

Sustainability Report

EMECO HOLDINGS LIMITED (ACN 112 188 815)

1. Emeco's commitment to sustainability

This is the Sustainability Report for Emeco Holdings Limited and its related bodies corporate (Emeco or the Company) covering the financial year ending 30 June 2025 (FY25). Throughout FY25, Emeco has reinforced its commitment to enhancing the wellbeing of our people, minimising environmental impacts, and contributing positively to the communities where we operate. This report provides insights into the actions taken and progress made towards sustainable practices, reinforcing our dedication to long-term business success and social responsibility.

1.1 Report boundary

This report applies to all operations of Emeco Holdings Limited, unless otherwise specified. *Table 1 outlines the geographical and operational scope of our footprint during FY25.*

Table 1: Operational footprint during FY25

States	Workshops	Warehouses & Distribution Centres	Field Service Coverage
Western Australia	Perth (2)	Perth	WA
Queensland	Kalgoorlie	Mackay	QLD
New South Wales	Port Hedland, Newman		
South Australia	Mackay (2)		SA

1.2 Our stakeholders

Table 2 outlines Emeco's key stakeholder groups, the methods of engagement with each, and their relevant topics and concerns. These topics were addressed through our activities and disclosures throughout the FY25 reporting period.

Table 2: Stakeholder engagement

Stakeholder Group	Methods of Engagement	Topics and Concerns
Investors and proxy advisors	Investor relations meetings and calls; investor conferences; semi-annual financial performance reporting; annual general meeting; email communications	• Company performance • Strategy and outlook • Financial and non-financial risk mitigation • Capital management • Corporate governance • ESG objectives – including climate change • Executive remuneration

Customers	Meetings, emails, phone calls; management meetings; monthly site meetings; tender processes; site visits. Our engagement with customers is through a multi-level relationship approach from the Managing Director/CEO to operational site-based staff.	• Safety • Contract terms and conditions • Customer requirements • Customer future needs • Emeco performance • ESG objectives – including climate change
Employees	In-person communication, surveys, email communications; Emeco's intranet; staff inductions and in-house training; regular staff and safety meetings; HR communications	• Job security, remuneration and benefits • Safety, health and risk management • Training and development • Work prioritisation • Company performance, outlook and strategy • Performance reviews
Suppliers	Supply-related inquiries; tender and quote responses; ongoing relationship management with key suppliers	• Supply chain opportunities and/or issues • Security of supply • Pricing and discounts • Contractual terms and conditions • Modern slavery considerations
Financiers and Rating Agencies	Financier meetings and calls; semi-annual financial performance reporting; email communications	• Company performance • Strategy and outlook • Financial and non-financial risk mitigation • Capital management • Corporate governance • ESG objectives – including climate change

2. Material sustainability risks

Emeco identifies key risks that could impact our sustainability, including economic, environmental, social, and health and safety risks. We continually monitor and mitigate these risks as part of our ongoing commitment to responsible and sustainable business practices. Below is an overview of these material sustainability risk areas and our approach in FY25 to mitigating each:

2.1 Economic

The economic risks affecting Emeco include shifts in market demand, fluctuations in commodity prices, and broader macroeconomic conditions. We manage these risks through strategic business planning and proactive engagement with stakeholders, ensuring our operations remain adaptable to changing market conditions.

2.2 Environmental

We are dedicated to minimising the environmental footprint of our operations. Emeco follows a comprehensive Environmental Management Policy to ensure that we meet or exceed regulatory standards, particularly around waste management and the use of hazardous substances. Additionally, we focus on reducing our carbon footprint by improving energy efficiency and investing in technologies that lower our greenhouse gas emissions. Our ongoing work to enhance climate reporting is in preparation for Australia's evolving regulatory landscape on climate change.

We have adopted a "measure to manage" philosophy to improve our understanding of our environmental risks, and we continue to engage with our industry partners (suppliers, customers, etc.) on Emeco's environmental impacts and considerations. During FY25, we continued to build our capabilities in emissions data collection and analysis. Section 4 of this report shares some of our greenhouse gas (GHG) emissions estimates, which will be refined as we collect more data and develop our calculation methodologies. This work was also undertaken in preparation for the introduction of mandatory climate-change reporting in Australia under the new regime established by the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024 (Cth)*, which adopts the Australian Sustainability Reporting Standards (ASRS) and is applicable for the Group for FY26.

