



**ENVIRONMENT
SOCIAL
GOVERNANCE**



**ENVIRONMENTAL CLEAN
TECHNOLOGIES LIMITED**

Annual ESG & Sustainability Report FY22

Contents

ESG DISCLOSURE FY22 – WORLD ECONOMIC FORUM (WEF) FRAMEWORK & METRICS	1	PEOPLE	12
GOVERNANCE	2	Dignity and equality	12
Governing purpose	2	Diversity and inclusion	12
Setting purpose	2	Pay equality	13
Quality of governing body	2	Wage level	13
Governance body composition	2	Human rights	13
Board Skills Matrix	3	Risk for incidents of child, forced or compulsory labour	13
Stakeholder engagement	5	Health and well-being	14
Material issues impacting stakeholders	5	Health and Safety	14
Anti-corruption	6	Skills for the future	14
Anti-corruption practices	6	Training provided	14
Ethical behaviour	7	PROSPERITY	15
Mechanisms to protect ethical behaviour	7	Employment and wealth generation	15
Risk and opportunity oversight	8	Absolute number and rate of employment	15
Risk framework and processes	8	Economic contribution	15
PLANET	9	Financial investment contribution	15
Climate change	9	Innovation of better products and services	16
Greenhouse gas (GHG) emissions	9	Total R&D expenses	16
TCFD implementation	10	Community and social vitality	16
Nature loss	11	Total tax paid	16
Land use and ecological sensitivity	11	ANNUAL ESG DASHBOARD – INCEPTION TO Q4 FY22	17
Freshwater availability	11	SUSTAINABILITY INITIATIVES & ESG TARGETS	18
Water consumption	11	APPENDIX - UN SDG'S TO WEF (MAPPING)	20

ESG Disclosure FY22 – World Economic Forum (WEF) Framework & Metrics

Environmental Clean Technologies Limited (“ECT” or the “Company”) is committed to the principles of Environmental, Social, and Governance (“ESG”) as the most effective means of creating long-term enterprise value whilst addressing the societal priorities enshrined in the United Nations’ Sustainable Development Goals.

In July 2021, ECT committed to commence reporting against the core World Economic Forum (WEF)¹ ‘Stakeholder Capitalism’ framework and Metrics (“SCM”).

ECT is in an ongoing process of disclosing in the form of a set of universal, comparable ESG metrics focused on people, planet, prosperity, and principles of governance that organisations can report on regardless of industry or region. ECT uses this universal ESG framework to align mainstream reporting on performance against ESG indicators and peers.

By integrating these core ESG metrics into the governance, business strategy, risk management and performance management targets, ECT diligently considers all pertinent risks and opportunities in running the business in a vastly changing environment.

ECT will continue to look for opportunities for further transparency on the topics which are material to the business, especially concerning climate change, and in meeting the *Paris Agreement*³ obligations.

To track disclosure progress and demonstrate initial sustainability performance against the WEF SCM framework, ECT is currently utilising Socialsuite’s ESG Go disclosure platform⁴.

The data for the ESG Annual Report was last updated as at 30/06/22.

1 <https://www.weforum.org/reports/measuring-stakeholder-capitalism-towards-common-metrics-and-consistent-reporting-of-sustainable-value-creation>

2 <https://www.weforum.org/stakeholdercapitalism/our-metrics>

3 [The Paris Agreement | United Nations](#)

