

**I T M**  
**P O W**  
**E R 20**

**SUSTAINABLE ENERGY, ENGINEERED SUSTAINABLY**

**ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT, 2020**

## SUSTAINABLE ENERGY, ENGINEERED SUSTAINABLY

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT, 2020

Letter from our CEO	1	<b>ENVIRONMENTAL ISSUES</b>	11
About this Report	2	Material Uses	
ITM Power at a Glance	3	Energy and Greenhouse Gas Emissions	
Our ESG Framework: Sustainable Energy, Engineered Sustainably	5	Toxic Emissions, Waste and Water	
Our Products	7	Opportunities in Clean Technology	
Case Study: Creating the World's Largest PEM Electrolyser	8	<b>SOCIAL ISSUES</b>	14
Our Influence	9	Procurement Practices	
Case study: Decarbonising the Gas Grid		Human Rights, Child Labour and Forced Labour	
Case Study: COP26 Education Programme		Customer Health and Safety	
		Employee Health and Safety	16
		Local Community Engagement	
		Labour and Management Relations	
		Diversity and Inclusion	
		Employment Practices	19
		Employee Training and Education	
		<b>GOVERNANCE ISSUES</b>	20
		Responsible Governance	
		Tax	
		Anti-Corruption	
		Data Security	21
		Resilience and Risk Management	
		Stakeholder Engagement	



ITM POWER'S MISSION IS TO  
HELP THE WORLD REACH NET ZERO

## THROUGH THE POWER OF GREEN HYDROGEN

I'm pleased to introduce ITM Power's first Environmental, Social and Governance (ESG) report.

My parents were environmental activists. Ever since I was a teenager, I've cared deeply about protecting our planet. I've worked in the power industry since 1989 and watched the climate crisis rise up the global agenda.

Today, we are at a turning point. If we act now, it is still possible to avoid heating our planet beyond the 1.5°C limit set out in the Paris Agreement – and avoid catastrophic consequences for people across the world. But if we continue emitting carbon at the current rate, we will run out of time. We have to make a choice about the kind of world we want our children and grandchildren to inherit.

ITM Power's mission is to help the world reach net zero through the power of green hydrogen. Our electrolyzers use renewable energy and water to produce green, clean hydrogen that can be released into the gas grid, used as a clean vehicle fuel or in a host of industrial processes, with oxygen as the only by-product. We unlock the power of renewables to decarbonise the electricity grid and replace the polluting hydrogen that the market currently relies on. In doing so, we also help to deliver progress in line with several of the UN Sustainable Development Goals.

Through our products, we can change the world. But we also need to be a responsible corporate citizen. This means bringing the same ambition we put into our products to developing our people, building links with our communities and suppliers, minimising the environmental footprint of our operations, and implementing strong governance processes to manage risks and secure the future of our business. We can't just focus on sustainable energy. We have to engineer it sustainably too.

ITM Power has grown rapidly over the past five years, and continues to do so. At the start of 2021, we moved into our new 1GW per annum Gigafactory in Sheffield and announced the sale of the world's largest Proton Exchange Membrane (PEM) electrolyser plant to Linde.

We're at a new stage in our development and robust ESG activity will be a critical part of our growth over the years ahead.

That's why, in 2021, we are launching our new ESG strategy: Sustainable Energy, Engineered Sustainably. This strategy represents a major step-change in our ambitions as a business. It is designed to ensure long-term growth that sustains, rather than harms, people and the planet, and helps us to deliver the best value for our shareholders in the years to come. We realise we have a lot to do, but we are determined to deliver on our ambitions and excited about what lies ahead.

This report sets out our progress so far, including our partnership with Linde to create the world's largest PEM electrolyser and our ambitious pilot with Keele University to decarbonise the gas grid. But, crucially, it also lays out our plans for the future, including our commitment to measure, report and set targets for our greenhouse gas emissions and to accelerate our investment in our employees and our local community through our new ITM Nurture and ITM Academy programmes.

We're still at the beginning of our journey – and we have a long way to go. But I know that through the power of our product, our people, and our business, we can work towards a world that our children and grandchildren will be proud of.

DR GRAHAM COOLEY  
CEO, ITM POWER





## ABOUT THIS REPORT

### THIS IS ITM POWER'S FIRST ESG REPORT.

All data covers the calendar year January to December 2020, unless otherwise specified. This report is designed to reflect our ESG ambitions set out in our new ESG strategy, launched in April 2021. Our next ESG report will be published in 2022, and will cover the period from January 2021 to April 2022, to align with our financial reporting cycle.

For questions about the report, please contact James Collins, Head of Investor Relations, at [JCOLLINS@ITM-POWER.COM](mailto:JCOLLINS@ITM-POWER.COM).



PEOPLE COME TO  
WORK AT ITM POWER,  
BECAUSE THEY WANT  
TO MAKE THE WORLD  
A BETTER PLACE.

THAT'S WHAT  
BROUGHT ME HERE  
AND IT'S WHAT'S  
KEPT ME HERE  
FOR THE PAST  
TWENTY YEARS.

DR RACHEL SMITH  
EXECUTIVE DIRECTOR, ITM POWER

## ITM POWER AT A GLANCE

For the past twenty years, ITM Power has been designing and manufacturing electrolyser systems that generate hydrogen gas based on Proton Exchange Membrane (PEM) technology. Our electrolysers run on renewable electricity and water, with oxygen as the only by-product. We are a globally recognised expert in green hydrogen.

In recent years, we've seen interest in green hydrogen increase rapidly worldwide. To meet potential demand and help accelerate global progress towards net zero, we have scaled up at speed. In 2021, we opened our new Gigafactory in Bessemer Park, Sheffield: the world's largest electrolyser production factory. This represents a step-change in our ambition and capacity as a business, enabling us to cut the cost of electrolysers by almost 40% in the next three years, from increased automation and economies of scale.

### THE ITM GROUP CONSISTS OF FIVE MAIN COMPANIES

- A** ITM Power plc (our holding company)
- B** ITM Power (Research) Limited
- C** ITM Power (Trading) Limited
- D** ITM Power Inc. (which serves the US market)
- E** ITM Power GmbH (which serves the German market)

We also work strategically with partners to scale our impact. In 2019, we concluded a strategic investment and joint venture agreement with Linde Engineering, a global expert in engineering, procurement and construction for large industrial projects. The agreement, and our 50% investment in ITM Linde Electrolysis GmbH, allows us to focus solely on our prime source of competitive advantage: the efficient manufacture and supply of best-in-class PEM electrolysers. Linde will provide its world leading EPC services for the projects won through the new company.

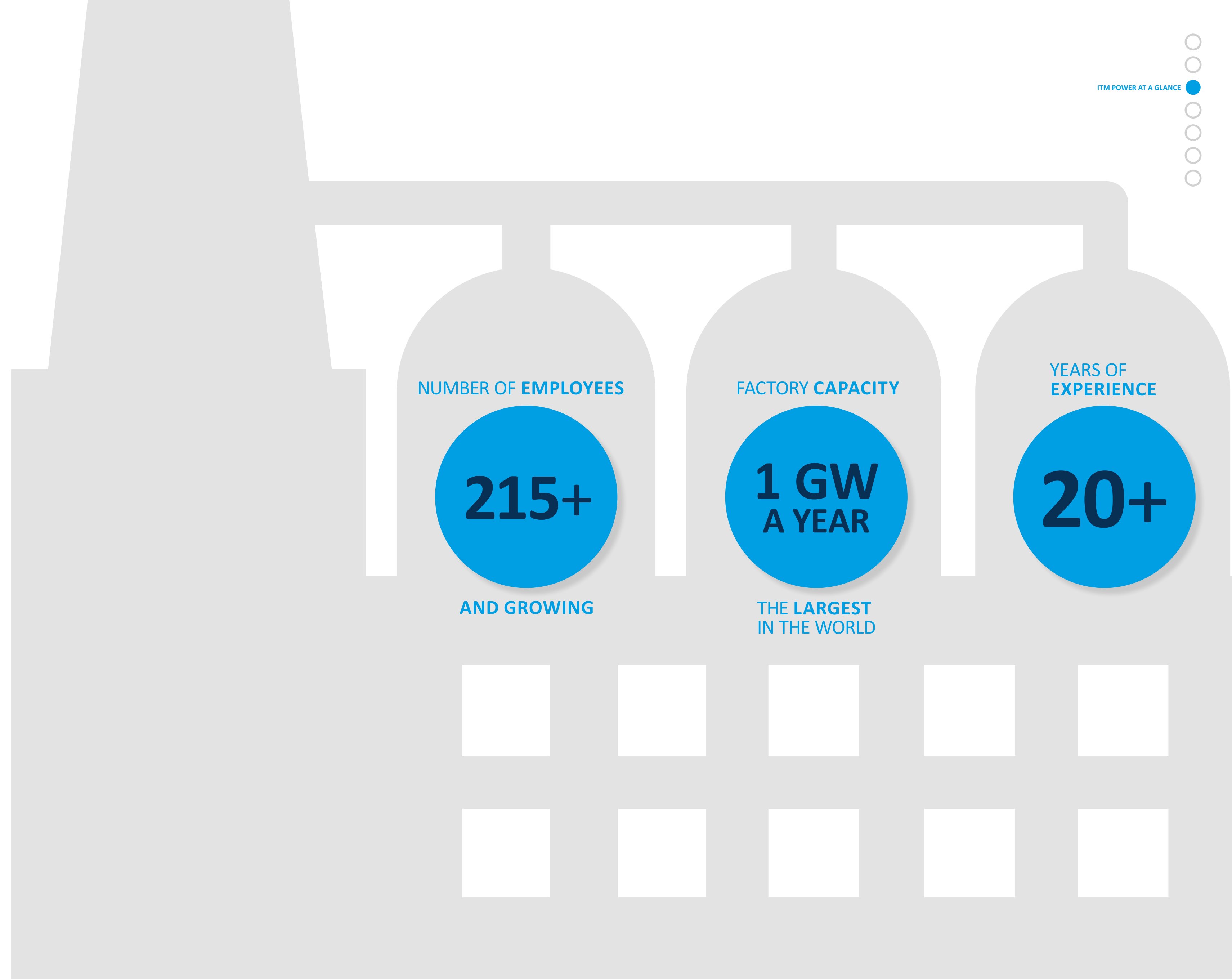
We also have a £30m strategic investment from, and a commercial partnership agreement with, Snam, one of the world's leading energy infrastructure operators.