2.3 Social

Emeco recognises that social risks, including health and safety concerns, are crucial to our long-term success. We continue to foster a safe and inclusive workplace for all employees, as well as prioritising the well-being of the communities we serve. We invest in training and resources for employees focused on health, safety, wellbeing and upskilling. Emeco identifies threats to the health and safety of our workforce and the communities in which we operate as a material social risk, which we actively seek to minimise. Significant risks in Emeco's operations that could result in serious injury or fatality have been identified and categorised into a number of critical focus areas, managed through Emeco's Core Risk Control Protocols (supported by Emeco's set of Lifesaving Rules). Further details on Emeco's people and safety initiatives are included in Section 3 of this report.

2.4 Supply chain

Throughout FY25 our procurement program delivered substantial value and strategic alignment across the organisation, demonstrating Emeco's commitment to financial sustainability and continued improvement on our ESG journey. Notably:

- We successfully reduced our supplier base from over 2,000 to fewer than 1,000. This has streamlined operations, enhanced supplier relationship management and enabled stronger negotiation and value attraction positions through aggregation of spend.
- We grew our spend under contract from 26% to 65%, significantly improving cost predictability, compliance and risk mitigation. This underscores our commitment to structured, value-driven sustainable procurement practices.
- Emeco increased engagement with First Nations suppliers through embedding indigenous participation in sourcing activities, adding five new First Nation businesses to our supplier base. Emeco also utilises distributorship arrangements for the industrial hardware and stationary categories, leveraging their existing relationships to channel spend to indigenous suppliers.
- In an effort to reduce emissions Emeco has reviewed its light vehicle fleet and is aiming to displace 10% of the current fleet with alternative fueled or hybrid vehicles by the end of FY26.

2.5 Modern slavery

Emeco is committed to continuously improving our human rights and modern slavery governance framework in order to create meaningful value and be a partner of choice in our industry. We assess and seek to mitigate the risks of modern slavery in our operations and supply chain at the time of vendor engagement and conduct periodic analysis of our supplier pool and spend profile has consistently indicated that the risk of modern slavery for Emeco is relatively low. This analysis will continue at regular intervals to help identify any spend categories, suppliers or supplier groups that may present heightened modern slavery risk factors. Emeco engages a third party to do a deep analysis of the human rights risk in our supply chain annually, providing increased visibility of risk and allowing action as required.

Each year, in accordance with our reporting requirements under the Modern Slavery Act 2018 (Cth), Emeco publishes a Modern Slavery Statement summarising the Group's actions in this area. Prior years' statements are available on the Company's website. Emeco's FY25 Modern Slavery Statement will be published during FY26 (covering the actions and undertakings of the year just ended).

2.6 Technology

Emeco continues to prioritise Technology investment across three key areas to drive business performance and enable a resilient, modern and digital enterprise.

- Enterprise Digitisation (Internal) - Emeco continues to invest in digital systems and automation across the enterprise to drive operational efficiency and enable our people to execute at their best. This includes standardising work practices, enhancing field productivity, improving data integrity and reporting, and ensuring secure, scalable systems that support consistent execution across the business.
- Operational Technology Enablement (Internal) - Emeco leverages operational technology to deliver a reliable and high-performance mid-life asset solution. Through the integration of machine telemetry, condition monitoring, and centralised asset management services, we are rapidly progressing to real-time diagnostics and predictive maintenance, leading to asset protection. These growing capabilities underpin improved fleet performance and availability for our customers.
- Commercial Technology Solutions (External) - Our externally facing operational technology (OT) solutions enable our mining customers to manage their fleet onsite and improve operational

performance, safety, and reduce carbon emissions. Emeco's commercial technology solutions are additional value-add solutions, focused in and around fleet and aligned with our core business.

FY25 key programs include:

- Continued advancement of our Emeco Operating System (EOS) Operational Technology (OT) platform for both internal and external benefit. As part of EOS 2.0 due in FY26 we expect to enhance our ability to measure actual fuel use by our machines being deployed at our customers' projects. This knowledge will augment the OEM published generic information to enable us to refine our emissions calculations. As of June 2025, we have EOS installed on approximately 260 machines, and plan to upgrade 200 of these to EOS 2.0 in FY26.
- Modernisation of our Enterprise Resource Planning (ERP) and Human Capital Management (HCM) platforms.
- New Field Digital Work Management Solution to improve standard work, data capture, quality control, and field productivity. Contract and Project Management Standardisation and Digitisation to improve overall commercial contract lifecycle.
- Business Intelligence Platform - continued adoption of business intelligence reporting to enable informed and fast decision making, drive performance, cost management, and competitive advantage.
- IT Infrastructure, Cybersecurity, and End-User-Computing life cycling, improvement and up-keep programs.

