



CAP Roundtable # 5: ESG and Land Access & Acquisition

1st September 2022

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Acknowledgement of Country

MARINUS
LINK

CAP Workshop #5: Land Access & Acquisition and ESG

Outline Agenda

3:00 pm	Welcome
3:05 pm	Introduction and Context – Heath Dillon
3:10 pm	Land Access & Acquisition – Benjamin White
3:30 pm	ESG Framework – Erin Littlewood
3:40 pm	Questions
3:55 pm	Close & next steps

Introduction and Context

Heath Dillon
Executive Manager, Customer and Revenue

Introduction & Context

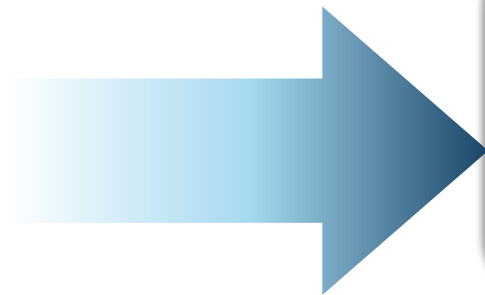


Impacts of Infrastructure

- ✓ local community impacts
- ✓ extended community impacts
- ✓ broader stakeholder impacts

Addressing the Impacts

- ✓ Mitigation of impacts
- ✓ Sharing of project benefits

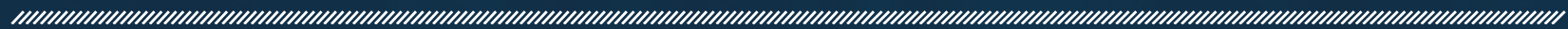


Meeting community expectations to achieve social license

Introduction & Context

- ✓ Land Access & Acquisition
 - ✓ landowners
 - ✓ local community
 - ✓ Implication for end-use consumer
- ✓ ESG
 - ✓ Setting the framework





Land Access & Acquisition

Benjamin White

Executive Manager, Stakeholder Relations, Land & Environment



Land Access and Easement Compensation: Guiding Principles

The Guiding Principles are:

- ✓ Gain access to land and acquire easements for Marinus Link from landowners by consent where-ever possible
- ✓ Engage in negotiations with landowners impacted by Marinus Link in good faith and with an openness to making reasonable payments to elicit agreement in a timely way, balancing commercially viability, cost-efficiency and social licence.
- ✓ Time our negotiations with landowners sensitive to their operating rhythms and to align with key Marinus Link decision gates to ensure critical path activities are achieved in time for when they are needed
- ✓ Ensure we obtain legally robust land access and acquisition rights to enable us to deliver the project



Land Access and Easement Compensation: Execution Plan

The Execution Plan to implement the Guiding Principles aims to be delivered in five stages:

1. Land access licence negotiations and payments (for surveys);
2. Easement valuation and compensation calculations;
3. Easement right option agreement and option payment;
4. Exercise of easement option; and
5. Asset installation easement registration and payment of easement compensation.



It is proposed that stages 1 to 3 will take place in the Design and Approvals phase while stages 4 and 5 would not occur until after a Final Investment Decision is made.

Land Access and Easement Compensation: Payments

ACCESS LICENCE AND EASEMENT OPTION AGREEMENT AND PAYMENT SCHEDULE

Project Milestones	Step	Payment*
Proposed route announced		
	1 Access Licence for field surveys	Access Licence Payment
Preferred route confirmed		
	2 Negotiate Easement Option Agreement (including Property Management Plan)	Option Fee Payment (First Easement Payment)
Project approved		
Pre-construction	3 Exercise Easement Option (as part of the Easement Option Agreement)	Construction Lease Fee Payment
Construction		Second Easement Payment
Construction completed		Third Easement Payment

WHAT IS THE ACCESS LICENCE PAYMENT?

- ◇ This payment is to access your land to undertake field surveys to assist in finalising route design
- ◇ \$5,000 per Access Licence
- ◇ Once off payment upon signing of Access Licence

WHAT IS THE CONSTRUCTION LEASE FEE PAYMENT?