4 <https://www.socialsuitehq.com/esg>



Governance

Governing purpose	FULL DISCLOSURE
Setting purpose	<p>ECT'S Purpose Statement was re-affirmed in FY22 by the ECT Board: "We bridge the gap between today's use of resources and tomorrow's zero-emissions future".</p> <p>As ECT pursues its purpose, we are guided by our corporate values:</p> <ul style="list-style-type: none"> • We are focused on technology as an enabler to a zero-emissions future. • We strive to deliver innovative outcomes through reducing complexity, cost-conscious execution, and fit-for-purpose engineering. • We work collaboratively to yield the best possible outcomes. • When we say we will do something, we do it – and we do it responsibly. • We consider the safety, quality, and environmental outcomes of our decisions. <p>Please refer to the ECT website for further information: Company Overview - ECT (ectltd.com.au)</p>
Quality of governing body	FULL DISCLOSURE
Governance body composition	<p>The capabilities and perspectives of Board members are important for making robust decisions on an ongoing basis. This disclosure captures a variety of important dimensions to composition, going beyond a single metric, and emphasises competencies relating to economic, environmental and social topics.</p> <p>A description of the skills and experience of the ECT Directors is outlined in the front section of the Company's Annual Financial Report and in the Appendix 4G, both released on the ASX [ASX: ECT]. These documents can also be found on the Company's website: ESG - ECT (ectltd.com.au)</p> <p>Whilst the ECT Board believes in an independent, inclusive and diverse Board, we have not made reportable progress in these areas. The Company is committed to workplace diversity, improving demographic, experiential and cognitive diversity, with expected future appointments to actively consider these aspects at the appropriate time.</p> <p>The process of formally integrating ESG competencies into the Board Skills Matrix was completed in May 2022 and is set out below:</p>

Board Skills Matrix

Legend: F = Familiar | C = Competent | E = Expert

Name	Glenn Fozard	Jason Marinko	James Blackburn	Tim Wise
Title	Managing Director	Non-Executive Chairman	Non-Executive Director	Non-Executive Director
Independent	N	N	N	N
Gender	M	M	M	M
Experience				
Corporate leadership	E	E	E	E
International business experience	C	C	C	C
Industry & sector experience	C	C	C	F
Board experience	C	E	E	E
Capital Markets experience	E	E	C	E
Knowledge & Skills				
Strategy Development	C	E	E	C
Finance & Accounting	E	C	C	C
Legal & Regulatory	F	F	F	F
Digital & Information Technology	F	F	F	F
Human Resources & People	C	C	C	F
Public Relations, Marketing & Communications	F	C	F	C
Risk & Compliance	C	C	C	C
Stakeholder engagement	C	E	C	E
Engineering	F	F	F	F
Capital projects/development	C	C	C	F
Intellectual Property Development and Protection	F	F	C	F
Environmental & Climate	E	C	C	F
Social & Sustainability	E	C	C	C
Governance & Policy	C	C	C	C

Board Skills Matrix cont.

Director	Glenn Fozard	Jason Marinko	James Blackburn	Tim Wise
Title	Managing Director	Non-Executive Chairman	Non-Executive Director	Non-Executive Director
Governance Competencies				
Director (medium organisation 10 - 99 employees)	E	E	E	E
Financial literacy	E	E	E	C
Strategic thinking	E	E	E	E
Executive performance management	C	C	C	F
Risk management and mitigation	C	C	C	C
Compliance focus	C	C	C	C
Profile / Reputation	C	C	C	E
Behavioural Competencies				
Team player / collaborative	E	E	E	E
Ability and willingness to challenge and probe	E	E	E	E
Common sense and sound judgement	E	E	E	E
Integrity and high ethical standards	C	E	E	E
Mentoring abilities	C	E	C	E
Interpersonal relations – internal	C	C	C	C
Customer relationship management – external	C	E	E	C
Listening skills	C	E	C	E
Verbal communication skills	C	C	E	E
Understanding of effective decision-making process	E	E	E	E
Willingness and ability to devote time and energy to the role	E	E	E	E

Stakeholder engagement

FULL DISCLOSURE

Material issues impacting stakeholders

This disclosure highlights the importance of the relationship between what is material to ECT and its stakeholders. It captures the output of a process to understand the impact of the Company on its stakeholders and the implications for the Company.

During the March 2022 Quarter, ECT created a Stakeholder Engagement Plan that includes a stakeholder engagement register that formally identifies stakeholders, records dates of stakeholder meetings, records key issues discussed, and analyses the materiality (impact/influence) of each stakeholder and stakeholder issue on ECT's operations. The Stakeholder Engagement Plan also includes provision for further recommended action by ECT's Audit and Risk Committee to nurture material issues between ECT and its key stakeholder on an ongoing basis.