3. People

3.1 Health and safety

Ensuring the safety of our workers is our highest priority. We are committed to creating a safe and healthy work environment by implementing comprehensive safety and health processes, providing regular training, and fostering a culture of awareness and responsibility. Every worker has the right to work in a safe and supportive setting, and we strive to uphold the highest standards of safety to protect our most valuable asset – our people.

Our priorities align with the key objectives of our Health, Safety and Environment and Training (HSET) strategy, which aims to embed safety in the workplace. We believe a safe workplace is the foundation of a strong organisation. To this end, we have established health and safety protocols that are regularly reviewed and updated in keeping with industry standards and regulations. The HSET Plan brings focus to our safety culture and continually improves the physical safety of our workplaces and systems of work. In FY25, we maintained a significant focus on identifying and eliminating critical risks that could lead to a fatality or serious incident with a laser focus on disciplined safety fundamentals, including review of our Critical Risk Bowties, transition of our critical control verifications to our existing Safety Management System and further implementation across the Group.

3.2 Risk management

We safeguard our people, reputation, assets, and the environment by understanding and managing risk, as well as by ensuring that we identify opportunities to best serve the long-term interests of all our stakeholders. Risk management at Emeco, including specific elements of financial risk management, is overseen by the Board through the Audit and Risk Management Committee, which is chaired by an independent non-executive director. The Committee operates in accordance with an approved Charter and assists the Board with overseeing and monitoring the Company's risk management system. The Committee is tasked with periodically reviewing, and suggesting any necessary amendments to, the Company's risk management framework, risk register and risk appetite positions.

At an operational level, providing a safe place of work requires significant effort to ensure workplace hazards are recognised and that the risks posed by these hazards are managed. We focus on the most significant hazards and on the critical activities, systems, and hardware that control our people's exposure to those hazards. This effort is guided by a safe system of work that encompasses the policies, standards, processes, and procedures that direct our people on how work is to be done – with particular focus on the critical controls.

3.3 Safety performance

The ultimate success in achieving a zero-harm workplace depends on the engagement of Emeco's people. We continue investing in the training and development of our personnel to enhance our capabilities as an organisation, particularly with respect to safety performance. Emeco's safety performance for FY25 is summarised below :

- There were zero fatalities recorded across the Group's operations (zero in both FY25 and FY24).
- The Lost Time Injury Frequency Rate (LTIFR) was zero as of 30 June 2025 (unchanged from zero in the prior year).
- The Total Recordable Injury Frequency Rate (TRIFR) was 3.4 up from 2.8 in FY24.

Table 3 below presents our safety performance frequency rate measures for FY25 compared to the prior year, and Table 4 provides a five-year view of Emeco's LTIFR and TRIFR performance trends.

Table 3: Safety performance frequency rate measures

	TRIFR	LTIFR	RWIFR	MTIFR
FY25	3.4	0.0	2.1	1.3
FY24	2.8	0.0	0.3	2.3

RWIFR = Restricted Work Injury Frequency Rate. *MTIFR* = Medically Treated Injury Frequency Rate.

Table 4: Five years of average annual LTIFR & TRIFR performance

	FY25	FY24	FY23	FY22	FY21
LTIFR	0.0	0.0	0.3	0.0	0.0
TRIFR	3.4	2.8	3.2	1.9	2.1

FY23 TRIFR was restated from 2.9 to 3.2 due to a data correction.

3.4 Training management

Training is the cornerstone of our health and safety strategy. We provide ongoing education and training programs to ensure that all workers are well-versed in safety practices and procedures. This includes initial training for new workers as well as continuous learning opportunities for existing employees. Detailed reviews have been undertaken of each work area's training needs to ensure our training content reflects the requirements of our workforce and our business. We continually review, standardise and deliver training programs associated with the identification and control of hazards, including structured processes such as Job Safety Environmental Analysis (JSEA), Hazard Identification and Risk Management training.