For more details on our partnerships, see our [2020 Annual Report](#).

OUR GIGAFACTORY COULD  
ENABLE AN ADDITIONAL  
**2 MILLION TONNES OF CO<sub>2</sub>**  
TO BE SAVED EVERY YEAR

THAT'S EQUIVALENT  
TO THE **CO<sub>2</sub> EMISSIONS**  
**OF CHARGING 255 BILLION**  
**SMARTPHONES\***

\*Assumes a typical conversion efficiency of 70%. Based on CertifiHy analysis of carbon footprint of grey hydrogen.



“ WE WANT ITM POWER TO BE A BUSINESS THAT IS SUSTAINABLE FOR THE LONG-TERM, THAT SUPPORTS THE ENERGY SECTOR FOR OUR CHILDREN AND GRANDCHILDREN.

ULTIMATELY, ACTING RESPONSIBLY AND ETHICALLY WILL ALSO HELP US GENERATE THE BEST RETURNS FOR OUR SHAREHOLDERS.

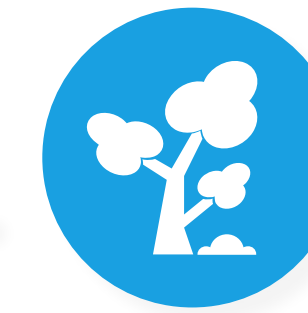
KATHERINE ROE  
NON-EXECUTIVE DIRECTOR  
AND ESG COMMITTEE CHAIR

## SUSTAINABLE ENERGY

Help the world reach net zero through the power of green hydrogen

## ENGINEERED SUSTAINABLY

Protect people and the planet through how we do business



### ENVIRONMENTAL

Calculate and report scope 1, 2 and 3 greenhouse gas emissions and set emissions targets to reach net zero before 2050

### OUR ESG FRAMEWORK

#### IDENTIFYING OUR MATERIAL ISSUES

In 2020, we conducted a light-touch materiality process with internal stakeholders from different functions across our business, in order to identify the ESG issues where we have the biggest impact. We also reviewed feedback from external stakeholders, including investors, to make sure our ESG report and strategy reflected their views, and conducted a peer review to identify best practice within comparable organisations. The results were used to inform the development of this report and of our ESG strategy: Sustainable Energy, Engineered Sustainably. We plan to review and strengthen this process over time, so that we can structure our approach to ESG in a way that maximises the social and environmental impact of our approach. Before our next ESG report in 2022, we will also conduct a full materiality assessment of all our ESG impacts, consulting with internal and external stakeholders and benchmarking against comparable organisations.

#### ESG GOVERNANCE AT ITM POWER

Our newly established ESG Committee is responsible for delivering and accelerating progress in line with our strategy: Sustainable Energy, Engineered Sustainably. The Committee is responsible for monitoring performance on ESG issues and providing feedback from across the business to external stakeholders, with the aim of continually progressing towards our targets. This Committee also reviews and approves our annual ESG report.

The Committee is chaired by our Non-Executive Director, Katherine Roe. Other members are Dr Graham Cooley, CEO, and Dr Rachel Smith, Executive Director. Our Head of Investor Relations and our Head of HR also attend committee meetings. The Committee meets at least twice a year for formal meetings, with additional ad-hoc discussions on specific projects being convened as required.



### GOVERNANCE

Invest in future-fit governance processes for sustainable growth



### SOCIAL

Develop and roll out ITM Nurture and ITM Academy programmes to support employees, communities and the environment



## SUSTAINABLE DEVELOPMENT GOALS

The 17 UN Sustainable Development Goals (SDGs), and the targets within each one, offer a blueprint for achieving a more peaceful and prosperous world by 2030. To deliver effectively on the UN SDGs, every organisation needs to focus their efforts where their actual and potential impact is greatest.

In developing our ESG strategy, we identified the four SDGs where we can have the greatest effect as a business.

**7 AFFORDABLE AND CLEAN ENERGY**

ITM Power aims to cut the commercial cost of electrolysers over the next three years and thereby facilitate the widespread adoption of green hydrogen.

This will directly contribute to ensuring access to affordable, reliable, sustainable and modern energy for all, addressing target 7.2: to substantially increase the share of renewable energy in the global energy mix.

**9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**

By helping to decarbonise industrial processes through green hydrogen, our electrolysers support goal 9 and, particularly, target 9.4: to upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.

**11 SUSTAINABLE CITIES AND COMMUNITIES**

Through our hydrogen refuelling stations, which provide zero emissions fuel for mass transit systems, we contribute towards target 11.2: by 2030, to provide access to safe, affordable, accessible and sustainable transport systems for all.

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**

By helping to replace hydrogen produced directly from fossil fuels with green, emissions-free hydrogen, our electrolysers support target 12.2: by 2030, to achieve the sustainable management and efficient use of natural resources.





THE CARBON FOOTPRINT OF GLOBAL HYDROGEN PRODUCTION IS

**830 MILLION TONNES**

ROUGHLY EQUIVALENT TO THE CARBON FOOTPRINTS OF THE UK AND INDONESIA COMBINED

**96%**

OF THE WORLD'S HYDROGEN IS CURRENTLY MADE FROM FOSSIL FUELS

**“HYDROGEN PRODUCED THROUGH PEM ELECTROLYSIS AND POWERED BY RENEWABLE ENERGY IS THE ONLY ZERO CARBON FUEL.**

**ALSO, UNLIKE OTHER FUELS, IT DOESN'T REMOVE OXYGEN FROM THE ATMOSPHERE, OR ADD MORE WATER VAPOUR TO THE ATMOSPHERE THAN IT CONSUMES DURING PRODUCTION, WHICH HELPS RETAIN THE EARTH'S EXISTING OXYGEN AND WATER BALANCE. AND IT HAS NO NEGATIVE IMPACT ON AIR QUALITY.**

DR GRAHAM COOLEY  
CEO, ITM POWER

## OUR PRODUCTS

Hydrogen is a storable, lightweight, energy-dense fuel source with no direct greenhouse gas emissions. It has a host of industrial and chemical applications, and can also be released directly into the gas grid or used as a fuel for transport. Approximately 70 million tonnes of hydrogen are produced worldwide each year.

The vast majority (96%) of the hydrogen currently produced globally is generated from fossil fuels. This gives hydrogen production a large carbon footprint: approximately 830 million tonnes of CO<sub>2</sub> each year, which is roughly equivalent to the carbon footprints of the UK and Indonesia combined.

Our products provide a solution. ITM Power designs and manufactures electrolyzers, which generate hydrogen gas, based on PEM technology. Our electrolyzers are designed to be powered effectively by renewable electricity and tap water to generate hydrogen gas on-site. This 'green hydrogen' can be used in several ways as follows.

### POWER-TO-GAS:

Hydrogen gas provides a means of storing excess renewable energy at the point when it is generated, so it can be used when it is needed. This overcomes a major barrier to the mass adoption of renewable energy: energy generation from renewables can be intermittent and unpredictable, depending on natural variables, such as wind speed and daylight hours. By using excess renewable energy to generate hydrogen gas, ITM Power electrolyzers produce zero carbon hydrogen that can be released into the gas grid whenever demand exists. This also helps to balance the grid without the need to ramp up a gas or coal power plant. PEM electrolyzers are particularly well-suited to using renewable energy, due to their ability to respond rapidly to fluctuations in energy generation and to generate hydrogen at a pressure, flow-rate and purity appropriate to its application.

“OUR ELECTROLYZERS CAN RESPOND INCREDIBLY FAST – **CHANGING LOAD IN LESS THAN TWO SECONDS.**

THIS MEANS THEY CAN **REACT QUICKLY TO FLUCTUATING PATTERNS IN RENEWABLE ENERGY, SO WE CAN CAPTURE MORE OF THE POWER AVAILABLE.**”

DR ANDREW ELLIS  
HEAD OF SALES

### CLEAN FUELS:

Hydrogen has widespread application as a transport fuel for fuel cell electric vehicles. Our rapid response electrolyser systems can refuel a fuel cell electric vehicle in minutes, providing an emissions-free method of transportation. Our portfolio currently consists of fifteen wholly-owned hydrogen refuelling stations; nine of which are open to the public, and six in various stages of construction. Run by our ITM Power subsidiary, ITM Motive, these stations are targeted primarily at truck and bus fleets, which are significant contributors to CO<sub>2</sub> emissions. ITM Motive aims to be the leading operator in this area in the UK, with the ambition to run a hundred fuelling stations within the next five years.

### INDUSTRIAL HYDROGEN:

Hydrogen has a range of applications in industrial chemistry. These include the production of ammonia fertiliser and as a means of improving the quality of fractional distillation products. 15% of the total CO<sub>2</sub> emissions from the European refinery sector can currently be attributed to hydrogen production. Our electrolyzers provide a green alternative to the 'grey hydrogen' produced through steam reformation (with high CO<sub>2</sub> emissions), which currently powers the vast majority of these processes.

Once it is at full capacity, our new Gigafactory in Bessemer Park will have a factory electrolyser capacity of one gigawatt per year. If all our electrolyzers are powered entirely on renewable energy, and the resulting green hydrogen is used to displace existing grey hydrogen use, these electrolyzers could prevent up to two million tonnes CO<sub>2</sub> from being emitted every year that they operate. That's equivalent to the carbon emissions from charging 255 billion smartphones, or the carbon sequestered in one year by 2.6 million acres of forest.\*

We want to minimise the environmental footprint of our electrolyzers – including at the end of their life. Wherever possible, we aim to recover and reuse materials from our electrolyzers (particularly precious metals), and currently recover approximately 80% of the precious metals in our electrolyzers where we retain ownership of the products.

\*Assumes a typical conversion efficiency of 70%. Based on CertifHy analysis of carbon footprint of grey hydrogen.





## OUR ELECTROLYSER WILL PRODUCE ENOUGH GREEN HYDROGEN TO POWER 600 FUEL CELL BUSES DRIVING 40 MILLION KILOMETRES

### CASE STUDY: CREATING THE WORLD'S LARGEST PEM ELECTROLYSER

At the start of 2021, we announced the sale of the world's largest PEM Electrolyser to Linde, the global industrial gases and engineering company.

The 24-megawatt electrolyser, to be installed at Linde's Leuna Chemical Complex in Germany, will use renewable electricity to produce green hydrogen for Linde's industrial customers, as well as to refuelling stations and other industrial customers in the region.