During FY22, the Company recorded stakeholder meetings to help further mitigate actual and potential issues faced by its stakeholders. ECT will continue to engage with stakeholders on an ongoing basis.



Anti-corruption practices

Corruption undermines stakeholder legitimacy, trust and reputation.

To combat corruption, ECT has several policies and procedures to improve the broader operating environment and culture. This includes ECT's Code of Conduct and policies dealing with bribery and corruption. Further information on these policies and other relevant information can be found in ECT's Corporate Governance section on the website:

[https://ectltd.com.au/about-us/corporate-governance/Corporate Governance - ECT \(ectltd.com.au\)](https://ectltd.com.au/about-us/corporate-governance/Corporate-Governance-ECT(ectltd.com.au))

ECT does not yet formally train staff on anti-corruption, though its staff and contractors must follow the Company's Code of Conduct.

ECT is currently considering 'fit-for-purpose' ways to train employees and contractors on anti-corruption in the future and has created an anti-corruption training register in anticipation of this to capture expected progress.

During FY22, there were no reported incidents of corruption.



Ethical behaviour	FULL DISCLOSURE
<p>Mechanisms to protect ethical behaviour</p>	<p>ECT is committed to the highest standards of ethical conduct in all business activities through several mechanisms outlined below.</p> <p>Directors and management of ECT are committed to conducting the Company's business ethically and in accordance with high standards of corporate governance in compliance with the ASX Corporate Governance Principles and Recommendations (2019).</p> <p>ECT's Whistleblower Policy supports commitment to the highest standards of ethical conduct and provides everyone working at ECT with the means to raise concerns without fearing retaliation.</p> <p>The Whistleblower Policy (and other ECT policies) were created internally by benchmarking standard policies for companies of ECT's size and operating environment and then checked by the ECT Board, with any recommended changes implemented before being formally approved by the Board.</p> <p>Given ECT's size, the Company does not have a formal external mechanism (e.g., consulting firm, legal) to advise ECT employees or contractors on ethical or lawful behaviour. However, the Company encourages two-way dialogue with its employees and contractors, including the ability to seek confidential advice from the Company Secretary or any of ECT's Directors.</p> <p>ECT is also externally audited (currently by BDO), which includes both a Half-Year Review and a Full-year Audit (EOFY) of ECT's business, enabling the auditor to express an opinion as to whether the ECT's reports are prepared in accordance with Australian Accounting Standards and the Corporations Act 2001.</p> <p>ECT's Corporate Governance Statement – which is aligned with these principles – can be found on ECT's website at:</p> <p>Corporate Governance - ECT (ectltd.com.au)</p>



Risk framework and processes

The ECT Board understand that sound corporate governance is key to driving long-term sustainable outcomes for all ECT's stakeholders. The Board also understand that emerging financial and non-financial risks evolve over time.

The Company's Audit and Risk Committee constantly monitors all emerging stakeholder risks and opportunities and reviews them regularly as part of ECT's Enterprise Risk Management (ERM) framework. Risks captured during this ongoing process are included in a risk register. In addition, the Audit and Risk Committee meets monthly to consider these material risks and recommended risk mitigants. ECT's Audit and Risk Committee now also includes attendance by ECT's dedicated ESG Advisor to add specific focus in this area.

During the March 2022 Quarter, ECT integrated both climate-related risks (aligned to Taskforce on Climate-Related Financial Disclosures ["TCFD"]) and other key ESG risks into the Company's existing ERM process.

Regular review and analysis by senior management and ECT's Audit and Risk Committee, combined with Board oversight and management of material emerging ESG risks and opportunities (especially relating to climate change), is a key priority for ECT.