- ◇ This payment is for leasing an additional area required during construction. This payment is in addition to the Easement Payments for the 20 metre wide easement
- ◇ Once off payment at commencement of pre-construction works

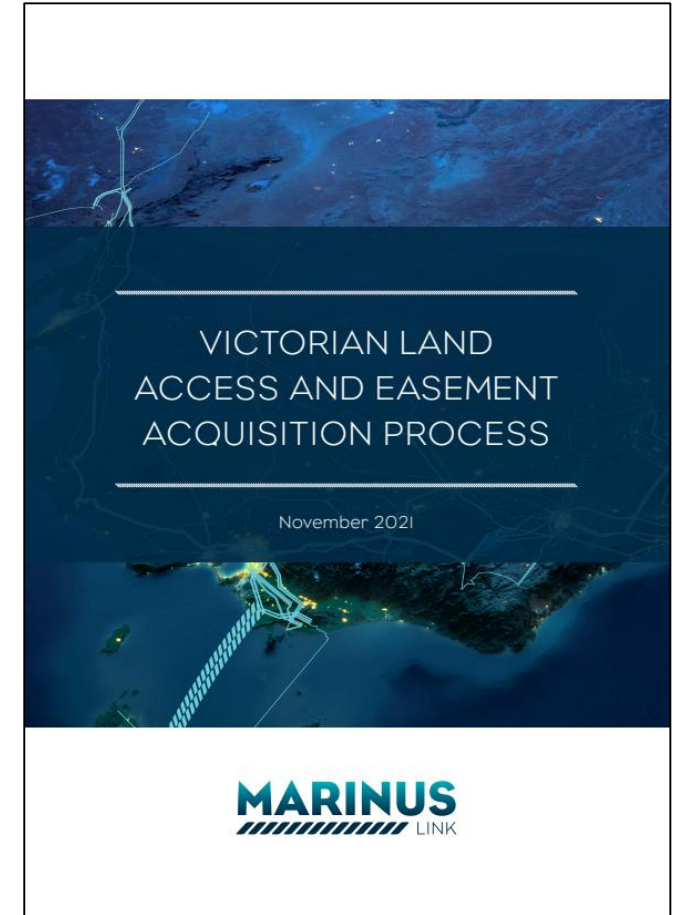
WHEN ARE THE EASEMENT PAYMENTS MADE?

The easement payments are to be made in installments at three key project milestones:

- ◇ **Option Fee Payment (First Easement Payment)**
 - ✓ \$2,500 or 10% of the total agreed easement payment (whichever is the greater)
 - ✓ Paid upon signing of Easement Option Agreement
- ◇ **Second Easement Payment**
 - ✓ 50% of remaining easement payment
 - ✓ Paid upon commencement of construction
- ◇ **Third Easement Payment**
 - ✓ Balance of easement payment
 - ✓ Paid upon completion of construction and registration of easement on title