It will produce enough green hydrogen to fuel approximately 600 fuel cell buses driving 40 million kilometres – saving up to 40,000 tonnes of carbon dioxide tailpipe emissions per year.

We will start production in 2022 through our joint venture with Linde: ITM Linde Electrolysis GmbH. This success is the result of a long-term, close working relationship between the ITM Power engineering team and Linde Engineering in Dresden.

This electrolyser was the first sale in our joint venture with Linde, and demonstrates the increasing levels of commitment from industry to use green hydrogen produced by electrolysis to decarbonise production processes.



## OUR INFLUENCE

To help the world reach net zero by 2050, we have to act beyond our own supply chain. We participate actively in industry bodies that champion sustainable power and guide policy, as well as working with schools and universities to help inspire the next generation about green hydrogen (see case study).

We are members of a number of industry associations in different territories, including (in the UK) the UK Hydrogen Fuel Cell Association and Renewables UK, (in France) Association Française de l'Hydrogène et des Piles à Combustible and (in Germany) Bundesverband Energiespeicher. For a full list of our industry associations, see our [2021 QCA Code Statement of Compliance](#).

Our CEO, Dr Graham Cooley, joined the UK Government's Hydrogen Advisory Council in 2020. ITM Power has also responded to and provided input into relevant Government consultations, including on hydrogen for heat and hydrogen mobility.

In addition, we work with research partners, including Keele University (see case study) on pioneering pilots to support the transition to net zero.

### CASE STUDY: DECARBONISING THE GAS GRID

In 2020, ITM Power launched HyDeploy: a ground-breaking green energy trial at Keele University, Staffordshire, that could help Britain cut its carbon emissions and open the door to a low-carbon hydrogen economy.

The HyDeploy demonstration is injecting up to 20% (by volume) of hydrogen into Keele University's existing natural gas network, feeding 100 homes and 30 faculty buildings. The 20% hydrogen blend is the highest in Europe, together with a similar project being run by Engie in Northern France.

As a zero emissions gas, green hydrogen provides a means of heating homes without producing carbon dioxide. This will be essential to achieving global emissions reductions in line with the Paris Climate Agreement, and helping the UK achieve its ambitious climate change obligations.

Heating for domestic properties and industry accounts for half of the UK's energy consumption and one-third of its carbon emissions, with 83% of homes using gas to keep warm. The 20% volume blend means that customers can continue to use their gas supply as normal, without any changes being needed to gas appliances or pipework, whilst still cutting carbon emissions.

If a 20% hydrogen blend were rolled out across the country, it could save around 6 million tonnes of carbon dioxide emissions every year, the equivalent of taking 2.5 million cars off the road.

IF THIS PILOT WERE ROLLED OUT ACROSS THE UK, THE **CARBON SAVINGS** COULD BE EQUIVALENT TO TAKING

**2.5**  
MILLION CARS  
OFF THE ROAD



### CASE STUDY: COP26 EDUCATION PROGRAMME

Using the 2021 United Nations Climate Change Conference (COP26) in Glasgow as a focal point, we are working with not-for-profit education specialist, Arcola Energy Education, to launch an ongoing education programme for the promotion of hydrogen and fuel cell technologies.

The project will deliver hydrogen-based STEM workshops across seven Scottish cities, with 100+ participating schools and over 7,000 young people joining 'design, build, race' workshops to build their own hydrogen vehicle. Teams will be challenged to create the most energy efficient, hydrogen-powered vehicle possible using LEGO components and custom miniature fuel cells.

It will also include a 'Hydrogen Hack' challenge, which introduces young people aged 12-18 to hydrogen fuel cell technology by challenging them to build a device using a hydrogen fuel cell.

Our goal is to raise awareness and increase understanding of hydrogen through high-quality, hands-on education and to build advocacy among young people, future policy-makers and industry professionals who will power the energy transition.

#### WE AIM TO REACH

**7000**  
YOUNG PEOPLE

WITH EDUCATION AND  
ACTIVITIES ABOUT THE  
POWER OF HYDROGEN



## ENGINEERED SUSTAINABLY

---

The following table sets out our progress, targets and future plans for managing the most material ESG issues for ITM Power. Addressing these issues is an essential part of being 'engineered sustainably'. Links to further information are provided where relevant.





**MATERIAL USES**

**ENERGY AND GREENHOUSE GAS EMISSIONS**

**TOXIC EMISSIONS, WASTE AND WATER**

**OPPORTUNITIES IN CLEAN TECHNOLOGY**

<p><b>Importance for ITM</b></p>	<p>The quality of the materials we use is essential to the success of our electrolysers. Being a sustainable, responsible business means <b>taking all possible action</b> to mitigate any risks related to the sourcing and disposal of our materials.</p>	<p>Our mission as a business is to help the world reach net zero through the power of green hydrogen.</p> <p>Our products run on renewable energy, converting it into green hydrogen that can be used as clean fuel, released into the gas grid or used in industrial processes.</p> <p>Powering our own operations sustainably is another way in which we can deliver on our mission.</p>	<p>Manufacturing our electrolysers can affect the environment in which we operate, and we have a duty to protect natural resources and reduce waste through the way we do business.</p> <p>Toxic emissions in particular are an area of high importance to our stakeholders.</p>	<p>To achieve net zero global emissions by 2050, the world needs to transition away from fossil fuels and towards emissions-free fuels such as green hydrogen, produced from renewable energy.</p> <p>Offering engineering solutions that contribute to a more environmentally sustainable economy and reduce global reliance on fossil fuels is at the core of our mission as a business.</p>
<p><b>Approach and policies</b></p>	<p>The EU Conflict Minerals Regulation applies to four minerals of high concern for human rights abuses: tin, tantalum, tungsten and gold. We do not buy these raw materials to manufacture our electrolysers. We also do not use cobalt, the extraction of which contributes to eutrophication and global warming.</p> <p>Where possible, we aim to reuse existing materials for creating our electrolysers, rather than sourcing new ones. We aim for the majority of our product materials to be recyclable where possible.</p>	<p>Our Environmental Policy, endorsed by our CEO, sets out our commitment to identifying all our environmental risks and managing their significant impacts on the environment; providing all employees with resources, equipment, information, instruction and training to fulfil this Policy; reducing waste, utility and resource use wherever possible; protecting the environment and preventing pollution, and complying with all applicable environmental legislation, codes of practice and any other compliance obligations to which we subscribe.</p> <p>Beyond our own operations, our Supplier Code of Conduct also includes requirements for all ITM Power business partners to use energy and natural resources efficiently, and to continually look for ways to minimise waste, emissions and discharge from their operations, products and services.</p> <div data-bbox="783 853 1372 1472" data-label="Figure"> </div>	<p>Unlike battery manufacturers, our electrolysers are produced in a benign manufacturing environment with small volumes of acids being used. The emissions from our manufacturing do not pose a significant risk to our local environment.</p> <p>Our Environmental Policy, endorsed by our CEO, sets out our commitment to identifying all our environmental risks and managing their significant impacts on the environment; providing all employees with resources, equipment, information, instruction and training to fulfil this Policy; reducing waste, utility and resource use wherever possible; protecting the environment and preventing pollution, and complying with all applicable environmental legislation, codes of practice and any other compliance obligations to which we subscribe.</p> <p>In 2019, we established a programme for full recycling of all waste materials from our operations wherever possible, working with Approved Authorised Treatment Facilities (AATFs) and environmentally aware recycling partners. To reduce the waste created by our products, we also aim for the majority of our product materials to be recyclable. We seek to recover and reuse materials from our electrolysers (particularly precious metals) wherever possible, and currently recover approximately 80% of the precious</p>	<p>All of our products are designed to reduce global reliance on fossil fuels. The electrolysers we produce use renewable energy and water to produce green hydrogen, with oxygen as the only by-product. This fuel can then be stored for release into the gas grid, used as a clean vehicle fuel or in a host of industrial processes. This green hydrogen serves as an alternative to the 96% of hydrogen worldwide that is currently produced directly from fossil fuels, with a carbon footprint of approximately 830 million tonnes of CO2 annually.</p> <div data-bbox="2165 1285 2548 1660" data-label="Figure"> </div> <div data-bbox="2798 1285 3182 1660" data-label="Figure"> </div>
<p><b>Indicators</b></p>		<p><b>PROPORTION OF ELECTRICITY IN OUR NEW GIGAFACTORY AND HEAD OFFICE PROCURED FROM RENEWABLE SOURCES:</b></p> <p><small>*Data as of March 2021</small></p>	<p><b>TOTAL WASTE FROM OPERATIONS</b></p>	<p><b>PROPORTION OF REVENUES THAT COME FROM CLEAN TECHNOLOGY:</b></p>