ECT intends to transparently disclose the strategy and actions the Company will take to demonstrate stewardship of emerging ESG risks and opportunities to its stakeholders on an ongoing basis, including climate disclosures - via ECT's formal adoption of TCFD in May 2022 (see TCFD implementation below).



Planet

Climate change	FULL DISCLOSURE																																
Greenhouse gas (GHG) emissions	<p>During FY22, the Company reviewed the Greenhouse Gas [GHG] Protocol and its implications regarding ECT’s ongoing operations.</p> <p>Recognising the important role ECT can play in the growing opportunities surrounding Australia’s energy transition, the Company engaged Carbon Reduction Institute (CRI) to assess the Company’s corporate carbon footprint and future GHG targets. Established in 2006, CRI (https://noco2.com.au/) is Australia’s most experienced carbon consulting company.</p> <p>In December 2021, the Board set an interim net-zero target (Scope 1 and 2 Greenhouse Gas [GHG] emissions) for ECT’s corporate offices (plus limited Scope 3 emissions including staff travel (land & air) and waste with targeted implementation achieved before the end of FY22.</p> <p>During the March 2022 Quarter, the Company began collating information to facilitate the measurement of ECT's carbon emissions “baseline” for FY19, which was chosen as it was ‘pre-COVID’ and better reflects ECT's operations and GHG footprint.</p> <p>During the June 2022 Quarter, ECT submitted the data to the CRI.</p> <p>The results of ECT’s FY19 baseline carbon audit are as follows:</p> <table><tr><th>Scope</th><th>Emissions Source</th><th>Emission (tCO2/year)</th></tr><tr><td rowspan="3">Scope 1</td><td>Fuel Consumed</td><td>6.55</td></tr><tr><td>Gas Use</td><td>0.10</td></tr><tr><td>Refrigerants</td><td>0.00</td></tr><tr><td>Scope 2</td><td>Electricity</td><td>40.70</td></tr><tr><td rowspan="9">Scope 3</td><td>Supply of Electricity</td><td>3.99</td></tr><tr><td>Supply of Gas</td><td>0.01</td></tr><tr><td>Staff Travel</td><td>41.59</td></tr><tr><td>Assets</td><td>0.00</td></tr><tr><td>Expenses</td><td>0.00</td></tr><tr><td>Cost of Sales</td><td>0.00</td></tr><tr><td>Flights</td><td>114.86</td></tr><tr><td>Waste</td><td>0.90</td></tr><tr><td>Total Footprint</td><td>209.04</td></tr></table>	Scope	Emissions Source	Emission (tCO2/year)	Scope 1	Fuel Consumed	6.55	Gas Use	0.10	Refrigerants	0.00	Scope 2	Electricity	40.70	Scope 3	Supply of Electricity	3.99	Supply of Gas	0.01	Staff Travel	41.59	Assets	0.00	Expenses	0.00	Cost of Sales	0.00	Flights	114.86	Waste	0.90	Total Footprint	209.04
Scope	Emissions Source	Emission (tCO2/year)																															
Scope 1	Fuel Consumed	6.55																															
	Gas Use	0.10																															
	Refrigerants	0.00																															
Scope 2	Electricity	40.70																															
Scope 3	Supply of Electricity	3.99																															
	Supply of Gas	0.01																															
	Staff Travel	41.59																															
	Assets	0.00																															
	Expenses	0.00																															
	Cost of Sales	0.00																															
	Flights	114.86																															
	Waste	0.90																															
	Total Footprint	209.04																															