Land Access and Easement Acquisition – Landowner engagement

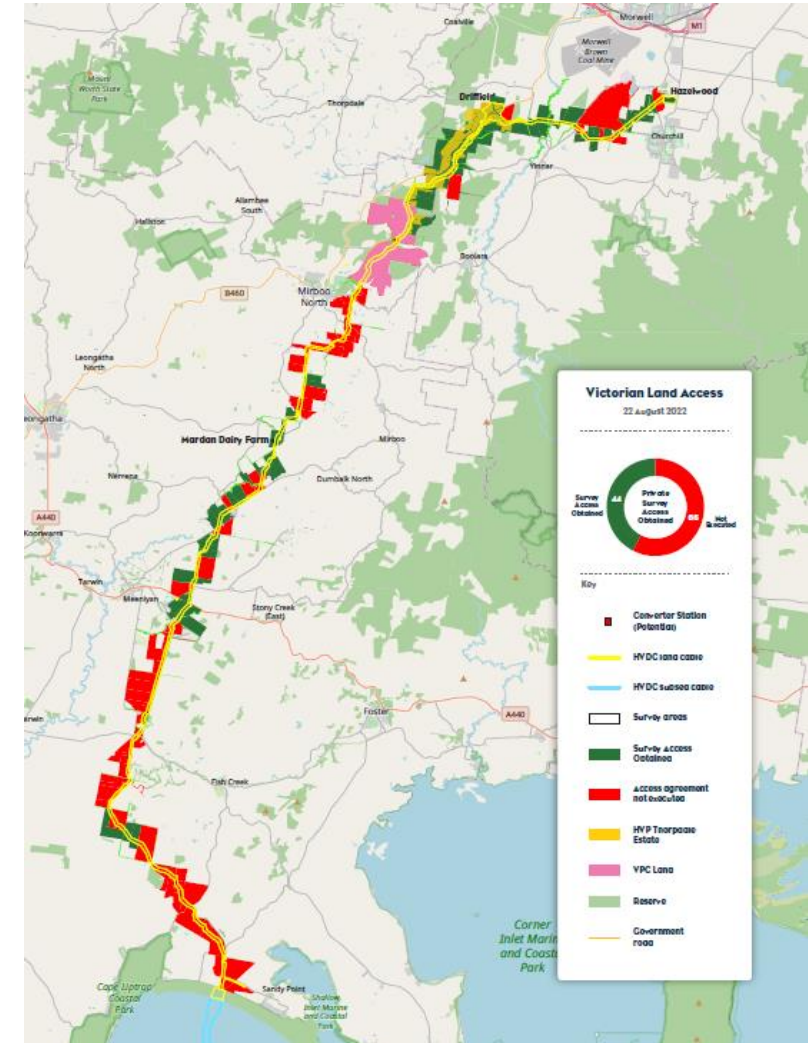
- Approx 100 directly affected private landowners, each with dedicated land agent
- Commenced engagement Jan 2020, progress was severely hampered by COVID restrictions, and fires and floods in Gippsland.
- All landowners have been visited, most on numerous occasions, route has been refined taking landowner concerns into consideration
- Approx 44% have signed an access licence for surveys, 21% are currently in negotiations, approx 35% are non-consenting to access
- Easement acquisition process explained to landowners from the start
- '*Victorian Land Access and Easement Acquisition Process*' hand delivered to all landowners in December 2021- January 2022
- Regular engagement and communications with landowners re: status of process and to address individual concerns



Land Access and Easement Acquisition – Next steps

Next steps

- Land valuation and easement negotiation services recently engaged, shortly to commence in-field valuations
- Valuers to work with landowners and land agents to develop Property Management Plans, which will identify impacts during construction and operation for valuation purposes – and highlight any local benefits that can be reasonably delivered
- Consider potential for annualised payments
- Commence making compensation offers from late 2022-early 2023
- * *note that Marinus Link Pty Ltd has acquired key strategic land (Heybridge in NW Tasmania for converter stations; Hazelwood for converter stations; and property mid-route in south Gippsland to host 'construction lay down site' and enabled route alignment to be made saving project cost of approximately \$7 million).*



ESG Framework
Erin Littlewood
Sustainability Manager

ESG Framework

- ✓ It is not possible to have a strong, functioning business in a world of **increasing inequality, poverty, and climate change**.
- ✓ **Marinus Link is deeply intertwined** with environmental, social, and governance (ESG) matters.
- ✓ We know that **a strong ESG proposition can create value**.
- ✓ **ESG Framework will provide a structure for understanding the key ways** we can create that value, 'make a difference', create a legacy over the life of the project & beyond.



Not simply a 'feel good' exercise

- ✓ **Efficiency:** Strong ESG framework can **help businesses reduce waste, water and energy costs** and drive more strategic resource allocation.
- ✓ **Consumer expectation:** Consumers are becoming more attracted to companies and products that are environmentally and socially responsible.
- ✓ **Better business:** Identifying and reporting on an ESG framework **makes business sense**.
 - ✓ Research shows **~85% of investors consider ESG factors** in their investments.
 - ✓ It **proves a business' commitment to making a net positive** environmental and social impact, and have strong leadership and governance processes to ensure this.
- ✓ **Risk management:** It helps businesses **identify and manage risk**, especially in supply chains (contractors and suppliers)
 - ✓ Increasing global pressure to ensure responsible practices upstream & downstream
 - ✓ e.g. NGO lawsuit against French energy co. over investment in Russian energy projects.

