



 MACMAHON

SUSTAINABILITY REPORT 2021



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Financial Year 2021

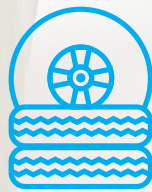
YEAR IN REVIEW

ENVIRONMENT



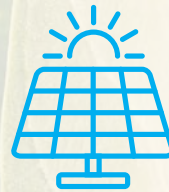
NEW

New Environment and Social Performance working group



243t

Tyre repair program diverted 243 tonnes of tyres from landfill



25%

Solar panels supply over 25% of head office power consumption



187ha

Land rehabilitated for our clients across Australia and Southeast Asia

GOVERNANCE



New Sustainability Policy



8 board members (5 independent including chair)



No reported incidents of corruption



'Silver' award for the 2020 Annual Report

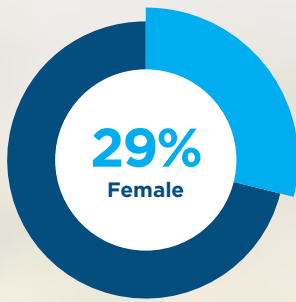
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ESG RATINGS



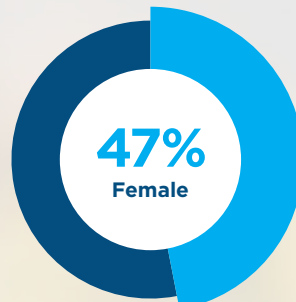
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SOCIAL

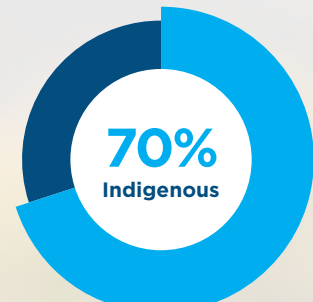
GENDER DIVERSITY IN INDONESIA



Martabe Workforce



Jakarta Office



Workforce at the Argyle Diamond Mine



NEW
Modern Slavery Statement

AWARD-WINNING

STRONG MINDS

STRONG MINES

Strong Minds, Strong Mines, mental, physical and social health program, available to the wider mining industry.

About this Report

PURPOSE

This Sustainability Report has been prepared for Macmahon stakeholders, including our people, shareholders, investment analysts and investors, clients, government, non-government organisations, suppliers, financial organisations, and the broader community in which we operate.

It covers Macmahon's key sustainability approaches, actions and performance for the 12-month period ending 30 June 2021 (FY21).

The report has been prepared in accordance with Global Reporting Initiative (GRI) Standards: Core option. The GRI context index is available on pages 48 to 49.

FEEDBACK

Please forward any comments or requests for additional information to:

Email

investors@macmahon.com.au

Post

Investor Relations
PO Box 198
Cannington WA 6987

IMPORTANT INFORMATION

Macmahon Holdings Limited (ACN 007 634 406) is the parent company of the Macmahon group of companies. In this Report, unless otherwise stated, references to 'Macmahon' the 'Company' refer to Macmahon Holdings Limited and its controlled entities.


The information in this Report covers all offices, sites and facilities wholly owned and operated by Macmahon, including the operational footprint which covers the activities of Macmahon Holdings Limited and its subsidiaries.

This Sustainability Report should be read in conjunction with Macmahon's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), including the FY21 Annual Report and FY21 Corporate Governance Statement, all of which are available at www.macmahon.com.au.

VISIT

www.macmahon.com.au
www.facebook.com/macmahonmining
www.linkedin.com/company/macmahon



 First-year maintenance apprentices at Perth workshop



BATU HIJAU
INDONESIA

2018



Soil reconstruction and replacement of top soil. Soil samples are collected and analysed to maintain optimum performance and manage costs.

2019



Twelve months later and native vegetation is growing well.

2020



Essential planning and preparation to control erosion results in vegetation returning to the mined land.

Letter from the Chair

On behalf of the Macmahon Board, I am pleased to present Macmahon’s Sustainability Report for FY21. This standalone report presents our ongoing commitment to integrate Environmental, Social and Governance (ESG) considerations into all aspects of our business.

The report has been informed by the ESG materiality assessment we undertook in December 2020, and addresses matters that were identified as most important to our many stakeholders. As part of our continued focus to improve our disclosure on sustainability, we have prepared this report in accordance with the GRI Standards: Core option.

Our business took positive action to improve our sustainability in FY21 including the adoption of a new Sustainability Policy. Under this policy, we recognise that we have a corporate responsibility to protect the health and safety of our people, responsibly manage our environmental impact and ensure we work in partnership for the benefit of the communities in which we operate.

“
We will continue to challenge ourselves to improve our performance on key sustainability metrics.
”

In line with this responsibility, we have now set a range of sustainability objectives for FY22 in our annual business plan. These include:

- Adding sustainability to the Audit and Risk Committee remit in FY22.
- Reviewing the Macmahon Climate Change Policy and determining appropriate climate change metrics and targets.
- Establishing a Diversity Strategy.
- Establishing a Community Partnership and Investment Strategy.
- Establishing a Reconciliation Action Plan.
- Ensuring a robust and coherent set of sustainability targets exists.
- Engaging with employees to further raise sustainability awareness.

The ongoing impact of COVID-19 continues to be a challenge in our business. We have adopted a range of measures to reduce the risks to our people and host communities, and to date we have avoided significant operational disruptions at our sites.

Expectations from all stakeholders in relation to ESG concerns continue to rise. We will continue to challenge ourselves to improve our performance on key sustainability metrics, as we believe this is critical to creating long-term sustainable value for our shareholders and other stakeholders.



EVA SKIRA
Chair

Sustainability Policy

Macmahon is committed to building a sustainable business by minimising our environmental footprint, making a positive social impact and applying ethical business and governance practices.

To achieve this objective we will:

- Reduce our environmental impact by minimising emissions, waste and water use, and improving the efficiency of our operations.
- Protect the safety, health and wellbeing of all our people at all times.
- Respect the cultural heritage, customs and traditions of Indigenous Peoples.
- Encourage a diverse and inclusive workforce.
- Protect the human rights of employees, contractors, suppliers and communities through sound supply chain management and responsible contracting.
- Behave ethically and maintain strong governance practices in all the jurisdictions in which we operate.



MICHAEL FINNEGAN

Chief Executive Officer
and Managing Director

Our Business

Macmahon is a diversified contractor with leading capabilities in surface and underground mining, civil construction and resources engineering.

As an ASX-listed company, with headquarters in Perth, we provide services to many of the largest resources projects in Australia and Southeast Asia.

Founded in 1963, Macmahon services major resource companies across various commodity sectors. Our end-to-end mining services encompass mine development and materials delivery through to engineering, civil construction, on-site mining services, rehabilitation and site remediation.

Macmahon is a service provider and does not own any mines. As a result, Macmahon generally has no operational control over the mines on which it operates, with this responsibility generally resting with our clients (usually the mine owners).

Macmahon does not produce or transport any products. Environmental and social impacts from our operations that we control or influence are discussed throughout this report. Macmahon has operational control over its workshops and offices, which are listed in our map of operations on page 10.



Macmahon was named **Contract Miner of the Year** at the Australian Mining Prospect Awards 2020. The awards recognise excellence in contract mining, engineering, projects, and services.

