

30 September 2021

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

2021 SUSTAINABILITY REPORT

Seven Group Holdings Limited (ASX: SVW) attaches its 2021 Sustainability Report.

A copy of the 2021 Sustainability Report is also available on the Company's website at:
www.sevengroup.com.au/sustainability.

This release has been authorised to be given to ASX by the Board of Seven Group Holdings Limited.

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Seven Group Holdings Limited is a leading Australian diversified operating and investment group with market leading businesses and investments in industrial services, media and energy. In industrial services, WesTrac Group is the sole authorised Caterpillar dealer in Western Australia, New South Wales and the Australian Capital Territory. WesTrac is one of Caterpillar's top dealers globally (by sales value). SGH owns Coates, Australia's largest nationwide industrial and general equipment hire business. SGH also has a 69.9% shareholding in Boral, an international building products and construction materials group. In energy, SGH has a 30.0% shareholding in Beach Energy and has interests in oil and gas projects in Australia and the United States. In media, SGH has a 39.19% shareholding in Seven West Media, one of Australia's largest multiple platform media companies, including the Seven Network, 7plus and The West Australian.

WesTrac

Coates

BORAL

7plus

SGH | Energy

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2021 Sustainability Report

SGH | Industrial Services, Media,
Energy and Investments



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WesTrac & Bloomfield Group



World's first autonomous water truck which will be deployed at Rio Tinto's Gudai-Darri iron ore Mine of the Future

About this document

This Sustainability Report outlines Seven Group Holdings (SGH)'s approach and actions relating to environmental, social and governance (ESG) issues.

Coverage

This report covers the operations of SGH and businesses that SGH wholly owns and operates over the time period 1 July 2020 to 30 June 2021 (FY21).

For operating businesses that SGH wholly owns and operates – Coates and WesTrac Australia – the coverage of this document is comprehensive and should be considered as representing the Sustainability Reports of those businesses.

For businesses that SGH holds a material stake but does not wholly own – Seven West Media, Beach and Boral – this document provides a partial reporting of those businesses' sustainability efforts and actions. The reader should consult the reports of each of those businesses for information on those businesses' approaches and actions relating to environmental, social and governance issues.

Reporting Approach

SGH has chosen to report its approach and actions relating to environmental, social and governance issues using the globally-accepted Global Reporting Initiative (GRI) Standards.

Our approach is guided by GRI's principles for informing report content: materiality, stakeholder inclusion, sustainability context, and completeness.

A reconciliation to GRI's reporting standards framework is provided at SGH's website.

SGH has also chosen to follow the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) regarding disclosure of climate-related risks and actions.

Other information

Further information regarding SGH's sustainability strategy and actions can be found at sevengroup.com.au/sustainability, including:

- GRI content index
- Diversity Policy
- Workplace Gender Equality Agency reporting
- Modern Slavery Statement
- Tax Transparency Report
- Fraud & Corruption Policy

Further information regarding the sustainability strategy and actions of SGH's wholly owned and operated businesses can be found at:

coates.com.au/sustainability

westrac.com.au/sustainability



WesTrac Recruitment, employee Joel Philp

Message from Ryan Stokes AO

It is with great pleasure that I present the FY21 Sustainability Report for Seven Group Holdings (SGH).



Ryan Stokes AO
Managing Director & CEO

This report signifies a significant step forward for Seven Group Holdings (SGH) in our approach to sustainability. Over the course of the last financial year we have undertaken an extensive review of the way we approach this topic.

We are proud of our long heritage in supporting the communities that we operate in and providing for the safety of our people. Our businesses have long histories, with WesTrac's origins commencing more than 70 years ago and Coates 136 years ago. To retain the licence to operate we must serve our customers, employees, communities, and shareholders effectively.

This long and proud history has been enhanced over FY21 with a robust exercise across our operating businesses to identify the sustainability issues that are most material to our business and to our stakeholders.

With this Sustainability Report we are stepping up the degree of disclosure and transparency we provide to our stakeholders in terms of our aspirations, actions and outcomes.

This report, being the first for SGH that defines our new approach to sustainability in line with the GRI framework, provides a rich collection of information to our stakeholders regarding our ten material issues – how and why we have selected these issues, and for each of them our overall approach, what we aspire to achieve, actions we currently have underway and how we will develop metrics and targets to measure our progress against.

For some of our material issues, we are able in this report to provide a definitive review of our current metrics and the targets we seek to reach. This is the case for safety and diversity, where we have focused a lot of attention over recent years. It is also the case for emissions, which we have elected as a priority material issue and for which we have undertaken a lot of work over FY21.

I am proud to announce emissions reduction targets of 30 per cent by 2026 and 50 per cent by 2030.

In the area of emissions reduction, I am excited by the goals we have set for our operating businesses. In February this year we announced our aspiration for Coates and WesTrac to achieve net zero Scope 1 and Scope 2 emissions by 2040, and in this report I am proud to announce interim targets for the businesses of a 30 per cent reduction from 2020 levels by 2026 and 50 per cent by 2030.

Message from Ryan Stokes AO (continued)

We are also deeply embedded in the circular economy. Coates, by virtue of its rental model, is an inherent participant in the circular economy, while WesTrac's extensive rebuild operations contribute significantly to the recycling and reuse of end-of-life components and equipment and the saving of non-renewable resources.

All of our businesses are taking action to ensure we review and prevent modern slavery in our supply chains.

Innovation continues to be a focus for both of our operating businesses. This report details but a few of the many exciting partnerships and technology introductions underway across the group.

For other material issues, we are at earlier stages of our journey, with this year's report containing some compelling examples of actions we have underway and laying out the steps we will take over the course of this financial year to set baselines and action plans. For these material issues, our quantitative metrics and our targets will be disclosed in coming years' Sustainability Reports.

There have been a number of sustainability highlights within our businesses over the course of this year. We are especially proud of our continued improvement in our safety statistics. This result comes from multiple years of focus and effort, and reflects a true change in the underlying culture of our businesses over the last five years.

We are also proud of the continued gains we are making in diversity, training and employment, with increased female participation across our workforce, greater investment in employee development, and growth in the number of employees – including in regional areas.



Female staff at WesTrac Tomago during an International Women's Day function

The COVID-19 pandemic continued to impact our customers and operating environment over FY21.

As an essential service, we responded to COVID-19 swiftly by setting up a central Nerve Centre to identify potential risks to people and operations and to determine control measures that allowed us to have a consistent and considered response and continue trading and serving our customers across the Group. We have also established a vaccination recognition program to acknowledge our people who chose to be vaccinated. We continue to closely monitor all developments and be proactive in protecting our people and our supply chains.

I would like to thank the teams in our operating businesses for the contributions and enthusiasm they have shown over the course of this year to nominate our material issues and transform our approach to sustainability. We are all excited by the journey ahead.

Finally, as this is SGH's first standalone Sustainability Report, I would welcome feedback from all stakeholders.

Ryan Stokes AO
Managing Director &
Chief Executive Officer

SGH Approach to Sustainability

As part of the refresh of our approach to sustainability, SGH undertook over the course of FY21 a series of exercises to ascertain the issues that are most material to our businesses.

In recognition of our conglomerate model, the materiality exercises were conducted at the level of our operating businesses, Coates and WesTrac, and then aggregated to reflect areas of commonality.

The materiality exercises were informed by consultation with a wide range of internal and external stakeholders, including operations and front-line team members, executives, suppliers, investors and non-governmental organisations. All exercises were open-ended to allow the full range of potential sustainability-related issues to be unearthed.

Issues were then prioritised using two key dimensions as a guide: which ESG issues our businesses have the most significant impact on; and which ESG issues most influence our stakeholders' assessments and decisions relating to our businesses.

These topics are overlaid by our four key organising themes of our People, our Operations, our Environment and our Community.

Ten issues emerged from this process as the most material issues for us to focus on across our Group.

While specific actions and targets on each issue will differ for each of our businesses, a common aspiration is shared for each across the Group:

| | | |
|---------------------------------------|--|-------------------------|
| 1. Safety | To be recognised by our teams, customers and regulators for safety excellence. | Page 10 |
| 2. Energy & Emissions | To play a leading role in each of our sectors in meeting the Paris Agreement's goal to limit global temperature rises to well below 2°C. | Page 12 |
| 3. Waste & Water | To play a positive role in helping Australia reduce its reliance on landfill and attain more sustainable water outcomes. | Page 17 |
| 4. Materials | To be a leading Australian corporate contributor to the circular economy. | Page 20 |
| 5. Technology & Innovation | To bring the benefits of technology and innovation, including digital, to our teams and customers. | Page 22 |
| 6. Diversity | To have 25 per cent female participation in our workforce by 2025. | Page 25 |
| 7. Employment | To be an employer of choice across all categories of employment, known for fairness, empathy, development and contribution. | Page 27 |
| 8. Training | To engage, educate, develop and inspire our people. | Page 29 |
| 9. Indigenous Inclusion | To make a meaningful contribution to the full realisation of the rights of Aboriginal and Torres Strait Islander peoples in the communities we operate in. | Page 31 |
| 10. Local Communities | To be an engaged and constructive participant in the communities in which we operate. | Page 33 |

SGH Approach to Sustainability (continued)

UN Sustainable Development Goals

Our material issues align to over twenty UN Sustainable Development Goal indicators, and cover twelve of the seventeen Sustainable Development Goals. A reconciliation of our material issues with the UN Sustainable Development Goals appears in Appendix 1 of this report.



Our Material Issues



FY21 Highlights

People

5,800

Direct Employees

\$10m

Spent on
training in FY21

80%

participation in
engagement surveys

Operations

5 consecutive years
of LTIFR/TRIFR
reduction

Coates leading
participation in the
Circular Economy

WesTrac:
9,000+ component
rebuids and 100+
full machine rebuids

Environment

Net zero by 2040

30% reduction
by 2026,
50% by 2030

Zero reportable
environmental
incidents

Community

\$4.9m
bushfire relief &
recovery

Coates Reflect
Reconciliation
Action Plan

Strong involvement
in local and regional
communities

Our Stakeholders

Across our businesses and at the Group level, a wide range of stakeholders are regularly consulted with.

Feedback from stakeholders comes via a range of mechanisms, including surveys, forums and meetings, and this input from stakeholders is incorporated into our operating and strategic decision making processes.

| Stakeholder | How we engage |
|-----------------------|--|
| Employees | Training, development plans, feedback sessions, engagement surveys, social functions, forums, meetings |
| Customers | Joint planning, reviews, partnerships, meetings, surveys, industry events and trade days |
| Communities | Donations & sponsorships, meetings, volunteering |
| Shareholders | ASX releases, presentations, meetings, site visits, reports |
| Banks/Debt providers | Presentations, meetings, reports |
| Suppliers | Joint planning, reviews, partnerships, meetings, surveys, tenders, forums |
| Regulators | Reports, information provision, strategic engagement on policy/regulation |
| Industry Associations | Participation on committees, working groups |
| NGOs | Participation in forums |



Hailee Parker, a Coates Senior Sales Coordinator – Relief (South Australia), LEAP participant

Safety



A WesTrac employee performing an engine overhaul

Aspiration

To take a safety-first approach to ensure the safety and wellbeing of all of our people.

At SGH, our safety-first approach and culture are holistic, with a wide range of preventative health and wellbeing support for our people. The Group has supported the implementation of safety cultural transformation programs and training in recent years.

Our objective is “zero harm” and we have seen significant improvements in the understanding of safe work practices and in safety metrics across the Group.

Mental health is also an area of strong focus as we continue to mitigate the impact of COVID-19 on employee wellbeing and business operations. We support initiatives such as Mates in Construction, Healthy Minds and R U OK?, as well as providing Employee Assistance Programs and support for flexible working arrangements.

Overall, the Group continues to record improvement in total reportable injuries and lost time due to injuries, with both LTIFR and TRIFR rates halving since FY17.

