Executive Committee Meeting

22 August 2024

Virtual

Agenda

1. **Welcome and Apologies**

2. **Minutes of 18 April 2024**
   2.1 Approval of Minutes
   2.2 Matters Arising

3. **Finance, Governance and Membership**
   3.1 Financial Updates
   3.1.1 FY24 - Q3 Profit / Loss Actual
   3.1.2 FY24 - Q4 Cash Flow Forecast

   3.2 FY25 Budget & Work Programme
   3.2.1 Budget Process & Assumptions
   3.2.2 Work Programme and KPI's
   3.2.3 Strategy 2025-2035 (Update)

   3.3 Governance
   3.3.1 Policy and Engagement Committee (PECo)
   3.3.2 Brand and Communications Committee (BCCo)
   3.3.3 Membership Tiers and Fee Review
   3.3.4 FY25 Board / AGM & ExCo Meeting Dates

   3.4 Membership

4. **FY24 Work Programme and KPIs Update**
   4.1 Reputation Management

   4.2 Advocacy

5. **Any Other Business**

2. Minutes of 18 April 2024

2.1 Approval of Minutes

2.2 Matters Arising

The following actions were noted at the Executive Committee Meeting held on 18 April 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 3.3.3)

Recommendation

That the Executive Committee approve the Minutes of the 18 April 2024 ExCo Committee Meeting and note the Matters Arising.

Agenda

1. Welcome and Apologies

2. Minutes of 18 April 2024
   2.1 Approval of Minutes
   2.2 Matters Arising

3. **Finance, Governance and Membership**
   3.1 Financial Updates
   3.1.1 FY24 - Q3 Profit / Loss Actual
   3.1.2 FY24 - Q4 Cash Flow Forecast

   3.2 FY25 Budget & Work Programme
   3.2.1 Budget Process & Assumptions
   3.2.2 Work Programme and KPI's
   3.2.3 Strategy 2025-2035 (Update)

   3.3 Governance
   3.3.1 Policy and Engagement Committee (PECo)
   3.3.2 Brand and Communications Committee (BCCo)
   3.3.3 Membership Tiers and Fee Review
   3.3.4 FY25 Board / AGM & ExCo Meeting Dates

   3.4 Membership

4. FY24 Work Programme and KPIs Update
   4.1 Reputation Management

   4.2 Advocacy

5. Any Other Business

3.1 Financial Updates

3.1.1 FY24 – Q3 Profit / Loss Actual
(1 April - 30 June 2024)

	FY24 Q3			FY24
	Actual*	Budget	Variance	Total Budget
Membership Fees	292, 836	375, 329	(82, 493)	1, 501 314
Interest Received	3,838	2.808	1,030	11, 233
Closing Surplus FY23/24 (*)	248, 481	320, 092	(71, 611)	475, 733
Other income	0	18, 670	(18, 670)	37, 339
Total Income	**545, 155**	**716, 899**	**(171, 744)**	**2, 025 619**
Remuneration	296, 562	332, 809	36, 247	1, 360 354
Finance and Governance	41, 206	27, 809	(13, 397)	152, 062
Depreciation & Amortisation	6,866	5, 305	(1, 561)	21, 297
Work Programme	72, 743	72, 114	(629)	216, 179
Total Expenditure	**417, 377**	**483, 038**	**20, 660**	**1, 749 892**
Net Profit / (Loss)	**127, 778**	**278, 861**	**(151, 084)**	**275, 727**

1. **Membership Fees** variance due to unrecognised at-risk Members and unrealised prospects.
2. **Surplus** brought forward per the audited FY23 Annual Financial Statements.
3. **Remuneration** variance due to vacant roles not replaced at present.
4. **Finance and Governance** variance due to timing differences.
5. **Depreciation and Amortisation** variance due to due to calculations based on an actual rebrand base.
6. **Work Programme** expenditure deviates immaterially from the budget.

Note – (*) Actual includes the finalised FY23 Surplus together with FY24 Q1 – Q3 movement.