\$1.35 Billion

FY21 Revenue

\$409 Million

Market Capitalisation
as at 30 June 21

7,069

Total Workforce

\$508 Million

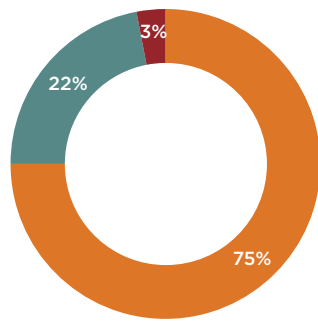
Net Tangible Assets

FY21 REVENUE BREAKDOWN

For further details, a breakdown of the services, projects and our clients are provided in our FY21 Annual Report.

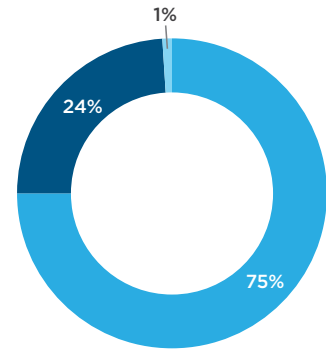
Activity

- Surface
- Underground
- Mining Support Services



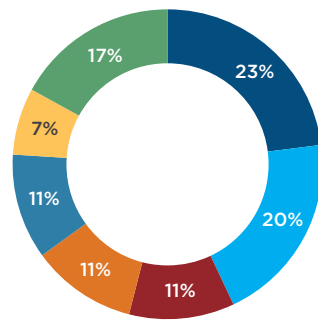
Country

- Australia
- Indonesia
- Other



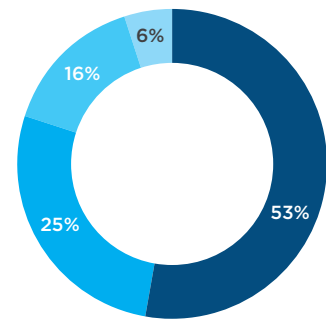
Client

- PT AMNT
- AngloGold Ashanti
- QCoal
- Silver Lake
- Newcrest
- Dacian Gold
- Other



Commodity

- Gold
- Copper/Gold
- Met Coal
- Other



INDUSTRY AND OTHER ORGANISATIONS

The Company is a member of the following industry and other organisations:

- Chamber of Minerals and Energy
- Queensland Resources Council
- WA School of Mines Alumni
- Minerals Council of Australia (member for part of the FY21 reporting period)
- Civil Contractors Federation (member post-FY21 reporting period)



Map of Operations

Malaysia

- Surface Mining**
 - Langkawi

Northern Territory

- Underground Mining**
 - Tanami

Queensland

- Office (Brisbane)**
- Workshop (Coppabella)**
- Surface Mining**
 - Byerwen
 - Dawson
- Underground Mining**
 - Mt Wright
- Mining Support Services**
 - Peak Downs
 - Poitrel Levee
 - Saraji
- Equipment Maintenance and Management**
 - Foxleigh

Indonesia

- Office (Jakarta)**
- Surface Mining**
 - Batu Hijau
 - Martabe

Western Australia

- Office (Perth)**
- Workshop (Perth)**
- Surface Mining**
 - Julius
 - Mt Marven
 - Mt Morgans
 - Telfer
 - Tropicana
- Underground Mining**
 - Boston Shaker
 - Granny Smith
 - Gwalia
 - Leinster
 - Bellevue
 - Cock-eyed Bob
 - Daisy Milano
 - Deflector
 - Maxwells
 - Nicolsons
 - Santa
 - Wagtail
- Mining Support Services**
 - Coburn
 - Warrawoona

South Australia

- Workshop (Lonsdale)**
- Underground Mining**
 - Olympic Dam

Victoria

- Underground Mining**
 - Fosterville

Ryan D'Souza Mining Engineer, Mt Morgans

Ryan is a winner of the WA award for Indigenous Trainee of the Year and runner up of the National Competition. He was mentored through Macmahon's cadetship program, gaining valuable experience across Tropicana, Telfer and now Mt Morgan's mine sites.

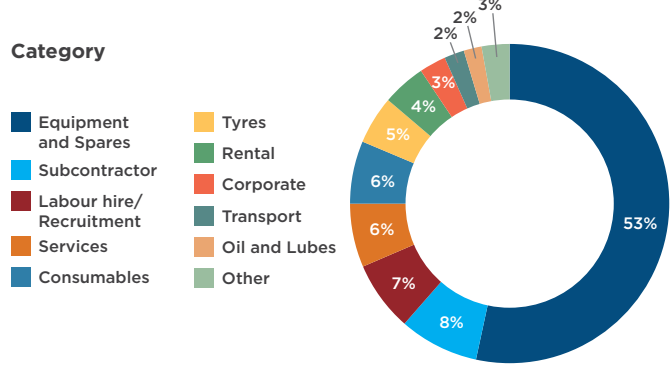
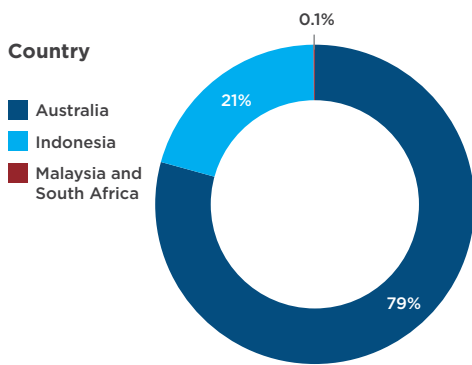
Pictured with Mining Engineer Maryam Abedinpour, Ryan, now a qualified Mining Engineer, enjoys sharing his knowledge and mentoring Macmahon's Graduate Engineers.



Supply Chain

In FY21, reflecting on our operations, our supply chains were predominantly based within Australia and Indonesia.

A breakdown of our FY21 spend is shown below. Most of our supply spend is on equipment and spares, such as specialised machinery, subcontractors and labour hire.



Our supply chains include the following services and products:

Accommodation	Explosives	Labour Hire
Equipment and Spares	Freight	Oil and Lubes
Consumables	Fuel	Services
Corporate Services	Hire and Rental Goods	Tyres
Energy	Human Resources	

For further information, please refer to the Modern Slavery Statement, which is available on our website.



Vision, Values and Strategy

Vision

To be the preferred contracting and services company:

For employees to work for

For customers to use

For shareholders to invest in

Values

In everything we do, we think and act according to our guiding principles.