To ensure workers arrive on site job-ready, face-to-face (classroom) maintenance Inductions are held each week. This induction includes general maintenance information, verification of competency on specific equipment, and training in Emeco's safety system. Emeco's HSET Plan brings focus to our safety culture, and in FY25 it continued to drive the development and implementation of a range of initiatives, including:

- Updated training requirements and operator manuals: Completion of updated operational training requirements across all business units, including the rollout of new equipment-specific mobile plant operator training manuals and associated workshop equipment.
- Implementation of Project Manager / Supervisor Training Program for new and existing leaders.
- Review and update Emeco's HSET Management Plan.
- Statutory Supervisor training: Ongoing delivery of statutory supervisor training to ensure all supervisors meet regulatory and company requirements.
- Internal safety audits: Continued internal Safety Management System audits conducted at multiple sites to verify compliance and identify improvement opportunities.
- Commenced developing contaminant monitoring program for our Force Workshops
- Document management system upgrade: Adoption of a new internal document management system with enhanced features for document sharing and version control.
- Undertake transition of Critical Control verification to existing Safety Management System and rollout applicable training.

These initiatives build upon the foundation laid in the prior year and are aimed at continuously strengthening Emeco's safety management system and culture.

3.5 People and culture

Our people are key to Emeco's success. With changing market forces and increasing demand for skilled labour, Emeco continues to invest in developing the skills of our employees not only to aid our business, but also to benefit those employees' own career growth. Emeco believes that this approach will help reaffirm and maintain our position as an employer of choice.

Our apprenticeships program, and upskilling of employees in general, remain important focus areas for Emeco's People & Culture strategy. We aim to have up to two intakes of apprentices each year. During FY25, around 11 new apprentices commenced their training with us, and about 15 apprentices completed their training. At the end of FY25, we had approximately 64 apprentices progressing through their training.

Emeco's People and Culture team also drives our Community Grants program, where employees can nominate community groups to receive grants that help fund those groups' activities. The program, launched in FY21, has been making modest contributions to community causes that our employees identify as meaningful to them. The grants totalled approximately \$174,895 in FY25, up from about \$120,000 in FY24. Our criteria for community giving have so far focused on projects that promote youth and junior sports and physical activity, or that care for the mental wellbeing of our workers and their families.

Emeco uses "Myosh" – a health, safety and environment management platform – to capture a variety of workplace interactions and data. In FY25 we continue to use the "People and Workplace Culture Discussion" module in Myosh, to formally recorded interaction to help us learn from conversations about workplace culture. The module consists of a set of questions designed to prompt and guide managers when checking in with team members, with the objective of encouraging our teams to consider workplace culture as an integral contributor to, and driver of, health and safety outcomes. The guide within this module is centred around Emeco's core values of accountability for our work, pride in our work, open communication, personal and professional growth, family, and teamwork. The information gathered from these interactions help to surface and address any cultural issues that might impact safety or wellbeing.

3.6 Workforce profile

In FY25, our focus was on the retention and growth of our skilled workforce. We recognize that workforce stability and quality are essential to fostering a positive workplace culture – which is crucial for delivering exceptional service to our customers and creating value for our investors and the communities in which we operate. Consequently, our ongoing efforts have been directed towards reducing dependency on subcontracted labour by attracting, retaining and developing a high-quality permanent workforce. Following the divestment of Pit N Portal in FY24, Emeco rightsized the business to ensure workgroups aligned with our operational needs. As of 30 June 2025, Emeco's total headcount was 909, down from 942 in FY24.

Detailed below are the numbers of employees at FY25 year end, broken down by employment type, job classification, gender and age demographics.

Table 5: Workforce by contract type

	Full Time	Part Time	Casual	Total
FY25	791	8	110	909
FY24	832	15	95	942

Table 6: Workforce by job classification, gender and age

Job classification	Total	Gender		Age			
		Female	Male	< 30	31-40	41-50	51+
CEO	1		1				1
Key Management Personnel	1	1					1
General Managers and Senior Managers	21	4	17		6	10	5
Other Managers	32		32	2	14	10	6
Professionals	99	29	70	11	43	21	24
Sales	8	1	7		2	2	4
Clerical & Administrative	77	57	20	29	22	14	12
Technicians and Trades	546	6	540	154	187	133	72
Apprentices and Trainees	64	2	62	59	4	1	
Machinery Operators & Drivers	27	2	25	3	6	13	5
Labourers	33	3	30	8	12	8	5
Total	909	105	804	266	296	212	135

3.7 Diversity

At Emeco, we value and embrace diversity and inclusion as fundamental pillars of our organisational culture. We believe that a diverse workforce – inclusive of various backgrounds, perspectives, and experiences – fosters innovation, enhances decision-making, and drives business success. Our commitment to creating an inclusive environment ensures that every team member feels respected, valued, and empowered to contribute to their fullest potential.

