

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 2023 (**FY23**).

Throughout FY23 Emeco has continued to maintain a strong commitment to its people, systems, environment, and the community.

Emeco's inaugural ESG Strategy was endorsed by the Emeco Board of Directors in February 2023. Actions, metrics and targets associated with identified material themes have been finalised and an ESG Committee has been formed to discuss, shape and measure initiatives implementing this Strategy. This Committee has begun the process of identifying the relevant data that will need to be collected as well as implementing processes to enhance our compliance reporting. 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 and how Emeco engages with those stakeholders, relevant topics, and concerns. 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	- 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 Managing Director/CEO to operational site-based staff	- 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	- Job security, remuneration and benefits - Safety, health and risk management

Stakeholder Group	Methods of engagement	Topics and concerns
		• Training and development • Work prioritisation • Company performance, outlook and strategy • Performance reviews
Suppliers	Supply related enquiries, tender and/or quote responses Emeco continues to enhance our relationship with key suppliers	• 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, reputational, legal, social sustainability and COVID-19 risks in accordance with its risk management framework.

2.1 Economic

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

2.2 Environmental

Emeco conducts its operational activities in a manner which minimises environmental impacts. 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 as defined by Emeco's Environmental Management Plan in FY23.

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 health and safety threats to the workforce and community 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 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-faceted 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.

Detailed slavery analysis conducted by Emeco (aided by specialists and technology providers) in relation to its suppliers has consistently noted that the risk of modern slavery for Emeco is relatively low.

Notwithstanding this, Emeco continues to make important strides in creating organisational capacity to address modern slavery risk and general improvements in our governance framework and procedures to assist in identifying and policing misconduct and breaches of our policies. During FY23 Emeco:

- Reviewed data received through Emeco's onboarding processes to evaluate and identify areas for further development to ensure continuous improvement in our procedures to identify and highlight modern slavery risk factors;
- Undertook further investigations and inquiries into selected vendors that were identified as higher risk through the onboarding process to determine any additional assistance, monitoring or other action that may be required;
- 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 chain.

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 prior period statements are available on Emeco's website at www.emecogroup.com/sustainability. Emeco's FY23 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. In FY23 the threat to our people's health and to the business was downgraded due to the understanding of the level of threat of the virus, as well as the removal of the Government's strict measures around isolation being removed.

The impact on the business due to Covid-19 has not disappeared altogether, but it has been reduced to a similar level of risk as the Influenza virus.

Security of supply is continually assessed and managed, as are labour requirements and rosters with the aim of minimising the impact on individuals and operations. Our return-to-work questionnaire continues to check on any incidents of the Covid-19 virus.

3. People

3.1 Health and safety

Emeco's strategy and approach to health and safety is at the core of all operational activities. 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 Health, Safety, Environment and Training Strategic Plan that is overseen by Emeco's General Manager, HSET and representatives of the Health, Safety and Environmental 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 FY23 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 equipment specific mobile plant operator training manuals
- The review and update of Emeco's Risk Management Framework to reflect changes in legislation.

Emeco have completed a review of the Company's Critical Risks and associated documentation including Critical Risk Protocols and Critical Control Verification Tools.

3.2 Risk management

We safeguard our people, assets, and the environment by understanding and managing risk, as well as ensuring that 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 Management Committee, which is chaired by a 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 Audit and Risk Management Committee is tasked with periodically reviewing and suggesting any necessary amendments to the risk management framework, risk register and risk appetite.

Last year we engaged a Risk and Compliance Superintendent to further enhance and focus on Risk Management processes within the business.

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.

To further support these processes a new Hazard Identification and Risk Management Training package has been developed and implemented across the workforce.

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 Total Recordable Injury Frequency Rate (TRIFR) has increased from 1.9 to 2.9 this year and is due to several medically treated injuries.
- Regrettably, we have recorded a Lost Time Injury in May 2023 when a worker was injured whilst working on a Client Operated Site, the Lost Time injury frequency rate (**LTIFR**) is 0.3 as of June 2023.

In response we have strengthened our focus on critical control management and the behaviours required to support people to make safe choices combined with an increase in leadership field interactions and inspections.

There were no fatalities recorded across Emeco operations for FY23.

