

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 2022 (**FY22**).

Throughout FY22 Emeco has continued to maintain a strong commitment to its people, systems, environment, and the community.

In FY22, Emeco commenced the development of its inaugural ESG Strategy. As part of this, benchmarking and stakeholder engagement was undertaken to determine current state of ESG performance at Emeco and to identify common ESG themes across the sector. A materiality assessment was then undertaken to identify eight ESG themes that are considered material to Emeco. Actions, metrics and targets associated with identified actions are being finalised for each material theme, and to be implemented from FY23.

Update on the progress of the strategic action plan will form part of our ongoing ESG reporting.

1.1 Report boundary

References to Emeco in this report cover all Emeco's operations, except where explicitly stated.

1.2 Our stakeholders

Table 1 sets out Emeco's key stakeholder groups together with how Emeco engages with those stakeholders, relevant topics, and concerns. Where appropriate, these topics are addressed throughout the report.

Table 1: Stakeholder engagement

Stakeholder Group	Methods of engagement	Topics and concerns
Investors	Investor relations meetings and calls, investor conferences, semi-annual financial performance reporting, annual general meeting, email communications	<ul style="list-style-type: none"> Company performance Strategy and outlook Financial and non-financial risk mitigation Capital management Corporate governance
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 CEO to operational site-based staff	<ul style="list-style-type: none"> Safety Contract terms and conditions Customer requirements Customer future needs Emeco performance
Employees	In person, survey, email communications, Emeco's intranet, inductions, in-house training, staff and safety meetings, HR communications	<ul style="list-style-type: none"> Job security, remuneration and benefits Safety and risk management Training and development Work prioritisation

Stakeholder Group	Methods of engagement	Topics and concerns
		<ul style="list-style-type: none"> • Company performance, outlook and strategy • Performance reviews
Suppliers	<p>Supply related enquiries, tender and/or quote responses</p> <p>Emeco continues ongoing relationship management with suppliers</p>	<ul style="list-style-type: none"> • Supply chain opportunities and/or issues • Security of supply • Pricing and discounts • Contractual terms and conditions • Modern Slavery

2. Material sustainability risk

Emeco identifies and manages material exposures to economic, environmental, social sustainability and COVID-19 risks in accordance with its risk management framework.

2.1 Economic

Emeco's material economic risks are outlined in the Annual Report, which is available at www.emecogroup.com.

2.2 Environmental

Emeco conducts its operations to minimise environmental impact and its policy and procedures relating to waste management ensure compliance with environmental protection legislation. Environmental risk inspections undertaken across our operations drive the proactive monitoring of this policy.

Environmental hazards including but not limited to pollutants, hazardous chemicals, noise, and respiratory irritants continue to be monitored through health surveillance procedures.

There were no significant environmental incidents reported by any Emeco operations in FY22.

A copy of Emeco's Environmental Management Policy is available at www.emecogroup.com.

2.3 Social

Emeco is committed to providing a safe and inclusive workplace that attracts, retains, and develops people. Emeco identifies safety threats to the workforce and community as a material social risk. Significant risks in Emeco's operations that could result in serious injury or fatality have been identified and categorised into 16 focus areas that are managed by Emeco's Core Risk Control Protocols. These protocols are supported by Emeco's Lifesaving Rules.

Further details on Emeco's people and safety are included in Section 3.

2.4 Modern slavery

Emeco has implemented a multi-prong strategy to assess, identify and mitigate the risks of modern slavery in our operations and supply chain. We remain committed to making continuous improvements in our human rights and modern slavery governance framework and being a trusted partner of choice, creating meaningful value for customers and shareholders over the long term.

The detailed slavery analysis conducted by Emeco (aided by specialists and technology providers) in relation to its suppliers in FY22 has noted that the risk for Emeco continues to be relatively low.

Notwithstanding this, Emeco intends to continually improve its approach to the risk of modern slavery. During FY22 Emeco:

- Reviewed key policy documents including Emeco's Human Rights Policy and Supplier Code of Conduct, ensuring Emeco maintains strong corporate governance and management oversight
- Further refined its onboarding processes including introducing amendments to the RAPID Questionnaire introduced in FY21. This is an integral tool to help Emeco identify suppliers where additional assistance or monitoring of modern slavery indicators may be required
- Introduced new procedures for labour hire suppliers, including refining contractual requirements for labour hire suppliers to undertake numerous actions to mitigate the risk of modern slavery
- Continued to roll out modern slavery training for key individuals within Emeco to provide them with the knowledge to help mitigate modern slavery risk in our operations and supply chains

Each year, in accordance with its reporting requirements under the Modern Slavery Act 2018 (Cth), Emeco publishes a Modern Slavery Statement for Emeco and its consolidated subsidiaries summarising its actions in this area. Copies of Emeco's FY20 and FY21 statements are available on Emeco's website at <https://www.emecogroup.com/who-we-are/sustainability/>. Emeco's FY22 modern slavery statement will be published in accordance with the requirements under the Modern Slavery Act.

