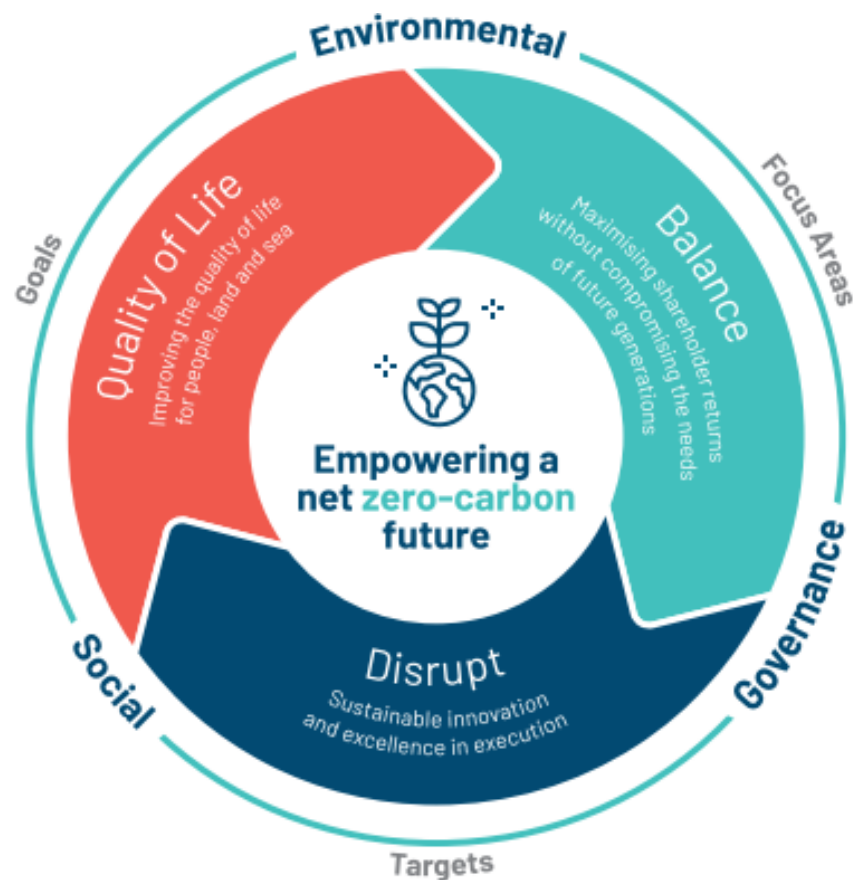
PROACTIVE ALIGNMENT OF STRATEGY

The real question here is 'why not' have an ESG strategy?



INCORPORATING THE ESG STRATEGY

It needs to flow through and be embedded in the whole organisation





SUSTAINABILITY AND ESG GOVERNANCE STRUCTURE

Board - Overall responsibility for the Company's sustainability strategy

Audit, Risk and ESG Committee

Key responsibilities:

- ▶ Financial statements, accounting policies and financial reporting and disclosure practices **(including sustainability related and climate related reporting)**.
- ▶ Compliance.
- ▶ Internal control processes and control framework **(including controls as it relates to sustainability and ESG integration)**.
- ▶ Internal and external audit.
- ▶ Management and disclosure of business, ESG and economic risks.
- ▶ Risk management framework **(including climate related and broader sustainability related risks)**, and management's performance.

Projects Oversight Committee

Key responsibilities:

- ▶ Regular reviews of the status of nominated projects.
- ▶ Apply appropriate corporate governance framework and risk management **(including climate related and broader sustainability related risks)**.
- ▶ Review and advise whether the projects have appropriate leadership and direction complimentary to maintaining an appropriate awareness of the strategic objectives of the Company.
- ▶ Review and advise whether the processes utilised in the governance and management of the projects align with complimentary processes used at the business and Company level e.g. risk management.

People and Performance Committee

Key responsibilities:

- ▶ Overall remuneration strategy.
- ▶ Short term and long term incentive plans, including **ESG related KPIs**.
- ▶ Performance management.
- ▶ Matters relating to recruitment, retention and termination policies.
- ▶ Diversity strategy and gender pay equity audits.

All committee Chairs report to the Board

Projects Execution Committee

Key responsibilities include providing a consistent approach to:

- ▶ Delivery (project execution, contract strategy, engineering standards, strategic sourcing).
- ▶ Integrating schedules and visibility of critical paths.
- ▶ Interfaces being effectively managed.
- ▶ Risks and opportunities defined and managed **(including sustainability related and ESG risks and opportunities)**.
- ▶ Control processes to give strategic management and insights.

