FUTURECOAL
The Global Alliance for Sustainable Coal

Executive Committee Meeting
15 February 2024
Virtual

Agenda

1. **Welcome and Apologies**

2. **Minutes of 12 October 2023**
   2.1 Approval of Minutes
   2.2 Matters Arising

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   3.1 Financial Updates
      3.1.1 FY24 - Q1 Profit / Loss Actual
      3.1.2 FY24 - Q2 Cash Flow Forecast
      3.1.3 External Audit FY23
      3.1.4 General

   3.2 Governance
      3.2.1 Policy and Engagement Committee (PECo)
      3.2.2 Brand and Communications Committee (BCCo)
      3.2.3 FC80 Board / AGM39 Meeting & Events
      3.2.4 FY24 Strategy Review and Workshop Proposal
      3.2.5 Membership Tiers and Fee Review

   3.3 Membership
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      3.3.2 India
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4. **FY24 Work Programme and KPIs Update**
   4.1 Reputation Management
      4.1.1 FutureCoal Launch and Media
      4.1.2 COP28 Media

   4.2 Advocacy
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      4.2.2 China/ India Government Engagement
      4.2.3 Policy Briefs

5. **Any Other Business**

6. **Close**

2. Minutes of 12 October 2023

2.1 Approval of Minutes

2.2 Matters Arising

The following actions were noted at the Executive Committee Meeting held on 12 October 2023.

3.3. Membership

Update Companies House. **Action Complete**

3.3.5 Company Secretary Review

Replacement recommendation to be provided to Executive Committee for endorsement FY24 Q1, following which Board approval will be sought. **Action Complete** (Refer Agenda Item 3.1.4)

Recommendation
That the Executive Committee approve the Minutes of the 12 October 2023 ExCo Committee Meeting and note the Matters Arising.

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3.1 Financial Updates

3.1.1 FY24 - Q1 Profit / Loss Actual
(1 October - 31 December 2023)

	FY24 Q1			FY24
	Actual*	Budget	Variance	Total Budget
Membership Fees	274, 829	375, 329	(100, 500)	1, 501 314
Interest Received	5, 425	2, 808	2, 627	11, 233
Closing Surplus FY23 (**)	475, 732	475, 732	0	475, 733
Other income	0	0	0	37, 339
Total Income	**755, 986**	**853, 869**	**(97, 883)**	**2, 025 619**
Remuneration	320, 036	354, 347	34, 311	1, 360 354
Finance and Governance	40, 372	50, 498	10, 126	152, 062
Depreciation & Amortisation	4, 337	5, 344	1, 007	21, 297
Work Programme	94, 093	91,363	(2, 730)	216, 179
Total Expenditure	**458 838**	**501, 552**	**42 714**	**1, 749 892**
Net Profit / (Loss)	**297, 148**	**352, 317**	**(55, 169)**	**275, 727**

Disclaimer – (*) Actual is subject to change following finalisation of FY23 PKF audit.
(**) Closing Surplus subject to change following finalisation of year-end.

1. **Membership Fees** variance due to unrecognised at-risk Members and unrealised prospects.
2. **Surplus** brought forward assumed to remain consistent from what was budgeted pending the finalisation of the external audit.
3. **Remuneration** variance due to vacant roles not being replaced currently.
4. **Finance and Governance** variance due to timing difference.
5. **Depreciation and Amortisation** variance due to finalisation of rebrand intangible asset classification.
6. **Work Programme** expenditure variance, mainly due to workstream timing.

3.1.2 FY24 - Q2 Cash Flow Forecast
(1 January 2024 to 31 March 2024)

	FY24 Q2
Opening Balance 1 December 2023 (£ 25 000 + £690 061 + £377 573)	1 092 634
Forecasted Payments for Q2	(594 615)
Forecasted Receipts for Q2 (£40 219+ £140 000)	180 219
Forecasted Closing Balance – 31 March 2024	**678 238**

Cash flow will continue to be monitored and optimised to ensure that a minimum surplus target of 3 months of expenditure is covered.

Forecasted Payments

- Remuneration - £340 388
- Finance and Governance - £44 885
- Work Programme expenditure - £35 686
- Other Working Capital outflows - £173 656

Forecasted Receipts

Expected outstanding membership income by March 2024, including miscellaneous revenue (finance income and pending Value- Added Tax refunds).

