



Sustainability at Ceres

21 November 2022

CLEAN ENERGY STARTS WITH CERES

Welcome to our Sustainability webinar



Phil Caldwell

Chief Executive Officer

Chairs our ESG Committee



Michelle Traynor

People Director

Leads on Social aspects of our Sustainability strategy



Mark Garrett

Chief Operating Officer

Leads on Environmental aspects of our Sustainability strategy



Deborah Grimason

General Counsel and Company Secretary

Leads on Governance aspects of our Sustainability strategy

Introduction

Phil Caldwell
Chief Executive

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Leading solid oxide technology
for **power and green hydrogen**

**Committed to enabling clean
energy for net zero**

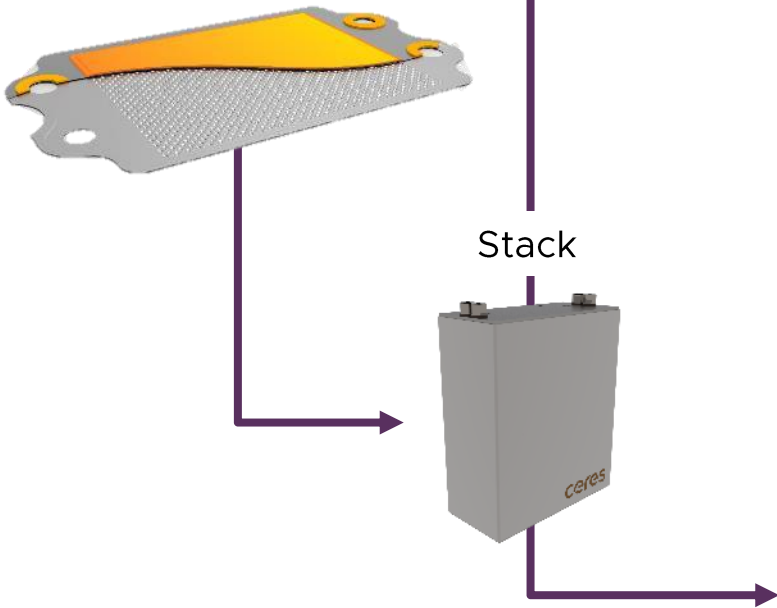
Aim to ensure our **sustainability
strategy keeps pace with our
purpose**

