ENVIRONMENTAL CLEAN TECHNOLOGIES LIMITED

ECT ADOPTS GLOBAL STANDARD FOR ESG REPORTING

22 July 2021: Environmental Clean Technologies Limited (ASX: ECT) ("**ECT"** or "**Company**") is pleased to announce that the Company will adopt an Environmental, Social and Governance ("**ESG**") framework with 21 core metrics and disclosures created by the World Economic Forum ("**WEF**")[1].

Chairman Glenn Fozard commented:

> *"As ECT enters the final construction stage of its Coldry-char project at Bacchus Marsh, we will increasingly be looking to establish commercial relationships with larger organisations and engaging with local community and government to deliver outcomes that capture the valuable chemistry of lignite without the emissions. To this end, I am delighted that we have adopted this universal ESG framework to measure and report our ESG performance. This will bring greater transparency to how we run our Company and with that, greater confidence from shareholders and stakeholders that share these same values and goals of sustainability, respect and integrity. "*

ADOPTING AN ESG FRAMEWORK

The context in which the Company operates has been transformed by environmental impact, carbon emissions, workplace inclusivity and safety, and companies operating in a transparent and compliant manner. This new global environment is challenging the traditional expectations of corporations and redirecting investment capital. Global sustainable investment now tops $30 trillion, up 68% since 2014 and tenfold since 2004. ECT is charting a course to build resilience and enhance our social licence through a greater commitment to long-term, sustainable value creation that embraces the wider demands of people, planet and shared prosperity.

ECT's Board has resolved to adopt the WEF ESG framework and instructed management to set up an impact measurement plan for each sustainability area which includes, but is not limited to, governance, anti-corruption practices, ethical behaviour, human rights, carbon emissions, land use, ecological sensitivity, workplace health & safety, diversity and inclusion, pay equality and community giving.

To ensure that ECT can measure, monitor, and report on its ESG progress, the Company has engaged impact monitoring technology platform Socialsuite to streamline the outcomes measurement and ongoing ESG reporting process. The Company's goal is to demonstrate commitment and progress on its ESG scorecard, but more broadly, requires progress on a range of ESG benchmarks as set out by the WEF's ESG White Paper.

While our suite of low emission technologies is inherently environmentally positive, the adoption of the WEF framework will assist the Company in tracking and reporting these initiatives into the future. The Company will update the market regularly on its ESG progress and seek to ensure that our business remains an impact investment for shareholders and local communities.

[1] World Economic Forum, White Paper: Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation [22 September 2020]

BASELINE ESG DASHBOARD

Environmental Clean Technologies

ECT

E Explanation D Development A Audited

R Reported V Verified

Baseline Q1

ESG Quarterly Progress Dashboard - Baseline

			MATERIAL	PRIORITY	TIMEFRAME		DISCLOSURE	MATURITY A1	A2	A3	A4	A5
GOVERNANCE	GO-01-A	Setting purpose	Y	Y	Q3	2021	R	R	R	R	R	R
	GO-02-A	Governance body composition	Y	Y	Q3	2021	D	D	D	R	R	R
	GO-03-A	Material issues impacting stakeholders	Y	Y	Q3	2021	D	D	D	D	D	D
	GO-04-A	Anti-corruption practices	Y	Y	Q3	2021	R	R	R	R		
	GO-04-B	Mechanisms to protect ethical behaviour	Y	Y	Q3	2021	R	R	R			
	GO-05-A	Integrating risk and opportunity into business process	Y	Y	Q3	2021	D	D	D	D	D	D
PLANET	PL-01-A	GHG emissions	Y	Y	Q3	2021	D	D	D	D		
	PL-01-B	TCFD implementation	Y	N	Q1	2022	D	D				
	PL-02-A	Land use and ecological sensitivity	Y	N	Q3	2021	D	D				
	PL-03-A	Water consumption	N	N	-	-	E	E				
PEOPLE	PE-01-A	Diversity and inclusion	Y	Y	Q3	2021	D	D	D	D	D	D
	PE-01-B	Pay equality	Y	Y	Q3	2021	D	D	D	D	D	
	PE-01-C	Wage level	Y	Y	Q3	2021	D	D	D			
	PE-01-D	Child, forced or compulsory labour	Y	Y	Q3	2021	D	D				
	PE-02-A	Health and safety	Y	Y	Q3	2021	D	D	D			
	PE-03-A	Training provided	Y	Y	Q3	2021	D	D				
PROSPERITY	PR-01-A	Rate of employment	Y	Y	Q3	2021	D	D	D			
	PR-01-B	Economic contribution	Y	Y	Q3	2021	R	R				
	PR-01-C	Financial investment contribution	Y	Y	Q3	2021	R	R	R			
	PR-02-A	Total R&D expenses	Y	Y	Q3	2021	R	R				
	PR-03-A	Total tax paid	Y	Y	Q3	2021	R	R				

ESG BACKGROUND

In its Summer Meeting for 2019, the WEF's International Business Council ("**IBC**") flagged the existence of multiple ESG reporting frameworks and the lack of consistency and comparability of metrics as pain points preventing companies from credibly demonstrating to all stakeholders their progress on sustainability and their contributions to the sustainable development goals.

In collaboration with Deloitte, EY, KPMG and PwC, the IBC worked to identify a set of universal, material ESG metrics and recommended disclosures that could be reflected in the mainstream annual reports of companies on a consistent basis across industry sectors and countries.

The metrics were designed to be capable of verification and assurance, to enhance transparency and alignment among corporations, investors, and all stakeholders. The wider objective was to begin reporting collectively on this basis to encourage greater cooperation and alignment among existing standards as well as to catalyse progress towards a systemic solution, such as a generally accepted international accounting standard in this respect.

The result of this process is 21 core and 34 expanded metrics and disclosures, for consideration and adoption by both IBC members and non-IBC companies.

This announcement is authorised for release by the Company Secretary.

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About ECT

ECT is in the business of commercialising leading-edge energy and resource technologies, which are capable of delivering financial and environmental benefits.

We are focused on advancing a portfolio of technologies, which have significant market potential globally.

ECT's business plan is to pragmatically commercialise these technologies and secure sustainable, profitable income streams through licensing and other commercial mechanisms.

About Coldry

Coldry is the gateway enabler of higher-value applications for low rank coals.

Low rank coals are a rich source of valuable hydrocarbons but suffer from high moisture content that must be reduced to enable higher-value upgrading and conversion to solid fuels, liquid or gaseous hydrocarbons.

Drying is easy. However, drying efficiently and cost effectively has been the challenge. Coldry meets this challenge through a combination of 'brown coal densification' and waste heat utilisation, delivering the world's first low temperature, low pressure, low cost, zero CO_2 emissions drying process.

About HydroMOR

The HydroMOR process has the potential to revolutionise primary iron making.

HydroMOR is a simple, low cost, low emission, hydrogen-driven technology which enables the use of 'low value' feedstocks to produce primary iron.

About COHgen

The COHgen process has the potential to deliver a lower cost, lower emission method for hydrogen production from brown coal.

COHgen is currently advancing through fundamental laboratory development intended to form the basis for a patent application ahead of scale up and commercialisation.

About CDP-WTE

The catalytic depolymerisation-based waste-to-energy process converts ‘low-value’ resources into higher-value diesel and other valuable by-products.

CDP-WTE can be deployed as a standalone solution or integrated with the Coldry process to deliver higher-value, lower-emission energy solutions to lignite resource owners.