Recommendation
That the Executive Committee note the FY24 Q1 Profit/Loss Actual (3.1.1) and FY24 Q2 Cash Flow Forecast (3.1.2)

3.1.3 FY23 External Audit

PKF initiated the audit at the end of January 2024 and no areas of concern were identified during the planning phase.

Audit Report and Draft Statutory Accounts to be presented at FC80 Board and AGM39 Annual General Meeting in May 2024.

Recommendation
That the Executive Committee note the commencement of the FY23 External Audit.

3.1.4 General

Company Secretary Review

The Secretariat has registered the new company secretary, Bridgehouse at Companies House, completing administrative procedures post the removal of the previous officeholder.

FOREX Contracts

Introduction of the new FOREX system Transfermate aims to:

- Optimise outgoing payments and global fund receipts;
- Reduce administrative expenses; and
- Protect against foreign losses.

Recommendation
That the Executive Committee note the appointment of Bridgehouse as Company Secretary and the benefits of the new FOREX System.

3.2 Governance

3.2.1 Policy and Engagement Committee (PECo)

The next Policy and Engagement Committee (PECo) meeting will take place in April 2024 with discussions as follows:

- Introduction new Secretariate Member: Dr David Ma (Country Manager China);
- Rebranding: Reviewing the achievements related to rebranding efforts;
- Campaign Engagement in Asia: Analysing the impact of the campaign in the Asian region;
- Engagement Strategy for Government and Financial Sectors: Planning effective approaches for engagement in these critical sectors; and
- Member Presentations: Inviting committee members to share insights on Responsible Coal Principles in Action.

Recommendation
That the Executive Committee note the next PECo Committee meeting is to be held in April 2024 (date to be advised) and the topics for discussion.

3.2.2 Brand and Communication Committee (BCCo)

An extraordinary meeting was held on 25 October 2023, providing an update on the FutureCoal launch programme and post-launch activities.

The next Brand and Communication Committee (BCCo) meeting will take place in April 2024 with discussions as follows:

- Rebranding: Debrief of the launch programme and media activities;
- Brand Messaging: Overview of the new FutureCoal brand messaging;
- Membership: Update by FutureCoal Director Business Development and Membership;
- FutureCoal Activities: Review of past and upcoming communications activities;
- Member Presentations: Inviting committee members to provide update on their company's communication activities.

Recommendation
That the Executive Committee note the next BCCo Committee meeting is to be held in April 2024 (date to be advised) and the topics for discussion.

3.2.3 FC80 Board / AGM39 Meeting & Events

The FC80 Board & AGM39 Annual General Meeting and Strategy Workshop will be held in-person in Singapore at the Fairmont Hotel from 15-16 May 2024 as follows:

Day 1 (Wednesday 15 May 2024)
10:00 - 17:00 (SGT) Strategy Workshop
19:00 - 21:00 (SGT) Pre-Board Dinner

Day 2 (Thursday 16 May 2024)
10:00 - 12:00 (SGT) FC80 Board Meeting
12:00 - 12:30 (SGT) AGM39 Annual General Meeting