Each year, Emeco's Board sets measurable objectives to achieve greater workplace diversity. These objectives aim to build a more diverse workforce and to promote diversity and inclusion across all levels of the organisation. At the Board level, gender diversity remains a priority when considering changes to the Board's composition, with Emeco striving to meet the gender diversity objectives set out in the ASX Corporate Governance Principles and Recommendations.

Overall, women represent 11.5% of our total workforce, and approximately 34.6% of employees in non-technical/support roles, as at the end of FY25. Women made up about 9.3% of new hires across all roles during the year, and 22.9% of new starters in non-trade/non-technical roles. Female representation at senior management levels is approximately 22.7%, we are committed to developing and promoting female talent in leadership positions. We continue to focus on improving these metrics, and we remain focused on initiatives to recruit, develop, and retain women at Emeco.

Where an employee has self-identified as having family heritage from Australia's First Nations peoples, we record this information. Based on available data, around 3.8% of our workforce at the end of FY25 identify as Aboriginal or Torres Strait Islander, and we are working to improve the completeness of this information through voluntary self-identification opportunities.

Workplace Gender Equality Agency (WGEA) Report: In accordance with the requirements of the Workplace Gender Equality Act 2012 (Cth), Emeco's annual compliance report is submitted to the Workplace Gender Equality Agency each year by the required date. The public reports are available in the sustainability section of Emeco's website. Emeco's FY25 WGEA report was submitted in line with all WGEA reporting requirements.

4. Climate Change

We recognise that climate change is one of the most significant challenges facing the world today. We acknowledge the Australian mining industry has a role to play in driving the transition to a lower carbon economy. Emeco has operations in all key mining regions of Australia, with customers including mining companies and contractors across gold, iron ore, metallurgical coal, nickel, thermal coal and copper. As a responsible business in the mining sector, we place value on identifying, assessing and reporting on our actions to address climate change. Our Climate Change Statement is on our website (<http://www.emecogroup.com/sustainability>)

The legislation underpinning mandatory climate-related financial disclosures - the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024 (Cth)* - passed Parliament on 9 September 2024. Emeco is a liable entity under this legislation. Mandatory reporting for Emeco will commence from 1 July 2025 for the FY26 year, meaning that our first mandatory climate change disclosures will be included in our end-of-year reporting in next year's Annual Report (FY26).

We are currently working across the Board and Management to complete a work program aligned to the requirements set out in the legislation and in the new Australian Accounting Standards Board's standard S2 *Climate-related Disclosures*. Our current gaps are largely linked to our Scope 3 greenhouse gas (GHG) emissions, which materially outweigh our operational emissions. As a result, we are working with our supply chain partners to better understand and quantify our Scope 3 emissions. This information is critical to setting meaningful targets and developing a transition plan for our full supply chain. Working with our upstream suppliers and our downstream customers who rent our equipment is an opportunity to forge even stronger relationships.

We are also updating our governance and risk management and frameworks to ensure that our business is well attuned to climate change risks and opportunities. In FY25, Emeco established its inaugural ESG Committee to manage ESG risks and opportunities and to prepare the Company for its mandatory reporting obligations. Membership of this committee includes key executives including the Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, General Counsel, General Manager of HSE and General Manager of HR. The board is represented by the Managing Director and Chief Executive Officer at this Committee. Emeco recognises climate change as a material risk – further details are outlined in the Business Risks section of this annual report. This work will continue during FY26.

4.1 Greenhouse Gas Emissions

With respect to GHG emissions, Emeco has adopted definitions set out in the National Greenhouse and Energy Reporting (NGER) Scheme and summarised below:

- **Scope 1 emissions** are emissions released into the atmosphere as a direct result of the activities at an organisation's facilities.
- **Scope 2 emissions** for a facility represent emissions that are released outside the facility boundary to produce electricity that is imported into the facility and used.
- **Scope 3 emissions** are indirect emissions other than Scope 2 emissions. These occur outside the boundary of an organisation as a result of the organisation's actions.

