



Rangebank BESS

Macquarie New Energy Holding Pty
Ltd

Commercial in Confidence

Workplace Health, Safety, Environment and
Social Due Diligence – Equator Principles
Review

21 February 2023

Project No.: 0673407

RANGEBANK BESS

Workplace Health, Safety, Environment and Social Due Diligence –
Equator Principles Review

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Rangebank BESS

Workplace Health, Safety, Environment and Social Due Diligence – Equator Principles Review

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1. INTRODUCTION AND APPROACH

1.1 Introduction

Environmental Resources Management Australia Pty Ltd (“**ERM**”) was retained by Macquarie New Energy Holdings Pty Ltd (“**Macquarie GIG**”) in its capacity as trustee of the Macquarie New Energy Trust and Shell Energy Operations Pty Ltd (“**Shell**”), together the “**Client**” or “**Consortium**”; to act as an advisor on relevant workplace health, safety, environment and social elements (“**WHSE & Social**”) in relation to the potential development of a utility-scale Battery Energy Storage System (“**BESS**”) at a site in Cranbourne West, Melbourne, Victoria, Australia (referred to as “**Rangebank BESS**”, the “**Site**” or the “**Project**”).

The Client is now targeting financial close for the project in early 2023 and as such require a review of the Project’s alignment against the Equator Principles (EP).

This report provides the Equator Principles Review, and forms an addendum to ERM’s WHSE & Social Due Diligence Report dated 16 February 2023.

1.2 Scope and Approach

This Report uses the information collected through the WHSE & Social Due Diligence process undertaken between 13 December 2022 and 2 February 2023 in order to review the Projects alignment to Equator Principles (EP4, July 2020).

Further information on the approach to the due diligence is provided in ERM’s WHSE & Social Due Diligence Report dated 16 February 2023. ERM’s approach to the Equator Principles review comprised the following key tasks:

- Desktop review of publicly available information for the Project site;
- Review of existing data and reports requested by ERM and provided for review by the Client in the SharePoint drive;
- Completion of a Site visit of the Project site, conducted on 17 January 2023; and
- Preparation and distribution of this Equator Principles Review report.

2. PROJECT STATUS

2.1 Background

The Project comprises the development of a utility-scale BESS with a planned 200 MW capacity and 400 MWh energy. The proposed Site is greenfield land that has historically been subject to agriculture activities. As part of the preliminary Site development works, both the Site and the surrounding area has been cleared and cut; and both geotechnical and soil and groundwater contamination assessments have been completed by the property owner. It is understood that once established, the BESS will connect to the existing 220kV Cranbourne Terminal Station, adjacent to the Site. The proposed development is underpinned by a 20-year offtake agreement with Shell Energy Retail for 100% of BESS capacity. Two Planning Permits have been issued for the development and use of the Project which are discussed further in the WHSE & Social Due Diligence Report.

At the time of reporting, the Client had engaged Fluence Energy Pty Ltd (“Fluence”) as the EPC Contractor responsible for the design, construction, installation and completion of the Project. As the EPC, ERM understands that Fluence would oversee and manage the commissioning of the Project, including the battery cubes and invertors. Fluence was in the process of negotiating contract terms with RJE Global Pty Ltd (“RJE”) to become the Balance of Plant (BoP) Contractor with the intention for RJE to be appointed as the Principal Contractor (PC) for the Project in line with Subdivision 5, Part 5.1 of the *Occupational Health and Safety Regulations 2017*. As the PC, RJE would hold management and control of the Project Site or workplace during its construction phase. The PC would be responsible for adhering to the Planning Permit and implementing the Project’s workplace health, safety, environment and social policies and procedures.

2.2 Site Location and Description

The Site is located on greenfield land in Cranbourne West, Victoria. The Site, including the powerline easement, is approximately two hectares in size and is located approximately 280 metres west of the Ausnet Cranbourne Terminal Station. Once established, ERM understands that Rangebank BESS will connect to the existing Ausnet 220kV Cranbourne Terminal Station via an underground transmission line.

The Site is identified as Lot 4 on Pan of Subdivision 546430D. According to the Site’s land title (Volume 09201, Folio 988), the Project land is owned by two Bond Street Nominees Pty Ltd or its related bodies corporate and is to be leased to the Consortium under a long-term lease arrangement. The wider property is part of an Urban Growth Zone (UGZ1).