These outcomes reflect the impact of proactive initiatives taken across both operating businesses, including risk awareness training, workplace inspections, risk reviews, high potential incident investigations, and introducing an early intervention program for musculoskeletal injuries.

Related UNSDGs



03. Good health and well-being

(a) Lost Time Injury Frequency rate (LTIFR) – the number of work related injuries that resulted in time lost from work per million hours worked.

(b) Total Recordable Injury Frequency Rate (TRIFR) – the number of work related recordable injuries per million hours worked.

Rolling 12 Month LTIFR



Rolling 12 Month TRIFR



Safety (continued)

WesTrac

At WesTrac, over FY21 we continued to build on our successful 'Built by Us' program, encouraging employee feedback to design and drive further safety focused initiatives.

This program was formally recognised in October 2020, receiving the Enterprise Safety Program Initiative Award at the 2020 Australian Workplace Health & Safety Awards.

Additionally, WesTrac NSW won the best Work, Health and Safety Improvement category in the 2021 Hunter Safety Awards.

WesTrac has also continued over FY21 to advance our Elimination of Live Work strategy, a program aimed at removing instances of technicians having to place themselves in potential danger by having to be inside the footprint of an operating machine. During the year we also launched a hand and

finger injury prevention campaign aiming at reducing one of our most frequent types of prevalent injury by 60 per cent by FY23. Initial results are encouraging, with an 18 per cent reduction of hand and finger injuries during Q4 FY21, and a reduction in lost time due to hand and finger injuries.

Looking forward, WesTrac aims in FY22 to step up our proactive safety initiatives. This will include further development of critical risk controls, a project focusing on prevention of soft tissue injuries and a relaunch of our Life Saving Commitments.

Coates

At **Coates** over FY21 we continued to expand the coverage of our safety and wellness strategy. A full review of our HSEQ policies and procedures was undertaken, and new load restraint guides were rolled out across our network including our contract suppliers. We launched a flu vaccination program with Spartan Health, a First Nations supplier, and drove a national awareness campaign for R U OK? day.

Coates also has a role in helping our customers address safety issues, and in FY21 we were excited to trial 3D collision avoidance technology that has the promise of delivering significantly enhanced safety environment for construction and mine sites.

Looking forward, a big focus for Coates in FY22 will be the implementation of SafetyHub as our core safety system. By replacing our legacy system with SafetyHub, we will further improve our safety performance by making it easier for our teams to learn about and adopt safe practices, to report and action incidents, and to drive improved compliance from our contractors.

Coates: Trialling digital technology to improve workplace safety



Coates operations, Sydney

Coates and WesTrac both continuously look for ways to employ technology to improve safety outcomes for our teams and customers.

One example is a recent Australia-first trial by Coates, in partnership with Downer and SITECH WA, of technology that has the potential to deliver enhanced safety for construction and mine sites. SITECH is partly owned by WesTrac.

SITECH's 3D Avoidance Zone System, developed in New Zealand, works by preventing machinery entering a restricted area in real-time through the creation of a digital 3D barrier which shuts down connected machinery in the event that any part "touches" the digital barrier.

The technology can reduce accidents and increase safety in construction areas which are being undertaken within tight areas or nearby critical infrastructure, such as rail lines or mine sites.

Consideration is now being given as to how to commercialise the technology.

Energy & Emissions



Aspiration

To play a leading role in each of our sectors in meeting the Paris Agreement's goal to limit global temperature rises to well below 2°C.

In February 2021, SGH announced our commitment to support the 2015 Paris Agreement's goal to limit global temperature rises to well below 2°C. In line with this, we committed that our current wholly-owned operating businesses, WesTrac and Coates, would reach net zero Scope 1 and Scope 2 emissions by 2040.

We are now pleased to further commit to medium term targets of a 30 per cent reduction on FY20 levels in Scope 1 and Scope 2 emissions by 2026 and a 50 per cent reduction by 2030 for these businesses. This commitment follows work undertaken by both WesTrac and Coates on developing roadmaps for achieving their 2040 net zero aspiration.

The commitment builds upon progress in reducing emissions by both businesses over the last five years, driven by the rollout of LED lighting and procuring more energy-efficient equipment to reduce the volume of energy consumed across fixed plant, fleet and consumables. Over the FY17–20 period, SGH's average yearly Scope 1 and Scope 2 emissions were 18 per cent below the preceding period FY13–16.

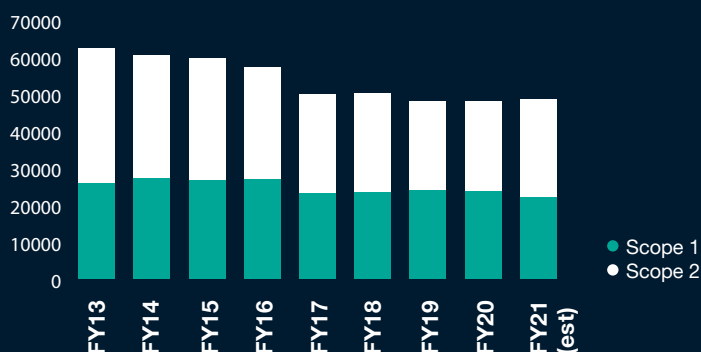
WesTrac and Coates are now currently mapping out and pursuing further rounds of emissions reductions across Scope 1 and Scope 2, as well as working closely with their suppliers and customers on Scope 3 emissions reductions.



Related UNSDGs

-  07. Affordable and clean energy
-  08. Decent work and economic growth
-  09. Industry, Innovation and Infrastructure
-  13. Climate action

SGH Greenhouse Gas Emissions



Energy & Emissions (continued)

Over the course of FY22 we aim to install solar panels on a number of our sites as the first step to a broader solar rollout over the next five years.

Coates

At **Coates**, following our February commitment to achieving net zero emissions by 2040, work has commenced on activating our Scope 1 and Scope 2 emissions reduction roadmap. We are also implementing a number of energy saving initiatives, including a significant further investment in LED lighting across the remaining sites in our network that are as yet unconverted.

Coates also plays an important role up and down our supply chain in developing more sustainable solutions that will assist our customers reduce their own carbon footprint and our Scope 3 emissions.

One of the most direct ways Coates is helping our customers reduce their emissions is through the introduction of new sustainable equipment solutions such as hybrid powered equipment and battery powered tools, as well as the retrofit of eco-efficient improvements to existing equipment. In Site Accommodation, where we are in the process of upgrading our rental assets to meet new industry sustainability regulations. We are also participating in construction industry working groups looking at ways to further improve and lower emissions beyond industry-wide sustainability standards.

Concurrently, Coates is also working with our suppliers and some of the world's best manufacturers to determine opportunities to innovate into lower carbon product variants. We have taken a leading role in the adoption of LED technology in the Lighting Tower segment to replace metal halide technology and are now further driving the evolution to solar energy. Our recent investment in 24 solar lighting towers came after extensive trials of alternative solutions, and these new additions to our fleet offer our customers the opportunity to eliminate diesel fuel and noise while providing lighting of up to 50,000 lumens. While solar is not yet capable of operating for the same length of time as diesel-powered towers, we will actively monitor developments and look to adopt as lithium battery and possibly hydrogen technology improves.



A SMC TL55 Solar lighting tower

Among initiatives Coates is pursuing in FY22 to further assist our customers reduce their emissions is the introduction of bio diesel into vehicles and equipment, with approved blends of up to 7 per cent in all diesel engine fleet and up to 20 per cent in a select range of equipment, and exploring the use of bio-degradable hydraulic oil in construction equipment fleet. We are also working closely with one of our major customers to define the next phase in Site Accommodation sustainability, including the development of fully contained solar and battery solutions that would hold enough power to run site shed equipment day and night.

WesTrac

WesTrac, like Coates, has also commenced activating our Scope 1 and Scope 2 emissions reduction roadmap, with an initial step over the course of FY22 to begin installing solar panels on a number of our sites. Other actions on our emissions reduction roadmap include the installation smart meters in our major branches, the introduction of variable frequency drives (VSD) on compressor motors, trials of hybrid and electric vehicles in our internal fleet, consideration of battery technology to augment solar panels, and the reduction in the use of diesel in forklifts and other plant.

WesTrac also has an important role in reducing Scope 3 emissions in our supply chain.

We work closely with our customers – including some of the world's major miners – to understand their goals and needs, while simultaneously working with Caterpillar and other suppliers to deliver to them.



Cat D6 XE, the world's first high drive Electric Drive dozer, offers up to 35 per cent reduction in fuel consumption

Across the Caterpillar range step-changes in technology are making meaningful contributions to lowering our customers' greenhouse gas emissions. These include the increased availability of Tier 4 engines that provide a 90 per cent reduction in nitrogen oxides (Nox), the introduction of a retro-fit dynamic gas blending option for 785C mining trucks, and the introduction of electric drive into wheel loaders and dozers that have seen up to 35 percent reductions in fuel burn.

Caterpillar is also investing heavily in developing zero emissions mining technology equipment and helping customers build sustainable mining sites for the future. In August and September 2021, Caterpillar announced agreements with two of our largest customers, BHP and Rio Tinto, to accelerate the development and deployment of zero emissions battery powered large mining trucks. Coupled with Caterpillar's advanced automation technology, this fleet of the future will help our customers achieve their net zero greenhouse gas (GHG) goals and support more diversity in the workforce through integrated design improvements.

In September 2021, Caterpillar also announced that it will begin offering generator sets capable of operating on green hydrogen, on a designed-to-order basis from late 2021, and that it will offer commercially available power generation solutions that can be configured to operate on natural gas blended with up to 25 per cent hydrogen.

Energy & Emissions (continued)

Boral: Developing CCUS Technology to reduce emissions

Boral has set science-based climate targets and committed to reach net-zero emissions¹ from its operations by no later than 2050.

Boral's FY2030 targets are a:

- 46 per cent reduction in absolute Scope 1 and Scope 2 emissions, and
- 22 per cent reduction in relevant Scope 3 emissions per tonne of cementitious materials², from a 2019 baseline.

To achieve these targets, Boral has defined a decarbonisation pathway which includes increasing its use of alternative fuels at its Berrima Cement plant from 15 per cent to 60 per cent by FY25, and exploring and testing carbon capture use and storage (CCUS) technologies.

In June 2021, Boral was awarded a grant of up to \$2.4 million from the Australian Government's CCUS Development Fund towards a pilot scale carbon capture and storage project for re-carbonation technology known as mineral carbonation.

Boral's pilot project will develop a carbon storage technology where the carbon captured from its Berrima Cement plant in NSW will be stored permanently in recycled concrete, masonry and steel slag aggregates. This will also improve the quality of these recycled materials.

The recycled aggregates will fully or partially replace the natural aggregates used in concrete products. The relatively low capital and operation costs, abundance of selected waste materials, and the financial return potential due to the increased value of processed aggregates are key drivers for adoption of this technology.

SGH has a 70 per cent ownership interest in Boral and Board representation.



Alternative fuels facility at Boral's Berrima, NSW cement plant

Seven West Media: Reducing energy intensity

Seven West Media (SWM) was able to reduce electricity consumption at its Melbourne site in FY21 by changing its approach to Presentation and Payout services.

A 25 per cent (~100,000 kwh per month) reduction in electricity consumption was achieved through transition to a modern IP based facility, shared with other broadcasters encompassing modern equipment requiring much less energy than SWM's older technology. SWM's Melbourne technology was gradually decommissioned and sent for recycling. SWM also announced plans to relocate its Sydney studio and News and Public Affairs operations from the Sydney CBD to Eveleigh, south of the CBD. This will put News and Public Affairs into a 5-star NABERS building with 4 Star Greenstar Interiors rating.

The final energy saving of this relocation, consolidation and equipment refresh is expected to be significant.