Greenhouse gas (GHG) emissions (cont.)	<p>To reach ECT's interim net-zero corporate milestone during FY22, ECT used the FY19 GHG baseline Carbon Audit results to offset its FY22 GHG emissions by purchasing carbon credits.</p> <p>From FY23, the Company will implement sustainability initiatives to reduce the Company's ongoing corporate GHG footprint and will also investigate reducing staff GHG emissions at home.</p> <p>Further detail on ECT's GHG targets - as they relate to the important transition role the Company expects to play in meeting the <i>Paris Agreement</i> and transition to net-zero - will be explored at the end of this report, as well as our proposed sustainability initiatives.</p>
TCFD implementation	<p>In the June 2022 Quarter, ECT formally supported TCFD, joining a growing number of organisations worldwide to demonstrate a commitment to building a more resilient future and safeguarding against current and future climate risks.</p> <p>While the use of the TCFD framework is currently voluntary in Australia, there is an increasing expectation from investors, governments, customers, and the community that businesses assess and disclose physical and transition climate-related risks in a consistent and widely adoptable format.</p> <p>This ambitious decision was also made as ECT intends to play an important role in the opportunities presented in the transition to net-zero. The Company expects current and potential Tier-1 customers to adopt TCFD in advance of any mandatory TCFD reporting requirement and envisage they would expect ECT to do the same.</p> <p>Further detail on ECT's proposed GHG targets is explored in ECT's TCFD Report for FY22, which is released alongside the Annual Report.</p>



Nature loss	EXPLANATION
Land use and ecological sensitivity	All of ECT's current and future planned projects are located, or likely to be located, in brownfield, special zoned industrial areas. As such, ECT does not currently measure the impact on land use and key biodiversity areas (KBAs). However, as ECT's Yallourn Project, located in Latrobe Valley, commences, the Company will assess the potential impact on biodiversity as it relates to land owned, leased, or managed by ECT, on or adjacent to protected areas and/or KBAs.
Freshwater availability	EXPLANATION
Water consumption	Water consumption (including the full value chain) is considered immaterial at the current time due to the size of ECT's operations. Initial assessments will be conducted as ECT progresses the Yallourn Project in the Latrobe Valley, where ECT's impact reflects a more commercial operational footprint. ECT notes that water can potentially be collected as a by-product in the COLDry process and, in doing so, could see the Company become a net producer of water.



People

Dignity and equality	PARTIAL DISCLOSURE
Diversity and inclusion	<p>The Company has identified the breakdown indicators relating to economic inclusion and diversity, though it has not yet begun reporting this indicator.</p> <p>A register has been created to capture diversity and inclusion data sets across the organisation, including employees, management, board, and ongoing contractors. Although the register has not yet been integrated into ECT’s operations, it is planned to be utilised in the foreseeable future as part of its initiatives to improve diversity and inclusion as the Company grows.</p> <p>As ECT has been moving contractors to employees (cited in previous disclosures), employment agreements include an anti-bullying component, which aims to support the inclusion of all ECT staff (and contractors).</p> <p>Overall, The Company sees this area as very important because “diversity and inclusion drive company performance” and is undertaking academic research by qualified professionals to ensure that the policy adopted will serve as a practical guide to the recruitment of directors and staff.</p> <p>ECT note that its minority ethnic representation exceeds those dispersion rates, as represented in Australia’s population.</p>



Pay equality	<p>ECT recognises that pay equality reflects an organisation's culture and helps bridge diversity gaps, attract talent, and drive long-term competitiveness.</p> <p>The Company maintains a general view that all positions are remunerated on the basis of award, experience or skills, with remuneration referenced to the market via non-gender-based benchmarks.</p> <p>The Company reports the remuneration of Directors and Key Management Personnel in the Full Year Statutory Accounts, which can be found at: Reports - ECT (ectltd.com.au)</p> <p>The Company has not begun reporting key indicators in this category, though it plans to in the future as the Company grows.</p>
Wage level	<p>ECT recognises that fair compensation and benefits contribute to employees' economic well-being since income distribution is crucial for eliminating inequality and poverty.</p> <p>At this time, the Company has not yet begun reporting this indicator, though it plans to do so as the Company grows.</p>
Human rights	<p><i>PARTIAL DISCLOSURE</i></p>
Risk for incidents of child, forced or compulsory labour	<p>ECT upholds the highest moral, ethical, and legal standards in all we do, especially concerning human rights. ECT's Modern Slavery Policy was adopted in March 2022 to guide future risk assessments and will report on this indicator as it becomes relevant to operations.</p> <p>ECT's Modern Slavery Policy can be found on the Company website at: 220328-policy-modern slavery (ectltd.com.au)</p> <p>ECT looks forward to providing further updates in other key areas, such as any regulatory obligations and risk assessment (child labour, forced or compulsory labour) at a later stage.</p>