Safety

Think Safe | Act Safe | Enforce Safety

Teamwork

Work Smart | Work Hard | Work Together

Prosperity

Find Value | Drive Value | Achieve Value

Integrity

Be Reliable | Be Direct | Be Honest

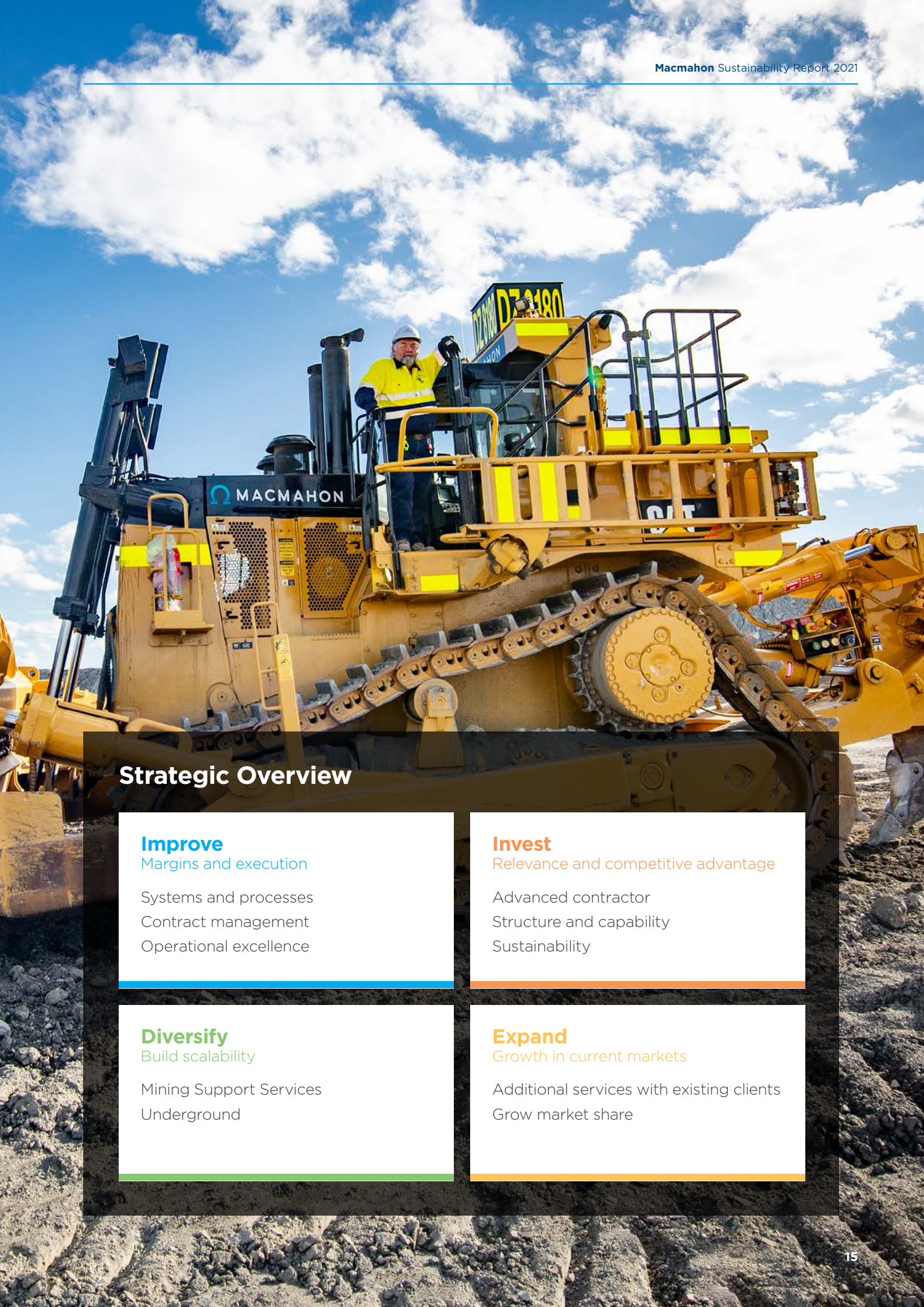
Environment

Reduce | Recycle | Rejuvenate

Strategy

Macmahon is focused on expanding and improving its end-to-end mining service capabilities to achieve sustainable growth and increase financial returns.

Our people are focused on improving efficiencies, investing in future relevance and diversifying and expanding our service offering.



Strategic Overview

Improve

Margins and execution

Systems and processes
Contract management
Operational excellence

Invest

Relevance and competitive advantage

Advanced contractor
Structure and capability
Sustainability

Diversify

Build scalability

Mining Support Services
Underground

Expand

Growth in current markets

Additional services with existing clients
Grow market share

Sustainability Approach

Macmahon is committed to improving its sustainability performance and reporting.

As part of this process, Macmahon undertook an ESG materiality assessment in December 2020 with internal and external stakeholders to guide our sustainability efforts and reporting.

This materiality assessment involved:

- Identifying potential material topics based on a preliminary assessment of global sustainability reporting standards, peer company sustainability reporting, investor interests and priorities, ESG risks and other factors.
- Prioritising material topics by engaging with 19 internal and 23 external stakeholders (across investors, brokers, clients and suppliers) to determine topics that most reflect Macmahon's significant impacts and substantively influence the assessments and decisions of stakeholders.
- The Executive Leadership Team and Board assessing engagement results and determining the material topics.

An internal Environment and Social Performance Working Group has been established to review effectiveness and improve key sustainability focus areas to manage environmental and social risks. This group and Macmahon's senior management make recommendations to the Macmahon Board, ensuring appropriate strategies and controls are implemented. Consistent with the Board's commitment, Sustainability will be added to the Audit and Risk Committee remit in FY22.

Policies

Macmahon has established the following Core Policies to provide a framework for our sustainability efforts:

- Sustainability Policy
- Risk Management Policy
- Quality Policy
- Health and Safety Policy
- Environmental Policy
- Equal Employment and Diversity Policy
- Indigenous Peoples Policy
- Whistleblower Policy
- Diversity Policy
- Human Rights Policy
- Anti-Bribery and Corruption Policy

“

An internal Environment and Social Performance Working Group has been established to review effectiveness and improve key sustainability focus areas.

”

Material Sustainability Topics

Our materiality assessment identified 16 material topics, with the most important being:



Corporate Governance



Safety



Health and Wellbeing



Climate Change



Diversity and Inclusion



Business Ethics and Transparency



People Management



Financial and Operating Performance

Material topics for Macmahon's sustainability reporting are outlined in Tables 1 and 2.

Table 1: Materiality Matrix



Table 2: Material sustainability topics for Macmahon

Material Topics	Explanation	Page
Governance		
Corporate governance	We are committed to ensuring that our obligations and responsibilities to various stakeholders are fulfilled through appropriate corporate governance practices.	41
Business ethics and transparency	Ethical business practices and transparency underpin our business. Integrity is one of our core values and we expect all employees to act lawfully, ethically and responsibly.	43
Risk management	We implement systems and processes to identify, assess and manage risks that can materially impact on our operations, people, reputation, and financial results. Note: Material risks are reported in our Annual Report.	44
Economic		
Financial and operating performance	We are committed to creating a sustainable business with a strong focus on operational and financial efficiency. Note: Our operating and financial review and financial statements are reported in our Annual Report.	N/A
Environment		
Climate change	We seek continual improvements in our energy mix and energy efficiency across our business to reduce the carbon intensity of our operations and minimise the impact on the environment.	24
Land rehabilitation	As part of our mining services, we regularly complete earthworks and revegetation on land disturbed by mining activities to ensure it is compliant, stable, safe and suitable for post-closure use.	26
Water management	We seek to sustainably manage water resources and reduce impacts on water quality associated with our mining operations.	26
Waste management	We seek to minimise waste and are committed to ensuring that all waste materials are disposed of in an approved and environmentally responsible manner. Waste management covers reduction, reuse and recycling, and hazardous waste management.	26
Environmental incidents, impacts and compliance	We implement environmental management strategies and plans to ensure compliance with all legal requirements regarding essential issues, such as biodiversity, waste, hazardous substances, water, noise and cultural heritage management.	27
Social		
Safety	Safety is one of our core values and improving our safety performance across all operations remains a priority. We lead by example and promote a "zero-harm culture" through robust safety systems, policies and processes.	32
Health and wellbeing	The health and wellbeing of our employees, contractors and stakeholders are of primary importance and integral to the way we work. We aim to provide an environment free of injury and physical and mental illness.	32
People management	Attracting, developing and retaining a skilled workforce is central to our business. We provide flexible working conditions, leave and allowances to support overall wellbeing and a positive work-life balance for our people.	30
Diversity and inclusion	We aim to create an open and inclusive work environment where our people's diverse experiences, perspectives and backgrounds are valued and utilised.	34
Human rights and modern slavery	We respect internationally recognised human rights principles. We realise we have a role to play in eliminating modern slavery in our operations and supply chains.	35
Community partnerships and investment	We treat our host communities with respect and are sensitive to the impacts of our mining operations on local communities. We partner and invest in local communities to deliver tangible and ongoing benefits.	35
Indigenous engagement	Our approach to Indigenous engagement is characterised by effective two-way communication, consultation and partnering. We commit to train and employ Indigenous people in our mining operations.	39



