



ESG & Sustainability Policy
November 2024

1. Introduction

Ceres is a world-leading developer of power generation and hydrogen technologies. Tackling climate change is what drives us, both as a business, and for employees across our business. We are committed to enabling clean energy for a net zero world and our aim is to ensure our ESG reporting keeps pace with this ambition, commensurate with the size of our business and our team.

This document sets out Ceres' approach to the management of Environmental, Social and Governance ("ESG") issues within our business operations. We aim to set out the principles that the Company aspires to and the procedures that Ceres has implemented to meet our ESG goals and standards.

As of the date of this ESG Policy, Ceres includes the following factors within our definition of ESG:

- Environmental factors: the use of pollutants, chemicals and renewable energy sources, and related legal and regulatory compliance; sustainability in the supply chain; waste management; climate change impacts; and the development of our technologies, products and markets to deliver green or sustainable products and services.
- Social factors: the treatment of employees including their pay; health and safety; labour conditions; human rights; any form of discrimination, harassment or victimisation; diversity and inclusion; supply chain management; and the treatment of all stakeholders including customers and communities.
- Governance factors: anti-bribery and corruption measures; business ethics; accountability; transparency; conflicts of interest; whistleblowing; and the governance of environmental and social factors.

We understand the expectations and commitments made by our stakeholders regarding ESG. This policy is aligned with and recognises the importance of both the ten principles of the United Nations Global Compact (UNGC) and with the UN Sustainable Development Goals (UNSDG). This ensures that we can demonstrate and promote ESG considerations across our activities as well as provide robust and transparent reporting.

2. Ceres' approach to ESG

Ceres' technology can help accelerate the transition to a clean future, both as a means of converting fuels such as hydrogen, ammonia and other sustainable fuels into clean power, but also as a means of producing green hydrogen through electrolysis. We are already working with some of the world's largest engineering and technology companies to deploy our technology in systems and products that address climate change and air quality challenges for industry, data centres, transportation and everyday living.

Our core technology is the SteelCell®, a unique solid oxide cell (SOC) that can generate electricity or hydrogen at much higher efficiencies than traditional methods. In power generation mode the technology works with a variety of fuels including natural gas, hydrogen and biofuels, whilst in electrolysis mode it can be integrated with other industrial processes for hydrogen production to maximise efficiency whilst minimising capital investment. Our ambition is to enable the world to transition to cleaner more sustainable forms of energy and in doing so make big savings in carbon emissions as our partners scale up from the mid-2020s.

Alongside the role our technology plays in enabling the energy system to decarbonise, we also need to act sustainably in decarbonising our own business. This is small when compared to the impact our

technology can have, but important because we are committed to being consistent with our values when it comes to climate change. As we grow over the next few years our own emissions will inevitably increase through the investment in extra manufacturing and testing capacity. Nevertheless, we plan to reduce our carbon intensity according to SBTi governed metrics on our journey to net zero by 2050 and it is the ESG Committee's remit to examine our approach and set appropriate metrics to measure our progress.

As a technology licensing business, we achieve the greatest environmental benefit through partners adopting and deploying our technology at scale and pace. As the design authority, it is Ceres' intention to evaluate the environmental footprint of our technology and to embed life-cycle considerations into the technology transfer to our partners. We cannot ignore that scaling technology comes with an environmental cost, but with a dedicated team of scientists and engineers, alongside world-leading industrial partners and investors focused on creating a cleaner energy future for all, the final effect of Ceres' technology will outweigh the initial R&D and factory scaling investment

3. Ceres' commitment to ESG & sustainability

Ceres aspires to have ESG considerations embedded within our operations; from our own research and development, engagement with the supply chain, supporting partners to scale the technology and through to ownership and end-of-life of products and systems utilising our technology – 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 in which we live, it is also about ensuring that we maintain strong governance standards and have a strong societal impact; it is core to our mission to provide clean energy for a clean world. 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 wellbeing across the company. Whilst our governance adheres to all legislative standards as a publicly listed company, our people are also expected to conduct themselves in a way that continues to demonstrate the highest standards.