As well as **best practice across
our industry** and peer group

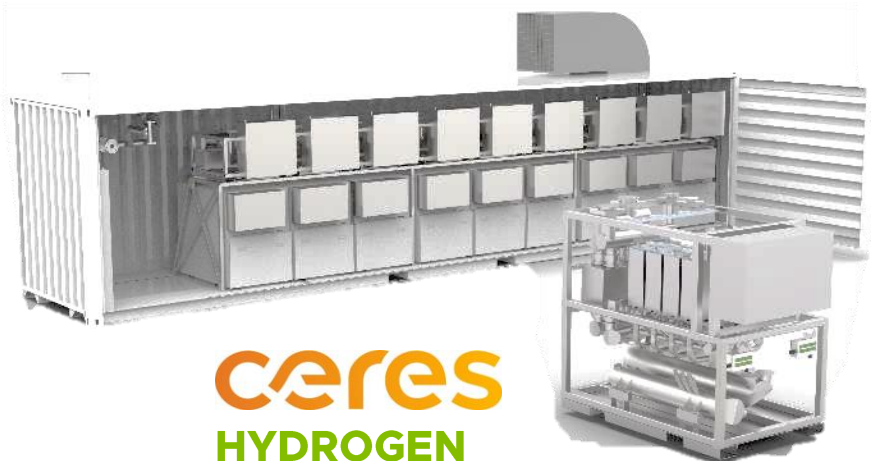


Global energy transition to affordable clean power

Ceres technology enables high efficiency energy conversion at low cost



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POWER



Engaging with global majors in oil & gas, industrial gas and clean energy



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Environmental

Mark Garrett
Chief Operating Officer

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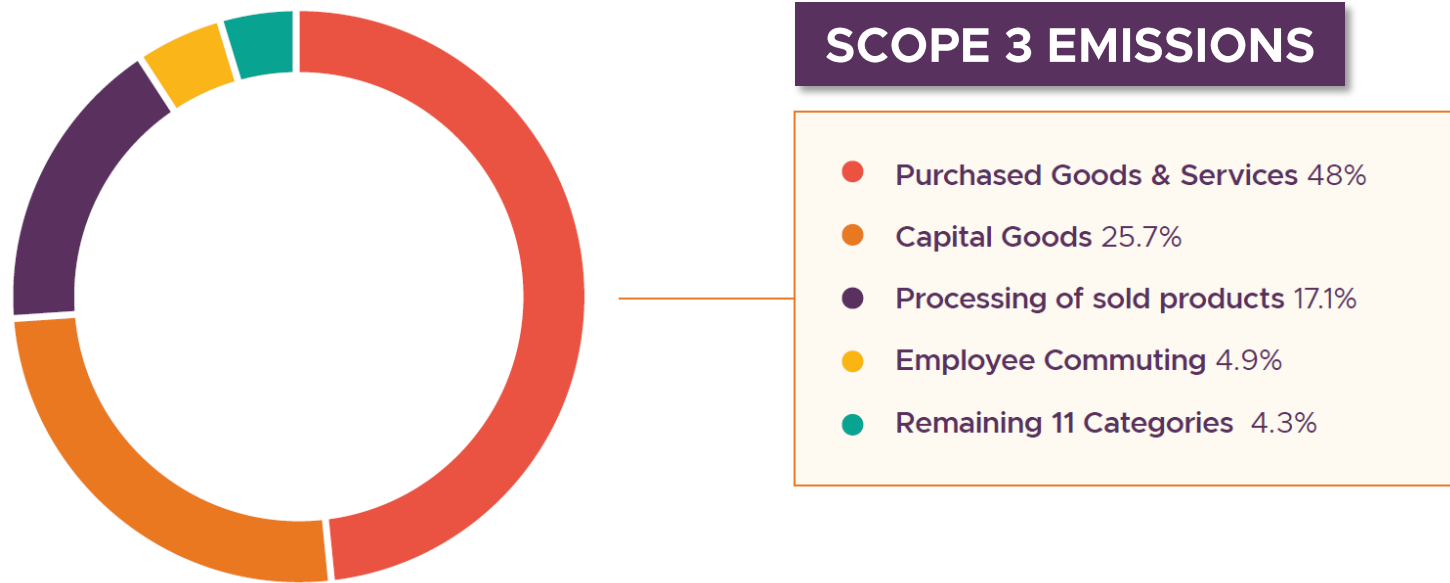
Expanding our carbon reporting

Reporting on our Scopes 1, 2 and 3 emissions (tCO₂e)



From Oct. 2020, 100% of electricity sourced from zero-carbon sources

Working through a **more detailed picture of Scope 3 emissions** to better understand, not just the direct, but indirect impact of our activities and how we can respond positively to this.