During the Site visit conducted by ERM on 17 January 2023, the BESS Site was noted to be cleared land with no infrastructure established. According to the Douglas Partners Preliminary Site Investigation Report, dated 28 October 2022, the Site was vacant cleared land between the late 1950s and 1980’s. At which point, a single dwelling appeared to have been developed on the wider property (towards the north western boundary of the Project Site). The Site remained relatively unchanged until 2021 / 2022 where bulk earthworks were observed in aerial images.

3. EQUATOR PRINCIPLES REVIEW

3.1 Introduction

This chapter describes the results of ERM's review of selected public information and relevant documents in the Dataroom against the Equator Principles.

3.2 Overview of Equator Principles

The Equator Principles are a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in project financing and are primarily used to provide a minimum standard for due diligence to support responsible risk decision making.

Equator Principles Financial Institutions (EPFIs) commit to implementing the Equator Principles in their internal environmental and social policies, procedures and standards for financing projects and will not provide Project Finance or Project-Related Corporate Loans to projects where the EPFI's Client will not, or is unable to, comply with the Equator Principles.

ERM has assessed the Project against the latest version of the Equator Principles (EP4, July 2020). This involves:

- Assessment of the project category under the Equator Principles (this determines the subsequent degree of assessment); and
- Assessment against the remaining nine Equator Principles.

The Equator Principles require assessment against a range of detailed guidelines designed to provide a minimum standard for management of environmental, safety and social issues. However the Equator Principles also identify Designated Countries which are deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment. A [list of Designated Countries](#) is provided at the EP website and includes Australia (as at 4 March 2020). As the Project is located in a Designated Country, the Equator Principles accept that Australian legislation is robust and therefore do not require assessment against the International Finance Corporation (IFC) performance standards or World Bank Group Environmental, Health and Safety Guidelines. As a result, rather than an assessment against these standards, ERM has undertaken a high-level assessment of regulatory compliance based on selected public information and relevant documents in the Dataroom, noting that as the Project has not yet been constructed, this is limited to review of the Planning Permit approval status.

3.3 Project Categorisation

Equator Principle 1 requires social and environmental characterisation of a project by the EPFI. When a project is proposed for financing, the EPFI will, as part of its internal environmental and social review and due diligence, categorise the Project based on the magnitude of its potential environmental and social risks and impacts, including those related to Human Rights, climate change, and biodiversity.

The categories are described in Principle 1 and reflect the nature, scale and stage of projects and their potential for environmental and social impact. Categorisation determines the subsequent degree of assessment. The categories are:

- Category A – projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented;
- Category B – projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures; and

- Category C – projects with minimal or no adverse environmental and social risks and/or impacts.

ERM anticipates that an EPFI would likely determine that the Projects would fall within Category C, and the assessment in this chapter has been made on this basis. The justification for this categorisation is as follows:

- The categorisation recognises the formal approvals process that the Project was subject to under the relevant State-based legislation. This included assessments by State Ministers and relevant government authorities as well as the Project's own assessment. These processes established the likely significance of the Project and subsequent studies and assessments that are required to be prepared by the Project;
- Key environmental and social issues and risks are well understood, primarily relating to noise, visual impacts, flora and fauna, fire risk and community. Mitigation and management measures are, in general, identified through the technical reports with management plans and actions required implemented under the various project approvals; and
- It recognises the extent and nature of the Project's potential impact and the potential for it to be mitigated or reversed, subject to adequate availability of funds and other resources.

3.4 Alignment with Equator Principles

The Project has been assessed against the Equator Principles using the following categories:

Table 1.1 Summary of Equator Principles Categories

Rating	Definition
Aligned	Information available indicates the Project fulfils the requirement and/or is aligned with intended outcome of the requirement.
Partially Aligned	Information available indicates that the Project partially fulfils the requirement and/or is partially aligned with intended outcome of the requirement and indicates that the Company has started an activity in order to fulfil the requirement in full
Not Aligned	Information available indicates the Project does not fulfil the requirement and appropriate activity has not been started yet by the Company.
Not Applicable	The requirements do not apply to the Project at the current time.