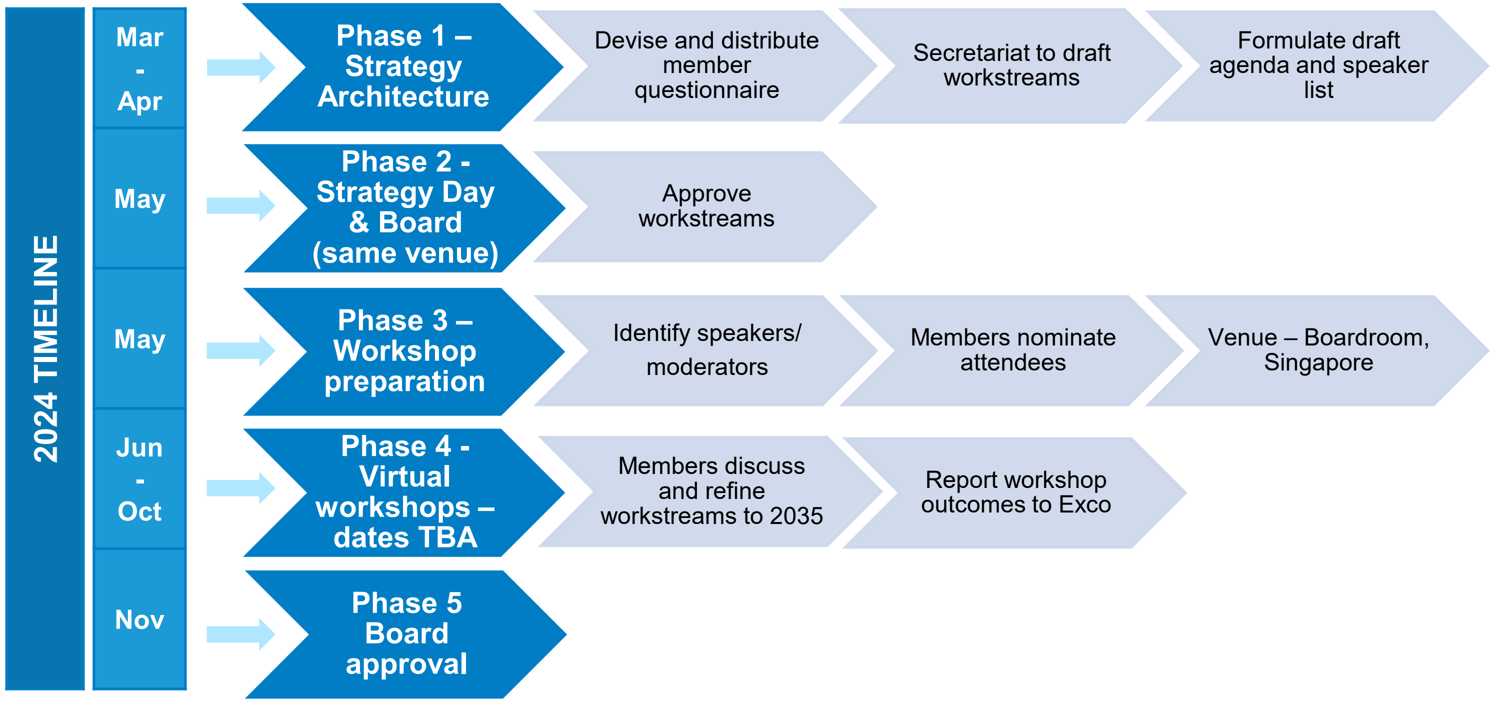
We recommend our Members fly into Singapore (Changi) on Tuesday 14 May 2024 and fly out Thursday evening 16 May 2024.

Recommendation
That the Executive Committee note the date and venue for the FC80 Board & AGM39 Annual General Meeting and Strategy Workshop.

3.2.4 FutureCoal 2025-2035 Global Strategy Proposal

It is proposed:

1. FutureCoal to be shaped as a 10-year strategy embedding the Global Alliance's vision for Sustainable Coal Stewardship, superseding *Evolving Coal* .
2. The strategy process to commence in March 2024 and conducted in five (5) phases:



Recommendation
That the Executive Committee recommend and endorse the Strategy Review Process and Timeline.

3.2.5 Phase 1: Membership Tiers and Fee Review

- Under the *Evolving Coal* ***Strategy*** a Membership Tiers and Fee Review was initiated in May 2023 in recognition of the changing membership landscape.

- The Review sought to ensure that any new fee structure embedded and enabled the FutureCoal Global Alliance to be assembled and execute its strategy and work programme in line with Alliance members expectations.

- Conducted in two parts, **Phase one** focused on immediately capitalising on the changing profile of the coal value chain prospective members not recognised in the World Coal Association established fee structure, while the broader review was being undertaken awaiting the rebrand to FutureCoal.

- In October 2023, the Board approved the establishment of two new Association Corporate sub-tiers in Coal Producing (New and Emerging Miners) and Technology Players (emerging and technology).

Recommendation
That the Executive Committee recommend and endorse the Board for the Membership Tier and Fee changes proposal.

3.2.5 Phase 2 – moving away from tonnage fee model

- **Phase two** proposes a move away from the traditional association producer led tonnage models to a **Revenue-based model aligning with the broader membership criteria defined by FutureCoal Global Alliance (i.e. FutureCoal is no longer a producer led organisation). This review is focused on Corporate Members only.** Associate Member fees are recommended to be retained at the current fee structure and move in line with CPI.
- In addressing the potential impact on the organisation's sustainability and governance the Phase two review was conducted to include:

1. **Evaluative Insights on Membership Model Transition**

    - **Comparative Analysis:** Benefits evaluated against global industry associations with similar features.
    - **Financial Position:** Expense coverage and overall financial health thoroughly assessed.
    - **Sustainability Check:** Guaranteed appropriate continuity as a going concern during the shift.
    - **Recoup Timeline:** The anticipated timeline to recoup the benefits of the new model is estimated to range between 3 to 9 months.

