

Fiscal Year 2024: Environmental, Social, Governance Strategy. Naked Energy Ltd.

As we embark on Fiscal Year 2024, we are excited to present our ESG (Environmental, Social, and Governance) strategy for Naked Energy. Our primary goal is to integrate sustainability and responsible business practices into the core of our operations, reflecting our commitment to making a positive impact. In FY24, our ESG strategy will focus on several key objectives:

- 1. Diversity, Equity, and Inclusion (DEI):** We are dedicated to fostering a workplace that values diversity, ensures equity, and promotes inclusion. Our long-term DEI initiatives will encompass recruitment, training, and an inclusive work culture, with the aim of creating a team that reflects the diversity of our community.
- 2. Carbon Abatement:** Environmental responsibility is paramount. Our primary focus during the upcoming financial year would be increasing the tonnage of CO₂ that our customers save by installing Virtu products. Further to that, we will work diligently at quantifying the Scope 1,2,3 carbon footprint from our business operations and make informed sustainability-conscious decisions subsequently.
- 3. Volunteering:** Social engagement is a core component of our ESG strategy. We are committed to giving back to the communities where we operate. In FY24, we will encourage and support volunteering efforts among our employees, seeking to make a positive difference through community involvement.
- 4. Governance:** Strong governance is the foundation of our ESG approach. We will maintain the highest ethical standards, transparency, and accountability in our operations. Our governance framework will prioritize stakeholder interests and executive board compliance with relevant regulations.
- 5. Supply Chain Traceability:** In pursuit of responsible sourcing, we will enhance our supply chain traceability efforts. This will involve tracking the origins and impacts of our products and services, ensuring that they align with our sustainability objectives.

As we implement these ESG objectives in FY24, we remain dedicated to evolving and improving our sustainability practices, further embedding ESG considerations into our business model, and ultimately contributing to a more sustainable and responsible future.

Diversity, Equity and Inclusion

In Fiscal Year 2024, Naked Energy is committed to the comprehensive exploration of Diversity, Equity, and Inclusion (DEI) practices and priorities tailored to the distinctive context of a startup organization. In pursuit of this goal, a dedicated Purpose Team has been established within the company, entrusted with the vital mission of scrutinizing the existing DEI provisions and conducting a thorough assessment of the current requirements of our valued employees.

This influences a range of critical DEI practices, including but not limited to:

- Enhancement of Naked Energy's hiring practices and role advertisements to embed DEI principles.
- Implementation of customized on-the-job training and skills management initiatives with a DEI focus.
- Promotion and cultivation of inclusive leadership, fostering an environment of respect and belonging.
- Commitment to Equity in Pay and Promotion, ensuring fairness and opportunity for all.
- Encouragement and facilitation of community engagement, amplifying our dedication to social responsibility and employee engagement.

Through these measures, Naked Energy renews its steadfast commitment to advancing DEI practices, furthering our reputation as a forward-thinking and inclusive organization.

Carbon Abatement

In alignment with the United Nations' Sustainable Development Goals (SDGs), specifically SDG 11 (Sustainable Cities and Communities) and SDG 13 (Climate Action), Naked Energy is dedicated to meticulously tracking the quantifiable reduction in CO₂ equivalent emissions achieved through the installation of our Virtu technology.

In Fiscal Year 2024, Naked Energy has embarked on an ambitious mission to deliver Virtu technology to clients, contributing to the cumulative abatement of 1,500 metric tonnes of CO₂ per annum. This visionary commitment underscores our relentless pursuit of environmentally sustainable practices and our unwavering dedication to addressing global climate challenges.

Environmental focus

In Fiscal Year 2023, the Operations Team at Naked Energy has conducted an initial review of the supply chain associated with Virtu products. This strategic assessment enabled the identification of pivotal areas for enhancement.

Looking ahead to the coming fiscal year, our objective is to elevate our commitment to transparency and responsibility by undertaking a full supply chain audit. This audit aims to identify suppliers and components that may pose significant ESG-related risks, including concerns such as forced labour and pollution.

Our overarching ambition is to attain a robust, data-verified understanding of our supply chain operations. This will empower the company to construct a strategic action matrix that will guide us toward the realization of full supply chain traceability, reinforcing our commitment to ethical and environmentally responsible business practices.

Additionally, in the upcoming year, Naked Energy has set the goal of approximating the company's Scope 1, 2, and 3 emissions. This assessment will provide a vital baseline for our future ambition to reduce emissions, contributing to our vision of a sustainable and eco-conscious future.

Social focus

Apart from our core commitment to Diversity, Equity, and Inclusion (DEI), Naked Energy recognizes the profound social responsibilities inherent in our business activities. This encompasses our impact on both our internal and external spheres of influence.

Internally, Naked Energy is resolute in its dedication to fostering a positive working environment. We continuously nurture our employees' motivation to pursue additional professional development through Continuing Professional Development (CPD). This investment in our team's growth materializes through various avenues, including on-the-job training, access to external courses, and the attainment of professional qualifications. In Fiscal Year 2024, Naked Energy will aim to track the training hours committed by our personnel, establishing a baseline for future years and reinforcing our commitment to nurturing professional growth.

Furthermore, our aspiration extends to the creation of a robust volunteering framework within the organization, affording every employee the opportunity to contribute their time to meaningful causes. In Fiscal Year 2024, we have allocated a volunteering allowance of 20 hours per annum per employee, providing an avenue for our team to actively participate in giving back to our community.

Externally, in the forthcoming fiscal year, Naked Energy is poised to engage our customers and stakeholders in the development of a thorough feedback mechanism. This mechanism will be instrumental in enhancing the quality of our product offerings and services, ensuring that our commitments to excellence and responsibility are upheld.

Governmental focus

At Naked Energy, we hold a steadfast commitment to transparency in governance. As we move forward into Fiscal Year 2024, our board is striving to achieve an enhanced diversity and inclusivity. We aim to track DEI metrics of the board separately, ensuring that our board's composition reflects our values of fairness and equal representation.

Moreover, we recognize the paramount importance of thorough due diligence when welcoming new board members and investors into our organization. This commitment to diligence will be formally documented, with a clear focus on identifying and mitigating potential risks.

In a significant stride toward accountability, our annual reviews of the C-Suite will encompass the critical ESG (Environmental, Social, and Governance) metrics outlined in this strategic document. These metrics will be intrinsically linked to the performance evaluation process, emphasizing our dedication to responsible and ethical leadership.

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If you have any additional questions about our ESG vision please contact Maria Zagorulko, Senior Development Engineer at m.zagorulko@nakedenergy.com for further assistance.