3.1.2 FY24 – Q4 Cash Flow Forecast
(1 July 2024 to 30 September 2024)

	FY24 Q4
Opening Balance 01 July 2024 (£ 535, 458 + £ 122, 066 + £ 25, 000)	682, 524
Forecasted Payments for Q4	(233, 782)
Forecasted Receipts for Q4 (£ 2,473 + £ 42, 429 + £ 417, 125)	462, 027
Forecasted Closing Balance – 30 September 2024	**910, 769**

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 - £ 184, 665
- Finance and Governance - £ 25, 549
- Work Programme expenditure - £ 23, 568

Forecasted Receipts

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

Recommendation
That the Executive Committee note the FY24 Q3 Profit/Loss Actual (3.1.1) and FY24 Q4 Cash Flow Forecast (3.1.2)

3.2 FY25 Budget & Work Programme

3.2.1 FY25 Budget (Base Case and Low Case Scenarios)

	FY25			FY24
	Budget Base Case	Budget Low Case		Total Forecast
Total income (including accumulated surpluses)	1, 550 006	1, 270 006		1, 645 306
Total Expenditure	(1, 424 412)	(1, 400 486)		(1, 483 070)
Net Profit / (Loss)	**125, 594**	**(130, 480)**		**162, 236**

The **Base Case** scenario assumes majority of the FY25 conservative financial assumptions including:

- Attrition of two (2) Corporate members: Bowen Coking Coal and Peabody Energy;
- new membership targets of six (6) factoring 50% probability ratios;
- Work Programme continues focus on Flagship Initiatives: Reputation Management; Advocacy and Governance;
- Key projects include:
  - FY25 – FY35 Strategy Process initiated to embed ‘Future Coal’, Responsible Coal Stewardship and Future Coal Alliance directions;
  - International Government Engagement Strategy and Plan;
  - Finance and Investment Engagement Strategy and Plan;
  - Membership Engagement Strategy and Plan;
- One (1) in person Board Meeting and one Virtual Meeting; and
- Four (4) x Annual Roadshows to align with Board, significant keynotes, in identified key markets only, support government and membership strategies objectives and goals.

A **Low Case** comparative scenario has been included assuming: (i) addition of one (1) new Corporate member; (ii) with income based on the loss of four (4) Corporate Members also excluding one (1) in person Roadshow; and (iii) all other Base Case assumptions included.

Recommendation

That the Executive Committee approve the Base Case acknowledging (1) a surplus is maintained to avert going concern issues, (2) and that membership attraction and retention remains critical to ensure resourcing the Organisation at a level in which it can continue to implement the agreed strategy and achieve the objectives in line with members expectations.

3.2.1 Provisional Approval – Q1 FY25 Operational Budget

Forecast	October 2024	November 2024	December 2024	Total FY25 Q1
Remuneration	91,149	91,152	91,149	273, 450
Finance and Governance	22, 686	7, 678	7, 446	37, 810
Depreciation and Amortisation (Non-cash item)	2,295	2,295	2,295	6,885
Work Programme	18,724	4,372	4,372	27, 468
Total Expenditure	**134, 854**	**105, 497**	**105, 262**	**345, 613**

Recommendation
That the Executive Committee in line with the Board's mandate provide provisional approval to enable the Secretariat to expend from 1 October – 31 December 2024 when a formal budget approval can be attained at the FC81 Board Meeting.

3.2.2 FY25 Work Programme and KPI’s

The Work Programme and Key Performance Indicators (KPIs) to support the FY25 Base Case Budget advancing the Purpose, Vision and Goals, include the following assumptions:

- **Maintain the three (3) flagship initiatives and cross functional international virtual operating model:**
  - Reputation Management – a 'Future Coal' Direction (includes Strategy, Digital and Brand activities, Communications, and Membership attraction);
  - Advocacy (Industry, Academic, Policy, Government, and Finance and Investment community engagement); and
  - Governance (consists of Membership activities, Finance, Corporate, Board and Committee).

- **Key Projects include:**
  - Reputation Management Project (RMP) Rebrand);
  - FY26 – FY33 Strategy Process to be initiated to embed ‘Future Coal’, Responsible Coal Stewardship and Future Coal Alliance directions;
  - International Government Engagement Strategy and Plan;
  - Finance and Investment Engagement Strategy and Plan; and
  - Membership Engagement Strategy and Plan.

- **Adverse factors impacting achievement of the KPIs include:**
  - increased momentum and activity pressuring an under-resourced Secretariat;
  - attrition;
  - lower-than-expected membership; and
  - income and travel restrictions.

Recommendation
That the Executive Committee note the FY25 Work Programme and KPIs supporting the FY25 Base Case Budget. Further that the KPIs will continue to form part of the Chief Executive’s reporting to the Executive Committee and Board.