Asia-Pacific context

- Currently a **patchwork of voluntary disclosure regimes** rather than hard guidelines or laws.
- European examples** of supply chain reporting are **putting pressure** on regulators across the region.
- Australia's regime is emerging; we can expect a strengthening of the current framework, potential laws being developed.
- The **change of government in Australia could trigger** a greater emphasis on ESG matters & supply chain risk.
 - e.g. Climate Change Bill; greenhouse gas pollution reduction of 43% reduction by 2030 & net zero by 2050.



Peer benchmarking

In sector local



AusNet



In sector international

nationalgrid



CLP 中電



Out of sector local

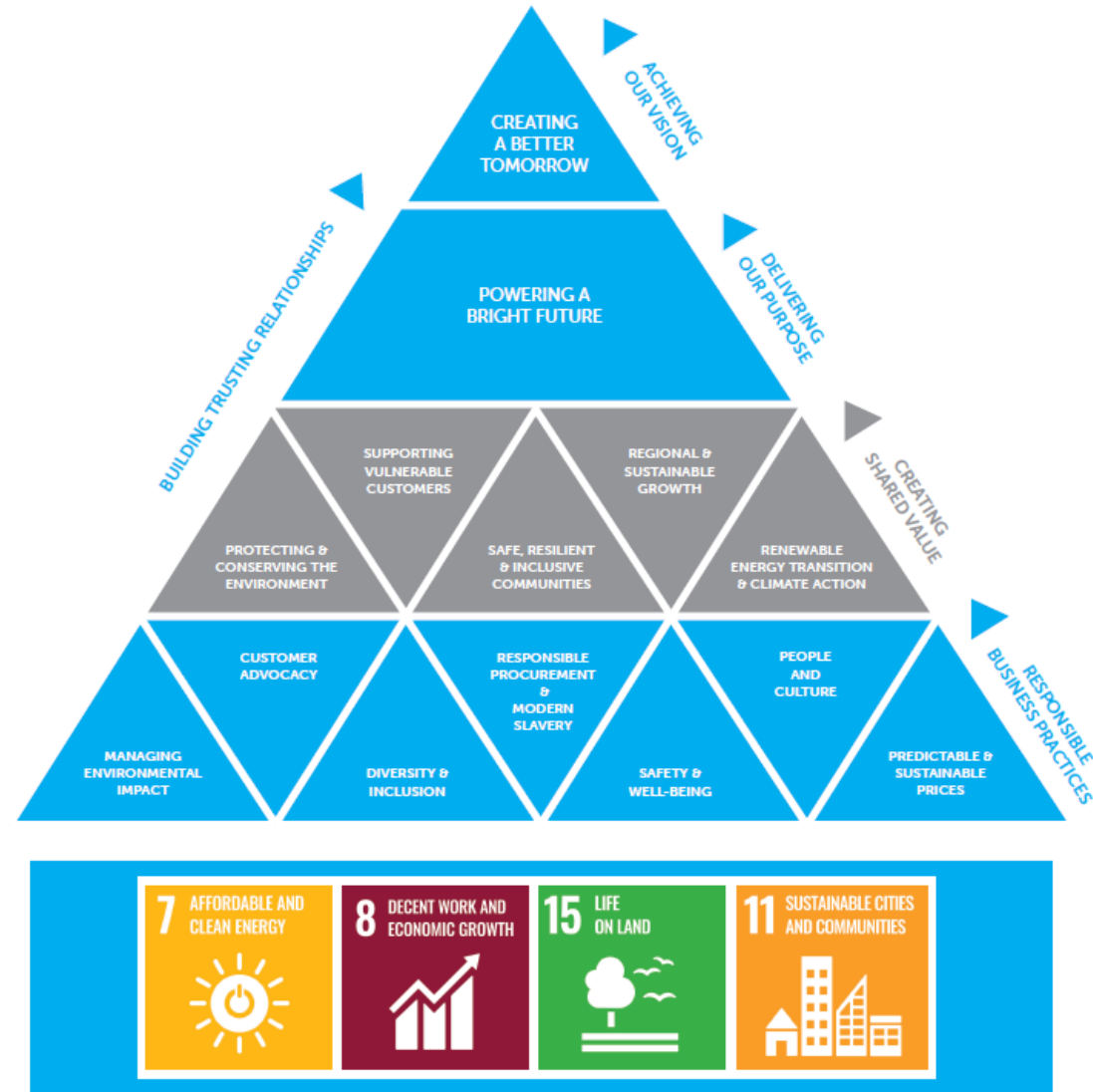
**INLAND
RAIL**



Peer benchmarking



Peer benchmarking – TasNetworks CSR Framework



Marinus Link ESG Framework

We're considering:

- **What do we HAVE to do?**

- Minimum legal standards, e.g.
Environmental Effects Act 1978 (VIC),
Environment Protection and Biodiversity
Conservation Act 1999 (Cth)

- **What is EXPECTED from us?**

- More than just regulatory requirements; it includes stakeholders' expectations

- **What do we WANT?**

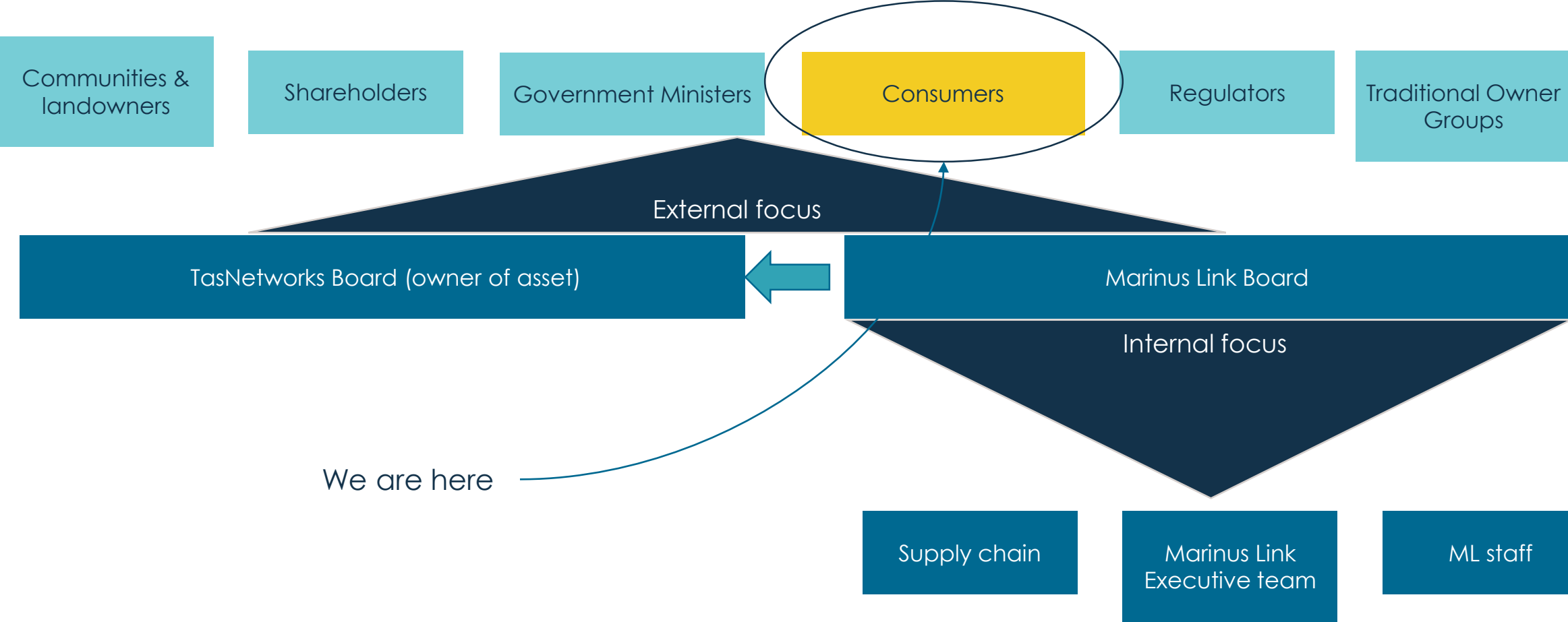
- To be a frontrunner or merely compliant?



Working timeline: ESG Framework



ESG materiality assessment – stakeholder landscape



Questions?