DIESEL FUEL ONLY

MACMAHON

Boston Shaker, Underground Gold Mine, Western Australia




Stakeholder Engagement

We consider our key stakeholders as those potentially affected by our operations or who are interested in or have an influence over what we do. Our key stakeholder groups are listed in the table below.

Stakeholders	Key Interests and Concerns	FY21 Engagement
Communities and Indigenous groups	Potential environmental and social impacts associated with operations. As most of our operations are located in remote locations, we have a broad range of local interests and concerns such as: local procurement, employment and business opportunities.	<ul style="list-style-type: none"> Community consultation and engagement Community sponsorship Social investment Project community engagement plans Jangga Operations (Indigenous Group Byerwen)
Clients	Reliability, quality, cost and delivery.	<ul style="list-style-type: none"> Regular communications and meetings Site visits and presentations Senior management involvement
Employees	Company restructuring, health and safety, working conditions, organisational culture, benefits and career development opportunities.	<ul style="list-style-type: none"> Monthly employee newsletter Fortnightly electronic direct mail Quarterly printed newsletter Macmahon intranet site Staff briefings with the CEO Performance reviews Personal development plans Regular communication via a dedicated communications tool - Team MAC Formal and informal reward and recognition (Managers to employees and peers to peers) Pre starts and toolbox talks Return to work meetings Strong Minds Strong Mines monthly toolbox presentations Various training courses Online surveys
Investors	Delivery of financial returns, mitigation and management of financial and non-financial risks, and ESG reporting.	<ul style="list-style-type: none"> Regular meetings and contact with financiers, institutional shareholders and investor representatives (brokers, analysts, proxy advisers) Annual General Meeting - FY20 AGM was accessible via an online platform and included the ability for shareholders to ask questions and vote in real-time Australian Securities Exchange (ASX) announcements Regular printed and electronic communications, including investor presentations Investor Perception Study conducted in December 2020
Industry groups	Collaboration to ensure outcomes from the industry, for example the coordination of safety data for the benefit of the industry.	<ul style="list-style-type: none"> Active participation in many associations, including The Chamber of Minerals and Energy, Minerals Council of Australia, Queensland Resources Council, WA School of Mines Alumni, and Gold Industry Group.
Regulators	Safety and environmental reportable incidents and breaches.	<ul style="list-style-type: none"> Australian Securities Exchange (ASX) Safety and Environmental Departments (Department names vary across different states and the direct relationship is often with the client depending on jurisdictions)



Warrawoona Civil Construction, Western Australia 



① Water sampling, near Batu Hijau Copper/Gold Mine, Indonesia



Environment

Macmahon's Environmental Policy, values and commitments reflect the integrated way we work at each of our locations. Although we do not own any mines, we are committed to reducing, recycling and rejuvenating by promoting environmental awareness, minimising waste and identifying energy-efficient solutions.

We continue to improve our understanding of the sources, scope and extent of our resource use, environmental emissions and impacts, and transparently report our performance. Our overarching goal for environmental management is to avoid or, if this is not possible, minimise our impacts while contributing to lasting environmental benefits across the regions where we operate.

Climate Change

As set out in Macmahon’s Climate Change Position Statement, we acknowledge that climate change is real and poses a threat to our environment.

We will seek continual improvements in energy efficiency across our business to reduce the carbon intensity of our operations and minimise the impact on the environment.

Macmahon measures and reports its Greenhouse Gas (GHG) emissions yearly via an independent consultant. Macmahon does not report GHG data directly for the National Greenhouse and Energy Reporting (NGER) scheme, as this functional responsibility for most mining projects, sits with our clients.

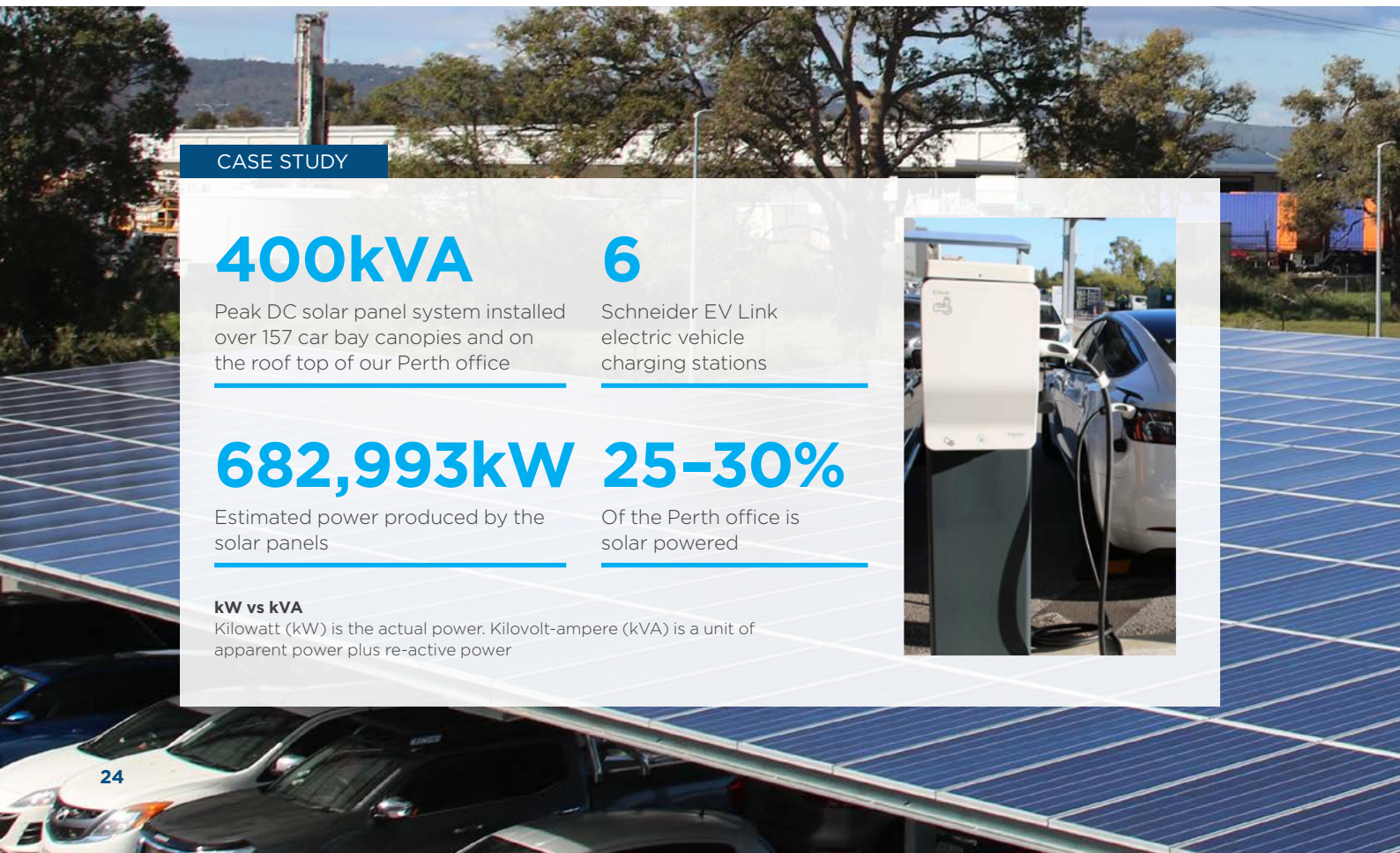
During FY21, our scope 1 (direct) GHG emissions were 2,051 tonnes per CO₂-e, while our scope 2 (indirect) GHG emissions were 1,481 tonnes per CO₂-e.