3.2.3 Strategy 2025-2035

FutureCoal 2025-2035 Global Strategy Proposal

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:

2024 TIMELINE

2024 Timeline	Phase			
Mar-Apr	**Phase 1 – Strategy Architecture**	Devise and distribute member questionnaire	Secretariat to draft workstreams	Formulate draft agenda and speaker list
May	**Phase 2 – Strategy Review & Board**	Approve workstreams		
Jun-Oct	**Phase 3 – Establish Workstreams**	Define ToR's, leads and contributors	Members nominate representatives	
Jun-Oct	**Phase 4 – Finalise Outcomes**	Agree workstream conclusions and recommendations representatives refine workstreams to 2035	FutureCoal Strategy Final Draft	
Nov- Dec	**Phase 5 – Final Draft Strategy Presentation at FC81 Board (subject to workstream progress)** **Final Board and AGM approval sought May 2025**			

Recommendation
That the Executive Committee note the progress on the FutureCoal 2025-2035 Strategy Review Process.

3.3 Governance

3.3.1 Policy and Engagement Committee (PECo)

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

- FutureCoal Activities: Review of past and upcoming activities;
- Policy Briefs: Overview of Policy Briefs conducted; and
- Member Presentations: Thungela Resources - successes and lessons learned developing their Sustainability Policy, followed by a Q/A session.

Recommendation
That the Executive Committee note the next PECo Committee meeting is to be held in October 2024 and the topics for discussion.

3.3.2 Brand and Communication Committee (BCCo)

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

- FutureCoal Activities: Review of past and upcoming communications activities.
- Roadshows: Australian campaign update.
- Communications: Update on Media and Social Media activities.
- Member Update: Feedback from Members.

Recommendation
That the Executive Committee note the next BCCo Committee meeting is to be held in October 2024 and the topics for discussion.

3.3.3 Membership Tiers and Fee Review

The Secretariat will continue the review process and provide the Executive Committee with a further proposal, reflective and aligned with both the Members objectives as well as the Strategy Session and Recruitment Campaign outcomes.

The timing is subject to the success of the Recruitment Campaign (Noted under the Membership Agenda Item 3.4.2).

Recommendation
That the Executive Committee note the Secretariat continue the review process to align with both the Members objectives as well as the outcomes of the Strategy Session. The timing of the final proposal is subject to the success of the Recruitment Campaign.

3.3.4 FY25 Board / AGM & ExCo Meeting Dates

The Secretariat are proposing the following meeting dates:

- **FC81 Board Meeting (Virtual)**
  Postpone from 20 November 2024 to 7 February 2025
  To provide adequate time for the FutureCoal Strategy Workstream outcomes to be concluded, and further prepare respective Board Paper.

- **FC82 Board & AGM40 Meeting (In-Person)**
  Date: August 2025 (Date to be canvased - Before 15th August)
  Venue: Singapore, London, Dubai (Location to be canvased)

- **Executive Meetings**
  24 October 2024 – *Executive Committee to be notified of any matters ahead of February 2025 FC81 Board Meeting.*
  17 April 2025
  19 June 2025
  20 November 2025

Recommendation
That the Executive Committee endorse the Secretariat proposed FY25 Board / AGM & ExCo Meeting Dates.

3.4 Membership

3.4.1 Membership Movement

- Notice received from **Adani / Bravus** to exit FutureCoal.
- No additional 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.

3.4.2 Recruitment Campaign

The Director Business Development and Membership recommended the **Recruitment Campaign** which was endorsed by the Board at the FC80 Board Meeting in May 2024, in support of the flagship initiative 'Membership Strategy'.

Under this campaign, each **Member will support the recruitment of at least one (1) Corporate Member Target**, recognising:

- The importance of building a global alliance across the coal value chain and across regions.
- Building a sustainable organisation, able to meaningfully deliver on our vision and goals.
- That the industry players are in a state of flux and / or transition which reflects in the organisation's recruitment and attrition rates.
- That any expansion of the Work Programme / Resourcing is solely dependent on increasing membership income.

Recommendation
That the Executive Committee note that further support is required from them with the Recruitment Campaign

3.4.2 Recruitment Campaign

In **support of the Membership Recruitment Campaign** each Member and / or Sponsor will receive a Recruitment Package, comprising:

- Recruitment Campaign Target List
- Recruitment Campaign Email Pro Forma
- Recruitment Campaign New Member Email Pro Forma
- Membership Brochure
- FC Video
- FC Value Proposition
- FC Elevator Pitch

The Executive Committee to note that the success of the Recruitment Campaign is imperative in ensuring the longevity of FutureCoal as a going concern.

Recommendation
That the Executive Committee note that further support is required from them with the Recruitment Campaign

3.4.4 Membership Activities

Australia

- **Coal Australia** impacting current Australian recruitment efforts**.**

South Africa

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

China & Mongolia

Roadshow planned for end September, including

- On-boarding of Associate Member **Caofeidian Coal Association** and MOU signing with Qingdao University of Science and Technology (QUST).
- Third 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.