The Ceres Operational ESG Committee is chaired by the Chief Operating Officer and its members include the Chief Executive Officer, People Director and the Chair of the employee group, Connect, with regular attendance from across corporate communications, supply chain, legal and finance. It meets at least quarterly and ensures adherence with the standards and commitments established by this policy, which are embraced by employees throughout the organisation. Specific ESG related KPIs, established by the ESG Committee are owned and monitored by the Executive Board and are regularly reported to the Board of Directors. The PLC ESG Sub-Committee is chaired by one of the non-executive directors and its composition and Terms of Reference determined by the Board.

4. Environmental factors

We aim to conduct our business activities in a way that ensures, as far as practicable, that the environmental impacts of our operations are positive and focused on preventing pollution, and any negative impact is mitigated. We have an Operational and Executive management review process that provides the core framework for establishing objectives and targets with additional reviews being conducted through various meetings, audits, feedback, etc. We are committed to:

- Assign adequate resources to maintain, and continually improve our environmental management systems

- Maintain controls, appropriate documentation and records to fulfil relevant legal, statutory obligations and other compliance obligations
- Measure, monitor and review performance of the business through the collection and analysis of data including careful monitoring of the use of pollutants and chemicals used across our business
- Report on an annual basis in line with relevant regulatory requirements including Streamlined Energy and Carbon Reporting (SECR) and Taskforce for Climate Financial Disclosures (TCFD)
- Procurement of certified renewable or zero-carbon sources of energy where possible
- Rolling out environmental management initiatives across our offices, including the provision of facilities and educational and engagement resources that encourage energy efficiency, waste prevention and sustainable water consumption
- Collecting internal energy and waste data on our operations, to better manage and understand our environmental impact and reduce, reuse or recycle
- Monitoring the use of company vehicles and the use of transportation by employees, including encouraging use of public transport, car sharing and cycling for commuting where practically possible
- Putting in place a sustainable plan to achieve net zero carbon emissions in support of global temperature rise of no more than 1.5°C by 2050.

5. Social factors

Ceres is proud to provide careers for individuals committed to delivering a positive impact to our environment and in our community, seeking new ways to generate value through developing and deploying our human capital. 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
- Careful benchmarking of pay and reward policies and wider benefits
- Publishing data on our performance, including our Gender Pay Report and the Remuneration of our Company Directors
- Encouraging diversity and equal opportunity for all people as set out in our Diversity & Inclusion Policy, in relation to recruitment, selection and career development
- Respecting human rights and not tolerating modern slavery in our business or supply chain
- Playing an active role in the engineering industry by helping to inspire the next generation and collaborating with other stakeholders in the sector
- 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 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.
- Supporting charities and local communities, through our employee group Connect.

6. Governance factors

We conduct all 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 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
- Providing good standards of ethics and compliance and open and transparent dialogue with our supply chain, suppliers and partners
- 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, sharing these with internal and external stakeholders
- Operating an ESG Committee. The ESG Committee's core remit being to monitor this policy and approve initiatives aimed at enhancing sustainability
- Reporting regularly on progress to our Board of Directors and inviting Non-Executive Directors to attend two educational ESG Committee meetings annually
- Documenting, monitoring and reporting on our governance, risk and compliance strategy
- Maintain knowledge around corporate and voluntary reporting, in order to evolve and iterate our reporting on all aspects of ESG.

7. Review and communication

We will review this and other linked policies annually to ensure their continuing suitability and effectiveness according to the nature and scale of our operations along with the defined scope of our management system. This and other Company policies are communicated internally to all staff and made available to interested parties through publication on our Company intranet and the Ceres website.

This Policy was adopted by the Board of Directors in 2024.

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