3.5 Review of Equator Principle Alignment

Table 1.2 Equator Principles Review

#	Equator Principle	Comment	Alignment
1	Review and Categorization		
	<p>When a Project is proposed for financing, the Equator Principles Financing Institutions (EPFI) will, as part of its internal environmental and social review and due diligence, categorise the Project based on the magnitude of potential environmental and social risks and impacts, including those related to Human Rights, climate change, and biodiversity. Such categorisation is based on the International Finance Corporation's (IFC) environmental and social categorisation process. The categories are:</p> <p>(a) Category A – Projects with potential significant adverse environmental and social risk and/or impacts that are diverse, irreversible or unprecedented;</p> <p>(b) Category B – Projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures; and</p> <p>(c) Category C – Projects with minimal or no adverse environmental and social risks and/or impacts.</p> <p>The EPFI's environmental and social due diligence is commensurate with the nature, scale and stage of the Project, and with the categorised level of environmental and social risks and impacts.</p>	<p>The Project is considered by ERM to likely be categorised as Category C by an EPFI – <i>projects with minimal or no adverse environmental and social risks and/or impacts.</i></p>	<p>Lender to determine alignment.</p> <p>Categorisation is for the financial institution to determine. However, based on the EP4 definition, the Project is likely to be categorised as "Category C".</p>
2	Environmental and Social Assessment		
	<p>The EPFI will require the client to conduct an appropriate Assessment process to address, to the EPFI's satisfaction, the relevant environmental and social risks and scale of impacts of the proposed Project. The Assessment Documentation should propose measures to</p>	<p>In order to obtain the Planning Permits as described in the WHSE & Social Due Diligence Report, the Project was assessed by the Minister for Planning (Responsible Authority) under the legislative provisions of the Planning and Environment Act 1987 (Vic) and the Casey Planning Scheme under that Act. As a result, the Client (via its</p>	Aligned

#	Equator Principle	Comment	Alignment
	<p>minimise, mitigate, and where residual impacts remain, to compensate/offset/remedy for risks and impacts to Workers, Affected Communities, and the environment, in a manner relevant and appropriate to the nature and scale of the proposed Project.</p> <p>The Assessment Documentation will be an adequate, accurate and objective evaluation and presentation of the environmental and social risks and impacts, whether prepared by the client, consultants or external experts. For Category A and, as appropriate, Category B Projects, the Assessment Documentation includes an Environmental and Social Impact Assessment (ESIA). One or more specialised studies may also need to be undertaken. For other Category B and potentially C Projects, a limited or focused environmental or social assessment may be appropriate, applying applicable risk management standards relevant to the risks or impacts identified during the categorisation process.</p> <p>The client is expected to include assessments of potential adverse Human Rights impacts and climate change risks as part of the ESIA or other Assessment, with these included in the Assessment Documentation. The client should refer to the United Nations Guiding Principles on Business and Human Rights (UNGPs) UNGPs3 when assessing Human Rights risks and impacts, and the Climate Change Risk Assessment should be aligned with Climate Physical Risk and Climate Transition Risk categories of the TCFD.</p> <p>A Climate Change Risk Assessment is required:</p> <ul style="list-style-type: none"> For all Category A and, as appropriate, Category B Projects*, and will include consideration of relevant physical risks defined by the TCFD. For all Projects, in all locations, when combined Scope 1 and Scope 2 Emissions are expected to be more than 100,000 tonnes of CO2 equivalent annually. Consideration must be given to 	<p>planning consultant KLM Spatial and other specialists) was required to provide a range of environmental and social assessment information to the Minister for Planning.</p> <p>KLM prepared a Planning Report (dated 28 September 2021) in order to provide the information required by DELWP and other stakeholders for the Planning Permit application. The Report was prepared by KLM and a team of sub-consultants who undertook a range of specialised technical studies with those associated studies appended to the Report for submission to the Minister for Planning. The Planning Report is considered to be a type of ESIA and assessed a range of relevant matters including:</p> <ul style="list-style-type: none"> Statutory context including relevant Government policy, legislation and guidelines; and Key issues relevant to BESS projects during construction and operation including: noise; landscape and visual amenity; flora and fauna; cultural heritage; traffic and transport; fire management, stormwater and water ways, and land use. <p>The planning application and accompanying Planning Report were then reviewed by the Minister for Planning and various other stakeholders prior to Planning Permit approval being received on 29 September 2022. The Planning Permit indicates that the regulators have accepted the assessment and approved the development subject to the conditions in the permit (and any subsidiary permits that may be required). ERM has reviewed the permit and notes that the conditions placed on the Project are typical for a BESS project in Victoria.</p> <p><u>Human Rights</u></p> <p>In Australia, a human rights impact assessment is not generally required as part of the regulatory approvals process. Often the existing Australian regulatory framework, in particular requirements relating to labour practices, such as the Fair Work Legislation and Modern Slavery Act, are seen as providing sufficient management of potential adverse impacts to human rights.</p> <p>With respect to human rights and conflict materials, as outlined in the WHSE & Social Due Diligence report, Fluence has a global Sustainable Mineral Policy and</p>	