SWM has also commenced a project to reduce its energy consumption in Drama and News studios by replacing Tungsten Halogen fittings. The first 110 lights were replaced in FY21. Each Tungsten Halogen fitting on average uses 2,000 watts and is be replaced with LED lights with an average consumption of 375 watts.

SGH has a 40 per cent ownership interest in Seven West Media, and Board representation.

¹ While the Science Based Targets initiative's (SBTi) methodology permits the use of carbon offsets to achieve net-zero emissions post-2030, Boral's decarbonisation pathway post-2030 is focused on achieving absolute emissions reductions for Scopes 1, 2 and 3. This pathway remains dependent on further development and commercial viability of new and emerging technologies.

² Refers to 68% of Boral's Scope 3 emissions included in Boral's Scope 3 target, consistent with SBTi's methodology.

Energy & Emissions (continued)

Emissions and Climate Change – TCFD Disclosure

In this report, SGH reports for the first time in line with TCFD recommendations under the headings of Governance, Risk, Metrics and Strategy.

Governance

The SGH Board of Directors maintains oversight of climate and sustainability matters, including impact on our strategy, risk identification and management, and external reporting.

The Board Audit & Risk Committee (ARC) is responsible for satisfying itself that a sound system of risk oversight and management exists, and that internal controls are effective, in relation to climate change risks. Management is responsible for reviewing and monitoring, and reporting to the Board on, matters including:

- The Group's performance in relation to sustainability and climate-related matters, assessed by reference to agreed targets and measures.
- The effectiveness of the Group's policies, systems and governance structure in identifying and managing sustainability and climate-related risks that are material to the Group.
- The coordination and review of climate-related risks, strategy, and reporting.
- The development of targets and implementation of initiatives regarding the Group's material sustainability issues, including emissions reduction.
- The policies and systems for ensuring compliance with applicable legal and regulatory requirements associated with sustainability and climate-related matters, and
- The Group's reporting regarding sustainability and climate-related matters.

In performing the above role and reporting to the Board of Directors, management is supported by the internal Boards of our operating businesses, which are comprised primarily of members of the SGH's Executive Management team. Each operating business Board is responsible for satisfying itself that a sound system of risk oversight and management exists, and that internal controls are effective, including in relation to climate change risks. These Boards meet six times a year and receive annual reports on business-wide risks.

Strategy

SGH's conglomerate model and diverse portfolio allows us to be flexible and agile to redeploy assets as markets change and to mitigate and to manage our exposure to climate risks and to maximise the business opportunities it presents.

In FY21, SGH undertook a wide-ranging and comprehensive analysis and review of the potential impacts of climate change, including related potential technological and regulatory changes, on its current portfolio of businesses and investments, and on potential future opportunities. The analysis included the use of generally accepted International Energy Agency scenarios to understand the resilience of our business under different climatic and regulatory futures.

The results and conclusions of this review were presented and discussed with the SGH Board, and were factored into the five year strategic planning processes conducted in FY21 for our Group and for our operating businesses.

Going forward, climate scenario factors will remain an ongoing input and consideration in setting business unit and group strategy.

SGH also commenced during FY21 economic modelling of carbon price scenarios for one of its businesses, with the intention that over time such modelling will become a core capability of SGH businesses' planning and financial teams and applied to all business areas.

Core Elements of Recommended Climate-Related Financial Disclosures



Governance

The organisation's governance around climate-related risks and opportunities.

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Risk Management

The processes used by the organisation to identify, assess, and manage climate-related risks.

Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Energy & Emissions (continued)

Emissions and Climate Change – TCFD Disclosure (continued)

Risk Management

SGH's overall approach to risk management is described in the Corporate Governance Statement contained in our 2021 Annual Report.

Climate-related risks are factored into our risk management approach as one of many fundamental source categories of risk alongside technological, operational, regulatory, social and geopolitical. In FY21, we formally introduced the usage of the TCFD classification of climate-related risks to ensure comprehensiveness in our approach to this source of risk.

A summary overview of the climate-related risks and mitigations that SGH and its businesses consider appears in the table below.

Metrics & Targets

SGH accepts the Intergovernmental Panel on Climate Change (IPCC) assessment of the science related to climate change and supports the Paris Agreement in transitioning to net zero emissions by 2050 to limit global temperature increase to well below 2°C by the end of this century.

SGH also accepts that achieving the outcomes of Paris is a shared responsibility, and is committed to ensuring that its operations and businesses express targets and take actions in line with that outcome.

In February 2021, SGH announced that our fully-owned and operated operating businesses Coates and WesTrac would achieve net zero Scope 1 and Scope 2 emissions by 2040. In this document we are proud to announce our target of reducing Scope 1 and Scope 2 emissions from these operating businesses by 30 per cent below 2020 levels by 2026 and 50 per cent by 2030. Achievement of these short-term targets will ensure that both businesses are well on their way on their roadmaps to achieve net zero by 2040.

| | Climate-related Risks and Mitigations | | Examples | Risk Mitigation Steps |
|------------------|---------------------------------------|--|--|---|
| Transition Risks | 1. Policy Risk | Actions taken by Governments to reduce GHG emissions | <ul style="list-style-type: none"> Carbon pricing Enforcing energy-efficiency solutions | <ul style="list-style-type: none"> Scenario planning Resilience planning Incorporation of carbon price in relevant investment decisions |
| | 2. Market Risk | Change in market conditions as core supply or demand changes as climate risks are addressed | <ul style="list-style-type: none"> Changing customer behaviour Uncertainty in market signals Increased costs | <ul style="list-style-type: none"> Actions to decarbonise in order to de-risk impact of future policies |
| | 3. Technology Risk | Loss of competitiveness due to failure to adopt/react to new technology related to climate change | <ul style="list-style-type: none"> Unsuccessful investment in new technologies Costs to transition to lower emissions technology Competing industries develop better technology | <ul style="list-style-type: none"> Active portfolio planning Active technology planning, investment and option creation Active monitoring of scenario milestones |
| | 4. Reputation & Litigation Risk | Sector or company loses social licence to operate/is subject to climate activism/has reduced access to capital | <ul style="list-style-type: none"> Shifts in social attitudes Stigmatisation of sector Difficulty gaining approvals Investor concerns | <ul style="list-style-type: none"> Compliance with leading disclosure regimes Engagement with/listening to all stakeholders |
| Physical Risks | 5. Acute Risk | Increased severity of extreme weather events | <ul style="list-style-type: none"> Operations or customers in impacted locations | <ul style="list-style-type: none"> Meteorological and geographical analysis |
| | 6. Chronic Risk | Longer-term shifts climate patterns | <ul style="list-style-type: none"> Changes in rain patterns Rising mean temperatures Rising sea levels | <ul style="list-style-type: none"> Geographically diverse end markets, operations Environmental management systems Water resilience strategies |

Waste & Water

Aspiration

To play a positive role in helping Australia reduce its reliance on landfill and attain more sustainable water outcomes.

Across SGH, our teams, executives and partners are committed to reducing our waste footprint and attaining more sustainable water outcomes.

Over the past years our operating businesses have made progress on a number of fronts. Looking forward we are now building comprehensive metrics and plans to drive our landfill usage down and step up our recycling of water.

WesTrac

At **WesTrac**, we have been successful over many years in achieving high rates of diversion of waste from landfill, with 77 per cent diversion rates attained in FY20 and FY21. Initiatives have included removing standard waste bins and only providing options for separated waste in offices and workshops. We also have detailed waste management programs for industrial and operational waste, sorting timber, steel, copper, brass, and recycling by category.

In FY21, in addition to introducing dedicated waste, paper, and recycling bins to our main Tomago and South Guildford offices, we commenced recycling of e-waste.

As a result, 5,176 kilograms of e-waste, primarily comprising old laptops, servers and obsolete communications equipment, were sent for recycling through an external contractor in FY21.

We also made large inroads during FY21 into reducing our paper usage through replacement of paper-based systems with digital solutions, including identifying and removing non-essential photocopiers.

All hazardous materials stored at WesTrac sites are subject to regular inspections and reviews of compliance and emergency procedures.

WesTrac Tomago plant with rainwater tank underneath carpark

Related UNSDGs



06. Clean water and sanitation

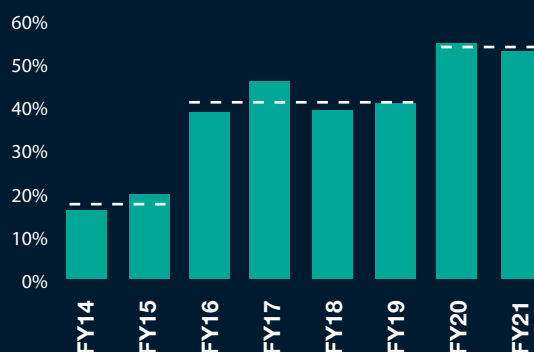


11. Sustainable cities and communities



12. Responsible consumption and production

Coates: Recycling Rates Per Financial Year



Waste & Water (continued)

In terms of water, WesTrac's Tomago site near Newcastle leads our recycling effort, with a one megalitre underground rainwater water tank installed to capture rainwater runoff.

During FY21, the Tomago site was able to reuse approximately 1.3 million litres of rainwater from its storage tank, roughly equivalent to 35 per cent of the water the site consumed from Hunter Water. Rainwater capture is monitored through the building management system and is also captured for annual environmental reporting.

Looking forward, over the course of FY22 WesTrac will develop comprehensive plans and targets for the longer-term reduction of our waste and water footprint, including the further rollout of internal best practice initiatives to the broader WesTrac branch network. We will embed a more systematic baseline of our water and waste metrics and a wide-ranging consideration of potential initiatives to drive our footprint lower.

Coates

At Coates, over FY21 we have stepped up the measurement and monitoring of our monthly waste and recycling outcomes. Waste collected and disposed of through an external waste contractor totalled approximately 6,000 tonnes in FY21. The largest components were general waste (30 per cent), septic waste (14 per cent) and metal (11 per cent).

Over the last decade Coates has worked hard to improve our recycling performance. In FY20, and again in FY21, we lifted our rate of recycling above 50 per cent, compared to rates below 20 per cent in FY15. Our aim is to continue to improve this metric over coming years.

Coates has undertaken an initial baselining exercise for waste through its primary waste contractor. In FY22, this will be reviewed to ensure that data is captured from all waste sources and contractors.

In terms of water, Coates recycles the water in branch wash bays using Oil Water Separator (OWS) filters to remove oils from the drained water so the clean water can be recycled. We replace or upgrade the OWS filters when they are at the end of their useful life or cannot be repaired.



A Coates temporary building running eco-efficient split systems and utilising treated water for toilets

In addition to actions relating to our own use of water, Coates is also a significant provider of water treatment and site dewatering services for our industrial, construction and mining customers.

Coates also utilises portable wash bays with Oil Water Separators for remote or project sites.

Our water treatment solutions offer our customers the capacity to treat ground water and meet ANZECC discharge criteria. Our Water Treatment Team helps ensure our customers' projects are running in the most efficient and sustainable manner, through the provision of end-to-end services including continuous monitoring/report/ alarming, regular NATA-accredited lab testings, and routine site inspections.

Looking forward, Coates will develop over FY22 comprehensive plans and targets for the longer-term reduction of our waste and water footprint, with an initial focus on better processes for our septic water. An immediate focus will be on generating a more systematic baseline of our water and waste metrics and a wide-ranging consideration of potential initiatives to drive our footprint lower.

Furthermore, we will continue to build our ability to help our customers improve water treatment through our work in an exciting partnership with the University of Technology Sydney to develop the next evolution in construction water treatment processes.

Waste & Water (continued)

Beach Energy: Managing produced water

Produced water is water that is trapped in underground hydrocarbon reservoirs and brought to the surface along with oil and gas during production activities.



Beach's Western Flank Cooper Basin operations

Depending on the geographic location of the field, the physical and chemical properties of produced water can vary considerably and may contain high mineral or salt content.