Supply Chain Council

Key responsibilities include

- ▶ Business critical supply chain priorities.
- ▶ Approval of procurement strategies.
- ▶ Awarding of contracts and delegations.
- ▶ **Oversight of supply chain sustainability credentials.**

All committee Chairs report to the relevant Board committee

Sustainability Steering Committee

Consists of ten committee members from all departments across the Company

Key responsibilities include:

- ▶ Establishes direction and operationalises implementation of the sustainability framework.
- ▶ **Ambassadors of sustainability** - ensures the culture of sustainability is integrated into the Company.
- ▶ Responsible for employee training and education.

Committee Chair reports to the Audit, Risk and ESG committee



ZERO CARBON LITHIUM™

ESG STRATEGY ROADMAP

Be systematic and accountable

1. Start with intention

2. Identify your supporters and detractors

3. Research

4. Baseline your company

5. Undertake a materiality assessment

6. Set a roadmap with targets and goals

7. Present findings to leadership team

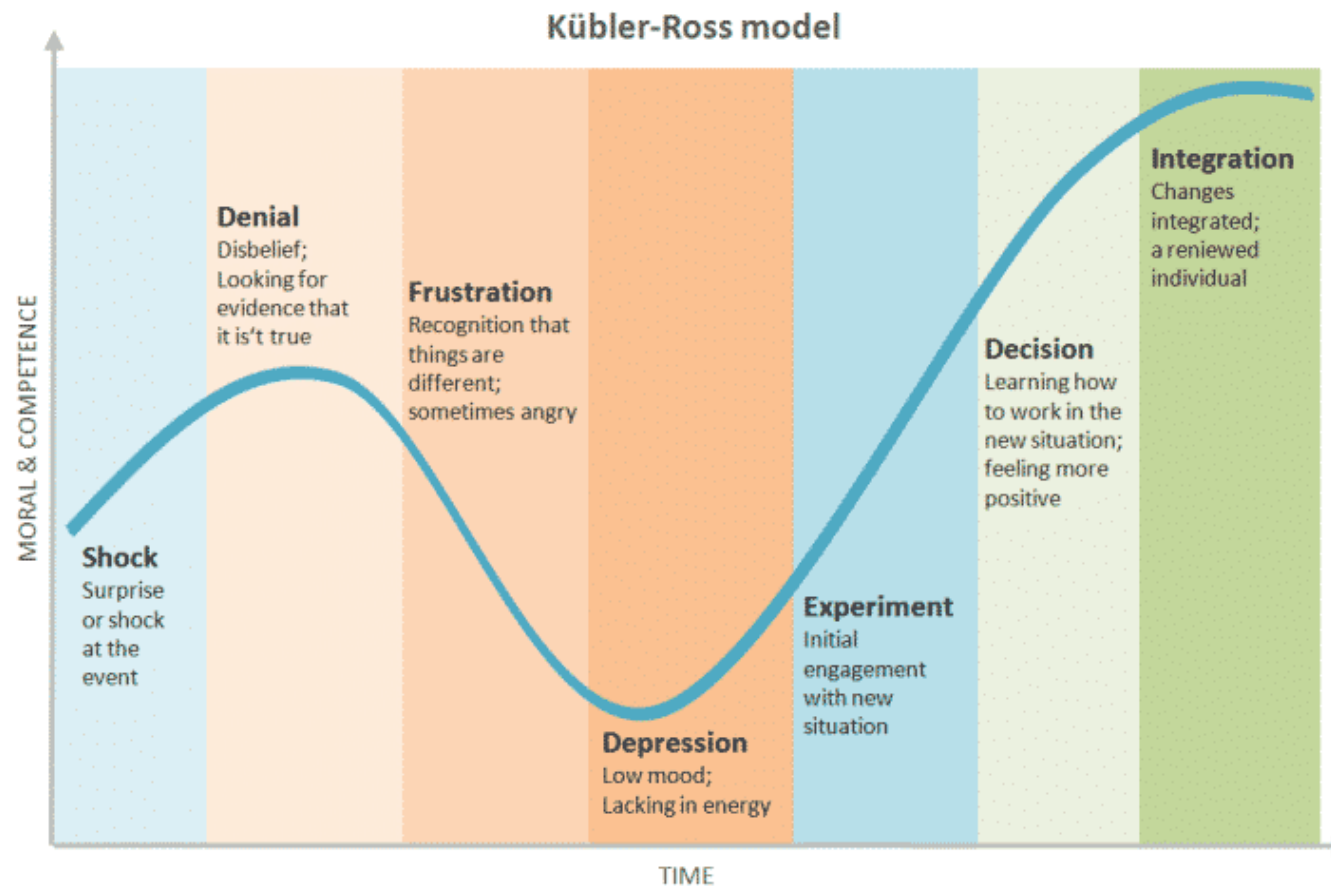
8. Undertake internal education and training