#	Equator Principle	Comment	Alignment
	<p>relevant Climate Transition Risks (as defined by the TCFD) and an alternatives analysis completed which evaluates lower Greenhouse Gas (GHG) intensive alternatives.</p> <p>The depth and nature of the Climate Change Risk Assessment will depend on the type of Project as well as the nature of risks, including their materiality and severity. Refer to Annex A (of EP4) for an overview of a Climate Change Risk Assessment, including alternatives analysis requirements.</p> <p>*There can be a range in the scale of potential environmental and social risks and impacts within Projects classified as Category B. In general terms, higher risk Category B Projects will be treated similarly to Category A Projects, and lower risk Category B Projects could be treated in a lighter regime. The EPFI shall, at their own discretion, determine the appropriate level of Assessment Documentation, review, and/or monitoring required to address these risks and impacts in accordance with Principles 1-10.</p>	<p>Product Code of Conduct understood to define its position and policies on conflict material management. According to Fluence's <i>Sustainable Mineral Sourcing Policy</i> (dated 8 April 2021), Fluence has established the "Code of Conduct for Siemens Suppliers and Third-Party Intermediaries" (dated March 2021). ERM was provided with a 'Code of Conduct for Fluence Suppliers and Third Party Intermediaries' which is understood to be a document that Fluence requires their suppliers to sign onto.</p> <p>The Code of Conduct imposes requirements on:</p> <ul style="list-style-type: none"> ▪ Legal compliance; ▪ Prohibition of corruption and bribery; ▪ Fair competition, anti-trust laws and intellectual property rights; ▪ Conflict of interests; ▪ Respect for the basic human rights of employees; ▪ Prohibition of child labour; ▪ Health and safety of employees; ▪ Environmental protection; ▪ Supply chain; ▪ Conflict materials. <p>Suppliers and/or third-party intermediaries are required to submit either (i) a written self-assessment in the form provided by Fluence or (ii) a written report approved by Fluence describing the actions taken or to be taken to assure compliance with the Code of Conduct or upon request. The Code of Conduct allows for Fluence, Fluence's customers, or a third party appointed by Fluence to conduct inspections at supplier premises' for the purposes of verification against the Code of Conduct. As part of the Policy, Fluence undertake Corporate Responsible Self Assessments and External Sustainability Audits to verify commitments within the Code of Conduct are met by suppliers.</p> <p>As outlined in the WHSE & Social Due Diligence report, it is expected that further assurance via assessment of battery suppliers is to be conducted as the Project progresses in order to minimise risks associated with conflict materials and human rights.</p>	

#	Equator Principle	Comment	Alignment
		Climate Change Risk Assessment No formal Climate Change Risk Assessment or review of physical risks defined by the TCFD has been undertaken for the Project. Given the Project is likely to be characterised as Category C project and Scope 1 and 2 emissions would not exceed 100,000 tonnes of CO2 equivalent annually, ERM considers a Climate Change Risk Assessment would not be required. For the avoidance of doubt, it is noted that this decision is ultimately up to the individual EPFI.	
3	Applicable Social and Environmental Standards		
	<p>The Assessment process should, in the first instance, address compliance with relevant host country laws, regulations and permits that pertain to environmental and social issues.</p> <p>EPFIs operate in diverse markets: some with robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the environment; and some with evolving technical and institutional capacity to manage environmental and social issues.</p> <p>The EPFI's due diligence will include, for all Category A and Category B Projects globally, review and confirmation by the EPFI of how the Project and transaction meet each of the Principles.</p> <p>The EPFI will, with supporting advice from the Independent Environmental and Social Consultant where applicable, evaluate the Project's compliance with the applicable standards as follows:</p> <ol style="list-style-type: none"> 1. For Projects located in Non-Designated Countries, compliance with the applicable IFC Performance Standards on Environmental and Social Sustainability (Performance Standards) and the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines) (Exhibit III). 2. For Projects located in Designated Countries, compliance with 	<p>As the Project is located in a "Designated Country" the Equator Principles accept that Australian legislation is robust and therefore do not require assessment against the IFC performance standards or World Bank Guidelines, which are used in cases where legislation is not robust.</p> <p>It has been determined that the Project has undertaken the necessary environmental and social assessment processes as required as part of State regulatory requirements. Potential project impacts including (impacts to visual impacts, noise impacts, stormwater, fire risk, flora and fauna and traffic impacts) have been assessed against the relevant State-based requirements with Planning Permit PA2101362 issued by the Victoria Minister for Planning.</p> <p>As required by the Permit, various conditions are required to be met to the satisfaction of the Responsible Authority prior to the commencement of construction. This generally includes the requirement to prepare various management plans that are required to implemented during both construction and operations in order to manage potential environmental and social risks. The Project is also required to develop a complaint handling procedure in relation to community complaints including a requirement audit the procedure and submit audit results to the Minister for Planning. Under the Planning Permit, management plans and processes are generally required to be prepared in accordance with relevant Australian Standards or guidelines released by Environment Protection Authority Victoria (EPA).</p>	Aligned

