

Sustainability Report 2024

2014-2024 10-year Anniversary Report



QUICK FACTS

Locally owned and operated.

Established in 2014 by the amalgamation of two consultancies, Elemental Group is 100% Aotearoa New Zealand owned and operated. With roots in energy exploration and oil and gas production, Elemental Group quickly expanded and refocused on to supporting a just and sustainable energy transition. Elemental boasts a wide portfolio of projects, with a reputation for being client-centric and involved from start to finish. The current team of 16 employees is spread across the motu.



Sustainable projects, supporting the economy.

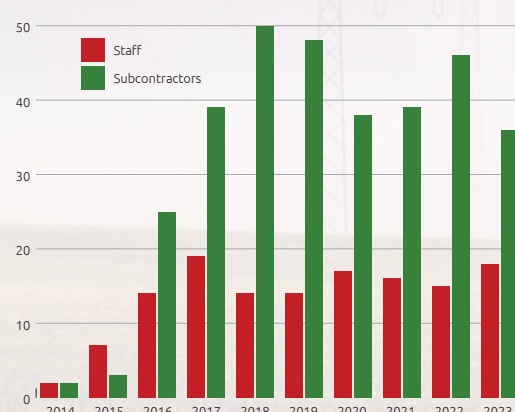
Green energy projects help mitigate the consumption of oil and gas for energy production and consumption. Globally in 2023, renewable energy accounted for approximately 8,539,000GWh - over 30% of global energy generation. Elemental has completed many renewable energy projects over the past 10 years, particularly in solar grid implementation in the Caribbean and the Pacific regions. In total, these projects have contributed to 15GWh/year of energy production.

1. <https://ourworldindata.org/renewable-energy>

2. <https://www.iea.org/reports/renewables-2023/executive-summary>

Number of staff

Over the last 10 years Elemental have employed



194 people

Number of clients

>140 since 2014

Number of countries where we have completed projects **33**



>4,000,000L of diesel

not imported to high-risk Small Island Developing States (SIDS) in the Pacific and Caribbean.

>10,000 T CO2e

carbon reduction through projects



WHO ARE ELEMENTAL GROUP?

Registered Offices

6th Floor, 54 Gill Street,
New Plymouth

Finance Advisor

The Accounting Room

Banking

Australian Savings
Bank (ASB)

Accountants

Girl Friday Limited

Founders and Directors



Founder K Bromfield (appointed director 2014)
(appointed chair 2022)



Founder N Jackson (appointed director 2014)



Founder A Revfeim (appointed director 2014)



Founder B Rogers (appointed director 2014)



Director T Nash (appointed 2021)



Steve Bunton, Founder of Elemental Group Australia
and Director 2016-2021



Bruce Mariott, Director Elemental Group Australia
(appointed 2021)



Barnabas Wellip, Director Elemental Group Papua New
Guinea (appointed 2021)

Chief Executive Officer



Nick Jackson (appointed 2023)

TABLE OF CONTENTS

Quick Facts 2

Who are Elemental Group 4

About This Report..... 6

Letter from the CEO 7

Q&A with the Board Chair 8

Our Strategy..... 10

Our Governance of Energy and Sustainability 12

Our Sustainability Framework..... 14

2023 By The Numbers..... 14

Alignment with Sustainable Development Goals..... 15

Pillar One: Energy Equity and Security 16

Pillar Two: Energy Efficiency..... 18

Pillar Three: Health and Wellbeing 20

ABOUT THIS REPORT

Elemental is excited to share our anniversary edition Sustainability Report; a wrap-up of the last 10 years, our goals, objectives and plans.

We are immensely proud of the bespoke consulting agency we have grown - and continue to grow - in a way that supports both people and the environment.

The nuts and bolts of this report are in our business strategy, our governance, and our sustainability framework. We have come a long way in the last 10-years, and that is reflected in Our Strategy, but we have bigger plans. These plans are described in the section titled Our Governance of Energy and Sustainability. This explains how we keep ourselves accountable to our clients and our employees, what is important to our success, and how we plan to be

honest about our objective outcomes.