MATERIAL USES

ENERGY AND GREENHOUSE GAS EMISSIONS

TOXIC EMISSIONS, WASTE AND WATER

OPPORTUNITIES IN CLEAN TECHNOLOGY

Indicators (Continued)				
<p><b>Supporting actions and initiatives</b></p>		<p>We have set a target to reach net zero greenhouse gas emissions before 2050. To help us achieve – and exceed – this target, we will calculate our full Scope 1, 2 and 3 greenhouse gas emissions, and report these figures in our next ESG report (to be published in 2022). We will use these calculations to set additional greenhouse gas emissions targets.</p> <p>To better manage our energy use, we are working towards establishing a UKAS-accredited environmental management system to the specifications outlined in the International Standard, ISO 14001:2015. This is expected to be in place by August 2021. The programme for accreditation includes wide staff participation and consultation with employees, as well as auditing processes in the pursuit of zero harm to people or products.</p> <p>We will also implement an internal audit programme to measure compliance with the requirements of ISO 14001. Informed by the ISO 14001 requirements, we will set and review additional environmental objectives, targets and management programmes.</p>	<div data-bbox="1692 296 2415 759"> <p><b>WASTE BREAKDOWN</b></p> <ul style="list-style-type: none"> <li>GENERAL WASTE 17,842 KG</li> <li>MIXED RECYCLING 12,318 KG</li> <li>OTHER 8,381 KG</li> <li>BATTERIES 10 KG</li> </ul> </div> <p>Before May 2022, we will calculate the waste volumes from all ITM Power operations broken down by disposal route, and publish this information in our next ESG report. Based on this information, we will set targets to reduce the proportion of our waste being sent to less sustainable disposal routes, such as landfill.</p> <p>To better manage our waste and emissions, we are working towards establishing a UKAS-accredited environmental management system to the specifications outlined in the International Standard ISO, 14001:2015. This is due to be in place by August 2021. The programme for accreditation includes wide staff participation and consultation with employees and also auditing processes in the pursuit of zero harm to people or products. We will also implement an internal audit programme to measure compliance with the requirements of ISO 14001. Informed by the ISO 14001 requirements, we will set and review additional environmental objectives, targets and management programmes.</p>	<p>In addition to manufacturing these clean technology products, we also collaborate on research projects to increase the capacity of existing clean technology products. In 2020, we worked with Keele University on a pilot to inject up to 20% (by volume) of hydrogen into the natural gas network. If this blend were rolled out across the country, it could save around six million tonnes of carbon dioxide emissions every year (see case study for more information).</p> <p>In 2020, we were granted the London Stock Exchange Green Economy Mark, awarded to listed companies and funds, which derive 50% or more of their revenues from environmental solutions.</p>
<p><b>Future plans</b></p>	<p>We will continue working towards our goal to reuse existing materials in creating new electrolysers, and to make product materials recyclable where possible</p>			<p>Our new 1GW plant in Sheffield will cut the cost of electrolysers by 37.5% over the next three years, due to increased automation and economies of scale. Our ambition is to make this clean technology available on a mass scale, and thereby support a mass transition towards green hydrogen.</p>
<p><b>Link to more information</b></p>	<p>Code of Conduct for ITM Power’s Business Partners</p>	<p>Code of Conduct for ITM Power’s Business Partners 2021 QCA Code Statement of Compliance</p>	<p>Code of Conduct for ITM Power’s Business Partners 2021 QCA Code Statement of Compliance</p>	<p>ITM Power Website</p>





## ENERGY AND GREENHOUSE GAS EMISSIONS

### Future plans

ACTION TO ADDRESS SCOPE 1 GREENHOUSE GAS EMISSIONS	ACTION TO ADDRESS SCOPE 2 GREENHOUSE GAS EMISSIONS	ACTION TO ADDRESS SCOPE 3 GREENHOUSE GAS EMISSIONS
Calculate and report scope 1 greenhouse gas emissions (to be published in next ESG Report)	Calculate and report scope 2 greenhouse gas emissions (to be published in next ESG Report)	Calculate and report scope 3 greenhouse gas emissions (to be published in next ESG Report)
Set targets for scope 1 greenhouse gas emissions	Set targets for scope 2 greenhouse gas emissions	Set targets for scope 3 greenhouse gas emissions
Continue driving internal improvements through ITM Power Environmental Policy, establishment of UKAS-accredited environmental management system and internal audit programme	Continue driving internal improvements through ITM Power Environmental Policy, establishment of UKAS-accredited environmental management system and internal audit programme	Continue driving internal improvements through ITM Power Environmental Policy, establishment of UKAS-accredited environmental management system and internal audit programme
		Continue driving supply chain improvements through Supplier Code of Conduct
		Before May 2022, assess 100% of our critical suppliers and 50% of our other direct material suppliers according to ESG criteria, using this information to develop action plans with assessed suppliers to improve ESG performance where necessary
		Before May 2022, develop an action plan for assessing 100% of our direct material suppliers according to ESG criteria and improving ESG performance across our supply chain



## PROCUREMENT PRACTICES

## HUMAN RIGHTS, CHILD LABOUR AND FORCED LABOUR

## CUSTOMER HEALTH AND SAFETY

<p><b>Importance for ITM</b></p>	<p>As well as measuring and managing our own social and environmental impacts, we need to support our suppliers to act responsibly through our procurement of materials, and have a positive impact on the local and national communities in which we operate.</p>		<p>Slavery is more common today than at any point in history. Being a responsible business means taking every possible effort to identify and eliminate exploitative working practices wherever they occur, paying particular attention to higher-risk materials, including precious metals.</p>	<p>Keeping our customers safe is critical for the success of our business. As we produce large industrial equipment, there are inevitable risks associated with the malfunctioning of our electrolysers, and we take every possible step to mitigate these.</p>
<p><b>Approach and policies</b></p>	<p>We seek to establish and maintain close working relationships with suppliers. We have a longstanding supply base, and the majority of our direct suppliers have been working with us for over ten years.</p> <p>Wherever possible, we aim to use local suppliers, and the majority of our direct suppliers are based in the UK.</p> <p>We have a Supplier Code of Conduct, which we require all direct suppliers to comply with. This sets out our expectations for all our business partners, including contractors, vendors, service providers, agents and contingent labour, their employees and their suppliers. It is publicly available on our website and includes minimum criteria around bribery and corruption, environmental and social performance, human rights and modern slavery, non-discrimination and freedom of association, and whistle-blowing.</p> <p>In addition to our Code of Conduct, all new direct material suppliers are required to complete our Supplier Qualification Questionnaire, which includes questions on health and safety,</p>	<p>environmental management systems in place, training and development, corruption and human rights, including labour rights. Responses are then reviewed by our health and safety, quality and procurement teams who approve or reject suppliers based on their responses to certain areas within the questionnaire.</p> <p>All material contracts are also required to be reviewed and signed by a director of ITM Power and are reviewed by our legal team.</p> <p>Where direct suppliers are providing ITM Power with higher-risk products (such as those that require us to share intellectual property), we conduct supplier visits to inspect the premises and perform quality spot checks.</p> <p>We aim to be a responsible and supportive business partner, and to help our suppliers continually develop and improve. This brings benefits to both us and our suppliers.</p>	<p>The EU Conflict Minerals Regulation applies to four minerals of high concern for human rights abuses: tin, tantalum, tungsten and gold.</p> <p>We do not buy these raw materials to manufacture our electrolysers.</p> <p>Our Supplier Code of Conduct, which all direct suppliers are required to comply with, refers directly to human rights and modern slavery. This sets out our expectations for all ITM Power business partners to meet the responsibilities set out in the UN Universal Declaration of Human Rights and the core conventions of the International Labour Organisation, including no use of child, forced, prison or compulsory labour; no restriction of the free movement of employees and no payment of recruitment fees by workers. All direct suppliers are required to pay wages and benefits that meet or exceed the national legal standards, comply with all applicable laws and regulations on working hours, and provide a safe, secure and healthy workplace.</p> <p>To guard against the risk of human rights abuses, our Code of Conduct also mandates that direct suppliers provide their own employees, suppliers and business partners with a dedicated whistle-blowing mechanism whereby they can log a grievance if they see something that is unsafe, unethical or potentially harmful involving either their or ITM Power's businesses or activities. Suppliers are required to comply with any applicable laws and regulations on freedom of association and collective bargaining. Our Supplier Qualification Questionnaire, which all new direct material suppliers are required to complete, includes questions on human rights, child labour, forced labour and employee provision to confirm compliance with our Code of Conduct.</p>	<p>Management of health and safety is led by our Board, which sets the direction of travel, our health and safety objectives and the framework for monitoring performance and compliance. The Board monitors health and safety performance and each meeting receives a regular performance update on action taken to promote health and safety throughout our business. Separately, we also have a monthly Health and Safety Committee, which includes representatives from each function in ITM Power. This helps ensure prompt reporting of concerns and rapid implementation of improvement plans.</p> <p>Quality control is at the core of our product manufacturing. We operate management systems in accordance with ISO 9001 2015, ISO 14001 2015 and OHSAS 18001 2007, and are planning to incorporate all our management systems under one UKAS-accredited integrated management system in 2021 at the same time as upgrading the safety management system to ISO 45001. We conduct risk assessments for the full lifecycle of all products and operate a multistage testing process to ensure the safety of everything we produce. We implement a stage-gate process at the design stage of our products, with line manager sign-off required at each stage to minimise the risk of error.</p> <p>Once manufactured, we conduct Factory Acceptance Testing, vigorously testing all equipment before shipment. We then conduct additional Site Acceptance Testing with customer oversight in the field to further reduce the risk of any malfunction.</p> <p>Once our products are onsite, we solicit ongoing feedback from customers, through channels including an email reporting system, a support centre in Sheffield and an out-of-hours service. Customer feedback is built into the 'lessons learnt' process within</p>
<p><b>Indicators</b></p>	<p><b>PROPORTION OF NEW DIRECT MATERIAL SUPPLIERS ASSESSED USING OUR SUPPLIER QUALIFICATION QUESTIONNAIRE:</b></p> <p><b>100%</b></p>	<p><b>PROPORTION OF NEW DIRECT MATERIAL SUPPLIERS REQUIRED TO PROVIDE INFORMATION ABOUT HUMAN RIGHTS, CHILD LABOUR AND FORCED LABOUR AS PART OF THE PROCUREMENT PROCESS:</b></p> <p><b>100%</b></p>	<p>ITM Power's quality system and used to identify areas for further improvement.</p> <p>ITM Power has a service and maintenance capability either built into the commercial contract or done as an aftermarket sales opportunity. We offer a wide range of services across the UK and global network working hand-in-hand with our clients and their representatives. Any issues arising from these site activities are reported locally, as well as being reported and investigated through the ITM Power UK Health, Safety and Environment Department and Executive Team representative. We maintain our hydrogen refuelling stations through fully trained and qualified personnel.</p> <p>Each ITM Power hydrogen station has undergone significant planning and testing before being opened for use, and we maintain this high level of operational visibility at all times. Our stations are monitored 24 hours a day, 365 days a year by fully trained staff in our global Control room in Sheffield. All stations have emergency plans, specific to the station layout and design. Fuel customers also have access to a 24-hour helpline and from our mobile support team.</p> <p>Our Head of Quality is responsible for working with suppliers to continually improve the quality of our materials and oversee the implementation of our quality control procedures.</p> <p>To monitor the implementation of our procedures, we collect data on near misses, positive observations, product leaks and non-conformances. We hold weekly meetings to review any near misses and monthly meetings to assess progress against other indicators, as well as urgent meetings wherever necessary.</p>	