Health and well-being	PARTIAL DISCLOSURE
Health and Safety	<p>Maintaining strong health, safety and labour rights standards can improve employee productivity and operational efficiency and enhance employee well-being.</p> <p>During FY22, ECT ramped up its R&D activities, despite COVID-delays, culminating in final preparatory work for Phase 1 Bacchus Marsh plant commissioning by the end of June.</p> <p>The Company also recruited a dedicated Work Health & Safety (WHS) officer and has trained that person with industry-aligned standards.</p> <p>ECT had 18 full inductions onto the site during this period of high activity and recorded nil (0) Lost Time to Injury, with 340 Continuous Injury Free days.</p>
Skills for the future	FULL DISCLOSURE
Training provided	<p>During FY22, ECT staff and ongoing contractors (full-time equivalent “FTE”) undertook 406 hours of training, of which 355 hours were training provided by external parties. The total external cost of training provided was \$36,038, at an average cost of \$101.66/hour or \$3276 per FTE.</p> <p>ECT did not measure or apportion the internal cost of staff time spent in undertaking the above training due to the sensitive nature of this data in a small organisation. However, this may be considered in the future.</p> <p>It should also be recognised that ECT began collating this data in March 2022, and past data may be estimated and subject to human error.</p>


Prosperity

Employment and wealth generation	FULL DISCLOSURE
<p>Absolute number and rate of employment</p>	<p>Employment and job creation are key drivers of economic growth, dignity, and prosperity and provide a basic indication of a company's capacity to attract diverse talent, which is key to innovating new products and services.</p> <p>During FY22, ECT reviewed full-time equivalent (FTE) staff and ongoing contractors (with employee-like characteristics). In addition, the Company converted one contractor to a salaried employee.</p> <p>At the end of FY22, ECT had four full-time employees, one part-time employee, four full-time contractors and two part-time contractors.</p> <p>The FTE employment change (including ongoing contractors) measured over the FY22 period was a loss of one FTE.</p> <p>Employment data split out by age group, gender, or other indicators of diversity and region will be disclosed as the business grows, and this indicator becomes meaningful for an organisation of ECT's size.</p>
<p>Economic contribution</p>	<p>ECT's Economic Contribution during the reporting period correlates to the long-term financial performance of the Company and wealth creation for stakeholders.</p> <p>Disclosures relating to revenues, operating costs, wages and benefits, payments to providers of capital, payments to the government, and monetary support from the government appear in ECT's Full Year Statutory Accounts and the Quarterly Activity Report & Appendix 4C. Information on these disclosures can also be found on ECT's website: Reports - ECT (ectltd.com.au)</p> <p>During the reporting period, ECT sponsored local community sporting organisations in Latrobe Valley, Victoria.</p> <p>Further detail on ECT's proposed community initiatives will be explored at the end of this report.</p>
<p>Financial investment contribution</p>	<p>Investment is a key driver of economic growth and a company's capacity to expand its operations and create additional employment.</p> <p>ECT discloses total capital expenditures (less depreciation) and how it supports the Company's investment strategy in the Full Year Statutory Accounts, as well as in the Quarterly Activity Report & Appendix 4C, on the Company website and via bespoke ASX Announcements.</p>