Propose New Fee Structure - Corporate Members Only

2. **Achieving Financial Stability and Expanding Corporate Membership Reach**
   - **Revenue Model Efficiency**: The new structure effectively covers operational expenses and secures a retained surplus.
   - **Membership Expansion**: Ongoing efforts to recruit new members contribute to the organisation's sustainability as a going concern.
   - **Financial Stability**: Shifting to a revenue-based model establishes a balanced approach, ensuring stability while fostering growth through new memberships.
   - **Timeline**: Anticipate the full implementation of the new fee structure by the year-end of 2025, allowing for a 3 to 8-month period dedicated to the recovery and adaptability of fees.
   - **Parity**: Involves setting fair fees that consider members' financial diversity and local currency fluctuations, with transparent fee structures and input mechanisms to maintain trust and alignment with the organisation's goals.

Revenue Tier in GBP	Proposed Membership Fee USD/GBP
100M >	150k / £ 120k
70 – 99M	125k /£ 100k
50 – 70M	90k /£ 70k
25 – 50M	65k /£ 50k
1 – 25M *	25k /£ 20k

Additional Options (1) $ 22k (£17.5k) or (2) $12k (£10k)

3.3 Membership

3.3.1 China and Mongolia

In support of the respective Country Strategies for China and Mongolia:

- Individual proposals developed and submitted to the relevant stakeholders including China Energy, China Coal, China Huaneng Group, Shandong Energy and MAK following the October Roadshow;
- Shandong Energy received all required approvals (including regional government) to join FutureCoal subject to FC recruitment of China Energy and China Coal – as such:
    - MoU discussions are underway with both the NEA and NDRC in China who have been identified as critical stakeholders and influencers in the recruitment process;
    - We are seeking further Chairman-Chairman/CEO engagement with both China Energy and China Coal post the Spring Festival celebration.

Recommendation
That the Executive Committee note the positive progress and ongoing discussions in support of Member recruitment.

3.3.2 India

In support of the Indian Country Strategy:

- Individual proposals developed and submitted to the key steel stakeholders, including JSW, SAIL, Tata Steel, and AMNS following the November Roadshow;
- Follow-ups are ongoing with the support of the Indian Steel Association; and
- GE India have signalled their intent to join FutureCoal by Q3.

Recommendation
That the Executive Committee note the ongoing progress to support Member recruitment

3.3.3 Membership Movement

- Notice received from Orica to exit FutureCoal. Additional avenue identified to recover fees.
- Zimbabwean Producer, Hwange Colliery, recruited as a new Member. Membership on-boarding subject to required governance and due diligence checks.
- Successful meetings with:
  - Barloworld who are seeking internal approval to rejoin; and
  - Eskom who have signalled interest in joining FutureCoal to support the MOU with the DMRE and to work with global players including China and India on the FutureCoal platform.
- In support of our Work Program and South Africa Strategy the Secretariat is also engaging Sasol and the DMRE with the support of our South African Members.

Recommendation
That the Executive Committee note that further support is required from them with Member retention.

4. FY24 Work Programme and KPIs Update

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5. Any Other Business

6. Close

4.1 Reputation Management

(Strategy, Communications, Digital & Brand Activities, Membership Attraction)

FutureCoal Launch and Media

- Launch held on 20 November 2023, in New Delhi, India.
- The launch event attended by FC Chief Executive Michelle Manook, FC Vice Chairman Stepan Solzhenitsyn, and FC Board Member Sunil Chatervudi.
- Media attendees included esteemed journalists from Indian and global media giants namely Bloomberg, Reuters, S&P Global, Times of India, The Hindu, and many others.
- The event showcased keynote speeches, revealed the new FutureCoal Logo, and hosted an interactive Q&A with journalists, followed by one-on-one interviews.

Recommendation
That the Executive Committee note the FutureCoal Launch and Media Activities.

