

## MODERN SLAVERY STATEMENT

In accordance with the *Modern Slavery Act 2018* (“the Act”) A-CAES NSW Pty Ltd, ACN 644 102 858, (‘A-CAES NSW’) is committed to respecting human rights, and we recognize our role in upholding these rights. While A-CAES NSW has not met the reporting threshold this financial year and is not required to prepare a modern slavery statement under the Act, we are committed to respecting human rights, and we recognize our role in upholding these rights and are committed to preventing modern slavery and human trafficking in our operations and to eradicate modern slavery and human trafficking in our supply chain.

We take a global approach to addressing modern slavery and forced labor. This statement sets out our global practices and policies to address human trafficking and forced labor and provides insight into our supply chain and business processes.

### INTRODUCTION

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labor, and human trafficking, all of which have in common the deprivation of a person’s liberty by another to exploit them for personal or commercial gain. A-CAES NSW recognizes that it has a responsibility under the Modern Slavery Act to take a strong approach to rejecting any forms of modern slavery and human trafficking. A-CAES NSW is committed to promoting ethical business practices and policies that protect workers from being abused and exploited, both in its own business and its supply chain. We are committed to doing what we can to eradicate such practices where they may exist in our operations and supply chain by improving company practices and procedures and implementing new processes as necessary. A-CAES NSW expects its suppliers to share its commitment to help ensure modern slavery does not exist in its business and its supply chain.

### Who we are

A-CAES NSW is the special purpose vehicle that has been created for the development and operation of an advanced compressed air energy storage (A-CAES) project in Broken Hill, New South Wales. The project will provide long-duration storage and reliability to the electricity grid.

A-CAES NSW, is a subsidiary of Hydrostor Australia Holdings Pty Ltd and Energy Estate Pty Ltd.

Hydrostor Australia Holding Pty Ltd is owned 100% by Hydrostor Inc. (‘Hydrostor’) based in Ontario Canada. Energy Estates Pty is a privately owned Australian Organization based in New South Wales Australia.

Hydrostor is a long-duration energy storage solutions provider based in Ontario, Canada that provides reliable and affordable utility integration of long-duration energy storage, enabling grid operators to scale renewable energy and secure grid capacity. Hydrostor has over 30 employees and operates in Canada, the United States, and Australia. Hydrostor Australia holding Pty Ltd is a holding company for Hydrostor’s projects in Australia.

Energy Estate is an energy developer and accelerator focused on accelerating decarbonization. Energy Estate has a development portfolio of onshore and offshore wind, solar, green hydrogen/e-fuels and transmission projects focused on renewable energy zones and industrial precincts. Energy Estates has approximately 20 employees located throughout Australia.

## Our supply chain

A-CAES NSW's supply chains include:

- Professional services organizations that provide permitting, legal, power market analysis, engineering, and accounting services in relation to the development of A-CAES projects
- Equipment and supply manufactures for products and systems used in the A-CAES design
- Labor forces associated with the construction, assembly and operation of the energy systems.

Professional services organizations assist A-CAES NSW in the development of the project. These organizations typically consist of professionals such as engineers, lawyers, and accountants. The service providers usually complete permitting applications, environmental and social assessments, design assessments and electricity market analyses to ensure that A-CAES NSW's project meets all local rules and regulations. These organizations are also all based in either Australia, Europe, Canada, and the United States.

A-CAES NSW's system includes several systems which include but are not limited to thermal spheres, cold water tanks, electrical transformers and switchgear, thermal destruction units, heat exchangers, water treatment systems, piping, , structural steel, valving, turbines and compressors . The equipment suppliers for these technologies will be sourced globally.

A-CAES NSW will complete the construction of the project using highly bankable and creditworthy contractors globally. All construction contractors source labor locally and are required to meet all local labor laws and regulations. A-CAES NSW will ensure that all construction contractors have anti-slavery policies of their own, that they have processes in place to demonstrate their policies are effective, and regularly review these processes

## IDENTIFYING RISKS OF MODERN SLAVERY

In 2022, A-CAES NSW undertook a high-level risk assessment of its operations and supply chain.

### Our operations

A-CAES NSW believes there is no risk of modern slavery in its directly employed workforce, as the labor market in Canada, the United States, and Australia is highly regulated, and strict regulations apply to the negotiating employment conditions. Further, since A-CAES NSW is a project special purpose company, it will likely have no direct employees.

### Our supply chain

A significant number of A-CAES NSW's supplier operations are based in Canada, Europe, United Kingdom, United States, and Australia. A-CAES NSW believes these suppliers have a lower risk of modern slavery occurring in its supply chains, as their operations are OECD based with strong human rights laws and also Australian based and are required to comply with the Modern Slavery Act within their own supply chains, including the compliance to the Australian Industry Participation Plan

However, A-CAES NSW's procurement activities do include purchasing equipment from suppliers who provide potentially high-risk products for our A-CAES system. These products could include steel, special alloys, and electronics. Further A-CAES NSW's construction activities require a significant number of human resources which will be often subcontracted by A-CAES NSW's contractors. Notwithstanding this, A-CAES partners with large-scale global construction partners which, through their own governance

models, provides us with a level of comfort that the risks of modern slavery occurring in respect of these supply chain relationships are being managed.

## **ACTIONS TAKEN TO ADDRESS RISKS OF MODERN SLAVERY**

### **Contractual protections**

In order to mitigate these identified risks, A-CAES NSW will utilize strong contractual language with all contractors identified as presenting a greater risk of modern slavery, to ensure they are meeting local labor and human rights laws, including receiving assurances with respect to modern slavery

### **Our governance framework**

A-CAES NSW has a strong corporate governance framework and as part of its commitment to informing its employees and suppliers of modern slavery risks, A-CAES NSW developed a Modern Slavery Policy to ensure it meets modern slavery compliance.

### **Training and Awareness**

A-CAES NSW will continue to build the requisite competencies within our organization through human rights-related training. We protect the integrity of our supply chain by regularly engaging and educating our suppliers, assessors, internal teams, and decision-makers on supply chain issues, including those related to modern slavery, human trafficking, and forced labor. We do this by (i) conducting formal training on our responsible supply chain program and requirements for key employees, senior leaders, and decision-makers with ongoing supplier relationships; (ii) providing new suppliers with training and education on our business standards; and (iii) ensuring our internal assessors maintain requisite qualifications and undergo additional human rights-related training.

## **MONITORING AND ASSESSING THE EFFECTIVENESS OF A-CAES'S ACTIONS**

A-CAES NSW is committed to continuous improvement to address the challenging and complex issue that is modern slavery. We will continually monitor the effectiveness of our actions in identifying and managing modern slavery risks by:

- Tracking our actions and outcomes and updating our modern slavery risk assessments in order to understand whether our modern slavery risk profile has changed; and
- reviewing our policies and procedures to ensure we have sound governance processes in place to meet our modern slavery compliance requirements.

Based on the results of these processes A-CAES will adapt and strengthen our actions to continually improve our response to modern slavery.

## BOARD APPROVAL

A-CAES NSW does not own or control any other entities and so criterion 6 of the Act is inapplicable.

This statement has been approved by A-CAES NSW's board of directors.

Signed:

Date: July 11, 2022



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Guy Bentinck  
Director on behalf of the Board