#	Equator Principle	Comment	Alignment
	<p>relevant host country laws, regulations and permits that pertain to environmental and social issues.</p> <p>The review of the Assessment process will establish, to the EPFI's satisfaction, the Project's overall compliance with, or justified deviation from, the applicable standards. The applicable standards (as described above) represent the minimum standards adopted by the EPFI. In addition, for Projects located in Designated Countries, the EPFI will evaluate the specific risks of the Project to determine whether one or more of the IFC Performance Standards could be used as guidance to address those risks, in addition to host country laws.</p> <p>The EPFI may, at their sole discretion, undertake additional due diligence against additional standards relevant to specific risks of the Project and apply additional requirements.</p>		

#	Equator Principle	Comment	Alignment																								
4	Environmental and Social Management System and EP Action Plan																										
	<p>For all Category A and Category B Projects, the EPFI will require the client to develop or maintain an Environmental and Social Management System (ESMS).</p> <p>Further, an Environmental and Social Management Plan (ESMP) will be prepared by the client to address issues raised in the Assessment process and incorporate actions required to comply with the applicable standards. Where the applicable standards are not met to the EPFI's satisfaction, the client and the EPFI will agree an Equator Principles Action Plan (EPAP). The EPAP is intended to outline gaps and commitments to meet EPFI requirements in line with the applicable standards.</p>	<p>As ERM considers that the Project will likely be categorised as Category C by an EPFI, therefore it is considered unlikely that the Client will be required to develop or maintain an ESMS. However, as required by the Planning Permit, the Project will be responsible for submitting management plans / technical studies for endorsement by the Responsible Authority. ERM notes that the development of the management plans / technical studies will be overseen by the Engineering Procurement Construction Contractor (EPC) and the Principal Contractor (PC). The following table sets out the associated Planning Condition, management plan / technical study required to be submitted; the assigned responsibility to coordinate the development of plans; and what stage it is required to be endorsed by the Responsible Authority.</p> <table> <tr> <th>Cond ition</th><th>Management Plan / technical study</th><th>Responsible Contractor (EPC / PC)</th><th>Endorsement required (Pre / During / Post) development</th></tr> <tr> <td>1.</td><td>Development Plans (supported by KLM Spatial)</td><td>EPC</td><td>Pre</td></tr> <tr> <td>3.</td><td>Landscape Plan (supported by KLM Spatial)</td><td>EPC</td><td>Pre</td></tr> <tr> <td>7.</td><td>Construction Environment Management Plan</td><td>PC</td><td>Pre</td></tr> <tr> <td>10.</td><td>Operational Noise Protocol complying with EPA Publication 1826.4 (supported by Marshall Day Acoustics Pty Ltd)</td><td>EPC</td><td>Pre / During / Post</td></tr> <tr> <td>11.</td><td>Updated predictive noise assessment Report (supported by Marshall Day Acoustics Pty Ltd)</td><td>EPC</td><td>Pre</td></tr> </table>	Cond ition	Management Plan / technical study	Responsible Contractor (EPC / PC)	Endorsement required (Pre / During / Post) development	1.	Development Plans (supported by KLM Spatial)	EPC	Pre	3.	Landscape Plan (supported by KLM Spatial)	EPC	Pre	7.	Construction Environment Management Plan	PC	Pre	10.	Operational Noise Protocol complying with EPA Publication 1826.4 (supported by Marshall Day Acoustics Pty Ltd)	EPC	Pre / During / Post	11.	Updated predictive noise assessment Report (supported by Marshall Day Acoustics Pty Ltd)	EPC	Pre	Aligned
Cond ition	Management Plan / technical study	Responsible Contractor (EPC / PC)	Endorsement required (Pre / During / Post) development																								
1.	Development Plans (supported by KLM Spatial)	EPC	Pre																								
3.	Landscape Plan (supported by KLM Spatial)	EPC	Pre																								
7.	Construction Environment Management Plan	PC	Pre																								
10.	Operational Noise Protocol complying with EPA Publication 1826.4 (supported by Marshall Day Acoustics Pty Ltd)	EPC	Pre / During / Post																								
11.	Updated predictive noise assessment Report (supported by Marshall Day Acoustics Pty Ltd)	EPC	Pre																								