Table 2: FY23 Safety Performance Frequency Rate measures

	TRIFR	LTIFR	RWIFR ¹	MTIFR
Emeco Group	2.9	0.3	0.3	2.3

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

	FY23	FY22	FY21	FY20	FY19
LTIFR	0.3	0.0	0.0	0.0	0.0
TRIFR	2.9	1.9	2.1	2.9	4.6

3.4 Training management

1. Emeco continues to invest in the development of our workforce. The last year has seen the engagement of a Training Superintendent – Trades and Apprentices with a focus on developing training pathways for employees and the implementation of dual trade upgrades.
2. A new training facility has been established which is aligned to a registered training organisation to enable Emeco to deliver both High Risk and National Accredited Training to our employees.

3.5 Employee development

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

In FY23, Emeco's General Manager People and Culture ran 64 leadership development sessions for teams and individuals across the business.

In FY23, Emeco continued to target greater employee engagement and long-term employee retention and development. Investment in training and development enables Emeco's people to fulfil their roles effectively and to expand their skills and personal development.

Apprenticeship development continues to remain an important focus for Emeco, this has been further expanded to include trade upgrades for both new and existing employees. In FY23, 25 apprentices graduated and we currently have 83 apprentices progressing through their training.

¹ Restricted Work Injury Frequency Rate

Project Align was commissioned and implemented in FY21, successfully embedded throughout FY22 and FY23. In FY24 each General Manager will conduct a Vision and Values workshop with their senior team members to ensure continued understanding and alignment to this cultural bedrock. In FY23, Project Align's Community Grant program involved employees nominating over 40 organisations for Community Grants, of which, 23 were successful in receiving cash grants.

Emeco renewed its commitment as a Partner to Lifeline WA through its financial contributions for the third year in succession. Emeco also made financial contributions to 6 separate mental health events or initiatives and 40 of its employees participated in The Push Up Challenge to raise funds for Lifeline.

Emeco made a financial donation to Channel 7's Telethon and supported two clients (Macmahon and Mincor) in their MACA Cancer 200 bike ride teams.

As an equal opportunity employer, Emeco is committed to working in partnership with Indigenous communities to increase their employment opportunities within Emeco and in the wider community. Our recent partnership with Indigenous business Kuuwa, where we supported them to purchase a new asset, 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.

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 to also benefit Emeco's employees. Emeco believes that this approach will reaffirm and maintain its position as an employer of choice.

3.6 People data

In FY23, Emeco's primary focus was on ensuring the sustained growth of our permanent workforce which plays a crucial role in providing workforce stability and enabling us to maintain the highest service excellence to our values customers.

Emeco's workforce reduced during FY23 due to right sizing the organisation resulting from operational site closures. Our workforce numbers moved from 1390 at 30 June 2022 to 1193 at 30 June 2023.

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	Part time	Casual	Total
1133	14	46	1193

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					2
General Managers	12	3	9		2	6	4
Senior Managers	13	2	11		3	7	3
Other Managers	99	2	97	1	32	34	32
Professionals	129	39	90	25	44	28	32
Technicians and trade	461	1	460	152	154	99	56
Clerical & Administrative	99	83	16	33	28	18	19
Sales	7	1	6		2	2	3
Machinery operators & drivers	263	24	239	88	82	46	47
Labourers	25	2	23	5	10	7	3
Apprentice	83	2	81	80	3		
Total	1,193	160	1,033	384	360	247	202

Diversity

Emeco values and embraces diversity in the workforce and strives to provide an inclusive environment where employees 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 and its 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 and inclusion in the workplace

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 21.4% of these roles. Overall, women represent 13.41% of the workforce within the Group at 30 June 2023, compared with 13.0% in FY22.

In FY23 Emeco accomplished its goal of increasing the percentage of female employees in the workforce. This achievement reflects our commitment to diversity. Our journey towards embracing diversity is ongoing, we are continually gaining insight into our aspirations for a more diverse and inclusive workplace. We are also exploring ways to set appropriate targets and implement impactful initiatives. This forms part of the Emeco ESG Strategy, 2023 to 2025 ESG Roadmap.

The following points highlight achievements related to diversity in FY23:

- Women represent 36.4% of employees in non-operational roles
- 13.9% of new hires across the Group were women
- Increase in the number of new employees participated in diversity and inclusion 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/sustainability.

Emeco's FY23 report was submitted in line with WGEA reporting requirements.