At Beach's onshore fields, produced water undergoes a two-step separation process which begins in the separator tanks where the majority of oil is separated from water. This water then goes into a lined interceptor pond, which acts as a buffer, to ensure the remaining hydrocarbons are retained and not carried over to holding ponds, and then evaporation ponds, which are designed to evaporate water naturally. Evaporation ponds are an important source of water for livestock in the Cooper Basin, which has limited water availability. Water quality in the evaporation ponds is monitored to ensure it meets regulatory standards and is suitable for livestock and wildlife. As much as possible, produced water is reused for facility construction, road maintenance and drilling activities.

At offshore fields, produced water is metered and treated prior to disposal. Operations and maintenance practices ensure chemical use is minimised and the most environmentally friendly chemicals are selected.

SGH has a 30 per cent ownership interest in Beach Energy, and Board representation.

Materials



Welshpool Chassis Program



Machines being rebuilt by WesTrac at Welshpool

Aspiration

To be a leading Australian corporate contributor to the circular economy.

In addition to the actions SGH takes to reduce our own waste and water usage, SGH is also committed to helping our customers and the Australian economy reduce overall material usage, with both WesTrac and Coates being integral participants in the circular economy.

Coates

Coates' equipment rental business model is inherently circular.

By hiring our equipment, our mining, industrial and construction customers are able to reduce the asset footprint required to meet their collective needs. This is especially the case in some mechanical equipment categories, such as Mobile Elevated Work Platforms (MEWP) where it is estimated that 80 per cent of all MEWPs in Australia are provided by the rental sector. This shared usage model enables the economy to build infrastructure and buildings, and produce goods and exports, every year with a far lower volume of assets and materials than would otherwise be required.

Coates' rental model also contributes to the circular economy by incorporating the principles of reparability and re-use into every stage of our asset lifecycle.

Our approach to product design incorporates from the outset a focus on lifetime maintenance and repair activities, meaning that in our discussions with equipment manufacturers we often introduce product repair and re-use functionalities to their products that would not otherwise exist.

Related UNSDGs



12. Responsible consumption and production



Students at Bunbury Campus TAFE

Materials (continued)

During the life of our assets, we continuously look for remanufacturing opportunities to extend their useful lives, with notable success in our categories of access equipment and lighting towers.

In Access equipment, over the past five years we have extended the useful Coates life of more than 1,000 of our assets through a program aimed at critical componentry. On average, we are now rehabilitating one in four pieces of equipment that would previously have been disposed of, extending their useful life in the Coates fleet by at least another five years.

In Lighting Towers, we commenced a similar program in FY21. This program looks for opportunities to extend the useful Coates life of towers used in the mining sector, where lighting towers operate under harsh conditions over long periods of time (some continuously) and have an estimated life span of five to seven years. By monitoring performance and changing engines and alternator ends after 20,000 hours, we have been able to ensure that 250 lighting towers can be retained in the operational fleet for another five years rather than having to be disposed of.

At the end of the useful life of our rental assets, Coates has systematic protocols in place designed to ensure that the asset moves to its next most productive use. This often involves searching for potential next owners in overseas countries where machinery can be put to more productive use than in Australia. It also includes ensuring alternative uses are identified – all steel shoring products that have come to the end of their useful life, for example, are crushed and the material recycled for use in new products.

Looking forward, Coates will continue to work with our customers and suppliers to ensure we are making a meaningful contribution to the circular economy. In FY22, Coates will be implementing a requirement for all of its major product categories to have circular systems plans that include recyclability enhancements and reductions in energy and materials intensity.

WesTrac

WesTrac, like Coates, also plays an integral role in assisting our customers in the construction and mining sectors to reduce their materials usage and contribute to the circular economy.

We do this through our significant operations and facilities that are dedicated to rebuilding and remanufacturing equipment and components. WesTrac works constructively with our customers to identify end-of-life Caterpillar components and equipment that can be refurbished, and we have extensive workshops and capabilities devoted to returning these assets to a like-new state that ensures each has a renewed productive life and avoids replacement with new equipment.

During FY21, WesTrac completed a significant expansion of these re-build facilities in both Western Australia and NSW.

Looking forward, WesTrac will continue to build these segments of our business that maximise opportunities for rebuilding and reusing equipment and individual components. WesTrac expects our rebuild activity to increase further in FY22. This includes a significant expansion of the rebuild activity we put through our regional workshops, with our Geraldton workshop aiming to rebuild up to 12 machines annually for various Rio Tinto Pilbara operations.

WesTrac: Driving remanufacturing and re-use



WesTrac's contribution to assisting the resources industry reduce its materials footprint goes beyond the rebuild activity we do for our Caterpillar customers' equipment.

Our FlexiParts & Mining Services subsidiary, established in 2013, purchases used equipment that is typically at an age where rebuilding would be too costly for an end user.

FlexiParts completely disassembles these machines, identifying every single element that can be reused or rebuilt. Parts not suitable for reuse or rebuilding are recycled wherever possible.

A dedicated team of parts specialists operating from the dedicated FlexiParts facility at the Perth Airport in Western Australia and the Tomago facility in New South Wales effectively manage the salvage, dismantling and rebuild of components and mining machinery, parts and attachments sourced from a global network of reputable suppliers.

All work is carried out to AS4991/AS3990 standards and includes powertrains, operator stations, chassis, tray bodies, rims and tyres, buckets and machine attachments.

FlexiParts provides customers with flexible, reliable and cost-effective parts, components and attachment solutions to ensure the longest economical life of equipment.

Technology & Innovation



Coates' bespoke retrofit IoT devices
in production by Definium Technologies

Aspiration

To bring the benefits of technology and innovation, including digital, to our teams and customers.

SGH regards the ability to adapt, innovate and leverage technology as being vital to all of our businesses' prosperity. We encourage and equip all of our teams to continuously scan for improvement opportunities – whether continuous incremental improvements or quantum steps – in order to drive our and our customers' success.

WesTrac

At **WesTrac**, we have been instrumental in driving the adoption of Caterpillar's safe and efficient autonomous solutions in the mining industry, and are proud that Western Australia's fleet of operationally autonomous trucks is the largest in the world. Initially deployed in iron ore, over FY21 we assisted Newmont deploy autonomous haulage in its Boddington gold mine; and assisted in trialling underground loaders in semi-automation in NSW.

WesTrac and Caterpillar have worked extensively with customers to implement these highly efficient automated truck fleets, which have provided up to 30 per cent improvements in efficiency. A critical aspect of autonomous fleet operations is how they reduce queuing activity, ensure minimal idle times and that material is moved in the most efficient manner. This ensures the lowest emission per ton of material moved across a site. Autonomy is also now increasingly being considered for other applications beyond haulage including water trucks and drilling.

WesTrac's role in driving the adoption of automation in Australia extends beyond provision of the Caterpillar product. In FY21, we opened the WesTrac Technology Training Centre (WTTTC) in Collie, Western Australia, one of only two in the world. This facility facilitates development of the skilled workforce required to install and maintain autonomous fleets throughout Australia.

Related UNSDGs



05. Gender equality



08. Decent work and economic growth



09. Industry, innovation and infrastructure

Technology & Innovation (continued)

We also design and implement local modifications to Caterpillar product to suit domestic regulatory and customer specific requirements, including solutions such as ladder control systems, isolation systems and machine warning systems.

Over FY21 we worked closely with our customer Glencore, for instance, to develop technology to reduce risks to machine operators from bridging at bulk material handling plants.

The technology, which integrates between the operating systems for the Cat MineStar and that of the coal handling preparation plant, is now being assessed for use in iron ore load-out facilities.

WesTrac also deploys our technology capabilities to assist our customers' safety performance. As part of our Elimination of Live Work initiatives (see Safety section), we have developed a method for collecting oil samples from machines without requiring entry into the footprint of the engine. The product is being showcased to Caterpillar and major customers and has been installed on the Cat 789D autonomous haul truck at the WesTrac Technology Training Centre for demonstration.

Collie WesTrac Technology Training Centre (WTTC)

Located on 11ha of land, the facility has a dedicated Cat 789D autonomous haul truck, a Cat wheel loader (equipped with MineStar Terrain, a machine guidance system providing real-time data in the cab so operators can maximise machine efficiency) and site aware vehicles and utilises a virtual mine model including haul roads, calibration and dump/load points to provide a safe and effective training ground for technicians.

The Centre is fully booked for training, notwithstanding travel restrictions due to COVID-19, and expansion of classroom capacity is under consideration.

Consideration is also being given to expanding the WTTC's capability to include training in applications such as autonomous drilling and remote-control dozing technologies as they become increasingly adopted in industry.



A Cat 789D being used to train students at the WTTC

Technology & Innovation (continued)

Coates

At **Coates**, our technology and innovation agenda is centred around working closely with our customers to understand their needs, and partnering where possible with research institutions such as Monash University, Queensland University and University of Technology Sydney to design and deliver against those needs.

Our \$1 million research partnership with Monash University produced its first commercial outcome in FY21.

The Quadshore 150, launched in May, is believed to be the world's lightest heavy duty structural support system for temporary works in the construction sector, with capacity of up to 150 tonnes. It is a high-capacity and lightweight structural system designed to make construction sites and temporary works more efficient, while also lowering costs significantly for construction sites of all kinds.

We are now working with Monash to develop a ground shoring system and lightweight tilt props that are due for release during FY22.

Coates is further partnering with the University of Technology Sydney (UTS) to help spearhead several engineering projects, particularly focusing on how to develop the next evolution in construction water treatment processes. Our goals are to improve the efficiency of the existing water treatment fleet, to increase the hydraulic capacity of existing equipment, as well as to pursue water treatment process innovations.

Over FY21 Coates also worked closely with Definium Technologies, a Tasmanian design house specialising in Internet of Things devices, to custom design and manufacture telemetry devices that will provide our customers with greater insight into the performance and utilisation of the equipment they rent from us. We are now deploying the first 5,000 devices, which were delivered in FY21, with an additional 7,500 to be manufactured and installed during FY22.

Coates: Using drones and 3D models for safer and more cost effective asset inspections.

Aerial drones can safely and efficiently gather inspection data from the air for buildings and assets, much more economically than traditional methods, especially in remote or high risk areas.

In FY21 Coates was engaged by Energy Australia to assist with the shutdown and upgrading of two 700MW-capacity turbines at the Mt Piper Power Station near Lithgow, NSW.

Part of the maintenance works required inspecting the concrete cooling towers for cracks and degradation. Traditionally, cooling towers are physically inspected by engineers using elevated work platforms or scaffolding. The towers would usually be manually inspected to determine what maintenance is needed, with the inspection team taking photos or making drawings with accompanying notes. Along with the safety risks of working at heights, physical inspection requires significant time and effort and incurs labour and equipment hire costs.

Using a drone, Coates captured images at millimetre resolution from all angles across the cooling tower and these were used to create a 3D model, or digital twin. The 3D digital replica of the tower was uploaded to an online platform, where the model then allowed users to inspect the asset by drilling down to view concrete nodules and cracks that had been formed. Defects could then be tagged and shared with engineers regardless of where they were physically located to create a maintenance program.

Quadshore 150 structural support

Traditional structural support systems require significant installation time due to their heavy weight.

Quadshore 150's revolutionary design is disruptive, using lightweight, high-strength structural elements and boltless connections that render consumables obsolete and provide for reduced labour, handling, storage, installation and de-installation costs. The lighter weight has safety benefits due to ease of handling, as well as reducing shipping and transportation requirements, resulting in a lower carbon footprint.



Coates General Manager – Engineering Solutions, Rafi Tchopourian with Quadshore 150

Diversity

Aspiration

To have 25 per cent female participation in our workforce by 2025.

SGH is committed to supporting open and inclusive workplaces that embrace and promote diversity and equal opportunity. SGH recognises a diverse workforce is a fundamental element for providing diversity of thought and ideas to sustain our competitive advantage.