The large increase in scope 1 GHG emissions in FY20 was primarily attributed to the purchase of diesel fuel by GBF Group on behalf of a client’s operations. However, from October 2020 GBF no longer purchases fuel for this operation, which resulted in the subsequent reduction of our FY21 scope 1 GHG emissions.

The installation of solar panels at our Perth Head Office contributed to a reduction of our FY21 scope 2 GHG emissions.




We will seek continual improvements in energy efficiency across our business to reduce the carbon intensity of our operations and minimise the impact on the environment.



CASE STUDY

<p>400kVA</p> <p>Peak DC solar panel system installed over 157 car bay canopies and on the roof top of our Perth office</p>	<p>6</p> <p>Schneider EV Link electric vehicle charging stations</p>
<p>682,993kW</p> <p>Estimated power produced by the solar panels</p>	<p>25-30%</p> <p>Of the Perth office is solar powered</p>

kW vs kVA
 Kilowatt (kW) is the actual power. Kilovolt-ampere (kVA) is a unit of apparent power plus re-active power



	Metric	FY21	FY20	FY19	FY18	FY17
Energy	Gigajoules (GJ)	37,200	96,140	20,478	16,152	9,898
GHG Scope 1	Total Tonnes CO ₂ -e	2,051	6,119	795	569	156
GHG Scope 2	Total Tonnes CO ₂ -e	1,481	1,803	1,761	1,538	1,583
Total (Scope 1 and Scope 2) Emissions	Total Tonnes CO ₂ -e	3,532	7,922	2,556	2,107	1,741

Note: Emissions and energy data is calculated using Clean Energy Regulator’s NGER emissions/energy calculator are based on actual amounts of fuel (kL) and purchased electricity (kWh) used on a facility-by-facility basis.


Macmahon will set GHG emissions targets in FY22 and use FY21 as its baseline year for emissions. Macmahon will also investigate reporting against the Taskforce on Climate-related Financial Disclosures (TCFD) in FY22 for sites under its operational control.

In conjunction with our Original Equipment Manufacturers and our clients, we monitor, maintain and rebuild equipment to extend its useful life and optimise performance. Our engineering team continuously assess opportunities to purchase lower emission equipment, and we have moved from a predominately mechanical drive trucking fleet to an electric drive in FY21 for new purchases. In FY22, our team will commence trials of battery powered light vehicles in our underground operations.

FY21	Energy (GJ)	GHG (Scope 1 & 2) tonne CO ₂ -e
Electricity	7,993	1,481
Diesel	28,572	2,008
Petrol	635	43
Total	37,200	3,532

Macmahon seeks to work across a range of commodities, including those important for the world’s transition to low carbon energy, such as copper. Macmahon had minimal exposure to thermal coal mining over the period and remains cognisant of stakeholder expectations on this issue.



Perth Office carpark solar panels, Western Australia 



CASE STUDY

Batu Hijau rehabilitation

In addition to mining activities at the Batu Hijau project, the alliance team progressively rehabilitates the land. Around 1.2 million trees have been successfully replanted across 700 hectares between 2000 to 2020.



Land Rehabilitation

Macmahon offers complete solutions for mine closure and mine site rehabilitation, and progressive rehabilitation for mining contracts. Our capabilities include bulk earthworks, topsoil management, revegetation, monitoring and maintenance.

In FY21, we rehabilitated 142 hectares in Australia across the Peak Downs, Saraji, South Walker Creek mine sites. In addition, 45 hectares were rehabilitated in Southeast Asia at the Batu Hijau site.

Australia	FY21	FY20	FY19
Total Hectares rehabilitated	142	60	177

Southeast Asia	CY20	CY19	CY18
Total Hectares rehabilitated	45	37	23

Water Management

Macmahon is committed to sustainable water management and we work with our clients to prevent pollution and wastage. Site-based water management plans are contained in project environmental management plans and describe the specific requirements, procedures and management measures that will be implemented for our project operations.

We recognise that water use is important to our stakeholders; however it is not a significant resource use for the Company.

There are no water targets as access to and monitoring of water is commonly provided by our clients. Macmahon does not handle or use cyanide.

Waste Management

General waste makes up most of Macmahon’s waste, with the remainder consisting of used batteries, tyres, contaminated soils, oily rags, scrap steel, lubricants, used oil/fuel filters, used air filters, sewerage, used oil and grease and wash-down wastewater.

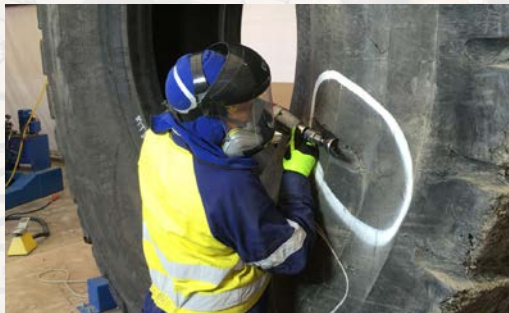
Our operations are required to have Waste Management Plans, which address waste minimisation, storage, transportation and disposal. These plans are maintained to control the risk of adverse impacts on the environment and communities where we operate. All waste is segregated into waste streams at locations where recycling can occur. Waste types and destinations (recycling) are recorded at each project. Where reuse is not possible, Macmahon aims to recycle separate components for collection by licensed contractors. This is our first year of reporting our waste as shown in the table below:

FY21	Tonnes
General waste	694
Recycling	28

CASE STUDY

Tyre Repairs

In FY21, Macmahon repaired and extended the life of 81 off-road tyres which totalled 243 tonnes. Once they have reached an unusable state, they are disposed through Environmental Protection Authority approved channels and certified waste disposal companies.