FY23 is our base year. Our operational GHG emissions – Scope 1 + Scope 2 emissions – are very low. As a result, Emeco is below the threshold for mandatory reporting under the NGER Scheme. Significantly higher levels of emissions have been identified across our value chain, and we are developing methodologies with our customers and suppliers to refine our estimates of Scope 3 emissions.

We have used emissions factors for the relevant years from the National Greenhouse Accounts (NGA) Factors published by the Commonwealth Department of Climate Change, Energy and Water. The most recent NGA Factors 2024 can be found at <https://www.dcccew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2024>

4.1.1 Operational GHG Emissions

We have determined that our main source of Scope 1 emissions is the diesel we purchase and use in our light vehicles and equipment operated by the Company. This excludes the diesel used in mining equipment which we rent to customers – as we do not operate, nor supply fuel for, the rental equipment. The GHG emissions from the diesel combusted in our rental fleet by our customers are included in our Scope 3 emissions.

As our company-operated light vehicles and equipment reach effective life and are retired, we plan to incorporate into our fleet vehicle models that are marketed as being more fuel efficient than conventional or older diesel models. Where feasible, Emeco is committed to the transition of its light vehicle fleet to hybrid and full electric vehicles. We will monitor our fuel usage and compare this with the advertised fuel efficiency, to

guide future decisions around model selection. We are exploring deployment of in-vehicle monitoring systems (IVMS) in the majority of our light vehicles, which will enable us to optimise fuel usage by our employees through enhanced monitoring systems.

Electricity is purchased for use at sites we control. All such sites are leased, not owned, by the Group. We do not control the sites of our customers and of other third parties, where our equipment is supplied for rental, and our workforce is deployed at times. During FY25, we had control of, and paid for electricity supplied to, 15 operational sites located across four electricity networks, as outlined in Table 2 and 3.

Of the 15 sites included in this estimate, 9 sites each had over 100 MWh of electricity usage during FY25; and 7 sites had over 300 MWh each. During FY25, we worked with solar technology providers and owners of some of our larger sites to assess the feasibility of introducing solar generation to those sites, with a view to reducing our reliance on network electricity. As a result, we made an investment in solar PV panels on the roof of our Kalgoorlie workshop. At the end of the year, the investment into solar PV panels for our Kalgoorlie workshop has reduced the facility's Scope 2 emissions by over 24 tonnes of carbon dioxide equivalent (tCO₂e) and reduced electricity costs by about \$7,000. It is anticipated that the Guildford and Forrestfield workshops will have solar PV panels installed and operational in FY26.

Aside from the operational sites included in the estimate in Table 3, we pay for electricity at a number of other locations, predominantly residential properties provided for staff accommodation in remote locations. We estimate the 15 sites included in this report account for over 90% of the total electricity we purchased in FY25.

As shown in Table 10, our total operational emissions in FY25 were 5,402 tCO₂e.

Table 7. Diesel purchased for company owned and operated vehicles (kilolitres)

	FY25	FY24	FY23
Diesel purchased	892	1,169	1,096
Variance vs PY	-15%	+7%	

Table 8. Main sites using purchased electricity.

WA – Southwest	WA – Northwest	QLD	NSW
Perth workshops, warehouse and head office (x4)	Port Hedland and Newman workshops (x2)	Mackay workshops and warehouse and Brisbane office (x5)	Rutherford and Gunnedah premises (x2)
Kalgoorlie workshops and warehouse (x2)			

Table 9. Electricity purchased (MWh)¹

Electricity purchased	FY25	FY24	FY23
WA - Southwest	1,980	1,955	1,771
WA - Northwest	459	680	745

¹ Electricity quantities are estimated from purchase records and vendor provided meter readings

QLD	881	913	826
NSW²	572	656	692
Total	3,892	4,204	4,034
Variance vs PY	-7%	+4%	

Table 10. Operational GHG emissions (tCO₂e)

	FY25	FY24	FY23
Scope 1 emissions	2,988	3,178	2,978
Scope 2 emissions	2,414	2,570	2,474
Total	5,402	5,748	5,452
Variance vs FY23	-6%	+5%	

4.1.2 Scope 3 Emissions

Emeco is the largest provider of rental equipment to the mining sector in Australia. We are also Australia's largest maintenance and component rebuild services provider, with workshops located in all key mining regions. Our business supports the circular economy by extending the working life of key assets in the mining sector. As a result, less virgin materials are required to produce new equipment. This approach reduces GHG emissions across the value chain for the mining sector in Australia. In addition, we refurbish our own powertrain and engines in-house, further promoting the circular economy by enabling local rebuilds and reducing the need to transport used components to distant facilities.