The final piece in this report is Our Sustainability Framework. As you will see, our business aligns well with the United Nations Sustainability Development Goal 7 (access to affordable and sustainable energy for all). Predominantly through this goal, we have developed a set of Fundamental Metrics that will form the basis of subsequent reports. We

have also developed three key pillars; Energy Equity and Security, Energy Efficiency, and Health and Wellbeing. These form the foundation of our future business, set seven target metrics to measure our attainment of these pillars, and identify a set of indicators for how we will measure and report on these goals. This sets us up to have a process of review and accountability over time.

Letter from the CEO Nick Jackson



Elemental became a company rather than a concept one afternoon in a back upstairs office in 117 Powderham Street, New Plymouth. With four founders (Andrew, Brett, Kate and Nick), after several hours of intense discussion about what we stood for and then several hours of even more intense discussion about what we would name this entity, Elemental was christened.

Our core principle of better energy solutions has stood the test of time and is still at the heart of everything Elemental does.

Elemental's first renewable workstream kicked off in 2015 and involved providing project management services for several solar-based projects around the Pacific.

From those humble beginnings, both our clients and geographical spread have grown, and in 2024 we are currently servicing 26 renewable energy projects in 33 countries.

The breadth of our involvement has grown as well, with clients now actively seeking us out to assist with the entire project lifetime, from concept all the way through to decommissioning / recommissioning of some of those earlier renewable energy projects. Energy efficiency and environmental impact assessments have been a key part of all projects, along with ongoing education and training of local communities to ensure our projects continue to deliver in a sustainable manner over the project lifetime.

Elemental has come a long way from four people throwing ideas around in a back office ten years ago. Today we bridge the transition, participating in gas for security of supply, decommissioning and green energy and climate positive projects in both New Zealand and overseas. Indeed, we are assisting some of our original O&G clients in their own transition and decarbonisation journey.

The next ten years for Elemental look very bright.

Q&A WITH THE BOARD CHAIR



Dr. Kate Bromfield

How did you come up with the name “Elemental”?

In 2014, Andrew and I joined forces with Brett and Nick, and founded the company to provide an agnostic energy consultancy. We had the tag line “Thinking Energy” back then, because if clients were thinking about energy in any way, they were thinking about us.

We wanted to have a name that spoke to the simplicity of our energy goals. Our logo represents the elements we work with. The red represents the natural resources we have, the green represents life, blue represents the waves we use of energy and the black represents sentience (the great innovations our people deliver everyday). Once we had that clear in our minds, our name seemed “Elemental my dear Watson”.

What was the strategy behind the development of the CEO role, and why now?

We operated a flat structure for the first 10 years of company life, with each Director being responsible for their business lines. As we’ve grown, it has become clear that we need a single point of navigation to streamline growth for the next 10 years. We created the CEO role to free up Directors for more “pure governance” and to give the KPIs for growth to one person within the organisation.

What are the greatest opportunities and greatest challenges for energy equity and energy management and what progress has Elemental made so far?

This report comes “amidst the ongoing effects of the

energy and climate crises in what is expected to be the hottest year on record” (IEA 2023). There is a global transformation underway in energy efficiency and clean energy, and many governments are introducing new, or strengthening existing, policies and energy-saving programmes. These policies are leading to faster deployment of efficient technologies and signal a reduction in demand for fossil fuels in the coming years.

We are pleased to be working with the Small Island Developing States (SIDS) on implementation of energy efficiency as their first fuel. A key challenge we face is that we aim to reduce our own emissions and limit flights where possible, but to co-design energy management programmes, and to really support the SIDS in their energy goals, we need to be there in person with them. Projects

are much more likely to go smoothly when we are sitting with our in-country counterparts delivering projects as partners.

A second challenge we all face is the ongoing need for fossil fuel derived energy while the world is in transition, and the social licence issues surrounding that. That’s why we deliver energy audits for free in our local communities. We want people to know where they can make cost saving choices, and it’s a valuable way that we can ‘give back’ as Elemental.

Are there plans to diversify the business / what is the intended future direction of the business?

We continue to promote our work in renewable energy and energy efficiency, and to be motivated by ensuring equitable access to affordable energy for all people. Any strategic business plans we develop

in the next ten years will be aligned to those goals. Right now, we’re focussed on delivering energy efficiency gains to our clients in an easily digestible format.

