



Ceres Power PLC

ESG & Sustainability Policy

September 2019

1 Sustainability Statement

Ceres Power is a clean technology company. Our technology helps organisations across the globe transition to a low-cost, low-carbon, low-pollutant economy.

Our core technology is the SteelCell[®] a unique Solid Oxide Fuel Cell that can generate electricity at much higher efficiencies than traditional methods. The technology works with a variety of fuels including natural gas, hydrogen and biofuels. When using natural gas as a fuel the SteelCell[®] can reduce carbon emissions by 30-70% in comparison with other established generation methods.

In order to provide structure to our approach to sustainability we consider each area in relation to Environmental, Social and Governance (ESG) factors, helping us to maintain a sustainable business and make a positive impact on those we work with both directly and indirectly.

Sustainability is not simply about preserving and improving the environment we live in, it is also about ensuring that we maintain strong governance standards and have a strong societal impact. As a business we regularly update our social policies as well as strive to create a positive work environment for our members of staff, helping to support well-being across the company. Whilst our governance adheres to all legislative standards as a PLC, our people are also expected to conduct themselves in a way that continues to demonstrate the highest standards at Ceres Power.

We understand the expectations and commitments made by our investors with regard to ESG. Our Policy is aligned with and recognises the importance of the six principles of the United Nations Principles for Responsible Investment (UNPRI). This ensures that we can demonstrate and promote ESG considerations across our activities as well as provide robust and transparent reporting.

2 Ceres Power's Commitment to ESG & Sustainability

We are committed to carrying out our business activities in a responsible and sustainable manner.

We have therefore focused and aligned our commitments with ESG factors. The ESG Steering Committee, chaired by our CEO, will ensure adherence with the standards and commitments established by this policy.

2.1 Environmental Factors

We conduct our business activities in a way that ensures, as far as practicable, that the environmental impacts of our operations are positive and any negative impact is mitigated. We are committed to:

- rolling out environmental management initiatives across our offices. This includes the provision of facilities and educational and engagement resources that encourage energy efficiency, waste prevention and sustainable water consumption.
- encouraging the use of public transport in commuting and business travel, where practically possible.
- Providing opportunities for staff to work from home and utilise video conferencing facilities where appropriate.
- Collecting internal energy and waste data on our operations, in order to better manage and understand our environmental impact.

2.2 Social Factors

We aim to conduct our business in a socially responsible manner, to contribute to the communities in which we operate and to respect the needs of our employees and stakeholders. We are therefore committed to:

- Ensuring a high-quality working environment is in place for employees and providing the opportunity to undertake further training and professional development in sustainability and ESG related topics.
- Encouraging diversity and equal opportunity for all people in relation to recruitment, selection and career development.
- Respecting human rights and not tolerating modern slavery in our business or supply chain.
- Ensuring all employees are responsible for the promotion of and adherence to health and safety measures in the workplace as set out by the Ceres Power Health and Safety policy which enables all of our employees to work in the expectation they can do so safely and without risk to their health.
- Playing an active role in the engineering industry by helping to inspire the next generation and collaborating with other stakeholders in the sector.

2.3 Governance Factors

We conduct all of our business activities in an honest, ethical and socially responsible manner and these values underpin our business model and strategy. We are committed to acting professionally, fairly and with integrity in all of our business dealings and relationships with consideration for the needs of all stakeholders including our customers, employees, shareholders and wider stakeholders.

We endeavour to conduct our business in accordance with established best practice, to be a responsible employer and to adopt values and standards designed to help guide employees in their conduct and business relationships. We are therefore committed to:

- Complying with all relevant legislation, regulations and codes of practice which apply to us including requirements related to environmental and social impacts.
- The implementation and enforcement of effective policies and procedures to reflect our zero-tolerance approach to bribery and corruption.
- Measuring our performance and promoting continual improvement through setting annual objectives and targets.
- Operating an ESG Committee. The ESG Committee's core remit being to monitor this policy and approve initiatives aimed at enhancing sustainability.
- Reviewing this policy and positioning statement annually to ensure its continuing suitability and effectiveness according to the nature and scale of our operations.

3 Policy links

Ceres Power has a number of existing policies in place which are linked to this ESG & Sustainability Policy. These policies include:

- Anti-Bribery and Corruption Policy (S&G factors)
- Code of Conduct and Business Ethics (S&G factors)
- Employee Wellbeing policy (S factor)
- Equality & Diversity (S&G factor)
- Training policy (S&G factor)
- Health & Safety (S&G factors)

4 2019/20 ESG & Sustainability Projects – Action Plan

We are committed to continual improvement and in 2019/20 are focusing on a number of sustainability and ESG related projects. Progress will be reported in our Annual Report in the ESG & Sustainability section and via our website moving forward.

Project 1 – Policy framework review. This ESG & Sustainability Policy represents our first formal position on these matters and we will review and update existing policies. We will also hold our first ESG Committee meeting, which will convene quarterly.

Project 2 – Sustainability strategy. We will develop a high-level strategy which builds on this policy and action plan and articulates how we are going to implement, measure and monitor progress.

Project 3 – Sustainability training and engagement. We will provide a blended approach to training and engagement for staff on ESG & Sustainability.

Project 4 – Data management and reporting. We will assess the feasibility of implementing a centralised data management tool to report against our core ESG KPIs.

Project 5 – ESG accreditation. We will review the different ESG and sustainability accreditations available and aim to align ourselves with at least one.

Project 6 – Sustainable Development Goals (SDGs). Building on the work we will present in the 2018/19 annual report, we will further review our operational alignment with the SDGs. This will help us to further understand the potential to contribute to the goals moving forwards.

Project 7 – Improving talent management. People in Ceres Power are our most important resource. We will continually review our training development programs at all levels to ensure we retain the best talent.

This Policy was adopted by the Board of Directors in 2019.

This Policy will be reviewed by the ESG Committee on an annual basis.

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