	<p>ECT does not currently pay dividends, as the Company is in the R&D stage and currently loss-making.</p> <p>Information on these disclosures can be found on ECT's website: Reports - ECT (ectltd.com.au) or on the ASX (ASX: ECT).</p>
Innovation of better products and services	<i>FULL DISCLOSURE</i>
Total R&D expenses	<p>ECT's principal Purpose is to 'bridge the gap between today's use of resources and tomorrow's zero-emissions future'. We do this through ongoing investment in research and development (R&D).</p> <p>Investment in R&D can be regarded as a basic universal indicator of a company's efforts to innovate, be fit for the future, and provide prosperity through jobs & fair wage growth and taxation to government, which in turn generates social or environmental benefits, as measured against the UN Sustainable Development Goals (SDG's).</p> <p>ECT's Annual Report and Quarterly Activity Report & Appendix 4C disclose the total level of R&D costs during relevant reporting periods, and the use of funds as it relates to the Company's R&D Plans and purpose. Further information on ECT's R&D activities can be found on the ASX, or ECT's website: Reports - ECT (ectltd.com.au).</p>
Community and social vitality	<i>FULL DISCLOSURE</i>
Total tax paid	<p>Global tax contribution supports governmental functions and societal benefits. Please refer to the Full Year Statutory Accounts and, Quarterly Activity Report & Appendix 4C for disclosure of the total level of tax paid during relevant reporting period.</p> <p>Refer Reports - ECT (ectltd.com.au).</p>

Annual ESG Dashboard – Inception to Q4 FY22

ECT's "ESG Go Dashboard" provides a high-level snapshot of ECT's overall ESG progress from inception* to the end of the Financial Year 2022, which covers a period of approximately 12 months:



Environmental...

ASX:ECT

Status

D Draft

R Reported

V Verified

A Audited

Progress

P In progress

C Completed

N Not applicable

Period Comparison (Baseline vs 4)

GOVERNANCE

Code	Description	Baseline 24 Jun 2021	Period 4 (Apr to Jun 2022)
GO-01-C1	Setting purpose	R C C C C C	V C C C C C
GO-02-C1	Governance body composition	D P P C C C	V C C C C C
GO-03-C1	Material issues impacting stakeholders	D P P P P P	V C C C P C
GO-04-C1	Anti-corruption practices	R C C C	V C P C
GO-05-C1	Integrating risk and opportunity into business process	D P P P P P	V C C C C C
GO-04-C2	Mechanisms to protect ethical behaviour	R C C	V C P

PLANET

Code	Description	Baseline 24 Jun 2021	Period 4 (Apr to Jun 2022)
PL-01-C1	GHG emissions	D P P P	V C P C
PL-02-C1	Land use and key biodiversity areas	D P	V C N N N N
PL-03-C1	Water consumption	R N	V C N N N N
PL-01-C2	TCFD implementation	D P	V C C P

PEOPLE

Code	Description	Baseline 24 Jun 2021	Period 4 (Apr to Jun 2022)
PE-01-C1	Diversity and inclusion	D P P P P P	V C P P P P
PE-02-C1	Health and safety	D P P	V C P
PE-03-C1	Training provided	D P	V C C
PE-01-C2	Pay equality	D P P P P	V C P P P
PE-01-C3	Wage level	D P P	V P P
PE-01-C4	Child, forced or compulsory labour	D P	V P

PROSPERITY

Code	Description	Baseline 24 Jun 2021	Period 4 (Apr to Jun 2022)
PR-01-C1	Rate of employment	D P P	V C C
PR-02-C1	Total R&D expenses	R C	V C
PR-03-C1	Total tax paid	R C	V C
PR-01-C2	Economic contribution	R C	V C C
PR-01-C3	Financial investment contribution	R C C	V C C

*ECT's measured its initial ESG "baseline" in June 2021 but didn't begin ESG Disclosure until FY21.