2.5 COVID-19

The safety of Emeco's workforce remains a top priority. Emeco's COVID-19 response was swift and thorough, supported by responsive policies concerning travel restrictions, social distancing, isolation and hygiene, response plans both at Emeco and client premises and fitness for work declarations.

Throughout FY22, COVID-19 has continued to be a focus with the business effectively responding to changing situations in varying state restrictions. COVID-19 impact on our people and their families were front of mind and we supported our workforce with increase access to support services and initiatives to minimise impact on our people's health, wellbeing and financially.

Security of supply is continually assessed and managed, as are labour requirements and rosters with the aim to minimise the impact on individuals and operations.

COVID-19 management is underpinned by consistent communication from the CEO and senior leadership team.

3. People

3.1 Health and safety

Emeco's strategy and approach to safety remains at the core of the way Emeco conducts its business. Emeco continues to embed a zero-harm objective across all operations. Safeguarding the lives and health of Emeco's people is integral to Emeco's operational discipline.

Emeco has developed a HSET Strategic Plan that is overseen by Emeco's General Manager, HSET and representatives of the Leadership Team. This team is responsible for the execution of the Plan. The Plan brings focus to our safety culture, improving the physical safety of our workplaces and systems of work. In FY22 the HSET Strategic Plan has driven the following activities:

- Implementation of Area Specific Inductions, to inform people, both new to and existing in the mining industry, about hazards and controls specifically associated with their work area
- Implementation of new mobile plant operations training manuals
- The review and update of Emeco's Risk Management Framework to reflect changes in legislation

3.2 Risk management

We safeguard our people, assets, and the environment by understanding and managing risk, as well as ensuring we identify opportunities to best serve the long-term interest of all our stakeholders.

Risk management, including specific elements of financial risk management, at Emeco is overseen by the Board through the Audit and Risk 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.

To provide a safe place of work, significant effort goes into ensuring workplace hazards are recognised and the risks posed by these hazards are managed. We explicitly focus effort on the most significant hazards and the activities, systems or hardware that are used to control people's exposure to these hazards. This effort is guided by a safe system of work that encompasses the policies, standards, processes, and procedures that provide direction and guidance to our people on how work is to be done with a 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 to focus on the development of our personnel to improve our capability with training and development being an even larger focus going forward.

The Lost Time Injury Frequency Rate (**LTIFR**) across Emeco remained at nil as at 30 June 2022, and a Total Recordable Injury Frequency Rate (**TRIFR**) of 1.9.

Emeco continues to focus on reducing injuries in the workplace through implementing risk assessment practices and leadership safety interactions.

There were no fatalities recorded across Emeco operations for FY22.

Table 2: FY22 Safety Performance Frequency Rate measures

	TRIFR	LTIFR	RWIFR¹	MTIFR
Emeco Group	1.9	0.0	0.3	1.6

Table 3: Five years of average annual LTIFR & TRIFR performance

	FY22	FY21	FY20	FY19	FY18
LTIFR	0.0	0.0	0.0	0.0	0.0
TRIFR	1.9	2.1	2.9	4.6	1.2

3.4 Employee development

People are a key to Emeco's success. Emeco continues to support its workforce in their work and personal lives. Emeco provides readily available employee assistance via a third party to all employees and their extended families.

In FY22, Emeco has continued to target greater employee engagement and focus on long-term employee retention and development. Investment in training and development of Emeco's people enables them to fulfil their role requirements effectively and expand their necessary skills for personal development.

Emeco increased the number of apprentices in the business by 37.5% to 88 in FY22 in a variety of disciplines and included numerous adult apprenticeships and we retained our existing and recruited another female apprentice. Apprenticeship development continues to remain an important focus for the business.