What is the most enjoyable part of being Board Chair?

I love working with this Board because most of us are founders of the business and have vested interests in making this work. For our Independent Directors, I value their input because they advise from their experience and give a sense check that what we’re doing is in the best interests of the company.

I’ve really had a chance to grow up in Elemental, so going from Founding Director to Chair of the Board reflects my journey from consultancy to Governance. I feel like I get better and better at keeping us on track towards our strategic goals, but having said that, a Board is a team and we’re all team Elemental.

OUR STRATEGY

Our Values

There is a need for energy security and sustainability to be front of mind for our strategic decision making. Being part of world-class solutions in energy transition globally is an exciting challenge and will drive our future-thinking.

While Aotearoa New Zealand is our home base, the knowledge and skills our team possess should be available internationally to assist smaller or developing countries to enjoy the same security and wellbeing that we have at home.

Elemental boasts a portfolio of over 110 renewable-related projects since 2014. Projects have been located worldwide, including in Aotearoa New Zealand, the Pacific and the Caribbean.

Our Vision

Elemental's vision is for a thriving Aotearoa New Zealand within a thriving world, unlocked by electrification and renewables. We see the opportunity for better energy solutions and recognise our obligation to offer solutions to help others along the journey by providing secure and sustainable energy for all.

Elemental facilitates green energy development, including renewable energy and energy efficiency, with a focus on delivering projects with zero harm incidents, with direct benefits and positive outcomes for the communities of Aotearoa New Zealand and globally.

We are a diverse, hard-working, and innovative team, providing services across the energy sector, dedicated to delivering solutions for a world in an energy transition. We are committed to developing and supporting the health and wellbeing of our passionate team and communities, enabling Elemental to build a better future together.

With these things in mind, we live and breathe our Elemental business values:

- **A secure, sustainable energy future:** Providing solutions to transition and adapt to a low-carbon future energy system.
- **Community based benefits:** Delivering for the communities that we work in.

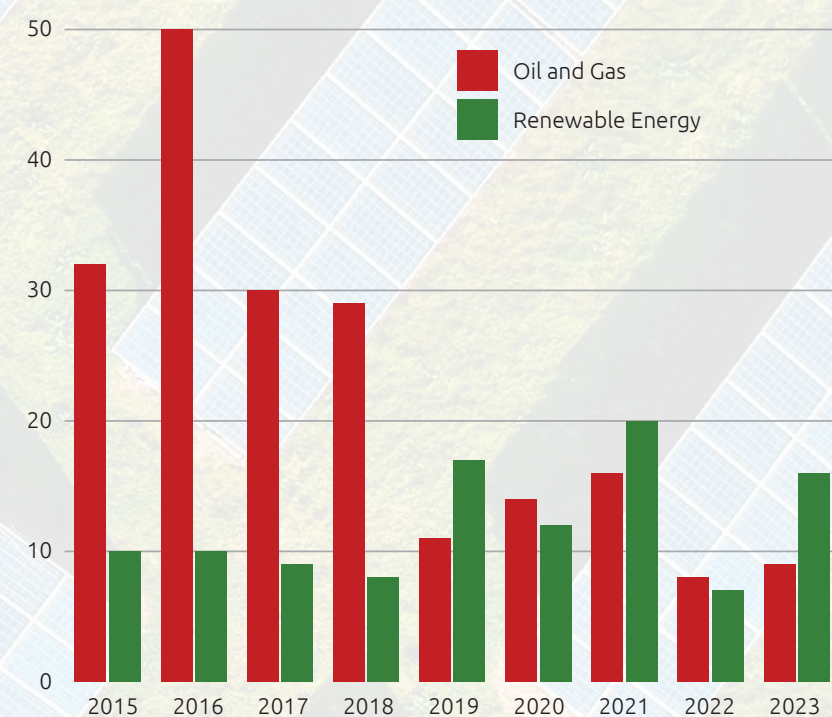
Looking Back

The initial goals of Elemental are still built into the foundations on which we operate today. Providing robust advice to the energy sector has allowed us to build strong and ongoing relationships with clients, and we now find ourselves supporting them in their own transition strategies.