Sustainability Initiatives & ESG Targets

The table below outlines further details relating to ECT's existing WEF-based ESG progress, as well as other (non-WEF) ESG initiatives and targets:

Measure	Achievements	Targets	
	FY22	FY23	Further ahead
Renewable Energy at ECT		Where possible, use renewable (& carbon neutral) electricity.	Implement where possible.
Carbon neutral office supplies		Where possible, source carbon neutral office supplies.	Implement where possible.
Offset Staff Flights		Avoid flying where possible and offset flights @source (where unavoidable).	Implemented.
Staff Incentives at home		<ul style="list-style-type: none"> Initiatives contributing to carbon neutral @home (e.g. renewable energy & public transport incentives, education). Carbon offsetting based on average GHG factor. 	Ongoing refinement.
Waste (diverted from landfill)		<ul style="list-style-type: none"> No waste by-products from COLDry. HydroMOR utilises low-grade/waste iron ore streams. 	Ongoing R&D & deployment.
		<ul style="list-style-type: none"> Waste biomass utilised as feedstock in the COLDry process. Initiatives on site to reduce waste to landfill by segregating wood, plastics, metal for re-use or recycling, which may lead to reduced OPEX in future. Investigation of end-of-life tyres to facilitate 'resource recovery' for fuel oil, solid carbon & recovered steel. <p>Drive & influence shift to electronic communications, reducing waste, CO2 & cash costs.</p>	<p>Ongoing R&D & deployment.</p> <p>Ongoing improvement.</p>
Water capture		<ul style="list-style-type: none"> Blend of 85% lignite/15% biomass ~58% water*. During COLDry process, < 15% water as a bi-product, with no wastewater discharge & ability to harvesting the difference. 	Ongoing capture/usage.
GHG Targets	Corporate net-zero achieved: FY22 Scope 1, 2 & limited 3 GHG emissions offset.	<ul style="list-style-type: none"> Bacchus Marsh: Scope 1, 2 & Ltd. 3 GHG emissions - offset. Yallourn (LTV) - Scope 1, 2 & Ltd. 3 GHG emissions - model. 	Total ECT Group: Scope 1, 2 & 3 GHG emissions - Report.

	Achievements	Targets	
Measure	FY22	FY23	Further ahead
Taskforce on Climate-Related Financial Disclosures (TCFD)	Inaugural TCFD Report to be released (see following). Qualitative TCFD focus.	Ongoing Annual TCFD reporting & recommendations. <ul style="list-style-type: none"> Develop quantitative TCFD focus. Implement prior year recommendations. 	Ongoing Annual TCFD reporting & recommendations. Quantitative TCFD assessment. Implement prior year recommendations.
Diversity & Inclusion		Develop a 'best-of-peer' D&I policy to drive employee inclusion & employment attraction.	Ongoing Measurement & Reporting of D&I indicators.
Economic Contribution - Community Investment Initiatives	Community engagement relating to usage of ECT's facilities in LTV.	Acquisition of SECV building to provide premises to community tenants @LTV with free rent & electricity.	Ongoing investment in the community.
	Sponsorship of local sports teams.	Investigate / implement further sponsorship initiatives in local community.	Ongoing investment in the community.
	Rehabilitation of LTV premises from engagement with local community.	<ul style="list-style-type: none"> Working example of off-grid home @LTV (solar with battery storage) for the community. General approach of re-purposing existing buildings /machinery vs. new builds for net-zero hydrogen hub. 	Ongoing investment in the community.
Cyber Security incidents & ISO certified cyber security strategies	Nil cyber-security incidents.	Target nil cyber-security incidents.	Target nil cyber-security incidents.
	Cyber-security training. IT provider uses 365/Azure with Global ISO standards. + Protection: <i>Essential Eight</i> security recommendations	Ongoing cyber-security training. Investigate ISO 27001 accreditation for IT Provider.	Cyber-security training. Implement recommendations.
Director REM aligned to ESG		Investigate ECT Board ESG Incentive alignment (e.g., to net-zero targets above, or other ESG metrics).	Ongoing ESG Incentive measurement /alignment.

APPENDIX – UN SDG's to WEF (mapping)

Whilst ECT has elected to disclose its ESG progress against the World Economic Forum (“WEF”) ‘Stakeholder Capitalism’ Framework and Metrics, the below provides illustrative mapping of WEF against the United Nations Sustainable Development Goals (“SDGs”), which may be useful to some of our current and future stakeholders:

Sustainable Development Goals



Source: United Nations



Source: Socialsuite