We are progressing work to map our Scope 3 emissions. We expect that the largest source of our Scope 3 emissions is the combustion of diesel fuel in the heavy mining equipment which we supply for hire. Our customers (or their customers) operate and supply fuel for this rental equipment, which results in the associated emissions being outside the boundary of our organisation.

We have made preliminary estimates using service meter units (SMUs), operating hours logged by our surface mining fleet (i.e. excluding underground equipment), and medium load fuel consumption statistics provided in a recent edition of the Caterpillar Performance Handbook. This estimate is in the vicinity of 500,000+ tCO₂e per year of Scope 3 emissions from mapping nearly 90% of SMUs for our surface mining fleet during FY25, FY24 and FY23.

Emeco Operating System (EOS) is Emeco's fleet-optimisation technology platform which tracks shift performance in real-time. As we further develop our EOS technology, we expect to enhance our ability to measure actual fuel use by our machines being deployed at our customers' projects. This knowledge will augment the OEM published generic information to enable us to refine our emissions calculations. EOS is being developed to provide actionable insights to help identify machines with higher-than-expected fuel burn or emissions, enabling targeted maintenance interventions that will improve overall fleet efficiency. As of June

² Quantity reported for NSW includes approximately 80% which is passed through to a sublease of our Rutherford site.

2025, we have EOS installed on approximately 260 machines, and plan to install EOS across another 50 machines in FY26.

Emeco, through its wholly owned subsidiary Force, has partnered with equipment manufacturer XCMG, to support the introduction of a battery-powered fleet into one of Emeco's customer's mining operations in Western Australia. Services to be provided to XCMG include equipment commissioning, training, onsite labour and field maintenance, warranty servicing and repairs, offsite rebuild and engineering services, as well as project management and advisory services. Force's existing national workshops and labour footprint will be utilised in partnership with XCMG's technicians, parts and equipment inventory.

Key elements of Emeco's strategy have been enhancing our technology-driven capabilities, as well as supporting the energy transition in the mining industry. Our partnership with XCMG is our first step into next generation battery-electric technology and provides a pathway to become a leading Australian provider of maintenance services for battery-electric mining fleet.

We expect another material source of our Scope 3 emissions to be from the production of iron and steel which is used in machinery parts that we purchase for our own fleet and for our customers' machines. We will work with manufacturers and industry partners to explore a robust methodology for estimating these upstream emissions.

4.2 Scenario analysis

During FY25, senior Emeco management engaged in scenario analysis to test the resilience of our strategies under both a 1.5°C scenario for transition risks and opportunities and a 3-4°C scenario for physical climate change risks.

4.2.1 Transition risks and opportunities: 1.5°C scenario

In 2021, the International Energy Agency (IEA) published its World Energy Outlook (WEO-2021) which included a new scenario for net zero emissions (NZE) by 2050. In this NZE scenario, CO₂ emissions are net zero in 2050 globally, and the rise in temperature reaches a maximum level of just over 1.5 °C around 2050 and by 2100 the rise in temperature falls to around 1.4°C.

It is this rapid reduction in GHG emissions over the period 2020-2050 that makes this scenario a stress test for assessing transition risks and opportunities.

Key global signposts for Emeco taken from IEA's NZE scenario include:

- Global energy-related and industrial process CO₂ emissions fall from a peak of ~37 gigatonnes (Gt) in 2022 to ~21 Gt in 2030 and to net zero in 2050. CO₂ emissions in advanced economies as a whole fall to net zero by about 2045.
- Carbon prices in advanced economies increase from \$US75 per tonne CO₂ in 2025; to \$130 by 2030; to \$205 in 2040; and to \$250 in 2050. Rising carbon prices provide the incentive to drive technological innovation and consequently reduce emissions.
- The fastest and largest reductions in global emissions are in the electricity sector, with emissions dropping in this sector by nearly 60% by 2030 mainly due to major reductions in generation from coal-fired plants.
- All subcritical coal-fired plants are phased out by 2030 and all plants without carbon capture, use and storage (CCUS) are phased out by 2040.
- In order to meet the net zero emissions outcome in this scenario, thermal coal demand falls quickly in the 2020s, declining by 7% on average each year to 2030. The sharp demand for thermal coal means that there are no new coal mines or coal mine lifetime extensions.
- As a result of the lower demand for thermal coal, coal prices fall in major markets in 2030, and prices are even lower by 2050.
- The share of renewable energy more than doubles from 2020 to 2030 and reaches 88% by 2050.
- In the transport sector, average fuel consumption of internal combustion engines (ICE) heavy truck fleets improves dramatically from 2020-2050.
- There is a transition away from oil in the transport sector - the share of electric, hydrogen and hybrid vehicles in total heavy vehicle sales increases from zero in 2020; to 30% in 2030; 84% in 2040; and 99% by 2050. By 2050, nearly all heavy trucks sold are electric or fuel cell.
- With the growth in renewable generation, new transmission and distribution infrastructure and battery storage, the demand for some minerals will grow. Demand for critical minerals for clean energy applications quadruples between 2022 and 2030.

These signposts from IEAs NZE scenario give Emeco confidence that opportunities will exist to offer options for diesel replacement – our biggest source of emissions in the value chain. We will continue to work with OEMs and our customers to monitor signposts for the availability of heavy-duty vehicles that are not reliant on fossil fuels. With this information, we will partner with OEMs and our customers to trial new low-emission vehicles. In parallel, we will explore bridging technologies such as hybrid systems and hydrogen injection to reduce emissions and extend the viability of our existing fleet during the transition.

The signposts for the global outlook for thermal coal are also important as thermal coal mining represents about 18% of our revenue. We recognise the opportunity to work with customers in the forward-facing commodities and emerging critical minerals. The scenario signposts are useful in reviewing our strategy through a different lens. Using the scenario analysis and observing the signposts for emerging trends we can build confidence that our own strategies are aligned with the transition to a lower carbon future.

4.2.2 Physical climate change risks: 3-4°C scenario

We explored physical risks under 3-4°C scenarios using data from the IPCC's Sixth Assessment Report and various Australian specific reports including from the CSIRO and Bureau of Meteorology. There is strong value in using high emissions scenarios to stress test how extreme events could potentially impact our operations.

Risks related to the potential physical impacts of climate change include acute risks resulting from increased severity of extreme weather events and chronic risks resulting from longer-term changes in climate patterns, rising temperatures and rising sea levels.

It was noted that mining operations in Australia are often in zones prone to extreme weather events and are therefore exposed to potential disruptions. Physical climate change risks are potential threat multipliers for our operational risks, for example the operational risk of flooding at a customer site is a potential threat to not only asset integrity, but to our people and our bottom line.

It is important to integrate our physical climate change risks and planning into our risk register, insurance negotiations and decision-making processes, for example in any new mining services contract we should request that our customers provide their risk assessments of physical climate change risks and their plans to build climate resilience into their activities.

While our workshops, equipment used on customers' sites and our people can be exposed to physical impacts, adaptation plans for mining operations are largely the responsibility of our clients. Opportunities to collaborate and expand our learning are therefore crucial to ensure risks are managed in partnership with others and maladaptation is avoided.

A summary of climate change physical impacts under 3-4°C scenario is provided below.

- Flood
 - Disruptions to customers' onsite operations e.g. failure of tailings storage facility; pit flooding; equipment failure or damage from water exposure can all impact Emeco's financial performance
 - Emeco's own equipment can be impacted by in pit flooding
- Water stress/ drought
 - Disruptions to customers' onsite operations due to failure of tailings storage; lack of water for dust suppression; and general water supply constraints can all impact Emeco's financial performance
- Heat extremes
 - Increased stress on employees – health and safety risks – both at customers' sites as well as at Emeco's workshops
 - Reduced productivity
 - Disruptions to customers' onsite operations from rail buckling which impacts on supply chains and can impact Emeco's financial performance
- Bushfire
 - Safety risk to Emeco employees at customers' sites
 - Disruption to customers' onsite operations and supply chains can impact Emeco's financial performance
- Tropical cyclones
 - Safety risk to Emeco employees at customers' sites and at Emeco's workshops in northern Australia
 - Disruptions to customers' onsite operations due to wind and flood damage can impact Emeco's financial performance

- Coastal infrastructure inundation and damage
 - Disruptions to customers' operations and supply chains can impact Emeco's financial performance