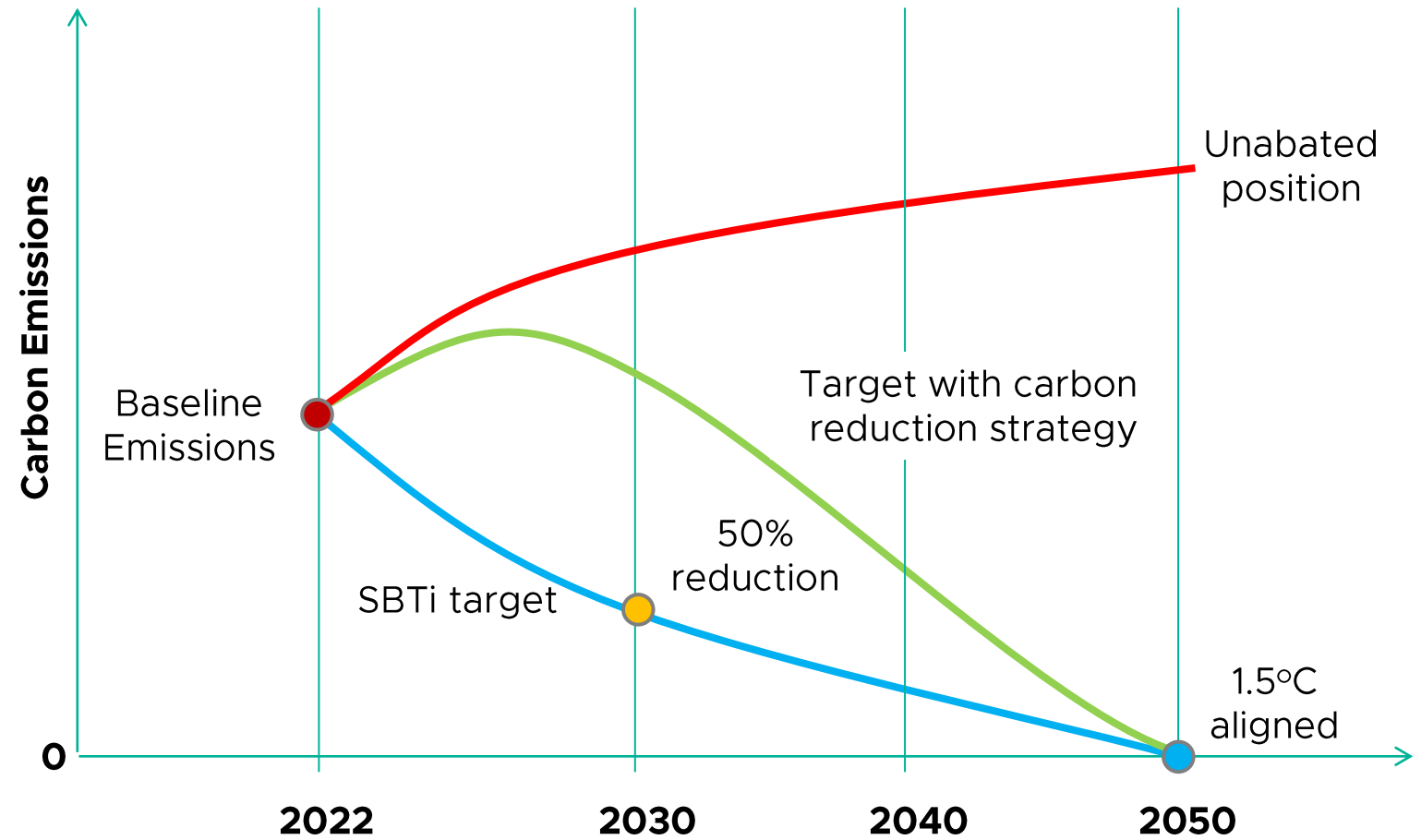


Emissions reduction pathway

Short-term growth in emissions will lead to cumulative benefits over time

As a growth company we continue to invest in R&D, test and pilot manufacturing and expect our **short-term emissions will increase as we succeed in our mission to embed our technology with global partners**

At the beginning of evaluating a carbon emission reduction pathway in line with SBTi guidance to achieving **net zero emissions before 2050**



Responsible consumption and production

Cradle-to-gate Life Cycle Analysis conducted on current stack technology levels



Substage	1kW (kg CO ₂ e)	5kW (kg CO ₂ e)
Raw materials	297	1,148
Manufacturing	261	929
Transport	14	48
Total	572	2124
Total/kW	572	425

- Carbon efficiency of higher output stack
- Utilising CO₂ modelling tool to assess impacts of new technology decisions
- Individual contributors can be identified for sensitivity analysis in support of R&D priority areas
- Downstream emissions dependent on licensee applications and recycling strategy

Impact of our technology through licensing model

Partners deploying technology at scale

- ~250MW by 2024
- Equ. 400,000 tonnes of CO₂ per annum¹

Sustainability embedded in the transfer of IP

- 95% steel by weight, highly recycled
- Ceria based electrolyte, abundant with multiple sources

Circular economy for raw materials

- Cradle-to-grave analysis
- Full evaluation of end-of-life recyclability

1. Ceres in-house model of carbon intensity per kWh of Ceres fuel cells in combined heat and power mode, compared to the carbon emissions produced by consuming electricity from the centralised grid in an average G20 country according to The Climate Transparency Report 2020. Available at: www.climate-transparency.org/g20-climate-performance/the-climate-transparency-report-2020