Emeco progressed with Project Align in FY22, building on the success of launch in FY21. After engaging with the workforce to establish the shared vision and values of the Company and its people, FY22 is about embedding these Vision and Values across the entire workforce. John Worsfold, General Manager People and Culture, and Ian Testrow, CEO, trained senior leaders on the new vision and values so they could effectively embed into the daily practices in their teams.

Project Align's Community Grant program in FY22 involved employees nominating over 40 organisations for Community Grants. Of these, 23 organisations were successful in fitting the criteria and received cash grants.

Emeco Group also remains as a Partner to Lifeline WA through its financial contributions as requested by our employees via survey.

As an equal opportunity employer Emeco is committed to working in partnership with the Indigenous communities to increase their job opportunities within Emeco and in the wider community. Our recent partnership with Kuuwa is an example of how we are taking action toward improving commercial opportunities for Indigenous businesses and seeking to partner with Indigenous communities. Emeco's ESG Strategy will provide further focus and clarity on how we improve employment opportunities and engagement with Indigenous communities.

¹ Restricted Work Injury Frequency Rate

With changing market forces and the demand for skilled labour increasing, Emeco continues to invest further in developing the skills of employees to not only aid Emeco as a whole, but also benefit Emeco's employees. Emeco believes that this approach will reaffirm and maintain its position as an employer of choice.

3.5 People data

Emeco's focus in FY22 was the continued growth of our permanent workforce. Permanent staff provides stability to allow for continued service excellence for Emeco clients.

Notwithstanding the challenging labour market, Emeco's workforce has grown by 23% from 1,128 at June 2021 to 1,390, at June 2022.

Emeco continues to closely manage our support team structures, ensuring that its support workforce is lean and fit for purpose in delivering successful outcomes for the business.

Detailed below are the current numbers of employees.

Table 4: Employees by contract type

Full time (perm)	Part time (perm)	Casual	Total
1,331	12	47	1,390

Table 5: Group workforce by job classification, gender and age

Job classification	Total	Gender		Age (yrs)			
		Female	Male	< 30	31-40	41-50	51+
CEO	1		1				1
Key Management Personnel	1	1			1		
General Managers	13	4	9			11	2
Senior Managers	11	2	9		3	6	2
Other Managers	111	2	109	4	32	46	29
Professionals	121	35	86	17	48	26	30
Technicians and trade	503	2	501	158	173	111	61
Clerical & Administrative	113	90	23	36	35	19	23
Sales	8	1	7		2	3	3
Machinery operators & drivers	400	42	358	120	128	80	72
Labourers	20		20	3	3	2	12
Apprentice	88	2	86	84	3	1	
Total	1,390	181	1,209	422	428	305	235

Diversity

Emeco values and embraces diversity in the workforce and strives to provide an inclusive environment where all workers can thrive. Emeco recognises that diversity and inclusion is an important part of Emeco's culture and its business, and contributes to achieving great results for Emeco, Emeco's customers, stakeholders, and the broader community.

Each year Emeco's board sets measurable objectives to achieve workplace diversity. These are aimed at:

- Building a diverse workforce
- Promoting diversity in the workplace
- Eliminating gender pay gap

At a Board level, gender diversity remains a priority when considering changes to the Board's composition, with Emeco aiming to meet gender diversity objectives set out in the ASX Corporate Governance Principles and Recommendations.

Women continue to maintain a strong representation at senior levels within the business and currently fill 26.9% of these roles. Overall, women represent 13.02% of the workforce within the Group at 30 June 2022, which is an increase from 11.2% in FY21.

Emeco achieved its target of increasing the proportion of female employees in the workforce by 10% during FY22. We continue to learn much about our aspirations for diversity and how our business model can set appropriate targets and support productive initiatives. This forms part of the Emeco ESG Strategy, 2023 to 2025 ESG Roadmap.

The following points highlight achievements related to diversity in FY22:

- Women represent 32.6% of employees in non-operational roles
- 15.9% of new hires across the Group were women
- Increase in the number of new employees participated in diversity training
- Flexible work arrangements were implemented for all people who requested upon returning from parental leave

Emeco undertakes ongoing reviews of gender pay equity and, where appropriate, gaps are addressed.

Workplace Gender Equality Agency Report

In accordance with the requirements of the Workplace Gender Equality Act 2012 (Cth), Emeco's Workplace Gender Equality Agency report is submitted by the required dates. The public reports and notice of compliance letter are available in the sustainability section of Emeco's website at www.emecogroup.com/view/sustainability/people-diversity.

Emeco's FY22 report will be submitted in August 2022.