**Dangerous Goods and Contamination**

Macmahon purchases, handles, stores and uses dangerous goods as part of its operations, such as explosives. The Company has procedures and management measures to ensure the safe and effective management of these materials under relevant legislative requirements. Hazardous waste is segregated, stored according to legislative requirements and collected by accredited contractors.

Environmental Incidents, Impacts and Compliance

Macmahon utilises a certified Environmental Management System (EMS) to ensure its systems and operations meet legal and other requirements to minimise environmental impacts. The EMS is used across Australian operations, offices, and workshops. Certification surveillance audits of Macmahon's AS/NZS ISO 14001:2004 Environmental Management Systems were undertaken by a third party in August 2020 (refer to the Audits section on page 34).

ENVIRONMENTAL INCIDENTS

In FY21, we conducted over 290 monthly inspections across our operations and recorded no major environmental incidents, prosecutions, or infringements.

BIODIVERSITY CONSERVATION

Biodiversity includes the diversity of species including plants and animals, the genetic material within those species, the diversity of ecosystems, habitats and communities.

Macmahon has proven experience in operating with sensitivity in areas of high diversity and conservation value, whether operating as the contractor, or working within our mining client's Environmental Management Systems.

Flora and fauna requirements are documented within our project specific Environmental Management Plans and Environmental Risk Assessments. Macmahon has a flora and fauna management procedure that provides minimum requirements for flora and fauna management to minimise the impacts associated with Macmahon work areas and ensure operations are executed according to relevant legislation.



① Maintenance crew at the Tropicana Gold Mine, Western Australia



Social

Macmahon is dedicated to the health and safety of our people, providing an inclusive workplace that offers many opportunities, and we build strong relationships with the communities in which we operate.

People Management

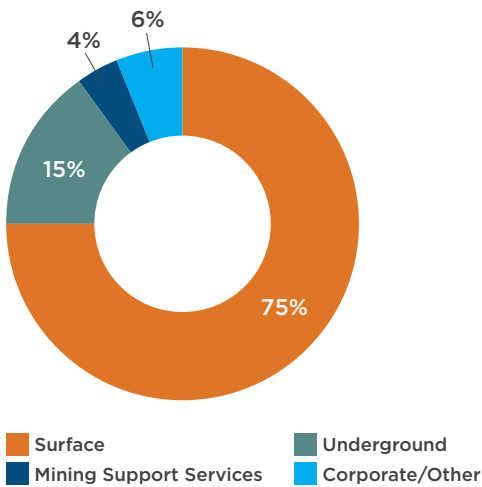
Our people are our greatest asset and essential to our long-term success. We remain committed to supporting overall wellbeing and a positive work-life balance for our people.

Our workforce as at 30 June 2021 was 7,069 people (refer to Performance Data on pages 46 to 47 for further detail). We anticipate this will increase over the coming year as we bring on several new projects in FY22.

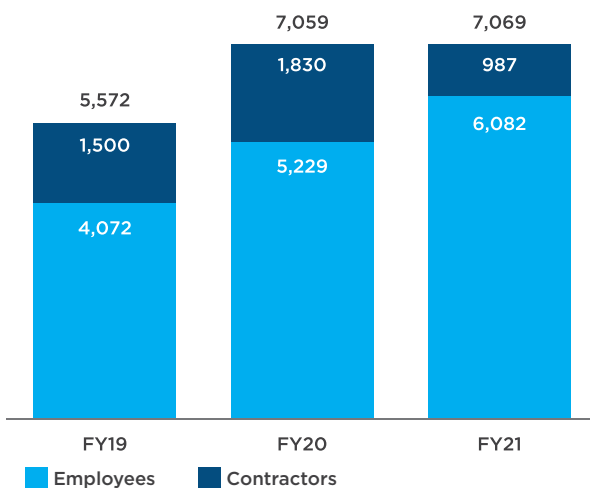
Workforce by location

	Employees	Contractors	Total Workforce
Australia	3,035	940	3,975
Southeast Asia	3,016	47	3,063
Other	31	0	31
Total	6,082	987	7,069

Workforce by Business Unit



Workforce over the last three years



Australia

Given the increased demand for mining services in the second half of the year and continued COVID-19 travel restrictions, we have experienced tightened labour availability in Australia and higher turnover rates (refer to Performance Data on pages 46 to 47 for further detail).

Macmahon has employed various strategies to attract and retain our people, such as providing:

- Opportunities for growth and development through our Grow Our Own initiatives (refer to Training and Development on page 31).
- Reward and recognition initiatives:
 - Retention bonus schemes in agreement with clients.
 - Competitive remuneration with increased benchmarking bi-annually.
 - Monetary leader awards to recognise performance and access to discount benefits.
- Flexible working arrangements, including offering our fly-in-fly-out (FIFO) workforce the flexibility to choose between lifestyle (even-time) or higher earnings rosters.
- Access gym facilities and classes at the Perth Head Office.
- Access to award-winning physical and mental health programs, including “Strong Minds, Strong Mines”.

In FY22, we plan on undertaking an employee engagement survey to further build on our culture.

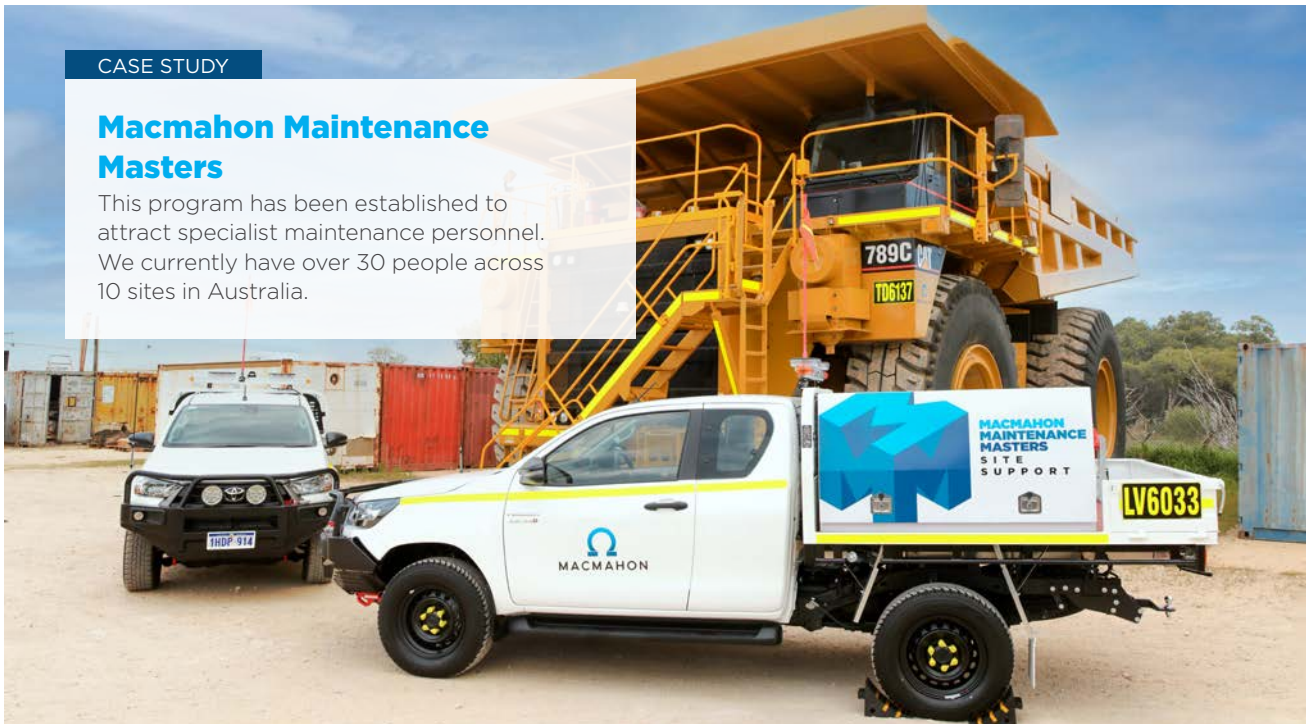
Indonesia

We continue to foster positive labour relations with our Indonesian workforce. We ensure we comply with all relevant Indonesian labour legislation, and provide written contracts underpinned by Company Regulations (similar to an Australian Enterprise Agreement) that are approved by the Indonesian Government’s Ministry of Manpower. We also offer production bonuses (linked to safety KPIs) and health insurance for employees and their family members.