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Social

Michelle Traynor
People Director



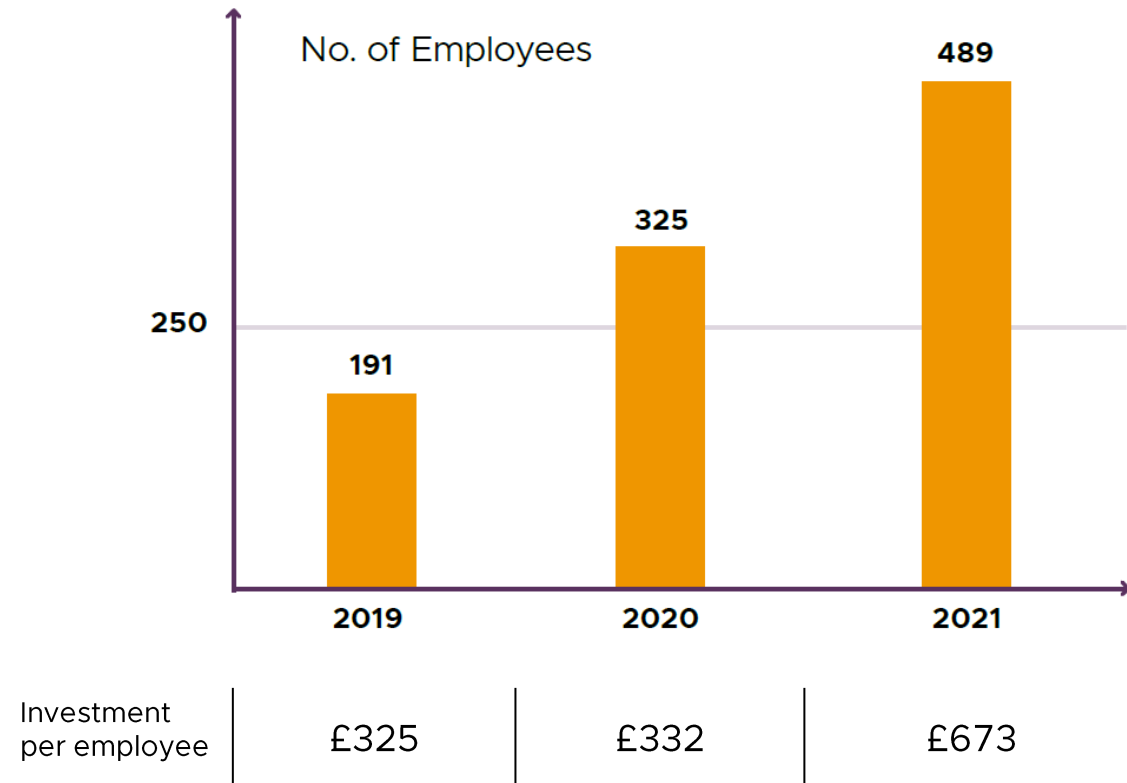
Our growing team

Growing workforce

More than 500 employees across two UK sites and many now remotely, both in the UK and internationally

Investing in our talent pipeline

- STEM schools competition
- Work experience
- Paid internships
- Apprenticeship scheme
- Graduate rotation programme
- Engineering accreditation
- Leadership programmes
- Industry-academia partnerships



Developing and retaining talent

Ceres Academy

A development platform designed around purpose, values and strategy, with three bespoke development programmes (Leading Self; Leading Others; and a Senior Leadership programme)

A voice to all employees

In our first Gallup 12 groupwide survey we achieved a score of 76% engagement, from 66% completion rate – **strong shared sense of purpose**

Employee ownership

Share options and an employee Sharesave plan with 74% participation in 2021

The benefits of working with Ceres



Flexibility and time off including holidays, birthdays and sabbaticals. Family support includes enhanced maternity, paternity and adoption leave as well as hybrid and flexible working



Health and well-being including medical cash plan, virtual GP service, mental health support, a ride-to-work scheme, and gym discounts



Remuneration benchmarking, pension scheme, life assurance insurance, save-as-you-earn and loan schemes



Other benefits include electric vehicle charging, recruitment referral scheme, the Ceres Champion Awards and retail discounts

94%

Retention rate

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Diversity, equity, belonging and inclusion (DEBI)