Our businesses employ a range of initiatives and measures to progress our diversity agenda, including practices encouraged by the Workplace Gender Equality Agency. Diversity improvement targets are embedded in the KPIs of all executives to reinforce the importance and focus on diversity across all businesses. Having a formalised approach to recruitment has also resulted in improved diversity, and we continue to evolve our talent and succession planning processes to include more women at all levels of the businesses, particularly in operational roles. This provides greater understanding of talent across the Group and potential successors to key roles. Transparent performance management systems help ensure decisions are based on merit and performance, and mentoring programs provide additional opportunities for women to develop and advance their careers.

WesTrac and Coates hold events to celebrate International Women's Day and participate in and facilitate women's networking events within their businesses and as part of industry networks such as "Women in Construction" and "Women in Mining" and continue to contribute to industry objectives to increase female representation.

Kate Alcock, a Coates Sales Coordinator in Darwin who is participating in the LEAP program

Related UNSDGs



04. Quality education



05. Gender equality



08. Decent work and economic growth



10. Reduced inequalities



International Women's Day at WesTrac Tomago

Diversity (continued)

During FY21 both WesTrac and Coates continued to make advances in developing and progressing female employees into leadership roles.

Female participation in apprentice programs and trade roles improved over the last 12 months, as has the proportion of females in supervisory and management roles.

WesTrac's female participation rate in management was 19 per cent in WA and 11 per cent in NSW, while the female participation rate at Coates was 18 per cent with 16 per cent in leadership roles. In trades-based roles, females represented 14 per cent of new WesTrac apprentices in WA and 20 per cent in NSW. While the number of females in trades roles increased at Coates during the year, it remains low on a comparative basis and the business is working on strategies to increase female workforce participation in those segments.

FY21 also saw both businesses continue to develop mechanisms to further progress our diversity agenda. WesTrac established a Diversity and Inclusion Committee and implemented policies on Bullying, Harassment and Discrimination and Paid Parental Leave. Coates launched a Diversity and Inclusion policy and developed tools to help leaders understand unconscious biases that may exist in workplace language, systems and practices to ensure that their actions were more inclusive. It plans to introduce a Flexibility Policy in FY22.

Coates also launched the Leadership, Excellence and Performance (LEAP) program in FY21 to support the mentoring and development of female future leaders. The inaugural LEAP program graduated 20 females of which two were promoted to leadership roles prior to the program's completion. The next program will commence before the end of 2021.

Looking ahead into FY22, we are continuing to advance our use of HR analytics to provide greater insights to mitigate any potential issues with respect to unconscious bias in our systems, policies and processes and behaviours.

A key element is the continual review of recruitment, remuneration and turnover information to identify any potential areas of bias at all stages, from the review of job applications through to final hiring decisions. In addition, the provision of this information to our people leaders through regular reporting and dashboards provides immediate and ongoing feedback on progress against diversity targets.

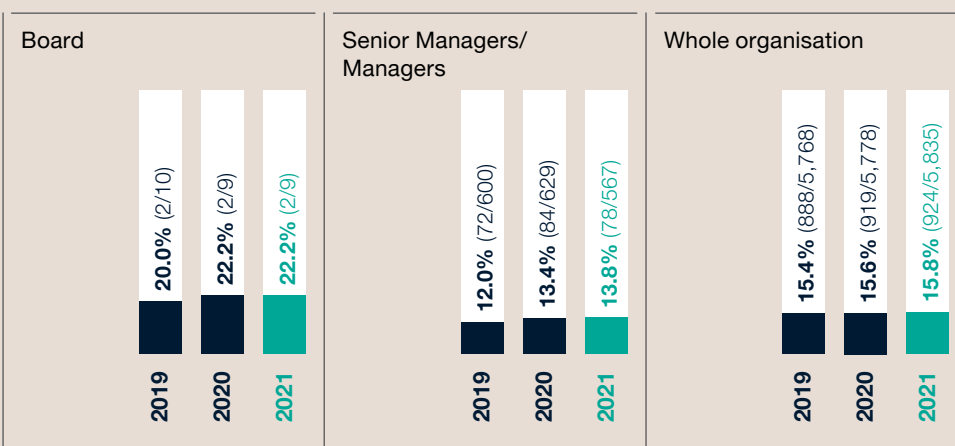
Reducing the gender pay gap across the Group businesses also remains a key priority. At WesTrac, a detailed review of roles not covered by an Enterprise Agreement has confirmed that there is no pay gap with respect to males and females in similar roles. At Coates, the use of additional parity-based targeted salary increases has seen the gender pay gap, excluding employees covered by an Enterprise Agreement, further fall over FY21 to 0.9 per cent. We will continue to undertake regular reviews of pay parity as part of broad remuneration review processes as well reviewing pay parity for any individuals for changes in their role.

Gender Diversity as Reported to the Workplace Gender Equality Agency

- Senior Managers/Managers includes Executive Directors of Seven Group Holdings Limited and its subsidiaries as well as all other Managers as defined by the Workplace Gender Equality Agency (WGEA).
- For the purpose of this section of the report, employee numbers and statistics have been calculated based on information as at March 31, provided to WGEA as part of the SGH annual reporting requirements.

As at 30 June 2021, the proportion of female employees across SGH is at 15.8 per cent.

The proportion of women employed within the Group is as follows:



Employment



Employees at Coates enjoy rich and diverse career opportunities

Aspiration

To be an employer of choice across all categories of employment, known for fairness, empathy, development and contribution.

As a leading Australian diversified operating and investment group with market leading businesses and investments in industrial services, oil and gas, and media, SGH incorporates diversity, fairness and opportunity into its employment ethos.

We employ a total of 5,800 people, operating across all states and territories in Australia. This is an increase of 45 per cent over the last five years, including acquiring full ownership of Coates in 2017. Our workforce contains a vibrant mix of skills and capabilities, including tradespeople, salespersons, warehouse and logistics specialists, machine guidance and control technicians, accountants, safety professionals and human resources specialists. Full time employees represent 98 per cent of our team. We are a significant employer in regional Australia, with over 2,800 employees located outside the major capital cities.

Our people have the right to freedom of association and collective bargaining, and we maintain constructive relationships with multiple unions that participate in the sectors we operate in.

A key pillar of our strategic framework is our ability to develop, recruit and retain exceptional people. We have a particular focus on programs such as training, apprenticeships, and trade upgrades to ensure we have access to the skilled labour we need in order to serve our customers. We are an Equal Opportunity employer and actively invest in programs to build capability and foster a positive and inclusive culture. We strive to provide an environment in which our people can develop the requisite skills and leadership capabilities to deliver value to our customers and stakeholders.

Related UNSDGs

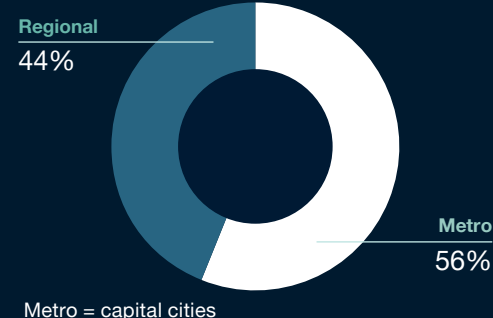


04. Quality education

Total Employees FY17-FY21



Geographic Workforce Split



Employment (continued)

Diversity improvement targets are embedded in the KPIs of all executives to reinforce the importance and focus on diversity, and we have a formalised approach to recruitment to deliver this. Talent and succession planning processes continue to evolve to include more women at all levels of the businesses, particularly in operational roles. This has provided a greater understanding of talent across the Group and potential successors to key roles. A transparent performance management process ensures decisions are based on merit, performance, and talent.

Employee engagement and culture are important themes across the Group. WesTrac through its “Made for More” campaign outlines a strong employee value proposition and is recognised for having a positive culture that values employees.



WesTrac Wollongong branch members with sandstone tablet displaying SPARC values

The “Made for More” culture is our collective values and vision to have a business that is safe, enjoyable and productive. After consultation with team members from all areas of our business, we launched SPARC values – standing for safe, pride, accountable, respect, and customer. Having an agreed set of values has allowed us to set clear expectations, which in turn allows us to have fair conversations when those expectations aren’t met and celebrations when expectations are exceeded.

Since the implementation of the “Built by Us” program, engagement scores have improved across WesTrac.

Coates’ “The Hire Road” program focusses on cultural transformation across Coates and will further support engagement initiatives across the business. Encouragingly, participation rates in engagement surveys were above 80 per cent for both businesses.

The launch of the SGH Employee Share Purchase Plan in FY21 provided employees the opportunity to share in the value that they help generate for shareholders, and the high take-up rate demonstrated the engagement and commitment of our employees to the future long-term growth of the Group.

SGH also provides flexible work practices to ensure employees can balance work with family, carer or other responsibilities. These flexible work practices were critical for the Group’s ability to transition to remote working during the COVID-19 pandemic, with enhanced options available to employees including adjustments to working hours, patterns of work and work locations, telecommuting and job sharing.

We provide for career development and strive to ensure decisions about employment and remuneration are based on merit, ability, performance, and potential, and that these decisions are made in a transparent and fair manner that excludes any conscious or unconscious biases that might discriminate against certain candidates.

Employment numbers

| | WesTrac | Coates |
|-----------------|---------|--------|
| Total Employees | 3,760 | 1,974 |
| Male | 3,213 | 1,612 |
| Female | 547 | 362 |
| Metro | 2,006 | 1,184 |
| Regional | 1,754 | 790 |
| Under 30 | 888 | 242 |
| 30–50 | 2,158 | 1,085 |
| Over 50 | 714 | 647 |

Training

Aspiration

To engage, educate, develop and inspire our people.

SGH remains committed to investing in leadership development and specialist training to improve the technical and leadership capability of our people.

The focus on leadership development and building management capability is evident across the Group with a strong emphasis on succession planning and actionable development plans for employees with succession potential as well as those employees in critical roles.

WesTrac

WesTrac invested more than \$7 million in training our employees in FY21. Our accredited Apprenticeship Program is highly regarded and receives on average more than 2,000 applications each year for about 50 new placements. There are over 200 WesTrac apprentices and over 300 customer apprentices currently in training in Western Australia, and 70 WesTrac apprentices and 15 customer apprentices training in NSW. For existing employees, we also undertake a comprehensive set of trade upgrade programs. The September 2021 Apprentice Program intake saw an increase in the diversity and quality of successful candidates.

WesTrac's training extends beyond our internal teams. We are a registered training organisation and undertake a significant amount of training for customers as well as employees.

The opening of our Technology Training Centre in Collie WA, the first of its kind outside the United States, further extended the range of training available for technicians and operators of autonomous haulage vehicles.

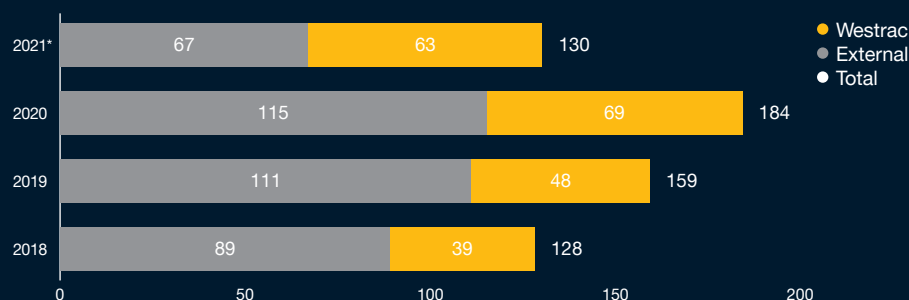
WesTrac training on a M Series Grader

Related UNSDGs



04. Quality education

WesTrac: Enrolments into Apprenticeship program per year 2018–2021



* 2021 is for 8 months only.
Note: Mechanical apprenticeships only.

Training (continued)

Looking forward into FY22, we are implementing a new learning management system that will enable our team members to undertake self-paced and self-directed learning against clear career pathways.

