FUTURECOAL
The Global Alliance for Sustainable Coal

Executive Committee Meeting
18 April 2024
Virtual

Agenda

1. **Welcome and Apologies**

2. **Minutes of 15 February 2024**
   - 2.1 Approval of Minutes
   - 2.2 Matters Arising

3. **Finance, Governance and Membership**
   - **3.1 Financial Updates**
     - 3.1.1 FY24 - Q2 Profit / Loss Actual
     - 3.1.2 FY24 - Q3 Cash Flow Forecast
     - 3.1.3 External Audit FY23
   - **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 & Strategy Workshop
     - 3.2.4 Membership Tiers and Fee Review
   - **3.3 Membership**
     - 3.3.1 Movement
     - 3.3.2 Activities

4. **FY24 Work Programme and KPIs Update**
   - **4.1 Reputation Management**
   - **4.2 Advocacy**
     - 4.2.1 Sustainable Coal Stewardship
     - 4.2.2 Government, F & I Engagement
     - 4.2.3 Policy Brief & Reports

2. Minutes of 15 February 2024

2.1 [Approval of Minutes]

2.2 Matters Arising

The following actions were noted at the Executive Committee Meeting held on 15 February 2024.

3.2.5. Membership Tiers And Fee Review

Draft a paper outlining four possible tier options and address grandfathering proposal.

Action Complete (Refer Agenda Item 3.2.4)

Recommendation

That the Executive Committee approve the Minutes of the 15 February 2024 ExCo Committee Meeting and note the Matters Arising.

Agenda

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2. Minutes of 12 October 2023
   2.1 Approval of Minutes
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      3.1.3 External Audit FY23

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4. FY24 Work Programme and KPIs Update
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3.1 Financial Updates

3.1.1 FY24 – Q2 Profit / Loss Actual
(1 January - 31 March 2024)

	FY24 Q2			FY24
	Actual*	Budget	Variance	Total Budget
Membership Fees	280, 831	375, 329	(94, 498)	1, 501 314
Interest Received	5, 603	2, 807	2, 796	11, 233
Closing Surplus FY23/24 (**)	297, 365	352, 320	(54, 955)	475, 733
Other income	133	18, 670	(18, 537)	37, 339
Total Income	**583, 982**	**749, 126**	**(165, 194)**	**2, 025 619**
Remuneration	(237, 309)	(340, 388)	103, 079	1, 360 354
Finance and Governance	(40, 304)	(44, 885)	4, 581	152, 062
Depreciation & Amortisation	(4, 296)	(5, 305)	1, 009	21, 297
Work Programme	(52, 346)	(35, 685)	(16, 661)	216, 179
Total Expenditure	**(334, 255)**	**(426, 263)**	**92, 008**	**1, 749 892**
Net Profit / (Loss)	**249, 677**	**322, 863**	**(73,186)**	**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 FY23 audit.
3. **Remuneration** variance due to vacant roles, with no immediate plans to fill these positions.
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 – Q3 Cash Flow Forecast
(1 April 2024 to 30 June 2024)

	FY24 Q3
Opening Balance 01 April 2024 (£ 25,000 + £149, 686 + £582, 019)	756, 705
Forecasted Payments for Q3	(329, 808)
Forecasted Receipts for Q3 (£43, 223 + £ 4,276 + £ 70, 000)	117, 499
Forecasted Closing Balance – 30 June 2024	**544, 396**

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 - £ 227, 543
- Finance and Governance - £ 26, 011
- Work Programme expenditure - £ 76, 254

Forecasted Receipts

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

Recommendation
That the Executive Committee note the FY24 Q2 Profit/Loss Actual (3.1.1) and FY24 Q3 Cash Flow Forecast (3.1.2)

3.1.3 FY23 External Audit

- Audit by PKF concluded with no material findings.
- 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.

3.2 Governance

3.2.1 Policy and Engagement Committee (PECo)

The next Policy and Engagement Committee (PECo) meeting will take place on **24 April 2024** with discussions as follows:

- Introduction new Secretariat Member: Dr David Ma (Regional Director – China and Mongolia);
- Rebranding: Reviewing the achievements related to rebranding efforts;
- 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 on 24 April 2024 and the topics for discussion.

3.2.2 Brand and Communication Committee (BCCo)

The next Brand and Communication Committee (BCCo) meeting will take place on **30 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 on 30 April 2024 and the topics for discussion.