Diversity

Continually seek improvement, 22% of new recruits in 2021 women against our near-term target of 25%

Connect

Drives inclusion and support for our employee communities. Chair sits on the ESG Committee

Board

Trine Borum Bojsen joined the Board bringing 25 years of experience from across the renewables space

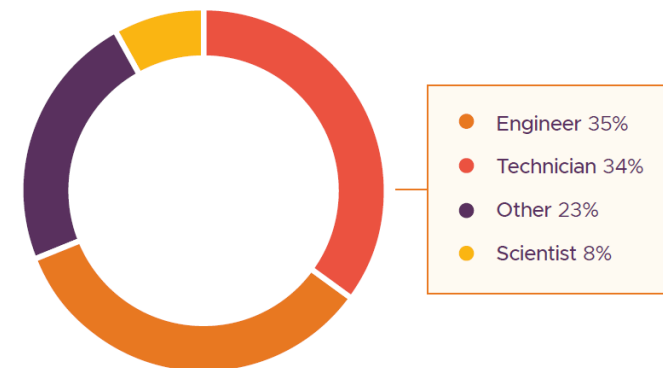
20%

Female representation on the Board of Directors

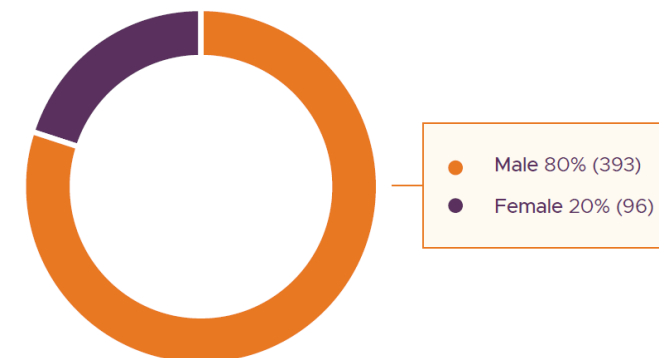
40%

Female representation on the Executive Team

Workforce: split by roles



Workforce: gender split



Being a good corporate citizen

Conduct all our business in a socially responsibly manner, contribute to the communities in which we operate and respect the needs of employees and stakeholders