We also aim to roll out a Senior Leaders development program. We are also preparing to expand our Technology Training Centre to provide for training in other autonomous equipment.

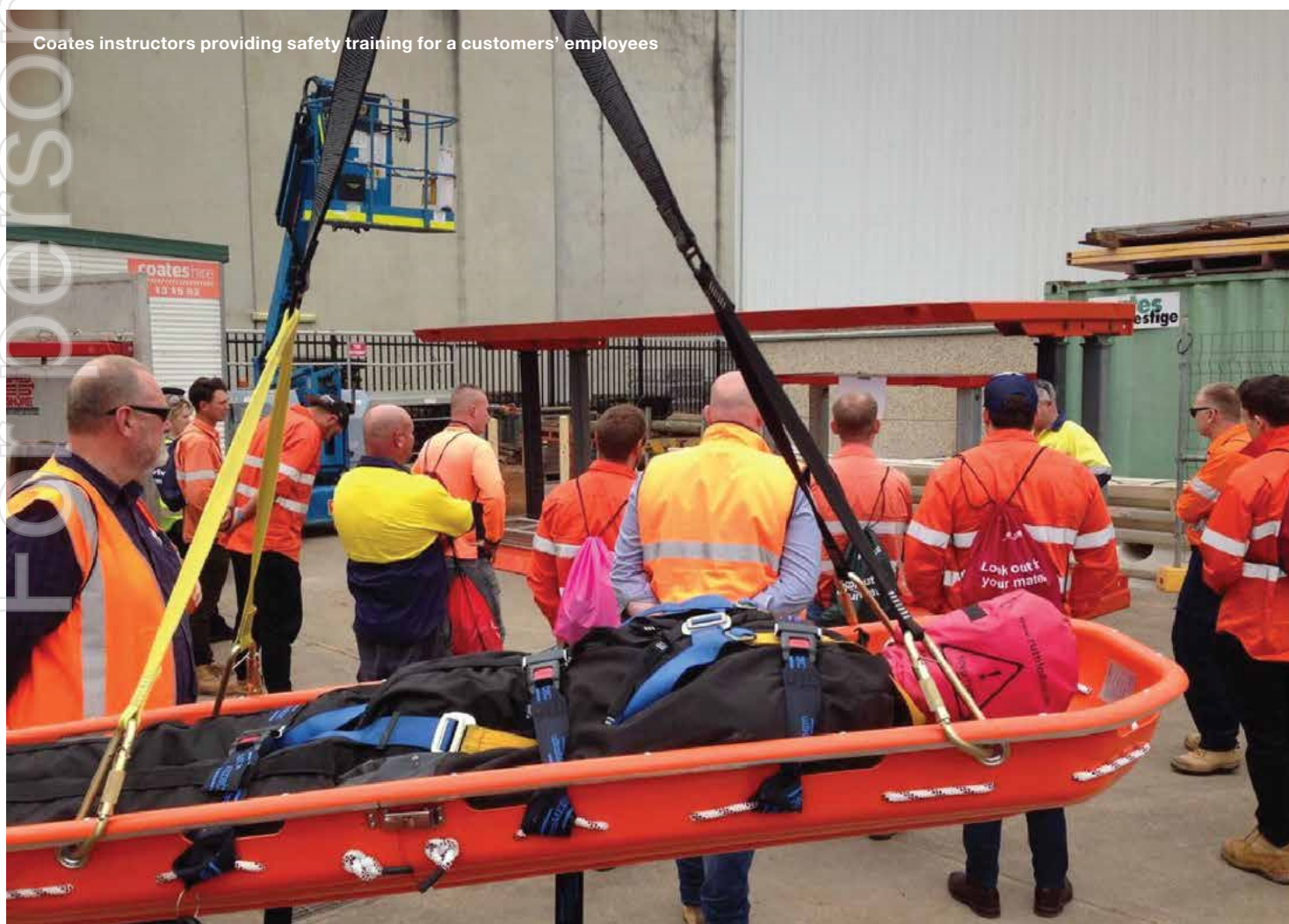
Coates

Coates invested almost \$3 million in employee training in FY21. As a Registered Training Organisation, we deliver training for both our employees and our customers, with 4,049 units of competency, 768 verifications of competency and 4,027 training certificates issued in FY21.

During FY21 we had a strong focus on leadership development. We provided Leader Performance management workshops for 230 leaders, and developed leader toolkits and clearer leader accountabilities. Sales capability training was also an area of special focus.

Looking forward, Coates will continue to build our team's leadership capabilities, with a leadership induction program and the launch of a new performance philosophy. We will also continue to focus on developing our sales team, with additional product and sales capability training. In FY22 we will introduce sustainability training for our teams, and look to evolve the Coates Apprenticeship approach to create a national program.

Coates instructors providing safety training for a customers' employees



Indigenous Inclusion

Aspiration

To make a meaningful contribution to the full realisation of the rights of Indigenous peoples in the communities we operate in.

SGH recognises Aboriginal and Torres Strait Islanders as the traditional landowners of Australia, and we acknowledge that listening to Indigenous voices strengthens our ability to positively contribute to the full realisation of the rights of Indigenous peoples.

We are particularly committed to providing support to the Indigenous communities where our work takes place, and this support includes employing and training Indigenous workers and supporting Indigenous businesses. We look to structure our actions in line with the framework espoused by Reconciliation Australia.

Coates

Coates made significant steps on advancing Indigenous inclusion in FY21. In November we launched our “Reflect” Reconciliation Action Plan, which is our commitment to developing respectful relationships and creating meaningful opportunities with Aboriginal and Torres Strait Islander peoples. We have a target participation rate of 10 per cent of our apprentices to identify as Aboriginal and Torres Strait Islander and a 2.5 per cent overall employee participation rate – both by 2025. Coates has also committed to Indigenous business procurement targets by 2022, with 5 per cent of suppliers engaged in a tender and 1 per cent of total supplier spend contracted to Indigenous-owned businesses.

A traditional Aboriginal smoking ceremony by local Elders during a visit to Halls Creek by WesTrac executives Cameron Callaway and Brad Lecocq

Related UNSDGs



04. Quality education



10. Reduced inequalities



Shire of Halls Creek who've invested in 10 Cat machines to help train local Indigenous people

Indigenous Inclusion (continued)

In FY21 Coates also launched a three-year partnership between Coates and the Clontarf Foundation. This partnership supports 120 Aboriginal and Torres Strait Islander students at Clontarf Academies.

Coates is developing employment pathways within its business for Clontarf graduates, assisting them with functional skills such as resume writing and interviewing, hosting visits to Coates work sites, and linking with local Clontarf Academies so that Coates employees can engage with the Aboriginal and Torres Strait Islander students in a range of informal, unstructured and social activities aimed at building long-term relationships with the students and their culture.

Looking forward, over FY22 Coates is now preparing our second "Innovate" RAP to build on the progress we have made in FY21. We will also build on the partnerships we have established with local Chambers of Commerce to support Aboriginal and Torres Strait Islander businesses across Australia and work towards achieving our set targets to increase procurement and supplier spend from Aboriginal and Torres Strait Islander suppliers by 2022.



A group of Year 11 and 12 students from Clontarf academies attending a Coates employment forum in Perth

WesTrac

WesTrac has a strong history of supporting and working closely with local Indigenous organisations. Our partnership with Nudge, an organisation that works with the Indigenous community to place young people into jobs and traineeships, has driven successful outcomes with 16 per cent of WesTrac's Western Australia apprentice intake in FY21 identifying as Indigenous, with a 100 per cent retention rate. WesTrac also supports Indigenous employment agency Six Season Resources as a preferred supplier for labour hire.

WesTrac continued to support the Carey Bindjareb and Olabud Doogethu programs in WA through FY21. Carey Bindjareb provides industry training for Aboriginal and Torres Strait Islanders engaged in the criminal justice system while Olabud Doogethu is providing training for Indigenous Halls Creek locals to operate Cat equipment (see case study). Both programs aim to help provide locals with employment and career opportunities.

Looking forward, WesTrac will commence development of its first RAP in FY22 incorporating learnings from Coates' experience.

WesTrac: Assisting Olabud Doogethu to reduce youth crime

The Shire of Halls Creek in the East Kimberley region of Western Australia has a population of that is 75 per cent Indigenous.

Local Elders established Olabud Doogethu to lower local youth crime by hiring youth engagement officers and forming partnerships with companies like WesTrac to educate the youth, create employment opportunities and foster a safe community.

WesTrac provides training assistance on 10 Cat machines as part of a training program for the local Indigenous population – one that gives applicants a Certificate III in Civil Construction when successfully completed.

From this, the organisation then creates employment opportunities with the Council to build and maintain road networks as well as contracting to Main Roads for local highway upgrades.

Since the program was established, the Shire reports the area has recorded a 65 per cent decrease in youth crime.

Local Communities



Channel 7 Telethon

Aspiration

To be an engaged and constructive participant in the communities in which we operate.

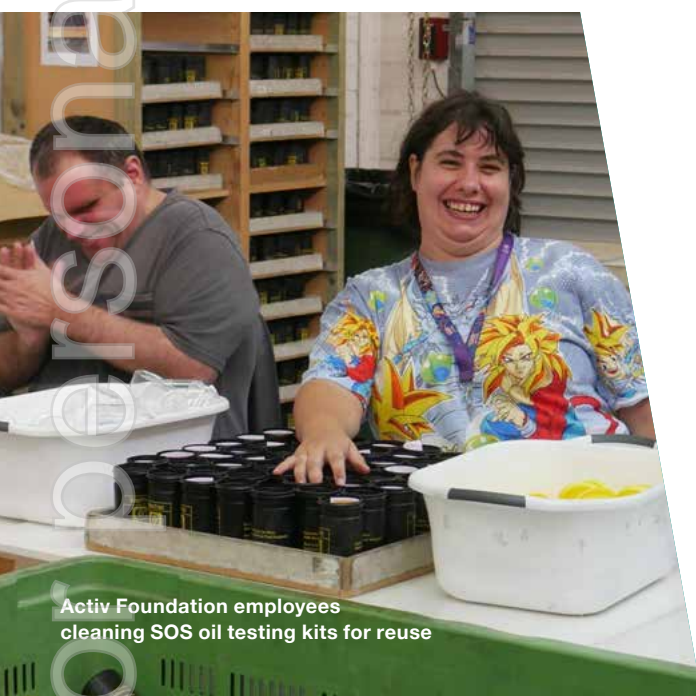
Many of SGH's customers are located in remote and regional areas, and our teams are actively involved in their local communities. As an organisation, our commitment to making a positive contribution to all these communities is resolute.

Our team members are a critical part of our local communities. We are extremely proud of the role they play across Australia supporting not only our customers, but also helping as volunteer bush firefighters, volunteer ambulance officers, defence reservists, surf lifesavers and raising money for many local projects and community groups.

This commitment inspired our Group-wide response to the devastating bushfires of late 2019 and early 2020.

SGH contributed \$4.9 million over 19 months to bushfire relief and recovery efforts, including \$1.5 million donated to the NSW Rural Fire Service to support volunteer firefighters and the ongoing recovery and restoration of fire trails and access roads across NSW.