3.2.3 FC80 Board / AGM39 Annual General Meeting & Strategy Review Workshop

Registration is open for the hybrid FC80 Board / AGM39 Annual General Meeting and Strategy Workshop being held at the Fairmont Hotel, in Singapore.

Day 1 (Wednesday 15 May 2024)
10:00 - 18:00 (SGT) Strategy Review Workshop

Strategy architecture and workshop preparations in progress. Strategy Review Questionnaire sent to selected stakeholders to participate in a survey which will inform the content and direction of our 10-year strategy (2025-2035). The survey outcomes will be presented at our Strategy Workshop.

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

Recommendation
That the Executive Committee note the date and venue for the FC80 Board & AGM39 Annual General Meeting and Strategy Workshop, and Strategy review questionnaire sent to key stakeholders and outcomes to be presented as the Strategy Workshop.

3.2.4 Membership Tiers and Fee Review

Near final draft paper outlining four possible tier options and address grandfathering, will be distributed to the Executive Committee by 22 April 2024.

Recommendation
That the Executive Committee note the near final paper, will be distributed to the Executive Committee by 22 April 2024.

3.3 Membership

3.3.1 Membership Movement

- Zimbabwean Producer, **Hwange Colliery** on-boarded as new Corporate Member, subject to ratification at the FC80 Board Meeting in May 2024.
- Notice received from **Orica** to exit FutureCoal, formal letter sent to recover outstanding fees.
- No Director resignations or Company nominations received for the quarter.

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

3.3.2 Membership Activities

South Africa

- Discussions progressing with **Eskom, Barloworld and Sasol**.

China & Mongolia

- Second Roadshow concluded 12 April to progress Country Strategies supported by Vice Chair, Stephan Solzhenitsyn.
- Second round meetings with **China Energy** (application progressing) and **CNBM** (seeking different membership arrangement i.e. technology partner).
- **Shandong Energy** approval received but awaiting China Energy to formalise. **China Coal** application submitted for approvals, awaiting response.
- **Erdenes Mongol (ETT parent)** indicated it will seek approval to join despite current operational activities freeze.
- **Mongolian Coal Association and FutureCoal** to explore bundling individual membership approaches to the private sector smaller players given their shared objectives which is likely to have more success.

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

3.3.2 Membership Activities

India

- **NTPC** are in process of obtaining final internal approval.
- Discussions with the steel players are progressing and **AMNS** signalled interest to join the FutureCoal Global Alliance.
- The Secretariat is engaging **GE Vernova** at a global level, and we should be in a position to draft a membership invitation ahead of the FC81 Board meeting.

Australia

- Q3 Australia Roadshow planned with meetings secured for existing and prospective members **Glencore, QCoal, Bowen Coking Coal.**

US

- Q4 Keynote Address at **Bluefield Coal Symposium** and engagement with prospective members **Consol Energy and Ramaco** where discussions have been progressed and been positive under the rebrand.

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

4. FY24 Work Programme and KPIs Update

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5. Any Other Business

6. Close

4.1 Reputation Management

Reputation Management activities in Q2 included:

Interviews

- Chief Executive
  - **Australian Financial Review** – 3.4 million readership (29 January).
  - **Mining Indaba TV** – 10,000 circulation (6 February).
  - **China Coal News** – 8 million circulation (6 April).
  - **Mongolian Tengen TV**, **National Broadcasting ASA**, and **TV 9** – collective viewership of up to 3 million (7-8 April)
- Director Business Development and Membership
  - **BigMint** on FutureCoal's Sustainable Coal Stewardship – circulation over 300,000 (20 March)

Events

- **17th Indian Coal Market Conference Kolkata (21-22 March)** - Keynote address Director Strategy & Sustainability

Op-Eds

- **South Africa Sunday Times** op-ed "Leave Coal Behind, Leave Africa Behind – circulation of 10 million (4 February).
- **World Coal**, Chief Executive comments on FutureCoal, its rebrand and philosophy – circulation of 5,000 (30 March).

Recommendation
That the Executive Committee note the Q2 Reputation Management Activities.

4.1 Reputation Management

High level and strategic activities in support of recruitment and advocacy for the next quarter include:

Media
- **Energy Focus** op-ed (Chief Executive).
- Q4 Australia Roadshow (op-eds & Interviews), planning and approaches underway.