3.4.3 Membership Activities

India

- Roadshow planned for mid-September in support of the India Strategy and to engage key stakeholders, including **NTPC** who are in process of obtaining final internal approval and signalled joining early in new FY.
- FutureCoal VC (Stephan) to participate at the upcoming ISA Coking Coal Conference scheduled for November to progress discussions with the key steel players.

USA

Keynote Address at **Bluefield Coal Symposium** and engagement with prospective members **Arch Resources**, **Consol Energy and Ramaco** where discussions are progressing 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

Agenda

1. **Welcome and Apologies**

2. **Minutes of 18 April 2024**
   2.1 Approval of Minutes
   2.2 Matters Arising

3. **Finance, Governance and Membership**
   3.1 Financial Updates
      3.1.1 FY24 - Q3 Profit / Loss Actual
      3.1.2 FY24 - Q4 Cash Flow Forecast

   3.2 FY25 Budget & Work Programme
      3.2.1 Budget Process & Assumptions
      3.2.2 Work Programme and KPI's
      3.2.3 Strategy 2025-2035 (Update)

   3.3 Governance
      3.3.1 Policy and Engagement Committee (PECo)
      3.3.2 Brand and Communications Committee (BCCo)
      3.3.3 Membership Tiers and Fee Review

   3.4 Membership

4. **FY24 Work Programme and KPIs Update**
   4.1 Reputation Management

   4.2 Advocacy

5. **Any Other Business**

4.1 Reputation Management (Q3 Activities)

Australian Roadshow (Brisbane, Sydney, Canberra and Perth), engagement included key stakeholders with existing and prospective Members.

Media

- Podcast: David Blackmon The Energy Question (Chief Executive).
- Press Release: FutureCoal Encourages G7 Adopt Balanced Approach to Coal G7.
- Social Media: LinkedIn - #FactFriday Educational Campaign, FutureCoal WeChat.

Events

- Indonesian Critical Minerals Conference (11-13 June). Pre-recorded speech (Director Strategy & Sustainability).
- World Steel Association (16-18 July). In-Person speech (Head of Global Communications).
- Montana Coal Council (23 July). Pre-recorded speech (Director Strategy & Sustainability).
- Bluefield Coal Symposium (13-14 August). In-person keynote (Chief Executive).

Marketing Collateral

- FutureCoal Membership Brochure
- Sustainable Coal Stewardship Map

Recommendation
That the Executive Committee note the Q3 Reputation Management Activities.

4.1 Reputation Management (Q4 Activities)

Events

- **4th India Coal Outlook Conference** (22 August). Pre-recorded Special Address (Director Business Development and Membership).
- **Colombian National Mining Congress** (Cartagena 29-30 August). In-person keynote (Chief Executive).
- **Clean Coal Day Symposium** (Tokyo 2-3 September). In-person address (Director Strategy & Sustainability).
- **Africa Mining Summit** (Botswana 24 September). In-person address (Director Business Development and Membership).
- **AEBF** (Lao, Vientiane 25-27 September). In-person Keynote Address (Chief Executive).

Marketing Collateral

- Promotional video (Support multiple language platform).
- Elevator Pitch.

Asset Suite:

- Review in process to support strategic objectives.

Recommendation
That the Executive Committee note the upcoming Reputation Management activities for Q4.

4.2 Advocacy (Q3 Activities)
(Policy, Government and Finance and Investment Engagement)

Government Engagement

- Engagement with **key Australian governmental stakeholders during May roadshow** included Deborah Frecklington, Scott Stewart, James Griffin, Senator Susan McDonald and Minister Madelaine King.

Finance, Investment & Insurance Engagement

- Finance, Investment and Insurance Strategy, developed and to be further informed by the outcomes of the strategy session.

Policy Brief & Reports

- IEA Mid-Year Electricity Report 2024
- IEA Mid-Year Coal Report 2024

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

4.2 Advocacy (Q4 Activities)
(Policy, Government and Finance and Investment Engagement)

Proposed Engagements
- Howden, Willis Towers Watson (WTW) and UBS follow-up in-person meetings.
- JCOAL and JOGMEC to facilitate Japanese Ministerial meetings.
- Middle East engagement opportunities.

Research and Innovation pipeline
- SDG Study - ACE and FutureCoal to prepare and launch.
- Pathway for SCS Report.
- Continued support to Policy, Communications, Finance and Investment and Business Development, in narrative, messaging, and value proposition.

MOUs
- BRICS – Under Development.
- QUST - (Qingdao University of Science & Technology) Institute of Climate Change & Sustainable Energy Development. Proposed signing in-person by Chief Executive September 2024.

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

www.futurecoal.org

FutureCoal on LinkedIn

FutureCoal on YouTube