The balance of our Bushfire Assistance Program comprised tools, equipment and services donated by WesTrac and Coates to assist badly impacted communities in the Bega and Nambucca Valleys,



Activ Foundation employees cleaning SOS oil testing kits for reuse

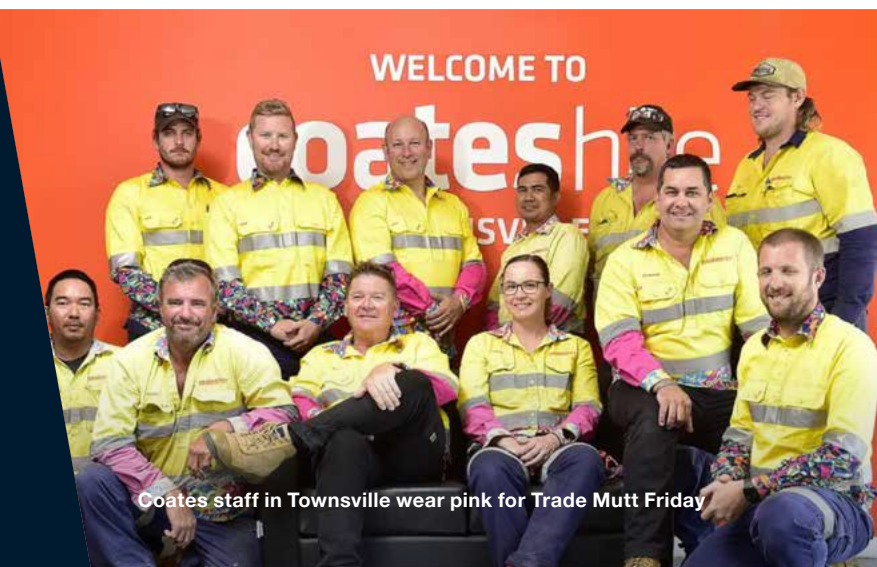
Related UNSDGs



09. Industry, innovation and infrastructure



16. Peace, justice and strong institutions



Coates staff in Townsville wear pink for Trade Mutt Friday

Local Communities (continued)

Mid-North Coast, Central and Northern Tablelands, and South Coast regions of NSW, the Gippsland region in Victoria, and the Adelaide Hills and Kangaroo Valley in South Australia. Assistance included providing portable buildings, showers, laundry and toilets, generators and lighting, and providing equipment to clear rubbish and damaged trees, save produce, feed stock, and support local businesses to provide employment.

Our businesses are always quick to support local communities after natural disasters, and WesTrac and Coates regularly contribute to community and charitable endeavours.

Many of the remote and regional communities in which we operate do not have adequate access to medical services, especially specialist services such as mental health services and support, is limited. This prompted the local Coates team in Townsville to initiate TradeMutt Fridays, in which staff wear bright TradeMutt shirts every Friday and PPE with YNWA (You'll Never Walk Alone) labelled on the right breastplate and TIACS (This is a Conversation Starter) across the back to create awareness around mental health and suicide prevention.

Prominent among broader causes championed by WesTrac are the Seven Telethon, Lifeline, and various fund raising efforts such as the MACA Ride for Cancer, the Motivation Foundation, Red Cross, and the Bloody Long Walk to raise funds for research into the prevention, diagnosis, treatment and cures of mitochondrial disease, and the Urban Hum apiary that is assisting with environmental regeneration south of WesTrac's Tomago headquarters.

Coates also supports the Seven Telethon, as well as Westmead Children's Hospital's annual Christmas toy drive, and the Humpty Dumpty Foundation which donates medical equipment for children in Paediatric Wards, Neonatal Units, Maternity and Emergency Departments in hospitals across Australia.

Looking ahead, a major initiative for Coates will be the planned launch of the Coates Foundation in FY22.

Initially, this will be a non-financial Foundation whose aim will be to provide strategy and frameworks relating to philanthropic work and structure around how "we give back" to the communities in which Coates operates. The Coates Foundation will select charity partners who allow us to meaningfully contribute to positive social impact. We will engage our employees and support their own social responsibility efforts through employee giving as well as volunteering opportunities across our partner organisations.

Coates donated \$254,000 to charitable endeavours in FY21, including \$200,000 associated with its partnership with the Clontarf Foundation. Total spending was slightly down on the prior year due to many events being cancelled due to COVID-19.

Perth Telethon

During the year, Channel 7 Telethon raised \$46.3 million breaking the previous years total of \$42.6 million. Established in 1968, Telethon has raised just over \$395 million to fund child health research, much-needed medical equipment, and critical services and programs for the children of WA.

WesTrac's long term involvement with Activ Foundation

Activ Foundation is a leading registered NDIS provider in Western Australia. It provides individualised services for more than 1,900 people with intellectual disability and their families.

WesTrac has been supporting Activ Foundation since 2005, employing people living with disability on a full-time basis at Activ Business Services Osborne Park to recycle oil from WesTrac's SOS oil testing kits. It is the longest running contract at the centre.

WesTrac customers at mine sites across Australia use SOS oil testing kits to extract oil samples from their Caterpillar equipment as part of their commitment to reduce maintenance costs and downtime.

The kits are sent to WesTrac for testing and then delivered daily to Activ in Osborne Park for recycling. Activ employees decant the used oil and then hot wash the containers, ready for them to be reused in new SOS kits. The used oil is then collected by a specialist oil recycling company.

WesTrac also engages Activ for garden maintenance at its branches.

Local Communities (continued)

WesTrac: Supporting motivation foundation's youth education and employment pathways

WesTrac supports the Motivation Foundation, a not for profit organisation based in WA that aims to educate and develop life and employability skills for Year 11 and Year 12 students from diverse backgrounds.

Students can achieve a nationally recognised Certificate II in Civil Construction and a Certificate II in Resources and Infrastructure Work Preparation. The program provides on-site training and work place experience whilst completing high school.

WesTrac provides access to Caterpillar construction and earthmoving equipment to ensure students are well versed in their operations. In 2021 we provided the ability for Motivation Foundation to commence a pilot program in the South West by providing an operating area adjacent to the WesTrac Collie Technology Training Centre.

The Motivation Foundation has currently enrolled 132 students and has achieved an over 90 per cent employment rate within 3 to 6 months of graduating with over 25 per cent Indigenous participation. As part of their training the students also complete important community projects making further meaningful contributions to the local areas. Examples include the Darlington Volunteer Bushfire Brigade earthworks and pad for their new firefighting unit.



Students from the Motivation Foundation's Civil and Mining Academy held at the WesTrac Technology Training Centre

Deloitte Assurance Statement



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Independent Limited Assurance Report to the Directors and Management of Seven Group Holdings Limited

Conclusion

We have undertaken a limited assurance engagement on Coates Group Holdings Pty Limited ("Coates") and WesTrac Pty Limited's ("WesTrac") Selected Sustainability Metrics ("Subject Matter Information"), which are part of Seven Group Holding Limited ("SGH"), as disclosed in the 2021 SGH Sustainability Report detailed below for the year ended 30 June 2021.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that, the Subject Matter Information is not prepared in all material respects, in accordance with the Reporting Criteria detailed below for the year ended 30 June 2021.

Subject Matter Information and Reporting Criteria

The Subject Matter Information and Reporting Criteria for our limited assurance engagement for the year ended 30 June 2021 is as follows:

| Selected Sustainability Metrics ('Subject Matter Information') Coates and WesTrac only | Reporting criteria |
|--|--|
| Scope 1 and 2 emissions (tCO ₂ -e) and energy consumption (GJ) | The <i>National Greenhouse and Energy Reporting Act 2007</i> ("NGER Act") and SGH's internal policies and procedures |
| Work-related injuries | GRI 403-9 (a i,iii,iv and v) and (b i,iii,iv and v) (2018) |
| Ratio of basic salary and remuneration of women to men | GRI 405-2 (2016) |
| New employee hires and employee turnover | GRI 401-1 (2016) |

Basis for Conclusion

We conducted our limited assurance engagement in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ASAE 3000"), issued by the Australian Auditing and Assurance Standards Board. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities

Management is responsible for:

- Ensuring that the Subject Matter Information is prepared in accordance with the Reporting Criteria;
- Confirming the measurement or evaluation of the underlying subject matter against the Reporting Criteria, including that all relevant matters are reflected in the Subject Matter Information;

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Deloitte Assurance Statement (continued)

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- c) Designing, establishing and maintaining an effective system of internal control over its operations and financial reporting, including, without limitation, systems designed to assure achievement of its control objectives and its compliance with applicable laws and regulations; and
- d) The electronic presentation of the Subject Matter Information and our limited assurance report on their website.

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements* in undertaking this assurance engagement.

Assurance Practitioner's Responsibilities

Our responsibility is to express a limited assurance conclusion on the SGH's Subject Matter Information as evaluated against the Reporting Criteria based on the procedures we have performed and the evidence we have obtained. ASAE 3000 requires that we plan and perform our procedures to obtain limited assurance about whether, anything has come to our attention that causes us to believe that the Subject Matter Information is not properly prepared, in all material respects, in accordance with the Reporting Criteria.

A limited assurance engagement in accordance with ASAE 3000 involves identifying areas where a material misstatement of the Subject Matter Information is likely to arise, addressing the areas identified and considering the process used to prepare the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been properly prepared, in all material respects, in accordance with the Reporting Criteria.

Our procedures included:

- Inquiries with the respective sustainability metric data owners and management responsible for the sustainability report to understand and assess the approach for collating, calculating and reporting the respective sustainability metrics across the reporting period ended 30 June 2021;
- Walkthroughs of key systems and processes used / relied upon to compile the sustainability metrics for the 2021 reporting period;
- Inspecting the supporting process documentation developed to support the collation, calculation and reporting process in accordance with SGH's policies and procedures and applicable GRI Standards;
- Inspecting the supporting process documentation developed to support the collation, calculation and reporting process in accordance with SGH's policies and procedures and applicable GRI Standards;
- Selection on a sample basis, items to test from the selected sustainability performance indicators and agree to relevant supporting documentation;
- Analytical reviews over material data streams to identify any material anomalies / gaps in the sustainability metrics and investigate further where required;
- In the case of the scope 1 and 2 emissions and energy purchased data, assess the appropriateness of conversion factors used to calculate reported data. For example, regarding greenhouse gas

Deloitte Assurance Statement (continued)

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emissions, this will include assessing energy content and emission factors used to calculate emissions from various activity sources; and

- Agreeing overall data sets for the Subject Matter Information to the final data contained in the 2021 SGH Sustainability Report.

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of internal control there is an unavoidable risk that it is possible that fraud, error, or non-compliance with laws and regulations, where there has been concealment through collusion, forgery and other illegal acts may occur and not be detected, even though the engagement is properly planned and performed in accordance with Standards on Assurance Engagements.

Restricted use

This report has been prepared for use by the directors and management for the purpose of assisting the management and directors in their reporting on the Subject Matter Information presented in the 2021 SGH Sustainability Report.

We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors and management or for any purpose other than that for which it was prepared.

