

ESG Report

2024

Sustainable & Affordable
Renewable Energy Storage



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A Message from Craig Nalder

CEO, Chelion Australia

Dear Stakeholders,

I am pleased to present Chelion Australia's first Environmental, Social and Governance (ESG) report.

Chelion Australia is driven by our vision of supporting the transition of humanity towards a Type 1 civilisation capable of harnessing and using all available energy on our planet in a sustainable way.

Our ESG report showcases our achievements and challenges in the past year, as well as our goals and plans for the future. We have made significant progress in reducing our environmental impact, supporting our people and communities, and enhancing our governance and risk management.

We value your feedback and suggestions on how we can improve our ESG performance and create long-term value for our stakeholders.

Thank you for your trust and support in Chelion Australia.

Sincerely,

Craig Nalder
CEO of Chelion Australia



OVERVIEW

Introduction to Our Mission

Chelion Australia, a pioneer in renewable energy with deep roots in energy management and market integration, is committed to advancing the future of renewable energy. Our mission is to empower customers with high-quality energy storage and solar solutions, driving towards a sustainable and prosperous future.

Alignment with Sustainable Development Goals

As part of our core strategy, we align our operations and initiatives with the United Nations' Sustainable Development Goals (SDGs). Our focus is particularly strong on goals related to affordable and clean energy, climate action, and sustainable cities and communities. Through our innovative solutions, we contribute to ending poverty, protecting the planet, and supporting peace and prosperity.

Our Strategic Approach

Our approach to sustainable development is holistic and integrated, encompassing everything from product design to global market outreach. By prioritising specific SDGs, we tailor our strategies to make a significant impact in these areas, continuously assessing and aligning our business practices with these global objectives.

Accountability and Progress

We hold ourselves accountable for our impact on the world. Regular progress reports keep our stakeholders informed about our actions and their outcomes. These reports combine quantitative data, like energy output and carbon footprint reduction, with qualitative insights, detailing the challenges we face and the lessons we learn.

OVERVIEW

Stakeholder Engagement

- **Beneficiaries:** Our initiatives directly benefit customers and communities by providing sustainable energy solutions, enhancing quality of life, and fostering environmental stewardship.
- **Investors:** We offer a sustainable investment opportunity, showcasing the potential for growth and profitability in the renewable energy sector.
- **External Stakeholders:** Our efforts contribute significantly to global environmental goals and empower communities, demonstrating the broader impact of our commitment to sustainability.

The Road Ahead

Looking forward, Chelion Australia is dedicated to continuous improvement and innovation in aligning with the SDGs. We invite our stakeholders to join us in this journey, fostering partnerships and community engagement to amplify our impact.

Commitment to Transparency

Our commitment to transparency is unwavering. We pledge to provide regular, honest updates about our progress, challenges, and plans.

Chelion Australia celebrates significant progress towards SDGs, reaffirming our commitment to advancing renewable energy and achieving these global goals by 2030 through innovation and collaborative efforts.

OUR
COMMITMENT

Sustainable



Affordable



Transparent



Chi-Chi Chief Company Image Officer

01

Enviromental

04

Adaption to Change

02

Diversity

05

Focused and Responsive

03

Technology Adaption

06

Life Cycle



Our focus

At Chelion Australia, our top management spearheads the pursuit of sustainability, setting a clear and ambitious direction for our collective efforts.

We profoundly understand our impact and responsibility towards people and the planet. This conscious approach, steered by our leaders, not only drives innovation in renewable energy but also ingrains a deep sense of duty in every aspect of our operations.

Our commitment goes beyond mere compliance; it is a fundamental part of our identity and mission. By leading with integrity and foresight, we aim to build lasting trust and confidence among our stakeholders, ensuring that together, we contribute to a more sustainable and equitable world.

Chelion Australia:
*Lighting the Path
to a Renewable
Future*



ENVIRONMENTAL

At Chelion Australia, a leading developer of battery energy storage projects, we recognise the critical importance of a sustainable environment for the future of our planet and communities. Faced with the escalating challenges of climate change, we are uniquely positioned to make a significant impact. Our strategy is focused on developing innovative energy storage solutions, vital for the transition to a low-carbon economy. We are committed to supporting our clients with cutting-edge technology and expertise, while continuously striving to minimise the environmental impact of our operations. Our efforts are not just about meeting today's needs but are driven by a vision to foster a resilient and sustainable future for all.