Asset Suite:
- Review under process to support strategic objectives.

Events
- **McCloskey Coal and Met Coke Conference** of the Americas (17-18 April). Virtual panel (Director Strategy & Sustainability).
- **Argus Coal Conference 2024** (24-26 April). Pre-recorded keynote (Director Strategy & Sustainability).
- **Bluefield Coal Symposium** (13-14 August). In-person keynote (Chief Executive).

Marketing Collateral
- Promotional video (Support multiple language platform)
- Sustainable Coal Stewardship Map
- FutureCoal Membership Brochure.

Recommendation
That the Executive Committee note the upcoming Reputation Management activities for Q3.

4.1 Reputation Management
Media Trends

Renewables Limitations: Concerns are increasing about the effectiveness and reliability of renewables, negatively impacting businesses and citizens.

- **National Review** | Britain's Disastrous Path to Net Zero Is a Warning to the U.S
- **TimesLive** | Nonperforming renewables' among reasons for stage 6, says Eskom

Climate Pledges Scaled Back: Countries, particularly in the Global North, are shifting their green energy policies and perceptions, prompting a reassessment of their energy plans in light of the evolving energy transition reality.

- **Telegraph** | Starmer set to abandon £28billion green investment pledge, | The American revolt against green energy has begun, | The EU's net zero retreat is gathering steam

Coal Remains Fundamental to Global South: The Global South continues to invest in and build new coal capacity to ensure secure and robust energy supplies and complement renewables.

- **Economic Times** | India's coal and lignite production hits all-time high of over 1 billion tonnes in FY24
- **Bloomberg** | SA will burn coal for a very long time, Mantashe says

Recommendation
That the Executive Committee note the Media Trends we have witnessed over the last few months from the Global North and Global South countries.

4.1 Reputation Management
Media Trends (continued)

Beyond Combustion Projects Growing:
Asia, especially, is delving into coal's potential beyond combustion, investing significantly in innovative coal abatement projects like hydrogen and gasification to boost self-reliance and expand commercial opportunities.

- **Ked Global** | South Korea’s first coal and hydrogen compound-fueled power generation
- **The Statemen** | India goes for big coal gasification- $102 million incentive

Recommendation
That the Executive Committee note the Media Trends we have witnessed over the last few months from the Global North and Global South countries.

4.1 Reputation Management
Changing Media Sentiment in Finance and Investment

Big Wind's Bogus Subsidies

Giving tax credits to the wind energy industry is a waste of time and money. Even Warren Buffet Admits Wind Energy Is a Bad Investment (usnews.com)

"We get a tax credit if we build a lot of wind farms. That's the only reason to build them. They don't make sense without the tax credit." – Warren Buffet

Warren Buffett: Solar and Wind Could 'Erode the Economics of the Incumbent Utility' | Greentech Media

"Those tax credits, or other government-mandated help for renewables, may eventually erode the economics of the incumbent utility, particularly if it is a high-cost operator."– Warren Buffet

Recommendation
That the Executive Committee note the critical changes in the financial sector's approach to climate and coal policies.

4.1 Reputation Management
Media Trends (Finance and Investment)

Pragmatic Adjustments in Climate Commitments: Large financial and investment groups are reevaluating their net-zero strategies, leaving climate groups, such as Climate 100+.

- **Reuters** | US regional bank turmoil pushes Blue Ridge to quit UN-backed climate group (Blue Ridge Bankshares)
- **Financial Times** | JPMorgan and State Street quit climate group as BlackRock scales back (JPMorgan, State Street, and BlackRock)

Reassessment of Coal Financing Policies: Banks and investment firms are revising their coal phase-out plans to incorporate flexible financing approaches that support diversified energy portfolios.

- **Bloomberg** | UBS Ditches Credit Suisse Plan to Phase Out Coal Financing (UBS Group AG)
- **Mining. Com** | BMO drops anti-coal policy amid Wall Street rebuke of ESG (BMO Bank)

Recommendation
That the Executive Committee note the changing sentiment in the financial sector's approach to climate and coal policies.

4.1 Reputation Management
Media Trends (Finance and Investment)

Economic Realities and Regulatory Dynamics:
Banks and regulators, particularly in the U.S., are starting to implement policies and lending criteria that favour fossil fuel companies, especially in the coal industry.