4.1 Reputation Management

(Strategy, Communications, Digital & Brand Activities, Membership Attraction)

FutureCoal Launch and Media (Continued)

- Media reached over 1.2 billion people, with over 500 individual pieces of media coverage.
- Publications included global and regional media: Bloomberg, AP, Yahoo!, Xinhua, China Daily, and The Hindu.
- 77% of stories were positive.
- Post-rebrand interviews included the Financial Times, Reuters, Business Today (India), China Daily, Times of India and Japan NRG.

Recommendation
That the Executive Committee note the FutureCoal Launch and Media Activities.

4.1 Reputation Management
(Strategy, Communications, Digital & Brand Activities, Membership Attraction)

4.1.2 COP28 Media

Media Sentiment

- Contrasting media sentiments between the Global North and Global South: Global North emphasised fossil fuel elimination, while Global South underscored unfulfilled funding promises from developed nations.

FutureCoal Media

- Press release on COP28 welcoming its recognition of abated coal technologies, but questions whether there is genuine acceptance of the multiple pathways to decarbonisation ahead of next year's COP.
- Media strategy on course as two important markets reached: Interview published in Australian Financial Review and op-ed published in South African Sunday Times.

Recommendation
That the Executive Committee note the COP28 and media activities.

4.1 Reputation Management

(Strategy, Communications, Digital & Brand Activities, Membership Attraction)

Upcoming Activities

The Secretariat continues to devote resources to provide research and written material to underpin advocacy efforts to raise the profile of coal as a strategic fuel and material. This is disseminated widely by:

- Conducting media interviews;
- Continuing efforts in producing Policy briefs on the latest events;
- Research publications on SDGs in the ASEAN coal value chain, proposed briefing papers on the digitalisation in mining, and coal power in a net-zero future; and
- Participated in two panels and a media session at Mining Indaba, as well as interviews with journalists.

Recommendation
That the Executive Committee note the activities to support our Reputation Management.

4.2 Advocacy
(Policy, Government and Finance and Investment Engagement)

4.2.1 Sustainable Coal Stewardship (SCS)

- Ongoing efforts focused on fostering a community of innovators within the coal ecosystem, with emphasis on environmental stewardship alongside innovation.
- SCS Value Proposition plays a significant role in providing value to Government and Financial stakeholders.
- FutureCoal's new Finance and Investment strategy is being finalised with the team looking to engage with finance sector players.
- Q1 included engagement with key South African governmental stakeholders at Mining Indaba 2024.
- The SDG report with ACE has allowed us an avenue to engage with more ASEAN public stakeholders, particularly Indonesia, Malaysia and the Philippines.

Recommendation
That the Executive Committee note our Advocacy activities.

4.2 Advocacy
(Policy, Government and Finance and Investment Engagement)

4.2.2 China/ India Government Engagement

Government engagement during FY24 Q1 in support of the Advocacy strategy for China, Mongolia and India included:

- Ganbaatar Jambal, Minister of Mining and Heavy Industry, Mongolia;
- An Fengquan, Dep DG, Department of International Cooperation, NEA, China;
- An Hongguan, VC of the China Electricity Council;
- Amrit Lal Meena, Secretary, Ministry of Coal, India;
- Nagendra Sinha, Secretary, Ministry of Steel, India;
- Pankaj Agarwal, Secretary, Ministry of Power, India;
- Gurdeep Singh, Chairman and MD NTPC, India.
- Most recent meetings include South Africa Minister Mantashe of the DMRE and CEO Dan Marokane of Eskom.

Recommendation
That the Executive Committee note the government engagement currently underway in support of the Advocacy strategy.

4.2 Advocacy
(Policy, Government and Finance and Investment Engagement)

4.2.3 Policy Briefs

- FutureCoal policy briefs released during the first quarter of 2024 included:
  - IEA's releases of the World Energy Outlook 2023 and Coal 2023;
  - IEA's Peak Fossil Fuels by 2030; and
  - COP28.

- Research material including SDGs in the coal value chain in the ASEAN region in partnership with the ASEAN Centre for Energy is in the pipeline.
- Further research includes digitalisation in mining, advances in coal power in a net zero future, and ongoing country and regional policy analyses associated with speaking engagements.

Recommendation
That the Executive Committee note the Policy Briefs released to support advocacy activities.

5. Any Other Business

5. Any Other Business

Recommendation
That the Executive Committee note any other business.

6. Close

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