2023 Highlights

- Successfully initiated multiple Greenfield projects, contributing to substantial increases in renewable energy infrastructure across Australia.
- Expanded our Commercial and Industrial (C&I) Battery Energy Storage Projects, delivering efficient and eco-friendly power solutions to businesses.
- Advanced our Residential Battery Storage initiatives, significantly reducing household carbon footprints and promoting sustainable living.

Our Impact

At Chelion Australia, we set clear performance goals to monitor and measure our impact on sustainability and SDGs. Our reporting includes specific indicators, data collected, and SDG-related achievements. These concrete goals enable us to generate relevant, consistent, and comparable data over time, presented in formats that are easily understandable and valued by our audience, demonstrating our commitment to tangible progress in renewable energy and global sustainability.

Our Activities	The Planet	Data / Outcome
Greenfield Projects for each state in Australia	Increased clean energy output, reduced carbon emissions.	Sustainable energy growth, enhanced local environmental health.
Residential Battery Energy Storage Projects	Higher household energy self-sufficiency, decreased utility costs.	Improved energy independence, cost savings for homeowners.
C&I Battery Energy Storage Projects	Enhanced energy reliability for businesses, lower operational expenses.	Increased commercial sustainability, economic benefits for enterprises.

Lifecycle recycling

Chelion Australia's strategy for environmental impact continues with three key commitments: expanding our renewable energy portfolio, enhancing energy efficiency in operations, and advancing community-based sustainability projects. These strategic actions and commitments underscore our dedication to leading the charge in environmental stewardship, demonstrating our ongoing role as a catalyst for sustainable development and ecological conservation within the energy sector.

01

We are expanding our renewable energy portfolio, investing in innovative solar and storage solutions.

02

We're intensifying efforts to enhance energy efficiency across all operations, significantly reducing our carbon footprint.

03

We're deeply involved in community-based sustainability initiatives, promoting environmental education and local green projects.



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SOCIAL

Chelion Australia, a leading provider of energy storage solutions, is deeply committed to upholding the social aspect of Environmental, Social, and Governance (ESG) principles. The company places a strong emphasis on human capital management, ensuring fair wages, fostering employee engagement, and promoting diversity and inclusion within its workforce. Chelion Australia also recognises its responsibility towards the communities in which it operates, actively contributing to community development initiatives and addressing community concerns. Furthermore, the company extends its social impact expectations to its supply chain partners, particularly those in developing economies. By prioritising customer relations and product responsibility, Chelion Australia strives to create a positive social impact, demonstrating its commitment to the holistic view of sustainability that ESG embodies



2023 Social Highlights

- 83.6% Team growth
- New policies and procedures introduced (WHS)
- New Health & Wellbeing Initiative

The Team

The team has recently undergone a significant expansion, growing from 6 to 11 members which is an impressive 83.6% increase. This growth includes the addition of two new individuals in the sales department, enhancing our ability to reach clients and drive revenue. The projects team also welcomed two new members, bolstering our capacity to manage and deliver high-quality work. Furthermore, we've added a new administrative professional to our ranks, ensuring smooth operations and efficient processes within the team. This expansion marks an exciting phase of growth and increased capabilities for our team.

The recent addition of new team members has brought about substantial improvements across all aspects of our business. Their unique skills and expertise have enhanced our sales, project management, and administrative efficiency. As a result, we are optimistic about the future and anticipate a prosperous 2024, marked by further growth and success.



Work Health and Safety

Due to growing at such a rapid pace we have had to revamp our policies and procedures this is seen with an ongoing discussion of our Work Health and Safety (WHS) is going to be coordinated through bi-monthly Team meetings, with all agendas and minutes being stored on our system. In the fiscal year 2023, we revamped our WHS reporting and policies following a consultation with all staff members. This revamp included the update of WHS Objectives and Targets, enhancements to the reporting dashboard, the inclusion of psychological health and wellbeing in the WHS Policy and Management Plan, and policy updates on the new workplace sexual harassment laws. We have emphasised to the team about psychological health and wellbeing, With the new year the Cheilon Team completing mental health first aid training.