Health and safety

Recordable incidents 0.36
(2020: 0.38)
Zero major incidents or injuries



Community impact

Donations for Ukraine
Community wood recycling



Supply chain

Code of conduct
Risk management system
Applying for ISO 14001



Academic partnerships

STEM competition for schools
RA Eng Research Chair

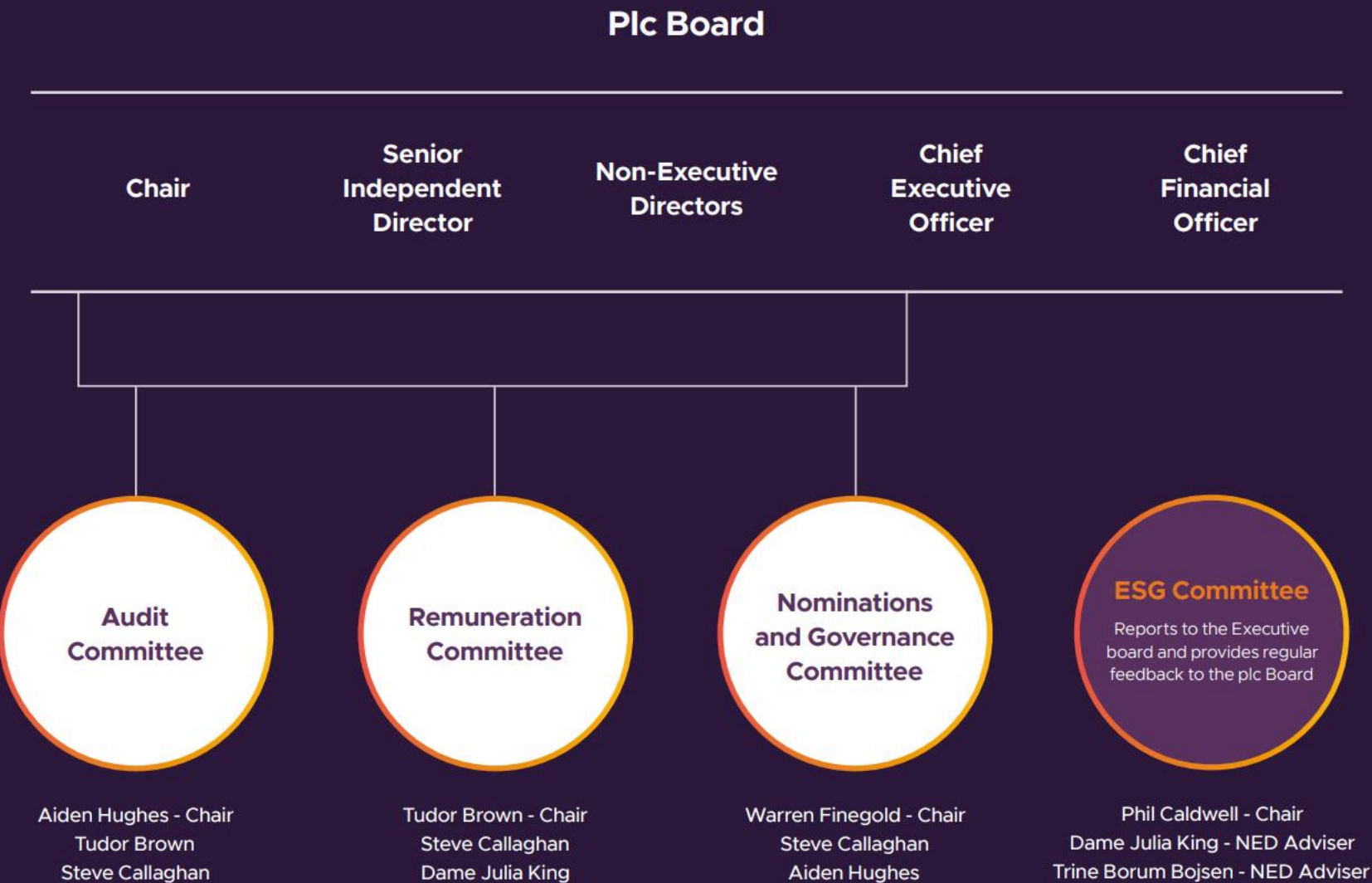
Governance

Deborah Grimason
General Counsel and Company Secretary

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Board oversight of ESG



Managing sustainability risk

Climate-related risks included in corporate risk reporting process

- Group's quarterly review process
- Reviewed by the Audit Committee twice a year
- Board ultimately responsible for risk review and setting risk appetite along with mitigation
- In line with the highest risk categories in our Materiality process

Code of Ethics and Business Practice sets out our behaviours as a good corporate citizen