At Elemental, we've been adjusting our business goals to promote sustainable renewable energy development in Aotearoa New Zealand and globally. In 2014 the business goal was to be energy

agnostic, providing advice to all sectors of the energy market except coal. In 2018 the priority shifted to transition the company to 80% climate positive revenue (through renewable energy, energy efficiency, and environmental related projects) by 2025.

Since 2014, Elemental has been involved in over 200 projects related to Oil and Gas, providing a range of resources, from geology and operations support, to consenting and reporting, to studies and modelling. These projects have largely been in Aotearoa New Zealand.



OUR GOVERNANCE OF ENERGY AND SUSTAINABILITY

Accountability

Our values and objectives drive us as a company; however, true accountability comes from our stakeholders – clients, partners, staff, and the public. Public perception provides us the licence to operate, so it is crucial that we keep up to date on changes in political and public perception so we can respond accordingly. We do this through regular community engagement sessions, updating websites with frequently asked questions, and maintaining our online LinkedIn presence.

Sustainability Governance

Energy equity and sustainability is a core business stream of Elemental, with a team dedicated to delivering industry-leading projects. Internally, the Board sets the sustainability direction supported by staff. New ideas are regularly presented to the Board of Directors, who discuss the operational and strategic needs of the business, and review implementation while considering the overarching goals, objectives, and accountabilities.

Our client-base are also sustainability-centric, and some complete Scope 3 reporting. To support in their sustainability reporting journey, Elemental provides emissions reporting information to these clients

enabling them to show more accurately their supply chain emissions. Through this exercise, Elemental has quantified our Scope 1, 2, and 3 emissions.

Flights make up a large portion of our current emissions. However, as we are dedicated to working with our partners in remote communities, flying is an integral part in understanding their needs and interests and being able to efficiently provide the best outcomes. As such, Elemental will continue to pursue renewable energy and energy efficiency work as a priority to offset the required carbon emissions for flying.

We also appreciate that small actions can have a cumulative impact, so we are committed to commuting less, reducing office waste, and reducing electricity consumption by turning off appliances and lights when they are not needed.

Elemental Governance

Proactive and responsive management of opportunity and risk is undertaken by the strong governance structure within the Elemental Group Board of Directors (the Board). The Board is responsible for strategic decision-making, managing objectives and direction, and monitoring the achievement of short-, mid- and long-term goals. The Board meet quarterly.

While the Board remains responsible for overall governance, Elemental Group has recently appointed a Chief Executive Officer to feed down key decisions from the Board to staff, partners, and the public.



OUR SUSTAINABILITY
FRAMEWORK

2023

By The Numbers

Cultivating a diverse and inclusive business means valuing differences. Elemental are committed to growing an environment where our people have equal opportunity to build a career that reflects their ability and passions and believe in their potential, feel they belong, are connected and able to thrive.

42.9%

of staff were women. **One** woman is in leadership as the Chair of the Board of Directors

Gender diversity; **one** person who identified as LGBTQ+ in the organisation

- Carbon emissions / **37 T CO2-e** (mainly from electricity purchased, transport (flying), and waste)
- 1,488 T CO2-e** offset by projects in 2023 (counts projects completed in 2023)
- 366,000 Litres** of Diesel not imported to SIDS due to RE projects

Belize – 290T and 106,000L (400kWp solar, start of 2023),
Nauru – 363T and 130,000L (500kWp (Masdar)),
Nauru – 835T and 130,000L (1,152kWp (MFAT))

six different nationalities in the organisation:

Australia
India
United Kingdom
Aotearoa NZ
South Africa
Switzerland

Our Key Pillars

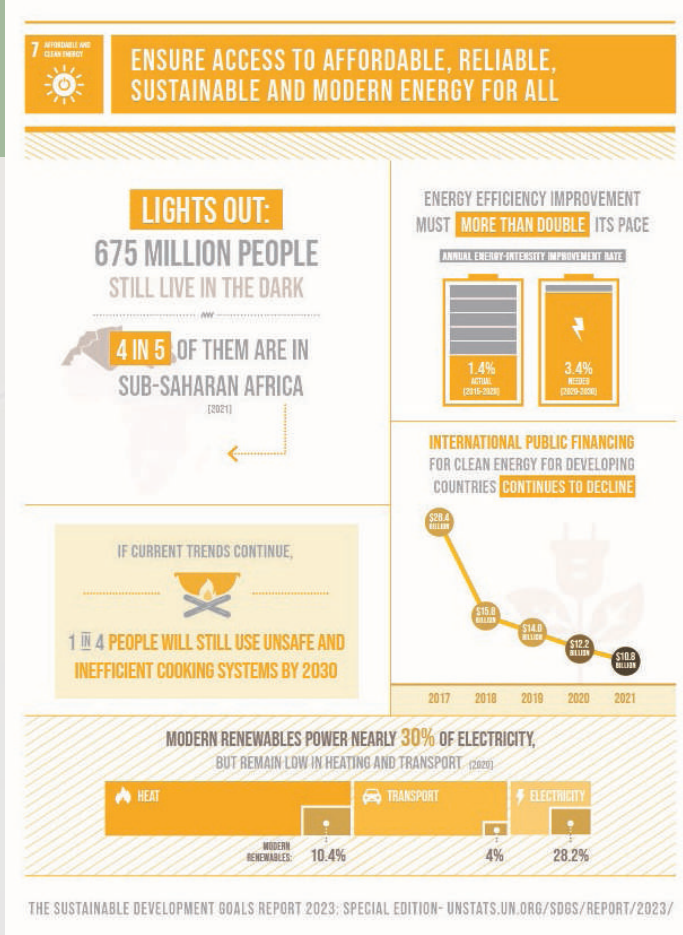
1. Energy equity and security
2. Energy efficiency
3. Community and staff health and wellbeing.

SDG7 is made up of five key targets, and we're actively contributing to them all:

Alignment with Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a comprehensive approach toward sustainable development where planetary boundaries, equity, and inclusivity are upheld for all people.

We love all the SDGs and support their implementation towards a better and more just future, but if we had to choose one that Elemental aligns best with, it would be SDG 7, which aims to ensure access to affordable, reliable, sustainable and modern energy for all. This goal resonates perfectly with our vision and values.



<https://unstats.un.org/sdgs/report/2023/>

7.1 By 2030, ensure universal access to affordable, reliable and modern energy services

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

7.3 By 2030, double the global rate of improvement in energy efficiency

7.A By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology

7.B By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support



Elemental Group prides itself on the projects that have been completed in small island developing nations including those within the Caribbean

The Abu Dhabi Fund for Development (ADFD) is using the UAE Caribbean Renewable Energy Fund (UAE-CREF) to provide grant-funded renewable energy projects to 15 sovereign nations across the entire Caribbean region, of which Elemental has a project management role. The Abu Dhabi Future Energy Company (Masdar) was selected as ADFD's implementation partner for the project.

This is an important project for Elemental to be a part of because it establishes a presence in the Caribbean Region and helps towards the goal of achieving energy security and efficiency. Expected outcomes of this project are the injection of approximately 18 GWh of renewable electricity annually into the mostly fossil-fuel-powered grids and the mitigation of approximately 14,000 Tonnes of CO2 equivalent per year. In addition to these benefits, many jobs will be created for local communities with the appropriate training given to ensure specialised work can be carried out in a safe and efficient manner.

PILLAR ONE: ENERGY EQUITY AND SECURITY

Developing Our Pillar

Energy equity and security is a fundamental requirement for sustainable development. Elemental has positioned our business with this understanding, and we continue to work in a way which enables access to clean and reliable energy. We want to engage with stakeholders early to identify the largest benefits and reduce the amount of carbon introduced into the atmosphere by energy production.

The Wider Effects

Energy equity and security could mean the difference between having the lights on during necessary and vulnerable times, or not. With the cost of energy increasing in Aotearoa New Zealand, and the likelihood of winter blackouts becoming more prevalent, it is imperative that the energy mix here evolves to include more renewable and green energy, such as solar, onshore wind, and offshore wind, with supporting gas access as required.

These insecurities are even more evident for remote communities and SIDS as climate change brings more frequent storms and risk of damage. Installation of solar projects within these communities is one way to improve energy security.