In alignment with our asset development journey, we have established a new management Process, which encompasses a management Procedure, policies and management checklist, Travel requirements and Risk Assessment. Our Head Project Manager has joined the WHS Committee, and we are seeking to require our contractors and suppliers to demonstrate a proactive commitment to preventing safety issues for workers and adhering to all relevant occupational health and safety laws as part of our Supplier Code of Conduct. This is part of our ongoing efforts to update and enhance our WHS practices.



Modern Slavery Statement

Chelion has undertaken a comprehensive risk assessment of its supply chain, considering the risk profiles of individual countries and the services rendered by its principal suppliers. Given the nature of Chelion's business model, the company acknowledges the potential risks of modern slavery and human trafficking within its domestic and international supply chain. A significant portion of its solar and electrical products are sourced from suppliers operating in high-risk countries, including China.

Chelion conducts due diligence on its suppliers and their supply chains, taking necessary measures to manage any suppliers identified as high-risk. The company acknowledges the risk of being directly linked or contributing to modern slavery within its supply chain due to the location of suppliers in high-risk areas or the sourcing of products known to have high-risk supply chains. Inadequate procurement practices, including the pressure to reduce costs, can further exacerbate these risks.

Chelion is committed to working with the relevant suppliers to ensure that these risks are appropriately managed and resolved to the company's satisfaction. If these issues are not resolved, Chelion will explore opportunities to replace such suppliers with compliant alternatives. This approach is part of Chelion's commitment to ethical business practices and corporate social responsibility.

Actions Taken to address risks of modern slavery:

Chelion has implemented a comprehensive strategy to address, manage, and mitigate the risks of modern slavery and human trafficking within its operations and supply chain.

Policies:

Chelion is steadfast in its commitment to uphold high standards of corporate governance. A suite of policy and procedural documents has been established to form a robust framework for the prevention of slavery and human trafficking.

During the reporting period, Chelion has revised its policies and procedures to better identify and manage risks associated with slavery and human trafficking. This includes the company's code of conduct, which articulates the corporate values, and ethical principles, and sets the standard for acceptable behaviours expected from Chelion employees, contractors, and suppliers.

Modern Slavery Statement

Supplier Due Diligence:

Chelion is dedicated to enhancing its procurement systems to ensure greater oversight of its suppliers, particularly those operating in high-risk jurisdictions. In its engagement with new suppliers, Chelion is committed to:

- Identifying any high-risk jurisdictions within its supply chain;
- Evaluating the modern slavery risks of each new supplier or distributor before entering a contractual relationship; and
- Securing specific contractual commitments regarding modern slavery risks from each of its suppliers through the inclusion of appropriate contractual terms.

Should instances of slavery or human trafficking be discovered within our direct supply chain in the future, Chelion will engage directly with the supplier to address the issue. If the issue is severe and cannot be rectified in alignment with Chelion policies, the supplier relationship may be terminated.

Awareness and Training:

Chelion acknowledges the critical role that internal training and development play in raising awareness of modern slavery risks and responses. To aid in the identification and mitigation of modern slavery risks moving forward, Chelion is committed to providing a modern slavery awareness training program.

Evaluating the Effectiveness of Our Actions:

The efficacy of the measures implemented by Chelion to mitigate the risks of modern slavery will be evaluated through the monitoring and analysis of supplier due diligence responses, survey and audit outcomes, and the completion rates of awareness and training modules.

Consultation with Our Supply Chain Representatives:

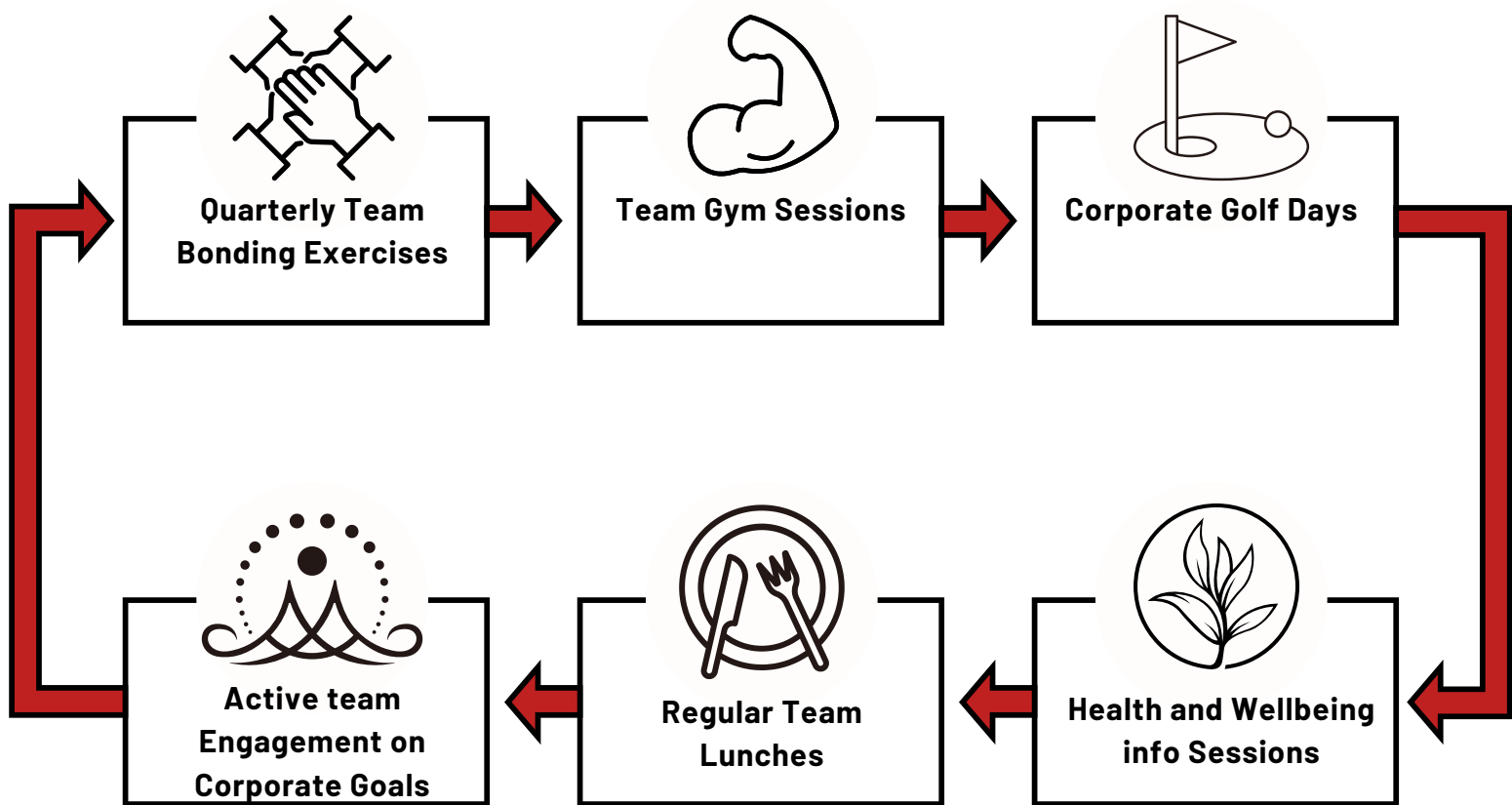
In the process of preparing this Statement, Chelion engaged with each of the supply chain representatives covered by this Statement. This included collaboration with a modern slavery working group, comprised of representatives from our major supply chain. Chelion is committed to managing human rights and modern slavery risks across its operations and supply chains.

Approval:

This statement has been formulated by Chelion, in consultation with each of its supply chain representatives and received approval from the board of Chelion on 08 January 2023.

Wellbeing Initiatives To Be Implemented

In response to our team’s significant growth, we have initiated a health and wellness program. This initiative aims to promote the well-being of our expanding team and ensure a healthy work environment. We believe that this program will contribute positively to our team’s productivity and overall job satisfaction.



GOVERNANCE

At Chelion Australia, our dedication to upholding the highest standards in all our business dealings and stakeholder interactions is unwavering. We have meticulously crafted our governance frameworks to ensure they foster accountability, transparency, and ethical conduct, aligning seamlessly with our corporate ethos and foundational principles.