Governance policies

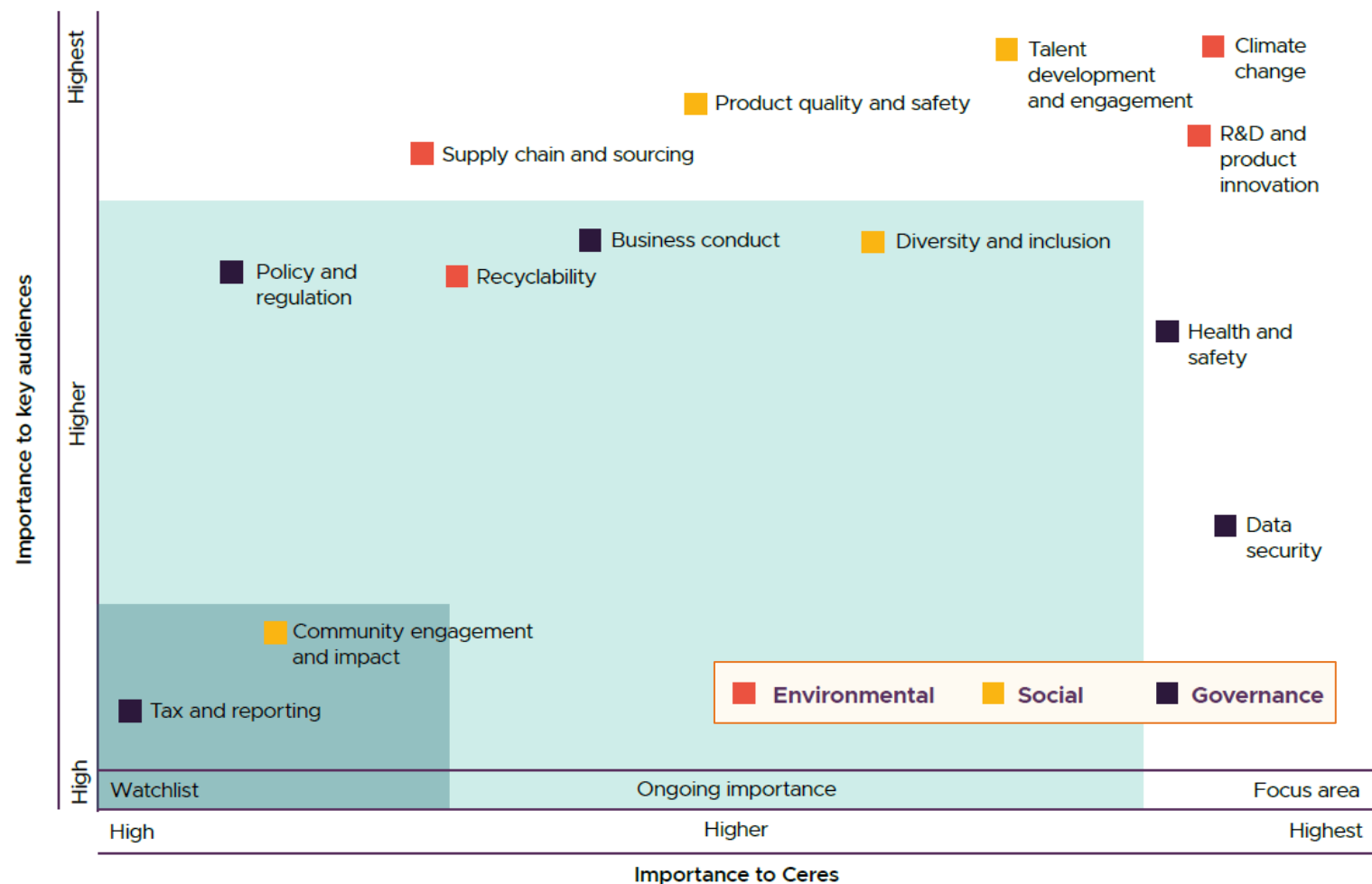
Policies

- Code of ethics and business practice
- Data security and privacy charter
- Diversity and Inclusion
- Health and safety
- Modern slavery statement
- Quality
- Supply chain
- Speak up
- Sustainability and ESG

Ceres reviews its policies in line with its material risks and aims to continuously update them as it evolves its strategy to ensure they maintain alignment with the needs of the business and stakeholders.

Materiality matrix

- Materiality assessment undertaken with senior management, ESG Committee and independent third party
- Matrix included here – with top 13 business issues
- Sustainability issues incorporated into wider risk analysis, decision-making, actions relating to R&D product and innovation



Stakeholder engagement

Active communications with our stakeholders, and understanding their views, needs, expectations and feedback, is vital to us — as is gaining our stakeholders' understanding of the Company's circumstances, plans and constraints.

Supplier and partners

To ensure our partners and supply chain are aligned to the achievement of the Company's strategy

Shareholders

To ensure confidence in the Company's strategy and performance, purpose and culture

Employees

To attract, develop, incentivise and retain the best people to help us achieve our strategy and vision

Wider society

To generate social and environmental impact, which is part of the Company's core purpose.

Outlook

Alignment with Net Zero

Developing our strategy and reporting

Progress

- ✓ Gallup employee survey
- ✓ Diversity and Inclusion policy
- ✓ Gender Pay Gap reporting
- ✓ Supply chain risk management tool deployed
- ✓ SASB framework
- ISO 14001

Targets for 2023

- SBTi accredited 2021 scope 1, 2 and scope 3 emissions
- TCFD reporting
- Achieve Carbon Disclosure Project (CDP) Rating
- Strategy for our SBTi based emissions reduction pathway to net zero

Questions

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