#	Equator Principle	Comment				Alignment
		12.	Post-Construction Acoustic Assessment Report	EPC	Post (within 1 month)	
		13.	Post-Construction Acoustic Assessment Report	EPC	Post (within 1 year)	
		14.	Complaint Investigation and Response Plan	EPC	Pre / During / Post	
		19.	Traffic Management Plan	PC	Pre	
		21.	Spatial data to be submitted to Land Use Victoria to direct Emergency Services to and within the Site	Undefined	Pre / During / Post	
		25.	Decommissioning Management Plan	Undefined	Post (within 3 months of ceasing operations)	
		39.	Fire and Risk Management Plan (supported by Fire Risk Consultants)	EPC	Pre	
		40.	Fire Management Plan (supported by Fire Risk Consultants)	EPC	Pre	
		40.	Project Emergency Response Plan (supported by Fire Risk Consultants)	EPC	Pre	
		Further it is noted that both RJE's management systems are certified to ISO45001, ISO9001 and ISO14001. Fluence's management systems have been developed to align with ISO14001 and ISO45001 with an intent for the business to undergo certification to these standards in Q1 2023. Site specific WHSE management plans are to be prepared by the contractors prior to the commencement of work which will be prepared in consultation with the Client.				
5	Stakeholder Engagement					

#	Equator Principle	Comment	Alignment
	<p>For all Category A and Category B Projects, the EPFI will require the client to demonstrate effective Stakeholder Engagement as an ongoing process in a structured and culturally appropriate manner with Affected Communities, Workers and, where relevant, Other Stakeholders.</p> <p>For Projects with potentially significant adverse impacts on Affected Communities, the Client will conduct an Informed Consultation and Participation process. The Client will tailor its consultation process to: the risks and impacts of the Project; the Project's phase of development; the language preferences of the Affected Communities; their decision-making processes; and the needs of disadvantaged and vulnerable groups. This process should be free from external manipulation, interference, coercion and intimidation.</p> <p>To facilitate Stakeholder Engagement, the Client will, commensurate to the Project's risks and impacts, make the appropriate Assessment Documentation readily available to the Affected Communities, and where relevant Other Stakeholders, in the local language and in a culturally appropriate manner. The Client will take account of, and document, the results of the Stakeholder Engagement process, including any actions agreed resulting from such process. Disclosure of environmental or social risks and adverse impacts should occur early in the Assessment process, in any event before the Project construction commences, and on an ongoing basis.</p> <p>EPFIs recognise that Indigenous Peoples may represent vulnerable segments of project-affected communities. All Projects affecting Indigenous Peoples will be subject to a process of Informed Consultation and Participation, and will need to comply with the rights and protections for Indigenous Peoples contained in relevant national law, including those laws implementing host country obligations under international law. IFC Performance Standard 7 paragraphs 13-17 detail the special circumstances that require Free, Prior and Informed Consent (FPIC) of affected Indigenous Peoples, which include any of</p>	<p>ERM understands that a Stakeholder Engagement Plan which considers both community engagement as well as engagement with workers is to be established by Fluence prior to the Project commencing. In addition, as required by the Planning Permit, Fluence and RJE Global will be responsible for developing and implementing a Complaint Investigation and Response Plan.</p> <p>In relation to Indigenous Peoples, the Site is located on Bunurong land, and the Bunurong Land Council Aboriginal Corporation has been appointed as the Registered Aboriginal Party of the area.</p> <p>The BESS Site falls within one area of Aboriginal Cultural Heritage Sensitivity, while the transmission connection will directly adjoin another. These two sites have been designated as artefact scatters and are identified on the Victorian Aboriginal Heritage Register as sites 1921-1521 and 7921-0534 respectively.</p> <p>A Cultural Heritage Management Plan (CHMP) 12874 was approved by Heritage Services Aboriginal Victoria on 31 October 2014 for the area as part of previous subdivision and related works proposals. It was amended on 13 September 2019. The CHMP was prepared and approved before final uses of the land were known and does not specifically relate the present BESS proposal but rather referred to industrial subdivision and industrial and commercial development. Nonetheless, Section 52(3) of the Aboriginal Heritage Act 2006 requires that the Minister for Planning, in granting a planning permit, considered the activity to be consistent with the approved CHMP. The CHMP allows the activity works and ground disturbance to be carried out subject to the conditions which will need to be complied with during construction and operation of the Project.</p>	Aligned