- **Fox Business** | 'Costly' ESG standards, climate policies will ultimately reduce food and energy supplies: report
- **Reuters** | Financial firms tout energy business after West Virginia restrictions (West Virginia (US) treasurer)
- **Yahoo! Finance** | US Regional Banks Increase Lending to fossil fuels (Citizens Financial Group Inc., BOK Financial Corp. and Truist Securities Inc.)

Recommendation
That the Executive Committee note the changing sentiment in the financial sector's approach to climate and coal policies.

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

4.2.1 Sustainable Coal Stewardship (SCS)

We continue expanding our **Innovation Network** in technologies like carbon capture innovation, energy security, and policy, including:

- **SaskPower** (Canada) commercial scale CCS at Boundary Dam coal plant.
- **Tree Associates** (UK) and **Purdue University** (US) laboratory scale.
- **Hydrobe** (US) small-scale demonstration scale under construction.
- **Japan Organisation of Metals and Energy Security** (JOGMEC London)
- **Graduate Institute of Policy Studies** (GRIPS Japan)
- **IEA CIAB** Existing relationships with in-person attendance at associate meetings in Beijing.

Recommendation
That the Executive Committee note our Advocacy activities.

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

4.2.2 Government, Finance and Investment Engagement

- **Government engagement** during Q2 in support of the Advocacy strategy for China and Mongolia included:
  - Australian Embassy in China (Simon Farbenbloom, Minister Counselor
  - Embassy of United States of American in China (Everett Wakai, Minister Counselor)

- **Upcoming – Australia Roadshow:**
  - Minister Michael de Brenni
  - Senator Matt Canavan
  - Minister Madelaine King (declined)
  - Minister Chris Bowen (declined)
  - Minister Penny Sharpe (declined)

- **Engagements for next China Roadshow (End 2024):**
  - Australian Ambassador to People's Republic of China (Scott Dewar)
  - United States Ambassador to People's Republic of China (Nicholas Burns)

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

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

4.2.2 Government, Finance and Investment Engagement

- **17 ‘off record’ enquiries conducted by Chief Executive:** Initiated by key finance, investment and insurance professionals mostly located in Europe, US and South America.

- **Finance and Investment Strategy:** Currently under development, to be further informed by the outcomes of the strategy session.

- **Q3 Engagements**
  - **Howden**, **Willis Towers Watson (WTW)** and **UBS** follow-up in-person meetings.
  - **Middle East** engagement opportunities.

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

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

4.2.2 Government, Finance and Investment Engagement

Drivers of coal investment and energy security-preparedness

- **Europe's Energy Transition**: Europe is pivoting from coal to renewables but relying on fossil fuels as backup.
- **Renewable Investment Doubts**: Big oil firms BP and Equinor and their investors are cautious as renewable projects face write-downs and question their financials compared to oil and gas businesses.
- **Investor Sentiment Shift:** Prominent institutions JPMorgan Asset Management and State Street Global Advisors retreated from Climate Action 100+ hinting at a re-evaluation of asset distribution and GHG commitments.
- **Coal Funding Resurgence Leading to an Energy Strategy Divide:** Financiers are backing coal projects in Asia and Africa, diverging from Europe's renewable-only energy model. The Global South values diversity and continuing recognition of coal's strategic role.

Recommendation
That the Executive Committee note the market trends and sentiment towards green investments

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

4.2.3 Policy Brief & Reports

- FutureCoal policy briefs conducted during the last quarter of 2024 included:
  - **IEA Lacks Credibility.**
  - **Navigating the Energy Transition in Europe**.

- Report Reviews in Progress
  - **"A Pathway for Sustainable Coal"** (with material from University of Witwatersrand, South Africa).
  - "**Digitalisation in Mining"** and **"Coal in a Carbon-Neutral Future"**
  - **"Mapping UN SDGs in the ASEAN Coal Value Chain"** (MOU with ASEAN Centre for Energy (ACE) – 1st draft completed).
  - **"Assessment of Coal in the ASEAN Energy Transition and Coal Phase-Out"** (Advisory role to ACE on position paper).

- **Support** to Policy, Communications, Finance and Investment and Business Development, in narrative, messaging, and value proposition.

Recommendation
That the Executive Committee note the Policy Briefs, Reports and Research 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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