## HUMAN RIGHTS, CHILD LABOUR AND FORCED LABOUR

### PROCUREMENT PRACTICES

### CUSTOMER HEALTH AND SAFETY

<p><b>Supporting actions and initiatives</b></p>	<p>In 2020, we developed our Supplier Qualification Questionnaire, which all new direct material suppliers are required to complete before being approved by ITM Power. We are now in the process of risk-assessing our existing supply base and using these results to determine the order in which our existing suppliers are required to complete the questionnaire.</p>	<p>In 2020, we also created a supplier development procedure to help our suppliers continually develop and improve their own operations. This consists of a number of stages, including an onsite visit, developing an action plan to address priority issues, and ongoing monitoring of this plan's implementation through a quality rating system.</p>		<p>To better address our needs and risks as we scale up our manufacturing, in 2020, we appointed a new Head of Health and Safety, a new Head of Quality and a new Head of After-Sales Support.</p> <p>We also created a new safety induction process for employees as part of the move to our new headquarters in Bessemer Park.</p>
<p><b>Future plans</b></p>	<p>Before May 2022, we will assess 100% of our critical suppliers and 50% of our other direct material suppliers according to ESG criteria, to help us map the ESG performance of our current supply base. We will use this information to develop action plans with assessed suppliers to improve ESG performance where necessary. Before May 2022, we will also develop an action plan for assessing 100% of our direct material suppliers</p>	<p>according to ESG criteria and driving ESG improvements across our supply chain.</p>	<p>Before May 2022, we will assess 100% of our critical suppliers and 50% of our other direct material suppliers according to ESG criteria, to help us map the ESG performance of our current supply base. We will use this information to develop action plans with assessed suppliers to improve ESG performance where necessary. Before May 2022, we will also develop an action plan for assessing 100% of our direct material suppliers according to ESG criteria and driving ESG improvements across our supply chain.</p>	<p>As ITM Power progresses towards attaining ISO 45001 and ISO 14001 UKAS accreditation later in 2021, we have external support in conducting gap analysis to identify improvement opportunities to meet and, where possible, exceed the expectations of the accreditation. The programme for accreditation includes wide staff participation and consultation with employees and also auditing processes in the pursuit of zero harm to people or products.</p>
<p><b>Link to more information</b></p>	<p>Code of Conduct for ITM Power's Business Partners 2021 QCA Code Statement of Compliance</p>	<p>Code of Conduct for ITM Power's Business Partners</p>	<p>2021 QCA Code Statement of Compliance 2020 Annual Report and Financial Statements ITM Power Website</p>	



## EMPLOYEE HEALTH AND SAFETY

## LOCAL COMMUNITY ENGAGEMENT

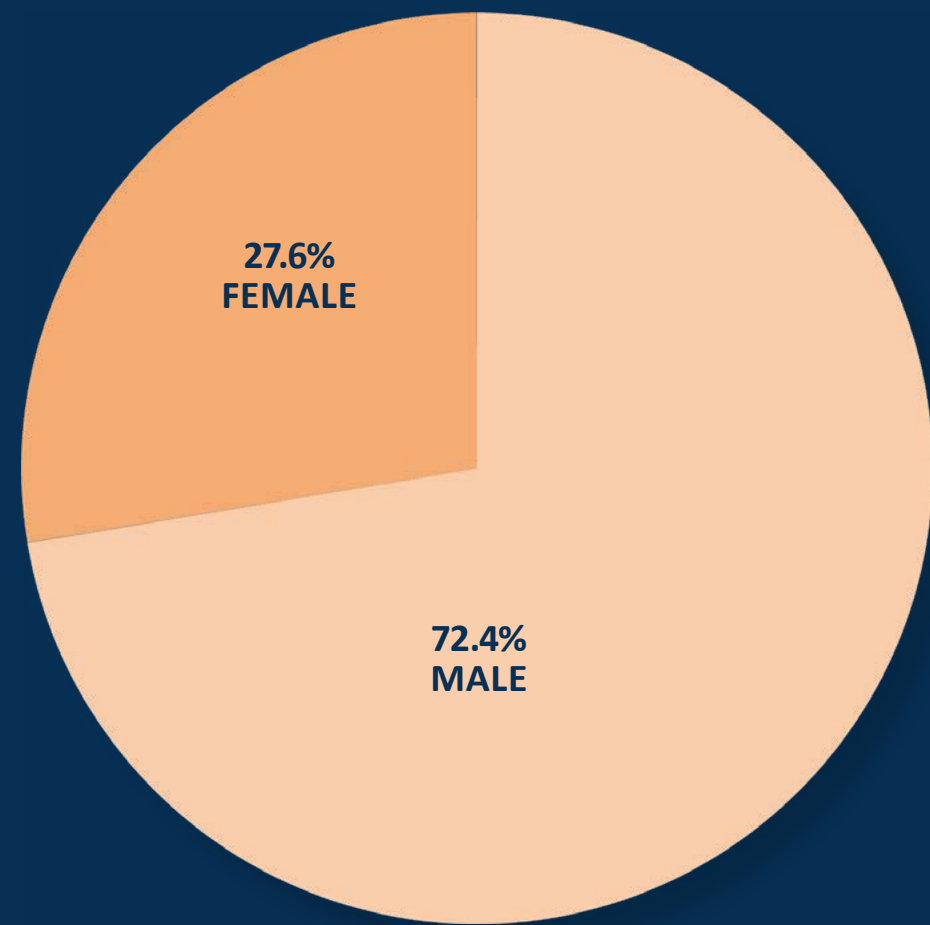
## LABOUR AND MANAGEMENT RELATIONS

## DIVERSITY AND INCLUSION

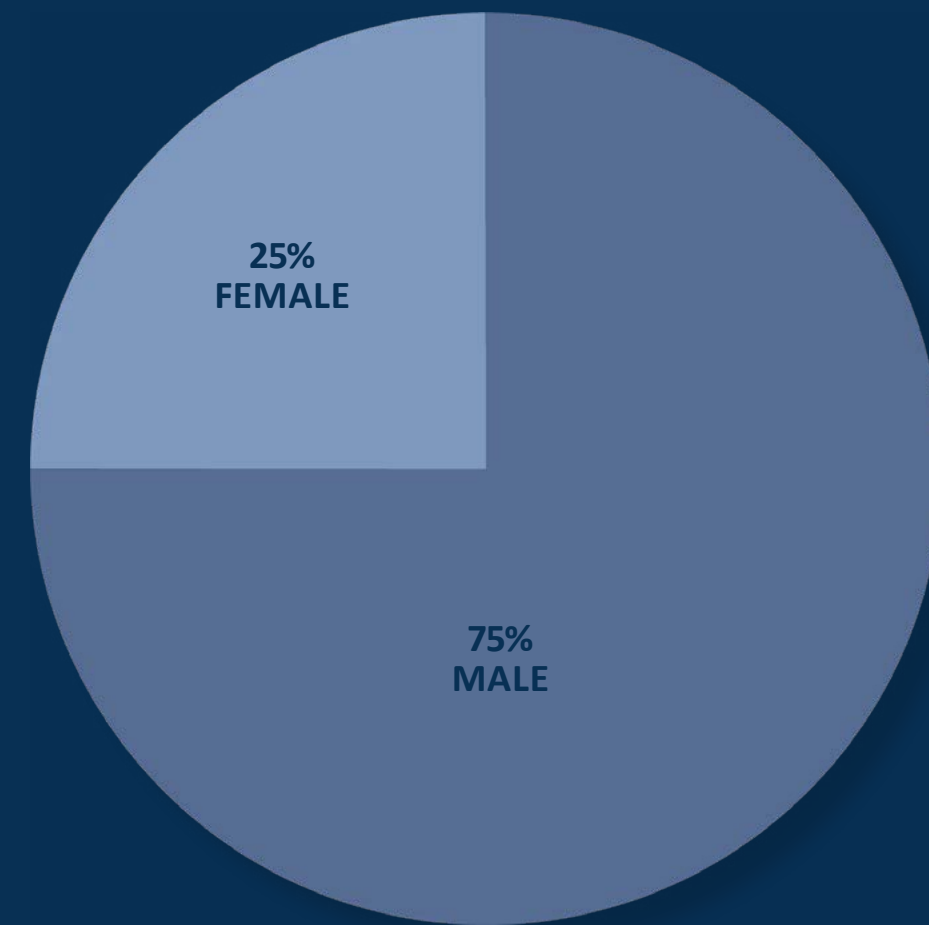
<p><b>Importance for ITM</b></p>	<p>Keeping our employees safe is our first priority – and has remained so throughout the Covid-19 pandemic. Workers at our new factory are required to operate powerful and complex machinery in order to manufacture our electrolysers.</p>	<p>Therefore, correct risk mitigation and training are essential to guard against injury.</p>	<p>As we move into our new Gigafactory at Bessemer Park in Sheffield, building good relationships with the local Sheffield community will help us gain the trust and support of potential employees and customers, as well as local stakeholders. Dedicated community engagement is also an important part of being a socially responsible and innovative business and will form part of our ITM Nurture strategy.</p>	<p>Strong relationships and consultative practices between employees and managers help to contribute towards a positive, healthy working environment at ITM Power. This is also an area of particular focus for our stakeholders, as poor labour and management relations pose a risk to the sustainability of our business.</p>	<p>Attracting, retaining and supporting employees from diverse backgrounds helps our business better reflect and understand the customers we serve, and the Sheffield community in which we operate. It reduces risk, facilitates employee retention and wellbeing, and promotes wider social equality and mobility.</p>
<p><b>Approach and policies</b></p>	<p>Management of health and safety is led by our Board, which sets the direction of travel, our health and safety objectives and the framework for monitoring performance and compliance. The Board monitors health and safety performance and each meeting receives a regular performance update on action taken to promote health and safety throughout our business. Separately, we also have a monthly Health and Safety Committee, which includes representatives from each function in ITM Power. This helps ensure prompt reporting of concerns and rapid implementation of improvement plans.</p> <p>Our Health and Safety Policy is provided to all employees as part of our employee handbook. It sets out our commitment to maintaining safe and healthy working conditions through control of the health and safety risks arising from our work activities; provision and maintenance of safe plant and equipment; ensuring the safe handling and use of substances; consulting with our employees and providing appropriate information, instruction, training and supervision; and taking steps to prevent accidents and cases of work-related ill health.</p> <p>Employee accidents and injuries are a particular risk in our factory. To guard against this, we conduct planned preventative maintenance of all our equipment, ensuring that machinery and services are regularly maintained before problems occur.</p> <p>Training and development is an important part of upholding health and safety standards, and this starts at the top. Our Board has undertaken a course on leading health and safety based on the Institute of Directors and Health and Safety Executive guidance on Leading Safely.</p>	<p>We also employ dedicated safety professionals who are all NEBOSH trained. We have a three-tiered structure for staff health and safety training, through which we encourage employees to assess and improve their competency.</p> <p>In addition to our Health and Safety Policy, all new employees are provided with our Occupational Health Policy. This includes our requirement that all new employees complete a medical questionnaire and a medical examination to identify whether any reasonable adjustments need to be made to their working conditions. These checks are repeated on an annual basis or at any point when a change in an employee's health makes it necessary.</p> <p>To ensure our Policies are being implemented, we collect data on near misses, positive observations, incidents and cases of employee ill health, which are reported back to the Board and in our weekly health and safety meetings. In addition, each function has key performance indicators for health and safety performance.</p> <p>Beyond our business, our Supplier Code of Conduct also includes requirements that all ITM Power direct suppliers have a systematic approach to health, safety and security designed to ensure compliance with all applicable health and safety laws and regulations. Direct suppliers must also seek to continually improve performance by encouraging their workforce and any suppliers to report any accident, injury, illness, or unsafe condition immediately, and to cease any work that could be unsafe so that appropriate action can be taken.</p>	<p>We actively engage with the local community around our Bessemer Park factory, including through local events focused on encouraging alternative forms of travel (such as hydrogen vehicles), events for students and local schools and by taking part in local events showcasing apprenticeships. We also support charitable causes in our local area.</p> <p>All ITM Power employees, including managers, are provided with a copy of our employee handbook. This sets out the main policies and procedures that employees need to be aware of, whilst employed by ITM Power. Employees are notified of any changes in these policies through our HR system, including contractual changes. We comply with all relevant labour laws and, in most areas, our employment practices exceed statutory minimums. Our policies recognise trade unions, but we do not currently have a specific policy on unionisation.</p> <p>We place real value on the involvement of our employees and continue to keep them informed on matters affecting them, and on the performance of ITM Power. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. Company-wide emails, an employee newsletter and suggestion boxes are also utilised for wider participation. Every year, the Executive Directors present the annual results to the workforce and ITM Power employees are able to engage and ask questions.</p> <p>We operate an open-door management policy, which enables regular feedback, and we also solicit employee feedback through mechanisms, such as regular electronic</p>	<p>surveys (for example, consulting on the move to our new premises and on our health and safety culture).</p> <p>To reward employee efforts, we have a recognition scheme in place whereby they can nominate their colleagues for excellent work or providing support. We had over 100 nominations in the first twelve months of the scheme's inception. Within our supply chain, we also take steps to promote freedom of association, collective bargaining and a 'speak up' culture. Our Supplier Code of Conduct includes a section on Freedom of Association, in which we mandate that any ITM Power business partner must comply with all applicable laws and regulations on freedom of association and collective bargaining. We also mandate that direct suppliers provide their own employees, suppliers and business partners with a dedicated whistle-blowing mechanism whereby they can log a grievance if they see any unsafe, unethical or potentially harmful activity involving either their or ITM Power's businesses or activities.</p>	<p>Our Equal Opportunities Policy sets out our commitment to promoting equality of opportunity for all staff and job applicants. We aim to create a working environment in which everyone is able to make the best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit. The Policy includes specific clauses relating to employee recruitment and selection, training and development, opportunities for promotion, conditions of service and termination of employment, including redundancy.</p> <p>In our recruitment practices, we positively encourage applications from suitably qualified and eligible candidates, regardless of disability.</p>