#	Equator Principle	Comment	Alignment
	<p>the following;</p> <ul style="list-style-type: none"> Projects with impacts on lands and natural resources subject to traditional ownership or under the customary use of Indigenous Peoples, Projects requiring the relocation of Indigenous Peoples from lands and natural resources subject to traditional ownership or under customary use. Projects with significant impacts on critical cultural heritage essential to the identity of Indigenous Peoples, or Projects using their cultural heritage for commercial purposes. <p>Globally for Projects that meet these special circumstances, the EPFI will require a qualified independent consultant to evaluate the consultation process with Indigenous Peoples, and the outcomes of that process, against the requirements of host country laws and IFC Performance Standard 7.</p> <p>Where Stakeholder Engagement, including with Indigenous Peoples, is the responsibility of the host government, EPFIs require the client to collaborate with the responsible government agency during the planning, implementation and monitoring of activities, to the extent permitted by the agency, to achieve outcomes that are consistent with IFC Performance Standard 7.</p> <p>If a process of good faith negotiations that meets the consultation requirements of IFC Performance Standard 7 has been followed and documented, but it is not clear if FPIC has been achieved, the EPFI will determine, with supporting advice from the consultant, if this qualifies as a justified deviation from the requirements of IFC Performance Standard 7, and whether the client should pursue additional corrective actions to meet IFC Performance Standard 7's objectives.</p>		
6	Grievance Mechanism		
	For all Category A and, as appropriate, Category B Projects, the EPFI will require the client, as part of the ESMS, to establish grievance	As required by the Planning Permit, Complaint Investigation and Response Plan is required to be prepared and endorsed by the Minister for Planning. This is understood	Aligned

#	Equator Principle	Comment	Alignment
	<p>mechanisms which are designed for use by Affected Communities and Workers, as appropriate, to receive and facilitate resolution of concerns and grievances about the Project's environmental and social performance.</p> <p>Grievance mechanisms are required to be scaled to the risks and impacts of the Project, and will seek to resolve concerns promptly, using an understandable and transparent consultative process that is culturally appropriate, readily accessible, at no cost, and without retribution to the party that originated the issue or concern. Grievance mechanisms should not impede access to judicial or administrative remedies. The client will inform the Affected Communities and Workers about the grievance mechanisms in the course of the Stakeholder Engagement process.</p>	<p>to be the responsibility of Fluence and RJE Global.</p> <p>Workers can lodge complaints, specifically relating to discrimination and breaches of human rights, with the Australian Human Rights Commission. The complaints investigation process is free, impartial, and accessible to everyone in Australia.</p>	
7	Independent Review		
	<p><u>Project Finance and Project-Related Corporate Loans</u></p> <p>For all Category A and, as appropriate, Category B Projects, an Independent Environmental and Social Consultant, will carry out an Independent Review of the Assessment process including the ESMPs, the ESMS, and the Stakeholder Engagement process documentation in order to assist the EPFI's due diligence, and determination of Equator Principles compliance.</p> <p>The Independent Environmental and Social Consultant will also propose or opine on a suitable EPAP capable of bringing the Project into compliance with the Equator Principles, or indicate where there is a justified deviation from the applicable standards. The Independent Environmental and Social Consultant must be able to demonstrate expertise in evaluating the types of environmental and social risks and impacts relevant to the Project.</p> <p>For Category B projects, any due diligence performed by a multilateral</p>	<p>ERM was engaged by the Client for the purpose of independent vendor due diligence including a review of EP alignment as set out in this report.</p> <p>In ERM's experience of Category B projects of this scale and nature, the assessment provided in this report would constitute an EP Independent Review, however we acknowledge that this is ultimately the EPFI's decision.</p>	Aligned