Our Enabling Strategy

Target EES1: Engage with community/local stakeholders regarding social acceptance early in project planning.

Indicator: Annual number of projects where local or community engagement formed part of the planning process increases.

Implementation: Through networking and business development, we aim to get to know our local stakeholders during the conceptual stages of a project. Through understanding potential projects and clients, we can dive into the local stakeholders.

Target EES2: Contribute to the reduction in fossil fuel energy production (MW) in Aotearoa New Zealand using renewable energy projects.

Indicator 1: Positive number of MW of renewable electricity delivered into the system.

Implementation: Engage with communities that have aspirations to decarbonise and with clients involved in delivering renewable energy into the New Zealand energy system.

Indicator 2: Positive % of CO₂ emissions reduced in annually.

Implementation: Through conscious efforts in the selection of projects, supply chain and procurement, and project-related travel, we will increase our contribution to renewable energy development in Aotearoa.

Target EES3: Increase % of renewable energy projects annually.

Indicator: % of renewable energy projects within the business portfolio increases annually.

Implementation: Make conscious/strategic business decisions to reduce the number of fossil fuel projects per year, therefore increasing the ratio of renewable energy and energy efficiency projects.



PILLAR TWO: ENERGY EFFICIENCY

Developing Our Pillar

The International Energy Agency describes energy efficiency as: *“the ‘first fuel’ in clean energy transitions, as it provides some of the quickest and most cost-effective CO₂ mitigation options while lowering energy bills and strengthening energy security”*.³

Solar, wind and other renewable energies are not always a realistic solution for some communities, and we consider that community benefits can be found and realised through energy efficiency understanding and capacity building. This enables these communities to be their own agents of change.

The Wider Effects

Elemental have already co-designed and delivered energy efficiency projects in the Cook Islands, Nauru and Niue. These have an increased vulnerability to climate related weather pattern changes. Co-delivering energy efficiency projects promotes active engagement in the solutions to the energy security challenges.

We have found that these types of projects cannot be delivered remotely. Active engagement with feet on the ground promotes and encourages commitment to change.

3. <https://www.iea.org/energy-system/energy-efficiency-and-demand/energy-efficiency#>

Our Enabling Strategy

Target EE1: Balance the number of renewable energy projects with energy efficiency projects, increasing the number annually towards 10% of projects being energy efficiency projects.

Indicator: Ratio of energy efficiency projects delivered compared to renewable energy projects do not decrease by more than 20% annually.

Implementation: On an annual basis through engagement strategies, align with providers or clients that are seeking to understand energy efficiency, positioning the company to take on projects of that nature.

Target EE2: Empower individuals and businesses in SIDS and remote communities to manage local energy efficiency and use by collaborating and co-delivering energy efficiency projects.

Indicator 1: Number of co-delivered/written project reports per year does not decrease to less than 20%.

Implementation: During projects with remote communities or SIDS, provide a platform for contribution and support, and offer the opportunity to present the project outcomes to the community or other organisations.



PILLAR THREE: HEALTH AND WELLBEING

Developing Our Pillar

Our people are our most valuable asset, and our goal for better energy solutions depends on them. Elemental will effectively engage, develop, retain and reward our employees, and promote their well-being to fulfill our purpose and align our company values. We obtained ISO HSE 45001: Occupational Health and Safety Management Systems (OHSMS) Accreditation in February 2021 and were accredited until February 2024. We have decided not to continue to be audited for this, but rather to make sure we keep up the good standard our staff and clients have come to expect from us.

We are empowering communities to reap the multiple benefits of renewable energy. The participation of the community in a renewable energy project creates local socio-economic value and helps foster more positive attitudes towards renewables. This, in turn, increases community support for the energy transition and better energy sources. Ongoing engagement is essential for creating and sustaining long term value for landowners and communities near our projects. We are committed to clear, honest, respectful and timely engagement, and adhere to our values of safety, integrity, respect and inclusion. Our efforts are customised to meet the needs of local communities where we operate.

The Wider Effects

Creating a healthy working environment is critical for employee health and supports Aotearoa New Zealanders through positive engagement with communities, a broader range of investment opportunity across different sectors, and greater project diversity. All contributing to a more sustainable, reliable and affordable energy future and shared prosperity of Aotearoa New Zealand.