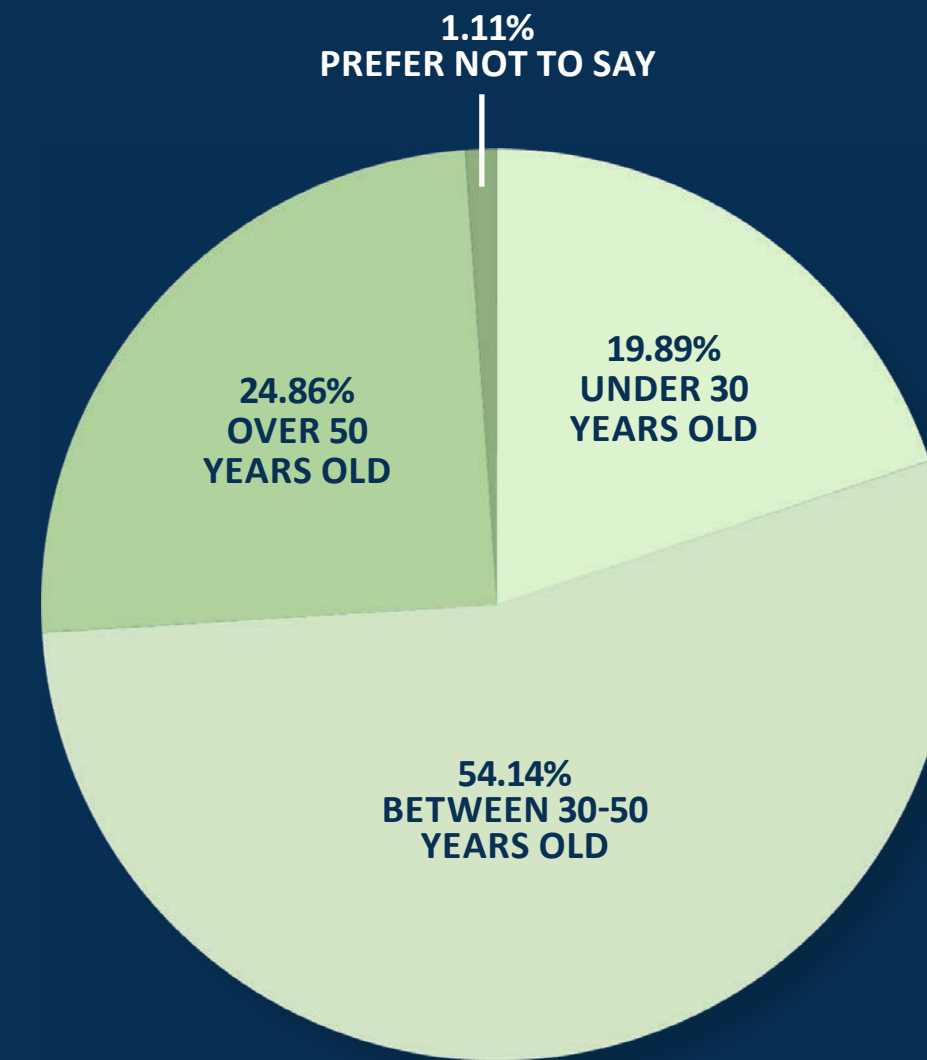
## DIVERSITY AND INCLUSION Indicators



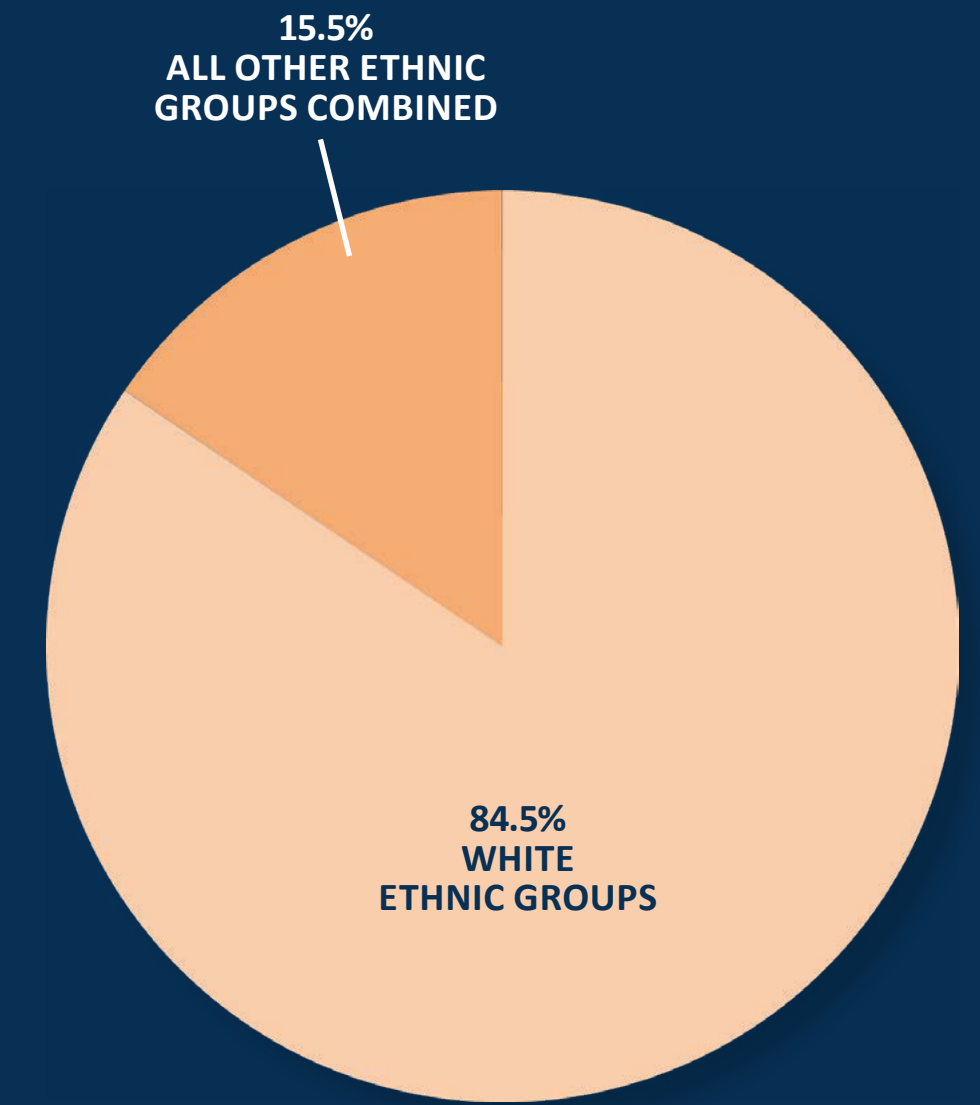
**GENDER BREAKDOWN**  
(ALL EMPLOYEES)\*



**GENDER BREAKDOWN**  
**EXECUTIVE BOARD** EXCLUDING  
NON-EXECUTIVE DIRECTORS\*



**AGE BREAKDOWN**  
(ALL SURVEY RESPONDENTS)\*\*



**ETHNICITY BREAKDOWN**  
(ALL SURVEY RESPONDENTS)\*\*

\*DATA AS OF YEAR END, 2020

\*\*In March 2021, we conducted a baseline monitoring survey to help shape our new diversity and inclusion strategy. 74.2% of employees responded. This provided additional data on our current workplace diversity. The level of data granularity is reflective of the size of our employee community.