Continuously assessing and refining our governance mechanisms, processes, and controls is a cornerstone of our commitment, ensuring that we consistently operate at the pinnacle of efficiency and integrity. This rigorous approach underscores our resolve to lead by example in the renewable energy sector, setting benchmarks for excellence in governance.

Corporate Governance Overview



Independence

- Lead Independent CEO with robust responsibilities
- 100% independent Board Committees
- Regular executive sessions of independent directors
- Committees authorised to hire third-party advisors

Accountability

- Annual Board evaluations
- Stringent clawback policy

Best Practices

- Focus on diversity
- Active Board oversight of the company’s strategy, risk management, and ESG
- Prohibition on hedging or pledging company stock

Stakeholder Rights

- Inclusive Stakeholder Engagement
- Transparent Communication

Risk Management

Risk management is a critical component of Chelion Australia's operational framework, integral to our business as a developer of battery energy storage projects. In our industry, engaging in projects inherently involves various levels of risk, from technological advancements to market dynamics.

Our primary goal is to manage these risks effectively, ensuring that our operations not only meet the needs of our clients and investors but also uphold our commitment to safety, reliability, and environmental stewardship.

Our risk management strategy encompasses several categories, including technological risk, market and financial risk, and operational risk. Each project and business unit within Chelion is responsible for identifying and mitigating risks, supported by robust controls and procedures. Our Independent Risk Management team oversees the company's overall risk management framework. This team is pivotal in reviewing, challenging, and managing risks identified across different business units, ensuring adherence to our high standards and policies.

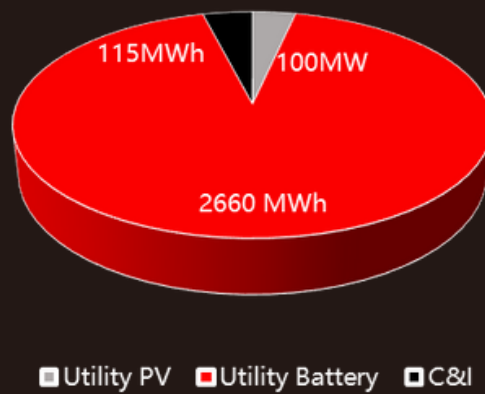
The autonomy of our Independent Risk Management function is crucial, upheld by a governance structure that facilitates the escalation of risk issues to senior management and, where necessary, to our Board of Directors. This structured approach to risk management underscores our dedication to maintaining the highest level of integrity and responsibility in all our operations, safeguarding the interests of our stakeholders and the environment.



Energy Equality

Bringing economic and social equality through energy independence

Pipeline Capacities



This graph presents Chelion Australia's 2024 pipeline, showcasing our strategic approach towards achieving the Sustainable Development Goals (SDGs). The chart is segmented into three primary areas, each representing a key aspect of our projects: Utility PV, Utility Battery and C&I BESS projects.

Community engagement, essential for SDG achievement, shows significant growth in local initiatives and partnerships. This visual representation underscores Chelion's commitment to environmental sustainability and social responsibility, aligning our operations with global sustainability targets.

Chelion Australia: Leading the Charge in Sustainable Energy and Community Empowerment for a Greener Tomorrow

CONCLUSION

Chelion Australia proudly reflects on key achievements and renews its dedication to the Sustainable Development Goals. Our journey has been marked by significant strides in renewable energy expansion, operational energy efficiency, and community-driven sustainability efforts. We remain steadfast in our commitment to realise the SDGs by 2030.



- Expanding renewable energy solutions



- Enhancing energy efficiency in operations



- Fostering community-based sustainability projects

Together, we strive towards a sustainable Future!

ACKNOWLEDGEMENTS

We deeply acknowledge and appreciate our dedicated team's tireless efforts in advancing our Utility-Scale, Residential, and C&I Battery Energy Storage Projects, driving us towards a sustainable future. Those committed to these projects, such as:

- Our battery suppliers
- Our investors
- Chelion Australia office project, technical, sales and finance teams
- Chelion HQ team

We also acknowledge Aboriginal and Torres Strait Islander people as the Traditional Custodians of the land on which we work. As Chelion Australia supports a sustainable future through the power of affordable renewable energy, we pay our respects to Elders, past, present, and emerging as well as their continuing culture and connection to the Country.

We thank you for your continued support in our efforts to contribute to the ESG.

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