Electronic presentation

It is our understanding that SGH intends to electronically present their Sustainability Report on its internet website. Responsibility for the electronic presentation of the Sustainability Report on the SGH's website is that of management of SGH. The security and controls over information on the web site should be addressed by SGH to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of the Sustainability Report on SGH's website is beyond the scope of the assurance of the Sustainability Report.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

P R Dobson

P R Dobson
Partner

Sydney, 29 September 2021

Data Tables

Work-Related Injuries

Coates

| | FY20 | FY21 |
|---|-------------------------|-------------------------|
| Workers covered by OHS management system ¹ | 100% of 1,967 employees | 100% of 1,974 employees |
| Lost time injuries | 4 | 8 |
| Lost time injury frequency rate ⁴ | 0.74 | 1.70 |
| Recordable injuries ² | 37 | 38 [†] |
| Recordable injuries frequency rate ⁴ | 6.88 | 8.05 [†] |
| Cases of work-related ill health ³ | 83 | 93 |
| Exposure hours | 5,381,456 | 4,719,431 [†] |

Note: these measures align to GRI 403–9 a) i, iii, iv, v and b) i, iii, iv, v

1. OHS management system covers all employees as identified in the table above as well as all contractors that supplement the workforce on company locations under direct supervision

2. The main types of recordable work-related injury are: Medical Treatment Injuries; Restricted Work Injuries; and Lost Time Injuries

3. Workers compensation claims lodged during the period

4. Rates have been calculated based on 1,000,000 hours worked. Rates include both employees and contractors

[†] Deloitte-assured metric

WesTrac

| | FY20 | FY21 |
|---|-------------------------|-------------------------|
| Workers covered by OHS management system ¹ | 100% of 3,559 employees | 100% of 3,760 employees |
| Lost time injuries | 7 | 2 |
| Lost time injury frequency rate ⁴ | 0.70 | 0.20 |
| Recordable injuries ² | 67 | 48 [†] |
| Recordable injuries frequency rate ⁴ | 6.68 | 4.80 [†] |
| Cases of work-related ill health ³ | 191 | 163 |
| Exposure hours | 10,032,059 | 9,990,102 |

Note: these measures align to GRI 403–9 a) i, iii, iv, v and b) i, iii, iv, v

5. OHS management system covers all employees as identified in the table above as well as all contractors that supplement the workforce on company locations under direct supervision

6. The main types of recordable work-related injury are: Medical Treatment Injuries; Restricted Work Injuries; and Lost Time Injuries

7. Workers compensation claims lodged during the period

8. Rates have been calculated based on 1,000,000 hours worked. Rates include both employees and contractors

[†] Deloitte-assured metric

Data (continued)

Diversity

Coates

| | FY20 | FY21 |
|--|--|--|
| Ratio of basic salary and remuneration of women to men | Basic salary 90.3% Remuneration 81.2% | Basic salary 97.1% [†] Remuneration 84.6% [†] |
| Ratio for managers | Basic salary 103.1% Remuneration 100.4% | Basic salary 111.5% [†] Remuneration 107.5% [†] |
| Ratio for non-managers | Basic salary 93.0% Remuneration 80.9% | Basic salary 101.4% [†] Remuneration 84.9% [†] |
| Ratio for metro | Basic salary 88.8% Remuneration 80.7% | Basic salary 95.2% [†] Remuneration 86.2% [†] |
| Ratio for regional | Basic salary 87.6% Remuneration 80.0% | Basic salary 94.5% [†] Remuneration 79.4% [†] |
| Percentage of workforce who are women | 17.6% | 18.3% |
| % for managers | 10.3% | 10.5% |
| % for non-managers | 18.9% | 19.9% |

Note: these measures align to GRI 405-2

1. Manager in line with Workplace and Gender Equality Agency (WGEA) definition

2. Metro is defined as the greater metropolitan areas of State capital cities, with Regional being all other areas

[†] Deloitte-assured metric

The above tables include all employees within the operating businesses, with the majority in the non-manager, metro and regional categories employed under Enterprise/Collective Agreements, which do not always provide a direct opportunity to address gender pay gaps from a Basic salary perspective. In addition, the payment of overtime for technical and trade roles, which tend to have a high representation of males, also has an impact on the Remuneration ratios in the non-manager, metro and regional categories.

WesTrac

| | FY20 | FY21 |
|--|--|--|
| Ratio of basic salary and remuneration of women to men | Basic salary 89.4% Remuneration 70.4% | Basic salary 87.9% [†] Remuneration 71.3% [†] |
| Ratio for managers | Basic salary 92.9% Remuneration 81.3% | Basic salary 95.9% [†] Remuneration 85.3% [†] |
| Ratio for non-managers | Basic salary 86.0% Remuneration 68.3% | Basic salary 85.7% [†] Remuneration 69.1% [†] |
| Ratio for metro | Basic salary 89.5% Remuneration 75.5% | Basic salary 89.5% [†] Remuneration 76.8% [†] |
| Ratio for regional | Basic salary 74.7% Remuneration 58.4% | Basic salary 74.5% [†] Remuneration 58.7% [†] |
| % of workforce who are women | 14.0% | 14.6% |
| % for managers | 16.1% | 16.5% |
| % for non-managers | 13.9% | 14.4% |

Note: these measures align to GRI 405-2

1. Manager in line with Workplace and Gender Equality Agency (WGEA) definition

2. Metro is defined as the greater metropolitan areas of State capital cities, with Regional being all other areas

[†] Deloitte-assured metric

The above tables include all employees within the operating businesses, with the majority in the non-manager, metro and regional categories employed under Enterprise/Collective Agreements, which do not always provide a direct opportunity to address gender pay gaps from a Basic salary perspective. In addition, the payment of overtime for technical and trade roles, which tend to have a high representation of males, also has an impact on the Remuneration ratios in the non-manager, metro and regional categories.

Data (continued)

Employment

Coates – FY21[†]

| | New Employee Hires | Terminations |
|-----------------------------|--------------------------|--------------|
| Number | 417 | 409 |
| Rate | 21.2% | 20.8% |
| Male – Number | 301 | 311 |
| Male – Rate | 18.6% | 19.2% |
| Female – Number | 116 | 98 |
| Female – Rate | 32.7% | 27.6% |
| Metro ¹ – Number | 215 | 209 |
| Metro – Rate | 18.1% | 17.6% |
| Regional – Number | 202 | 200 |
| Regional – Rate | 25.8% | 25.5% |
| <30 years old – Number | 111 | 92 |
| <30 years old – Rate | 43.7% | 36.2% |
| 30–50 years old – Number | 237 | 220 |
| 30–50 years old – Rate | 21.8% | 20.2% |
| >50 years old – Number | 69 | 97 |
| >50 years old – Rate | 11.0% | 15.4% |

Note: these measures align to GRI 401–1 a and 401–1 b

1. Metro is defined as the greater metropolitan areas of State capital cities, with Regional being all other areas

2. All new hire and termination rates have been calculated based on an average headcount over the reporting period for the relevant population

† All FY21 metrics are Deloitte-assured

WesTrac – FY21[†]

| | New Employee Hires | Terminations |
|-----------------------------|--------------------------|--------------|
| Number | 727 | 529 |
| Rate | 19.9% | 14.5% |
| Male – Number | 578 | 427 |
| Male – Rate | 18.4% | 13.6% |
| Female – Number | 149 | 102 |
| Female – Rate | 28.5% | 19.5% |
| Metro ¹ – Number | 481 | 390 |
| Metro – Rate | 24.9% | 20.2% |
| Regional – Number | 246 | 139 |
| Regional – Rate | 14.2% | 8.0% |
| <30 years old – Number | 287 | 129 |
| <30 years old – Rate | 33.1% | 14.9% |
| 30–50 years old – Number | 358 | 311 |
| 30–50 years old – Rate | 17.0% | 14.7% |
| >50 years old – Number | 82 | 89 |
| >50 years old – Rate | 12.0% | 13.1% |

Note: these measures align to GRI 401–1 a and 401–1 b

1. Metro is defined as the greater metropolitan areas of State capital cities, with Regional being all other areas

2. All new hire and termination rates have been calculated based on an average headcount over the reporting period for the relevant population

† All FY21 metrics are Deloitte-assured

Data (continued)

Emissions & Energy

Coates

| | FY20 | FY21 [†] |
|---|---------|-------------------|
| Scope 1 emissions (t CO ₂ e) | 13,880 | 11,718 |
| Scope 2 emissions (t CO ₂ e) | 7,007 | 8,503 |
| Total Scope 1 and 2 emissions (t CO ₂ e) | 20,745 | 20,222 |
| Energy consumed (GJ) | 226,910 | 213,655 |

Note: these metrics align to GRI 305–1, 305–2 and 302–1. The alignment to GRI was not assessed by Deloitte, whose assurance on emissions was in reference to NGER legislation

1. FY21 includes a small amount of estimated data due to the timing of this report. Figures will be finalised prior to submission to the Clean Energy Regulator. Changes are not expected to have a material impact

† All FY21 metrics are Deloitte-assured

WesTrac

| | FY20 | FY21 [†] |
|---|---------|-------------------|
| Scope 1 emissions (t CO ₂ e) | 8,615 | 8,898 |
| Scope 2 emissions (t CO ₂ e) | 16,486 | 17,089 |
| Total Scope 1 and 2 emissions (t CO ₂ e) | 25,101 | 25,988 |
| Energy consumed (GJ) | 206,712 | 213,456 |

Note: these metrics align to GRI 305–1, 305–2 and 302–1. The alignment to GRI was not assessed by Deloitte, whose assurance on emissions was in reference to NGER legislation

1. FY21 includes a small amount of estimated data due to the timing of this report. Figures will be finalised prior to submission to the Clean Energy Regulator. Changes are not expected to have a material impact

† All FY21 metrics are Deloitte-assured

Glossary

| | |
|--------------------|--|
| CO ₂ e | Carbon dioxide equivalent – a standard unit for measuring carbon footprints |
| CCUS | Carbon capture, utilisation and storage |
| Employee turnover | The number of employee departures during the year |
| ESG | Environmental, Social and Governance |
| FY | Financial year |
| GHG emissions | Greenhouse gas emissions, mainly CO ₂ and methane |
| GJ | Gigajoule – equal to 1 billion joules |
| GRI | Global Reporting Initiative |
| HSEQ | Health, Safety, Environment and Quality |
| LTIFR | Lost Time Injury Frequency rate – the number of lost-time injuries per million hours worked during the period |
| Modern Slavery | Defined by the Australian Modern Slavery Act 2018 as including eight types of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour, and deceptive recruiting for labour or services |
| NDIS | National Disability Insurance Scheme |
| NGER | National Greenhouse and Energy Reporting |
| Paris Agreement | An agreement within the framework of the United Nations Framework Convention on Climate Change |
| t | Tonnes |
| tCO ₂ e | Tonnes CO ₂ e |
| TRIFR | Total Recordable Injury Frequency rate – the number of injuries that result in medical treatment as well as those that result in lost work time per million hours worked |
| Scope 1 emissions | Direct emissions from the combustion of fuels in manufacturing and transport, and chemical process emissions (such as from calcination of limestone). Calculated using factors and methodologies set out in legislation, regulatory or international best practice guidance |
| Scope 2 emissions | Indirect (attributed) emissions from electricity purchased, calculated using factors particular to regional electricity grids. Such factors are usually defined in legislation or regulatory guidance |
| Scope 3 emissions | Indirect emissions, other than from Scope 2 emissions, that are generated in the wider economy. These may include emissions from production of purchased goods and services, through to the use of sold products and services, and in particular for Boral, from transport of materials both upstream and downstream in our supply chain. Calculated based on a number of internationally accepted reporting standards |
| SGH | Seven Group Holdings |
| TCFD | The Financial Stability Board's Task Force on Climate-related Financial Disclosures |
| UNSDGs | United Nations Sustainable Development Goals are a collection of 17 interlinked global goals designed to be a “blueprint to achieve a better and more sustainable future for all”. The SDGs were set up in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030 |

Alignment with United Nations Sustainable Development Goals



03. Good health and well-being



04. Quality education



06. Clean water and sanitation



08. Decent work and economic growth



10. Reduced inequalities



12. Responsible consumption and production



16. Peace, justice and strong institutions



05. Gender equality



07. Affordable and clean energy



09. Industry, innovation and infrastructure



11. Sustainable cities and communities



13. Climate action

| Material Topic | Description | Related UNSDGs |
|--------------------|---|---|
| Materials | 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION |
| Energy & Emissions | <p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p>8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead</p> <p>9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p> <p>13.2 Integrate climate change measures into national policies, strategies and planning</p> | <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>13 CLIMATE ACTION</p> |
| Waste & Water | <p>6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p> <p>6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</p> <p>6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate</p> <p>11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management</p> <p>12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment</p> <p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p> | <p>6 CLEAN WATER AND SANITATION</p> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> |

Alignment with United Nations Sustainable Development Goals (continued)

| Material Topic | Description | Related UNSDGs |
|-------------------------------|---|--|
| Occupational Health & Safety | 3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents |  |
| Training & Education | 4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations |  |
| Technology & Innovation | 5b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending |    |
| Diversity & Equal Opportunity | 4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university 5.1 End all forms of discrimination against all women and girls everywhere 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life 5b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality |     |
| Employment | 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship |  |
| Indigenous | 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status |   |
| Local Communities | 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels |   |