CASE STUDY

Macmahon Maintenance Masters

This program has been established to attract specialist maintenance personnel. We currently have over 30 people across 10 sites in Australia.



TRAINING AND DEVELOPMENT

To support our continued growth, Macmahon remains firmly committed to developing and supporting the development of our people. We have increased our focus on our apprenticeship, graduate, traineeship (“Grow Our Own” people strategy) and leadership programs throughout the year.

IN FINANCIAL YEAR 2021

32

GRADUATES

Thirty-two graduates participated in our Structured Graduate Development Program, which includes an 18-month partnership with Engineering Education Australia (EEA) to support our graduates in acquiring industry-specific skills and building on existing capabilities.

105

APPRENTICES

One hundred and five apprentices participated in our National Apprenticeship Programs, specialising in mobile plant mechanics, auto electricians, HV electricians and boilermakers.

289

TRAINEESHIPS

Two hundred and eighty-nine, new-to-industry, people were developed in a range of programs. We established a training school in Perth to fast track our new-to-industry training programs.

95

LEADERSHIP DEVELOPMENT PROGRAM

Ninety-five of our leaders participated in a structured leadership program in partnership with the Australian Institute of Management Western Australia.

In addition, we have revamped our performance review process (Challenge, Develop & Grow), which is part of our strategy to attract, lead, develop, engage, and retain talent.

Safety

The safety of our people remains our number one priority. Macmahon is committed to reducing, and where possible, eliminating hazards and risks within our business to protect the health and safety of our workforce.

Sadly, and as referred to in the Chair and CEO and Managing Director’s Reports in our Annual Report, we reported the passing of two employees during the year. In April 2021, a truck driver was fatally injured at the Batu Hijau mine site after losing control of his vehicle. In June 2021, an employee at the Daisy Milano mine passed away from unknown causes. Investigation by the coroner is ongoing into the cause of death. These tragic losses have been felt across the business and we are supporting the families and our people, wherever possible.

Our safety performance has not been in line with our targets. Macmahon’s Total Reportable Injury Frequency Rate (TRIFR) for FY21 increased to 6.39 from 3.77 in the previous year. The Lost Time Injury Frequency Rate (LTIFR) increased from 0.12 in FY20 to 0.14 in FY21. Comparing performance, the most recent Western Australia Mining sector average TRIFR was 6.2, whilst the LTIFR for the sector was 2.2.

	FY21	FY20	FY19	FY18
TRIFR	6.39	3.77	3.98	6.28
Industry TRIFR ¹	6.2	6.2	6.4	6.7
LTIFR	0.14	0.12	0.36	0.46
Industry LTIFR ¹	2.1	2.1	2.2	2.0
Workforce	7,069	7,059	5,572	5,050

1 Department of Mines, Industry Regulation and Safety total mining frequency rates. Note FY21 departmental data not available at time of publishing, so FY20 data disclosed.

As a result of our disappointing safety performance in FY21, our Safety and Health Management System was reviewed and confirmed as appropriate. Greater emphasis has been placed on improving behaviours and situational awareness to ensure a safe workplace. We expect to improve our performance in FY22 and will focus on implementing the following initiatives:

- Review and amend the Company’s Critical Risk Standards.
- Complete audits against the new Critical Risk Standards across all projects.
- Install fatigue and behavioural observation monitoring technology across our mining fleet.
- Launch a psychological safety program to address culture and make sure our people are empowered to speak up to create a safer workplace environment.
- Commence cross departmental audits into our Integrated Management Standards to identify system gaps.

Importantly, many of the Company’s projects recorded positive safety results:

- 96% of all projects remaining LTI free for the entire year.
- 54% of all projects were both LTI and recordable injury free for the period.

Our leading indicators show the significant steps and efforts that we have put into improving safety performance going forward. We continuously monitor the following leading indicators:

- Safety Interactions
- Planned Task Observations
- Hazard Reporting Frequency Rate
- Monthly Safety Inspections
- Project Managers Quarterly Risk Review
- Safety Planner Compliance Sheet

Health and Wellbeing

Macmahon’s commitment to supporting the health and wellbeing of its people is vitally important. Our dedicated health and wellbeing program, Strong Minds, Strong Mines, continues to support our employees’ physical and mental health and encourages our people to reach out for help when needed. We are proud that this program is now offered to and adopted by our clients.

This year, we have employed a dedicated Wellbeing Coordinator who visits sites and provides health and nutrition guidance, along with group and personal physical fitness plans.

The Macmahon fitness app, Team App, continues to be well used by our workers and their families. This app provides access to meal plans, workout programs and videos, motivational videos and access to our Wellbeing Coordinator. The app has now been deployed to other companies who are benefiting from the content and the support it provides.



CASE STUDY

Strong Minds, Strong Mines

Macmahon is sharing its award-winning Wellbeing program with the resources industry to help shine a light on the benefits of mental, physical and social health as part of its Strong Minds, Strong Mines program. Diggers & Dealers 2021.

Mineral Processing
 Mining Partner
 Since 1963
 Underground Mining
 Civil Construction
 Engineering
 Surface Mining
 Plant & Maintenance
 macmahon

MACMAHON
 Engineering
 Shaft sinking
 Grinding, crushing,
 Material handling
 Progress Systems
 Automation
 Control

COVID-19

The impact of the COVID-19 pandemic continues to be a challenge in our business. We continue to closely monitor the situation, implement risk management measures across our operations to protect our workforce and stakeholders, and safeguard business continuity.

These measures included:

- Providing financial support to those directly impacted.
- Securing accommodation for more than 190 interstate FIFO workers required to temporarily relocate to the state in which they work.
- Identifying high-risk members of our workforce and providing health plans managed by our Group Doctor.
- Focusing on fatigue management, including providing additional break times.
- Access to our 24 hours 7 days a week Employee Assistance Program.
- Proactive use of preventive measures, including use of face masks, temperature checks, regular cleaning and sanitation.
- Accommodating our Batu Hijau workforce on Lombok Island for a two-week quarantine period before transferring to the mine site on Sumbawa Island.

Integrated Management System

The Macmahon Integrated Management System (IMS) is underpinned by our 12 Integrated Management Standards, which provide the framework for critical elements, such as our risk, health, safety, environmental and quality practices.