#	Equator Principle	Comment	Alignment
	or bilateral financial institution or an OECD Export Credit Agency may be taken into account to determine whether an Independent Review is required.		
8	Covenants		
	<p>An important strength of Equator Principles is the incorporation of covenants linked to compliance.</p> <p>For all Projects, where a client is not in compliance with its environmental and social covenants, the EPFI will work with the client on remedial actions to bring the Project back into compliance to the extent feasible. If the client fails to re-establish compliance within an agreed grace period, the EPFI reserves the right to exercise remedies, as considered appropriate.</p> <p><i>Project Finance and Project-Related Corporate Loans</i></p> <p>The client will covenant in the financing documentation to comply with all relevant host country environmental and social laws, regulations and permits in all material respects.</p> <p>Furthermore for all Category A and Category B Projects, the client will covenant the financial documentation:</p> <p>a) to comply with the ESMPs and EPAP (where applicable) during the construction and operation of the Project in all material respects; and</p> <p>b) to provide periodic reports in a format agreed with the EPFI (with the frequency of these reports proportionate to the severity of impacts, or as required by law, but not less than annually), prepared by in-house staff or third party experts, that i) document compliance with the ESMPs and EAAP (where applicable), and ii) provide representation of compliance with relevant local, state and host country environmental and social laws, regulations and permits; and</p> <p>c) to decommission the facilities, where applicable and appropriate, in</p>	ERM has not assessed the financing documentation and assumes that this is matter for negotiation between the EPFI and the client.	Not Assessed (EPFI responsibility)

#	Equator Principle	Comment	Alignment
	<p>accordance with an agreed decommissioning plan.</p> <p><i>Project-Related Refinance and Project-Related Acquisition Finance</i></p> <p>EPFIs will take reasonable measures to ensure that all existing environmental and social obligations continue to be included in the new financing documentation.</p>		
9	Independent Monitoring and Reporting		
	<p><i>Project Finance and Project-Related Corporate Loans</i></p> <p>For all Category A and, as appropriate, Category B Projects, in order to assess Project compliance with the Equator Principles after Financial Close and over the life of the loan, the EPFI will require independent monitoring and reporting. Monitoring and reporting should be provided by an Independent Environmental and Social Consultant; alternatively, the EPFI will require that the client retain qualified and experienced external experts to verify its monitoring information, which will be shared with the EPFI in accordance with the frequency required in Principle 8b.</p> <p>In line with the above, in the specific case of monitoring of Project-Related Corporate Loans to national, regional or local governments, governmental ministries and agencies, the EPFI may decide between requiring an Independent Environmental and Social Consultant or relying on internal monitoring by the EPFI.</p> <p>Additionally, any monitoring performed by a multilateral or bilateral financial institution or an OECD Export Credit Agency may be taken into account.</p>	<p>ERM notes that the conditions of the planning permit require various types of ongoing monitoring to be conducted by the Project's specialist advisors, and in many cases this monitoring must be submitted to government regulators for review.</p> <p>ERM notes that the EPFI has discretion in deciding whether Independent Monitoring and Reporting is required. In ERM's experience projects of this scale and nature, the statutory monitoring and reporting process would typically be considered adequate, however we acknowledge that this is ultimately the EPFI's decision.</p>	Aligned
10	Reporting and Transparency		
	<p>For all Category A and, as appropriate, Category B Projects:</p> <ul style="list-style-type: none"> the client will ensure that, at a minimum, a summary of the ESIA is 	<p>Given the Project is considered to be a Category C project, a summary of the ESIA is not required to be made available online. It is noted however, that such documentation can</p>	Not Required for Category C

#	Equator Principle	Comment	Alignment
	<p>accessible and available online and that it includes a summary of Human Rights and climate change risks and impacts where relevant.</p> <ul style="list-style-type: none"> the Client will report publicly, on an annual basis, GHG emission levels (combined Scope 1 and Scope 2 Emissions, and , if appropriate, the GHG efficiency ratio) during the operational phase for Projects emitting over 100,000 tonnes of CO2 equivalent annually. Refer to Annex A (of EP4) for detailed requirements on GHG emissions reporting the EPFI will encourage the client to share commercially non-sensitive Project-specific biodiversity data with the Global Biodiversity Information Facility (GBIF) and relevant national and global data repositories, using formats and conditions to enable such data to be accessed and re-used in future decisions and research applications. 	be requested from interested parties through the Casey City Council website.	projects
	<p>EPFI Reporting Requirements</p> <p>The EPFI will, at least annually, report publicly on transactions that have reached Financial Close and on its Equator Principles implementation processes and experience. The EPFI will report according to the minimum reporting requirements detailed in Annex B (of EPIV), taking into account appropriate confidentiality considerations.</p>	Compliance with this principle is the responsibility of the EPFI (and ERM is not in a position to comment on this item).	Not Assessed (EPFI responsibility)

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