**EMPLOYEE HEALTH AND SAFETY**

**LOCAL COMMUNITY ENGAGEMENT**

**LABOUR AND MANAGEMENT RELATIONS**

**DIVERSITY AND INCLUSION**



<p><b>Indicators</b></p>	<p><b>215</b> NUMBER OF EMPLOYEES</p> <p><b>20</b> TOTAL INCIDENTS</p> <p><b>35</b> LOST TIME DAYS</p>				
<p><b>Supporting actions and initiatives</b></p>	<p>Due to the risks posed to staff health by Covid-19, in 2020 our factory was temporarily reduced to a skeleton staff between March and June for the welfare of staff, whilst changes were implemented to ensure the premises were considered Covid-secure. In early June, we began the process of returning people to the factory. This required risk assessments of the areas to make them suitable for work under new social distancing rules, close liaison with shop floor personnel over abilities to return to work and skillset requirements to further the production process at the correct times, as well as return to work inductions to explain the new PPE and location requirements for safe effective working.</p> <p>In 2020, we rolled out a new safety observation system across the business to better capture observations and near misses and therefore reduce the number of injuries incurred by employees.</p>	<p>We also upgraded our requirements regarding robust investigations and trained key staff in 8D (8 Disciplines) Root Cause Analysis in order to systematically identify and prevent any underlying health and safety issues. In December 2020, our Board undertook training based on the Institute of Directors and Health and Safety Executive Leading Safely guidance, as part of its commitment to leading safety from the top.</p> <p>To monitor employees' mental, as well as their physical, health, we introduced ten mental health first aiders within our business, all of whom had received external training.</p> <p>In 2020, we appointed a new Head of Health and Safety, a new Head of Quality and a new Head of After-Sales Support. We also created a new safety induction process, as part of the move to our new headquarters in Bessemer Park.</p>	<p>In 2020, we provided Christmas charity donations to two local charities: Sheffield Children's Hospital and the Archer Project in Sheffield city centre, which provides food to homeless people over the winter period. To celebrate the opening of our new factory, we also supported local learning charity, Autism Plus, providing office equipment and PCs to support the creation of a comfortable, well-equipped learning environment for job-seekers with autism.</p> <p>To encourage employees to raise funds for charitable causes in their own time, in 2020 we established a charity committee to match funds raised by employees for charitable causes. The charity committee and community engagement both sit within our new ITM Nurture strategy.</p>	<p>In 2020, we launched a new long-term incentive plan for all Group staff and a share incentive plan (enabling staff to buy shares on a tax-efficient basis and receive matching shares from ITM Power). The range of staff benefits also includes childcare vouchers and a cycle purchase scheme, as well as accessing training courses relevant to employees' roles.</p>	
<p><b>Future plans</b></p>	<p>In 2021, we will continue to target zero lost time days from injury and zero workplace accidents. As ITM Power progresses towards attaining ISO 45001 and ISO 14001 UKAS accreditation later in 2021, we have external support in conducting gap analysis to identify improvement opportunities to meet and, where possible, exceed the expectations of the accreditation. The programme for accreditation includes wide staff participation and consultation with employees, as well as auditing processes</p>	<p>in the pursuit of zero harm to people or products. A further employee survey on health and safety is expected in Q1 of 2021.</p> <p>We will continue to monitor the impact of Covid-19 on our operations and act quickly and decisively to protect the health and wellbeing of staff.</p> <p>We also plan to roll out 8D training to reach more of our staff in 2021.</p>	<p>We are currently developing our ITM Nurture and ITM Academy programmes, which aim to support the lives of ITM people and enhance the communities in which we operate. These will include plans for increased employee engagement with local schools, charity support within our local community and employee volunteering programmes to work with local charities and organisations. One particular aim is to widen our reach within our local community to promote environmental and educational events, and to share knowledge and understanding about green hydrogen.</p>	<p>In 2021, we will launch a new and more engaging intranet platform for the communication of non-confidential employment matters to employees.</p>	<p>Monitoring and improving workplace diversity will be an essential part of our new HR strategy for 2021-22.</p>
<p><b>Link to more information</b></p>	<p>2021 QCA Code Statement of Compliance 2020 Annual Report and Financial Statements ITM Power Website</p>		<p>2021 QCA Code Statement of Compliance</p>	<p>Code of Conduct for ITM Power's Business Partners 2021 QCA Code Statement of Compliance</p>	<p>2021 QCA Code Statement of Compliance</p>



## EMPLOYMENT PRACTICES

## EMPLOYEE TRAINING AND EDUCATION

<p><b>Importance for ITM</b></p>	<p>The specialist and technical skills of our employees are essential to maintaining the quality of our products. Keeping our employees motivated and supported is, therefore, a major priority. It increases employee retention and development, improves the quality of our outputs as a business and results in a more positive work environment for everyone.</p>			<p>As a business within the new technologies market, our vast knowledge of our employees is one of our greatest assets. Improving this knowledge base, as well as ensuring high levels of technical competence, helps us to continually improve the innovation and quality of our work.</p>		
<p><b>Approach and policies</b></p>	<p>Our employee handbook sets out our employee benefits and policies, many of which exceed statutory minimums. We offer enhanced maternity, paternity and adoption pay, as well as shared parental leave, allowing parents to take up to 52 weeks' leave in total on the birth or placement for adoption of a child.</p>	<p>To protect and promote staff wellbeing, we also have a detailed Anti-Harassment and Bullying Policy, which sets out examples of the types of conduct that may constitute harassment or bullying and our commitment to eliminating such conduct. Our Stress Policy lists our actions for identifying, tackling and preventing the causes of work-related stress and to providing appropriate support and consideration to employees suffering from stress, on a confidential basis</p>	<p>where appropriate. These include ensuring that risk assessments include or specifically address workplace stress; maintaining an appraisal process to ensure the suitability of workloads, supported by a capability procedure; and facilitating requests for flexible working where reasonably practicable in accordance with our Flexible Working Policy.</p>	<p>We actively encourage training and Continuing Professional Development (CPD) for all our employees. As part of this, we offer financial support for employees to support them through further training and qualifications when the training relates to a business need. Recent examples of financial support provided include MBA sponsorship, leadership and management training, as well as technical training.</p>	<p>Employee training needs are identified through regular employee appraisals and competency review. All employees are given appropriate access to relevant training to enable them to progress within the organisation.</p> <p>ITM Power offer apprenticeships in all areas of our business. We are currently training six apprentices, across various sub-departments within production and quality functions.</p>	<p>We work closely with the Advanced Manufacturing Research Centre at Sheffield University to ensure we support our apprentices to be the best they can be.</p>
<p><b>Indicators</b></p>						
<p><b>Supporting actions and initiatives</b></p>	<p>In 2020, we launched a new long-term incentive plan for all Group staff and a share incentive plan (enabling staff to buy shares on a tax-efficient basis and receive matching shares from ITM Power).</p> <p>The range of staff benefits also includes childcare vouchers and a cycle purchase scheme as well as accessing training courses relevant to the employee's role.</p>	<p>We also appointed a new Head of Human Resources and increased the size and reach of the HR function to provide strategic and operational service delivery. We have put in place an industry-leading Employee Assistance Programme run by Health Assured. The Employee Assistance Programme is a wide range of services that any ITM Power employee can access without cost, and totally</p>	<p>confidentially. This includes unlimited access to counselling, legal information, bereavement support, medical information and online Cognitive Behavioural Therapy.</p> <p>During the ongoing Covid-19 pandemic, we interacted regularly with employees to ensure that staff have been able to work effectively and flexibly, whilst impacted by school closures and lockdowns.</p>	<p>In 2021, we will begin monitoring a range of key performance indicators related to training and development. These will include the number of training hours completed per department and the number of professional qualifications undertaken.</p> <p>We will also launch the ITM Academy. This will be the home for learning and development across ITM Power and aims to significantly expand the development</p>	<p>opportunities and support for all ITM Power staff. It will become a hub for developing staff, providing a structured induction programme alongside technical and leadership training. We want the Academy to become a global centre of excellence for training our team members, as well as providing training opportunities for our partners who work with us. In addition, our HR team will also update our performance management system for supporting staff development.</p>	<p>As part of our ITM Academy programme, we will explore the potential for further apprenticeships within our business. We will also begin inviting industrial placement students to join the business for a 12-month placement. These placements provide students with an opportunity to gain insight into a possible industry of choice for them, as well as giving us access to future graduate talent.</p>
<p><b>Future plans</b></p>	<p>A full review of employment practices will be a fundamental part of the formal HR strategy to ensure all working practices reflect the direction of travel for ITM Power.</p>					
<p><b>Link to more information</b></p>	<p>2021 QCA Code Statement of Compliance 2020 Annual Report and Financial Statements</p>			<p>2021 QCA Code Statement of Compliance</p>		