9. Put into practice

10. Review and refine

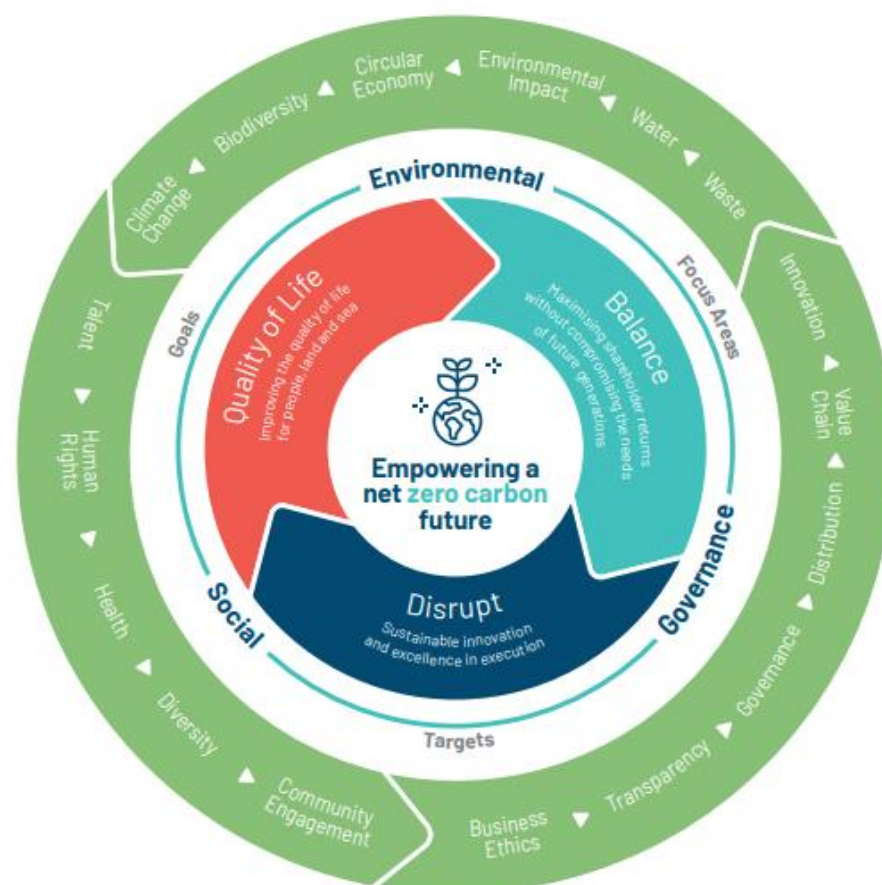
KÜBLER-ROSS CHANGE CURVE

Because people fundamentally do not like change



ASSESSING MATERIAL ESG ISSUES AND THEIR IMPACTS

You can't be everything for everyone, focus and prioritise



ESG STRATEGY ROADMAP

Continue the momentum and stay motivated

1. Start with intention

2. Identify your supporters and detractors

3. Research

4. Baseline your company

5. Undertake a materiality assessment

6. Set a roadmap with targets and goals

7. Present findings to executive team

8. Undertake internal education and practice

9. Put into practice

10. Review and refine

JOHN KOTTER'S EIGHT STEP PROCESS FOR LEADING CHANGE

How to move from extrinsically forced to intrinsically embedded in the team



01 Create

Establish a feeling of urgency of hurriedness towards change.

02 Build

Formulate a guiding coalition

03 Form

Develop a strategy to bring about change.

04 Enlist

Communicate or put forth the vision or strategy for change

05 Enable

Empower employees for taking action to incorporate changes

06 Generate

Formulate and generate short-term goals

07 Sustain

Capitalize of wins or gains in order to produce bigger results

08 Institute

Incorporate new and better changes in workplace culture

CHALLENGES

SOLUTIONS

ESG not integral to company success

- Continuous education and training
- Know your audience, tailor the message accordingly

Data management

- ESG bedrock
- Set the process and procedures early

Transparency

- “Be Good, Do Good” say it but also do it
- Remember people rely on the truth of the data

THANK YOU FOR LISTENING

Please feel free to connect on LinkedIn (Storm Taylor)

Email me at staylor@v-er.eu

Or come chat to me later today if you have further questions