Since forming, Elemental are proud to have been able to provide free energy audits for charities, schools, marae, papa kāinga. We contribute to our communities through sponsorships supporting our Tamariki in science fairs (EPro8 Challenge) and Offshore Wind for Kids, enabling more Kiwis to live the lives they value and empowering the young people of tomorrow's Aotearoa to reach their full potential.

Our Enabling Strategy

Target HW1: Have regular engagement with staff (via interviews and surveys) to understand aspects of wellbeing and value alignment to improve company values.

Indicator: Annual % of staff retained.

Implementation: We are committed to providing a safe and respectful workplace environment for all, this is supported by appropriate safety procedures, policies and training. Our leadership team have undertaken leadership strategy training and strive to support, diversify, and empower our workforce. We empower our people to reach their full potential by providing a safe, respectful and professionally challenging workplace environment. Annual employee performance reviews are facilitated by senior management, for 2024 employee performance reviews will be undertaken in the months of March and November, along with annual health and safety surveys and assessments.

Indicator 2: Number of sick days per staff is not increasing by more than 10% per annum.

Implementation: By providing a workplace that aligns with the personal values of our staff, Elemental believes this will foster growth of our staff leading to an increase in renewable energy projects.

Target HW2: Communities are supported to realise and manage their climate-positive goals locally through projects, funding, and sponsorship.

Indicator: Rate of support does not decrease annually by more than 15%.

Implementation: To provide communities information during the planning stage of project development and continuing to provide free energy audits to charities, schools, marae, papa kāinga throughout the year. Elemental believes this will support communities to develop climate positive goals.

Looking Forward

Today Elemental looks to unlock the renewable potential in Aotearoa New Zealand by leveraging our experience in renewable energy and energy efficiency projects, to expand business reach and impact. We are committed to taking care of the environment and communities we work in. We want to provide energy security by ensuring a reliable and resilient supply from renewable sources. However, we recognise that until there are more robust energy storage options, natural gas will continue to be required in the Aotearoa

New Zealand energy system. We favour indigenous gas production to fill this role, rather than imports of gas or coal.

Elemental will continue to monitor progress, adapt our strategies, and engage with government, industry and the public in shaping a sustainable energy landscape.

We do this by offering **better energy solutions**. We are actively creating partnerships to help realise this vision.



Kākāriki Partnership

In 2020, Elemental established a joint venture with Australian Company Energy Estate to develop onshore renewable energy, storage and e-fuels projects to support Aotearoa New Zealand's decarbonisation journey. The joint venture combines complementary skillsets and experience in the development and marketing of renewable energy projects with a deep understanding of the New Zealand renewable energy opportunities.

The Kākāriki JV is now developing 11 projects across the country with 1440 MW of wind, 910 MW of solar and up to 1380 MW of storage projects. New Zealand is blessed with plentiful renewables and we are fortunate to be able to harness these resources in a sustainable way.