## RESPONSIBLE GOVERNANCE

## TAX

## ANTI-CORRUPTION

<p><b>Importance for ITM</b></p>	<p>Good governance is vital for making ITM Power a sustainable organisation as we scale up, reducing risk and adding value to our</p>	<p>business. Strong governance is also essential for delivering on our business values: working with integrity, embracing innovation and creating value for our customers, people, suppliers and shareholders.</p>	<p>Companies have a responsibility to contribute to the countries wherein they do business. For ITM Power, we believe that this is part of being a responsible business that is accountable to ourselves, to society and to future generations.</p>	<p>Corruption and fraud are internationally recognised as significant threats to both social development and the market economy, because of the disruptive effect on competitive markets and the misallocation of resources.</p>	<p>They also undermine the rule of law, and public trust in public servants and business leaders. As our business scales up, we need robust policies in place to eliminate these practices.</p>
<p><b>Approach and policies</b></p>	<p>As our business has grown over the past two years, we've strengthened our corporate governance procedures to ensure our business is fit for the future.</p> <p>Our Board is ultimately responsible for our strategy and direction. Our Board consists of nine members, five of whom are Non-Executive Directors. We consider all our Non-Executive Directors to be independent in character and judgement and each provides us with valuable advice and challenge to stay on track with our strategy.</p>	<p>In 2018, we adopted the Corporate Governance Code for Small and Mid-Size Quoted Companies from the Quoted Companies Alliance (the 'QCA Code'). More details of our approach to corporate governance and how we apply the ten principles of the QCA Code in support of our growth are publicly available on our website and in our <a href="#">Annual Report</a>.</p>	<p>We are transparent in our tax reporting and disclose information about our tax position in our <a href="#">Annual Report</a>.</p>	<p>Our Anti-Corruption and Bribery Policy sets out our 'zero tolerance' approach to corruption and bribery in any form. It summarises our commitments to ensuring a systematic approach to risk assessment of the nature and extent of bribery risk associated within the construction industry and global market, and training employees to recognise, avoid and report the use of bribery by themselves and others. All employees receive this Policy as part of their employee handbook upon joining the business.</p>	<p>Beyond our own supply chain, we also include clauses in our contracts and our Supplier Code of Conduct to prevent corruption. Our Qualification Questionnaire for new direct material suppliers also includes questions on whether suppliers have a policy and/or an employee training programme relating to anti-corruption, as well as whether they have been subject to litigation or criminal charges regarding bribery and corruption.</p>
<p><b>Indicators</b></p>	<p><b>TOTAL SIGNIFICANT FINES AND NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND/OR REGULATIONS:</b></p>				
<p><b>Supporting actions and initiatives</b></p>	<p>Details of our corporate governance activities in 2020 can be found on our website and in our <a href="#">Annual Report</a>.</p>				
<p><b>Future plans</b></p>	<p>Our newly created ESG Committee ensures that ESG matters remain high on the business agenda. The Committee is responsible for setting our ESG strategy and policy, monitoring performance and providing feedback from across the business to external stakeholders, with the aim of continually progressing towards our targets.</p> <p>The Committee is chaired by our Non-Executive Director Katherine Roe with additional members consisting of Dr Graham Cooley, CEO, and Dr Rachel Smith, Executive Director. It is also attended by our Head of Investor Relations and</p>	<p>our Head of HR. The Committee meets at least twice a year for formal meetings, with additional ad-hoc discussions on specific projects being convened as required.</p> <p>We are currently reviewing the inclusion of ESG KPIs for our Executive Board to link remuneration with ESG performance. As part of our increased focus on diversity and inclusion, we will also seek to improve the diversity of our Board.</p>	<p>Once profitable, we will comply not only with the letter of the law, but also the underlying intent to ensure that we pay the right amount of tax, on time, in the countries wherein we operate. We will cooperate with the authorities in the countries wherein we operate to support effective tax systems.</p>	<p>In 2021, we will be launching a Code of Ethics and a revised anti-fraud and bribery programme, reflecting the growth in our operations and numbers of staff. As part of this process, we will be developing KPIs to track the success of our programme, and will also undertake a programme of training for 100% of staff on the Code of Ethics and the updated anti-fraud and bribery programme. This training will also be built into inductions for new starters.</p>	
<p><b>Link to more information</b></p>	<p><a href="#">2021 QCA Code Statement of Compliance</a> <a href="#">2020 Annual Report and Financial Statements</a></p>		<p><a href="#">2020 Annual Report and Financial Statements</a></p>	<p><a href="#">2021 QCA Code Statement of Compliance</a> <a href="#">Code of Ethics (once published)</a></p>	



## DATA SECURITY

## RESILIENCE AND RISK MANAGEMENT

## STAKEHOLDER ENGAGEMENT

<p><b>Importance for ITM</b></p>	<p>Keeping our employees’ and customers’ personal data safe is a legal and ethical obligation for us. In addition, the design and manufacture of our electrolysers is critical to the success of our business, so keeping this intellectual property safe and secure is highly important.</p>	<p>There are a number of risks and uncertainties that have the potential to impact the execution of our strategy, as well as our short-term results. Proactively identifying, managing and mitigating these risks is essential to the success of our business.</p>	<p>Engaging with and learning from employees’, customers’ and other stakeholders’ feedback is an integral part of what we do and how we are developing the business. Seeking to understand and meet shareholders’ needs and expectations, and taking into account wider stakeholder and social responsibilities, are core principles within the Quoted Companies Alliance Corporate Governance Code 2018 with which ITM Power complies.</p>
<p><b>Approach and policies</b></p>	<p>Our Data Protection Policy sets out our commitments to processing all personal data legally and responsibly. Our website sets out our privacy policy for the use of third-party data and we inform employees and other personnel of our data privacy practices through our employee privacy notice. We inform all staff of our security procedures for minimising the risk of data breaches. Where appropriate, we conduct data protection impact assessments (DPIAs) to ensure that new and updated data processing procedures are conducted proportionately and with adequate safeguards in place.</p> <p>We also have a dedicated Intellectual Property Management Policy to reduce the risk of inappropriate information-sharing of ITM Power trade secrets and proprietary technology. We are currently training staff across our business on this Policy.</p> <p>We operate a Patent Steering Committee, which is responsible for the development and protection of ITM’s Intellectual Property Policy</p> <p>and Intellectual Property Portfolio. We recognise the importance of identifying innovation and capturing it in a timely fashion. We conduct regular PSC meetings in which innovation can be identified and captured. In order to have a structured approach to the ‘innovation capture’ process, research in key areas of the business is reviewed for new inventions (involving the research scientists, as appropriate) and these are evaluated in detail.</p> <p>Our Social Media Policy also includes clauses on intellectual property, specifying that employees should not do anything to jeopardise our valuable trade secrets and other confidential information and intellectual property through the use of social media.</p>	<p>The Executive Directors review the risks facing ITM Power, including financial risks, and the Board identifies and publishes our principal risks in our Annual Report, along with our governance processes to mitigate these risks. Key business risks and mitigations are considered to be related to Covid-19, Brexit, Technology and IP, Markets, Traction and Growth Trajectory, People, Safety, Partnerships, and Legal and Statutory Risks.</p> <p>The Board is responsible for the risk framework and aims to ensure that the Group’s ability to achieve its objectives outweighs its risk exposure. The Executive Directors are responsible for identifying, managing and mitigating the risks to the Company. We have a monthly review process to assess risks at corporate level and project-specific risks are reviewed at project level. The Audit Committee reviews the processes and controls for ensuring material business risks are identified and managed appropriately.</p> <p>We take ESG considerations into account when reviewing the risks facing ITM Power, and our ESG committee has particular responsibility for reviewing these.</p> <p>More details on our risk management approach can be found in our Annual Report and in our 2021 QCA Code Statement of Compliance.</p>	<p>Our CEO is ultimately responsible for ensuring effective communication with investors. Shareholder communication is coordinated by our Head of Investor Relations, together with Investec and Tavistock.</p> <p>We are committed to maintaining good dialogue with shareholders through proactively organising meetings and presentations with fund managers, retail brokers and analysts, as well as responding to a wide range of enquiries. We also recognise the importance of communicating appropriately any significant company developments.</p> <p>Beyond our shareholders, we also proactively seek feedback to enable us to make improvements and changes to our products and processes. Our newly formed ESG Committee is a core part of our work to respond to stakeholder priorities, particularly around sustainability.</p> <p>More details on our stakeholder engagement approach can be found in our 2021 QCA Code Statement of Compliance.</p>
<p><b>Indicators</b></p>			
<p><b>Supporting actions and initiatives</b></p>	<p>In 2020, we introduced additional limitations on hardware (including USB sticks) to increase our protection of personal data and intellectual property.</p>	<p>In 2020, Covid-19 and its impacts were identified by management as heightening some of the short-term risks across the business. This includes risks relating to reliance on key personnel, the increased risk of suppliers and customers’ default, and revenue risk, as our product requires capital commitments from customers when many businesses are calling for conservatism. However, in the mid-term, the possibility of a greener recovery strategy is very positive for ITM.</p>	<p>In 2020, we strengthened our investor relations management through the appointment of our first Head of Investor Relations. We also launched a new website to keep shareholders up to date with our activity. Our joint venture with Linde GmbH, ITM Linde Electrolysis GmbH, also launched its own website in 2020.</p> <p>As Covid-19 prevented us from presenting results to shareholders in person, we held our Annual General Meeting and two Extraordinary General Meetings virtually. We utilised a specialist shareholder platform to maximise attendance at the events. The AGM and the EGM were well attended with nearly 400 meeting attendees.</p> <p>Our investor roadshows in October 2020 and January 2021 were also presented virtually. This has enabled much broader engagement.</p>



**DATA SECURITY**

**RESILIENCE AND RISK  
MANAGEMENT**

**STAKEHOLDER ENGAGEMENT**

<p><b>Supporting actions and initiatives (Continued)</b></p>		<p>We successfully moved most of its operations to work on a remote basis and we have now resumed operations, which has mitigated this risk.</p>	<p>In 2020, we conducted a light-touch materiality process with internal stakeholders from different functions across our business, in order to identify the ESG issues where we have the biggest impact. We also reviewed feedback from external stakeholders, including investors, to make sure our ESG report and strategy reflected their views, and conducted a peer review to identify best practice within comparable organisations. The results were used to inform the development of this report</p>	<p>and of our ESG strategy: Sustainable Energy, Engineered Sustainably. Before our next ESG report in 2022, we will conduct a full materiality assessment of all our ESG impacts, consulting with internal and external stakeholders and benchmarking against comparable organisations.</p>
<p><b>Future plans</b></p>	<p>In 2021, we will launch our first ‘tech talk’ training session, to increase employee awareness and confidence in dealing with data protection and cyber security issues online. The first training session will be held with heads of department at ITM Power, and will then be rolled out to the full staff team.</p>	<p>We will continue to regularly assess and publicise the main risks facing our business, and will take ongoing action to monitor and mitigate these.</p>	<p>Our new ESG Committee is responsible for setting our ESG strategy and policy, taking into account stakeholder requirements and providing feedback from across the business to external stakeholders, with the aim of continually progressing towards our targets.</p>	<p>We are looking at how to utilise online investor events, in addition to in-person events in the future, to enable broader investor engagement.</p> <p>We plan to review and strengthen our stakeholder engagement process over time, so that we can structure our approach to ESG in a way that maximises the social and environmental impacts of our approach.</p>
<p><b>Link to more information</b></p>	<p>2020 Annual Report and Financial Statements</p>	<p>2020 Annual Report and Financial Statements 2021 QCA Code Statement of Compliance</p>	<p>2021 QCA Code Statement of Compliance</p>	





**I T M**  
**P O W**  
**E R 20**

**SUSTAINABLE ENERGY, ENGINEERED SUSTAINABLY**

**ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT, 2020**