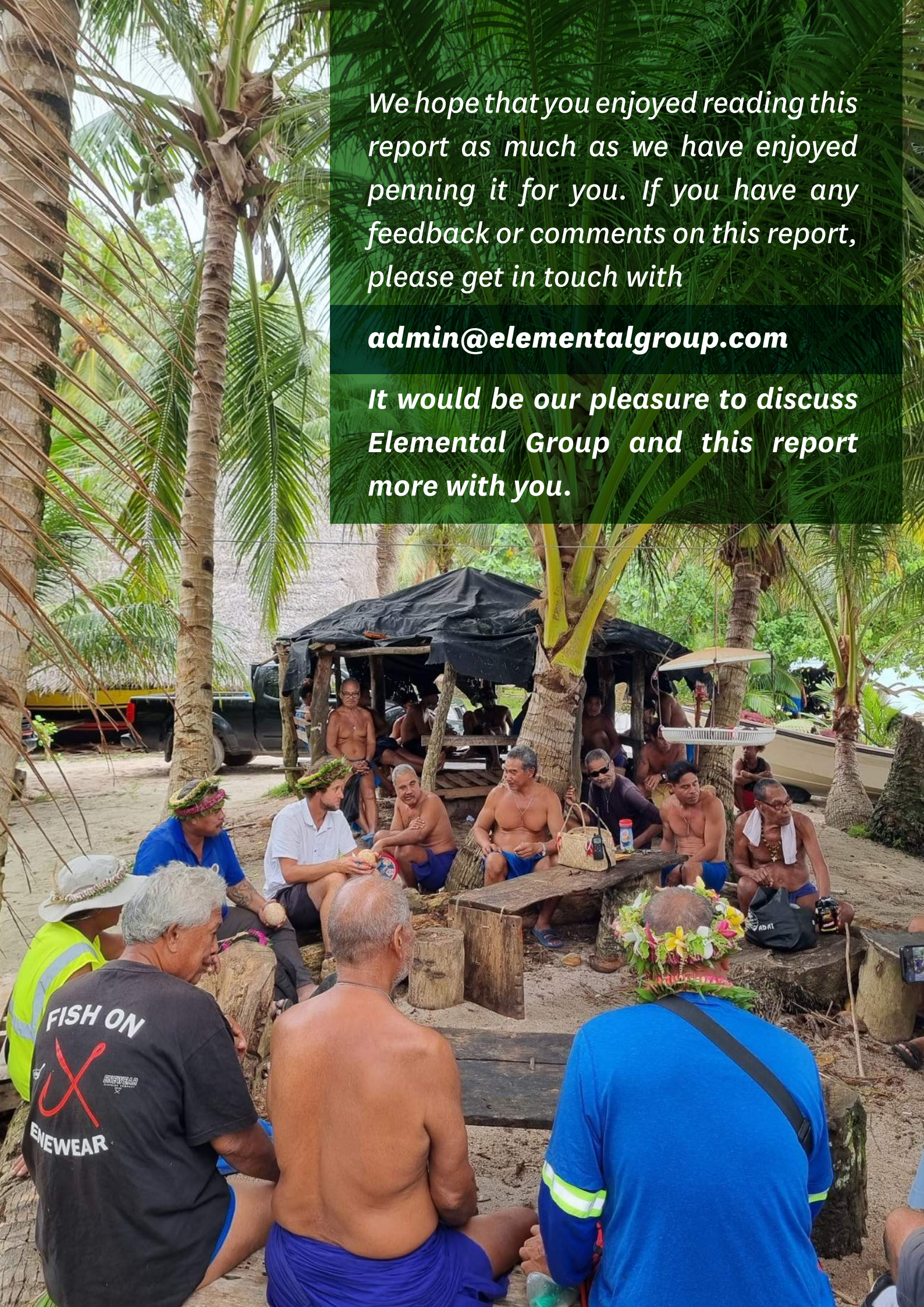
BlueFloat Partnership

An exciting milestone in the past 10 years is our partnership with Madrid-headquartered BlueFloat Energy in 2021 to develop offshore wind projects in the coastal waters of Aotearoa New Zealand. This joint venture partnership combines complementary skillsets and experience in the global offshore wind industry with a deep understanding of the Aotearoa New Zealand energy sector.

The fixed-foundation Waikato and Taranaki projects are the initial focus for the partnership, with expected outputs of 810MW (phase 1) and 900MW respectively. These projects combined could power roughly 1,000,000 homes, help to decarbonise the local industrial ecosystem, and support the growth of energy-intensive industries, powering Aotearoa New Zealand into a net-zero future.

A foundation and priority of this partnership is responsible social procurement, and a collaborative approach is crucial to delivering the projects in an economic and time-efficient manner. Hence, the partnership is extremely proud to sponsor the Social Procurement Award of the annual Energy Excellence Awards here in Aotearoa New Zealand.



A group of people, including men and women, are sitting on a wooden bench in a tropical setting. In the background, there is a thatched hut and several palm trees. The scene is outdoors, and the people are dressed in casual, tropical attire. Some are wearing traditional headbands or flower leis. The overall atmosphere is relaxed and social.

We hope that you enjoyed reading this report as much as we have enjoyed penning it for you. If you have any feedback or comments on this report, please get in touch with

admin@elementalgroup.com

It would be our pleasure to discuss Elemental Group and this report more with you.