Our IMS is certified with:

- ISO 14001 (Environment)
- ISO 45001 (Health and Safety)
- ISO 9001 (Quality)
- ISO 45001 (Occupational Health and Safety Management Systems)

Our IMS is aligned with ISO 31000 Risk Management.

Note: Our ISO accreditation covers all Macmahon's Australian operations, offices, and workshops.

We also re-established our accreditation under the Work Health and Safety Office of the Federal Safety Commissioner Scheme.

AUDITS

Macmahon’s systems, standards and procedures are accompanied by an audit framework to measure and monitor compliance as a component of both project specific operational and corporate activity. Audits are conducted regularly and encompass the precepts of AS/NZS ISO 9001, AS/NZS ISO 45001, AS/NZS ISO 14001 and the Macmahon Integrated Management Standards.

During FY21, Macmahon completed our scheduled external and internal audits, and our management systems were independently certified by BSI (third-party certification body).

This certification includes our core business areas and project management services across all Australian operations (certification to include GBF Group is planned for FY22).

The audit noted that Macmahon continues to demonstrate a strong commitment to maintaining and improving the Quality, Environment and Safety Management System.

ENTERPRISE AGREEMENTS

Macmahon currently has 10 single enterprise agreements in Australia, which cover approximately 2,071 employees. The negotiation process of enterprise agreements in Australia is provided for in the *Fair Work Act 2009* (Cth) (Act). Macmahon complies with its obligations under the Act. All of Macmahon’s enterprise agreements have a maximum term of four years and are renegotiated upon the nominal expiry date.

Diversity, Equity and Inclusion (DEI)

Macmahon recognises the benefits of having a diverse workforce, and seeks to create an inclusive workplace environment where people’s diverse experiences, perspectives and backgrounds are valued and utilised. Increasing female and Aboriginal employment rates remains our key priority.

The Group’s Diversity Policy is available on the Macmahon website, and requires the Board to set and report against measurable diversity targets. The following table outlines our measurable objectives in relation to diversity and the progress towards achieving those objectives at 30 June 2021.

Macmahon supports improvements in the industry’s gender ratio by actively encouraging female applicants and has set a target of 25% female appointments for entry level programs. The Group produced a separate report on its Gender Equality Indicators in accordance with the *Workplace Gender Equality Act 2012*. A copy of this report is available on our website.

Creating an inclusive and respectful workplace is paramount. Strengthening this is a focus area for Macmahon in FY22, with implementation of a revised DEI framework to engage and raise awareness with both internal and external stakeholders.

In addition, Macmahon actively encourages the employment of Indigenous Australians, and we continue to work with our clients to provide opportunities for Indigenous participation in our projects (refer to Indigenous Engagement on page 39).

In FY21, the Company’s target for Indigenous representation was 5.5% was Australian employees. Macmahon employed 144 Indigenous people in the reporting year, representing 4.7% of Australian employees.

Future targets are being developed to ensure our commitment to increasing diversity continues.

	Current Target	FY21 Actual
Indigenous Australian employees	5.5%	4.7%
Female Directors	30%	25%
Percent of females in senior management positions	20%	12.2%
Percentage of female employees across Australia	15%	14.2%
Percentage of female employees across the whole organisation	15%	12.4%

“
Creating an inclusive and respectful workplace is paramount.
 ”

Human Rights and Modern Slavery

Macmahon respects internationally recognised human rights principles. We have a Human Rights Policy, in addition to human rights commitments in our Code of Conduct and other corporate policies, which are all publicly available on our website. Our Human Rights Policy outlines our commitment to eliminate all forms of modern slavery in our operations and supply chains. We reject the use of all forms of slavery, forced labour, including prison, indentured, bonded or military labour, child labour, forced marriage, any form of human trafficking, and deceptive recruiting for labour or services.

In FY21:

- We established a Modern Slavery Working Group to maintain oversight and coordinate various actions across the Company.
- We amended existing Company Policies, including our Procurement Policy to include Human Rights.
- We developed and rolled out an online training module and provided our Australian based staff training in modern slavery legislation.
- A number of supplier contracts have been amended to require them to conduct their business in a manner that is consistent with the *Modern Slavery Act 2018* (Cth).
- Human rights and modern slavery training was rolled out across our Australian workforce:
 - 61% of the Australian workforce and 100% of our Australian procurement team received training.
 - Our Australian workforce completed over 450 training hours.

The training module includes:

- The basic principles of the *Modern Slavery Act 2018* (Cth).
- How employees can identify and prevent modern slavery and human trafficking.
- What employees can do to 'flag' potential modern slavery and human trafficking issues to relevant parties within the Company.
- What external help is available to identify and prevent modern slavery.

All employees are required to complete Modern Slavery awareness training in their induction program and annually thereafter. The training module for our Indonesian and Malaysian staff will occur in FY22.

For further information, please refer to the Modern Slavery Statement, which is available on our website.

Community Partnerships and Investment

Macmahon has an established tradition of supporting local initiatives in the communities in which it operates. Macmahon seeks to identify community sponsorships and partnerships that align with the interests of local communities close to its projects, in addition to larger projects which provide strong synergies with Macmahon's values-based culture.

Macmahon's strategic community investment includes voluntary contributions, in-kind support, and allocated funding. Macmahon is committed to increasing its community investment in FY22.

Macmahon offers varying types of support to programs that best align with the Company's operations and values. The types of support to community organisations include:

- Sponsorship for projects or programs that aim to meet a specific community need and align with one or more of our values of safety, teamwork, prosperity, integrity, and environment.
- Support for local sporting or community organisations in locations where Macmahon has operations.
- In-kind support for community organisations in locations where Macmahon has operations.
- Support for employees' community fundraising activities.

Community development projects are selected based on their capacity to positively impact quality-of-life indicators for the relevant community and enhance the Company's licence to operate.



CASE STUDY

Supporting Grassroots Sporting Clubs

We know that sport and group recreation activities build healthier, happier and safer communities. Macmahon supports grassroots sporting clubs in many of the areas that we operate, aiming for a minimum of one club per region.

SOUTH AUSTRALIA - OLYMPIC DAM

Established in 1986, Roxby Downs Districts Sports Club offers a wide range of team sports leagues, including football, netball and cricket. As they say, "Hard work brings success," and we have loved seeing the community of roughly 4,000 unite through physical recreation. Macmahon is also a proud supporter of the Cumberland United Women's Football Club, an inaugural member club of the FFSA WNPL.

"We strive to support those creating great places where people can connect."

CHILDREN'S SPORTS IN WA

Macmahon is proud to get behind initiatives that bring families together and promote happy, healthy lifestyles. We partner with Perth Football Club to support their School Sponsorship Program. Engaging with 30 kids at a time, these half-hour sessions are open to any school within the Perth zone, and are run by two or more Perth Football Club players with local District staff.

Visit: perthfc.com.au/community/school

"Supporting family involvement in sport and healthy recreation."



CASE STUDY

Charity Ride for The Harry Perkins Institute

The MACA Cancer200 Ride for The Harry Perkins Institute had to be scaled back in 2020 due to the COVID-19 pandemic; however, our commitment to the cause remained strong.

Forty riders raised circa \$145k for medical research, with the pledge to ride their bicycle at least 200 km within October. The Harry Perkins Institute of Medical Research is a leading Western Australian medical research centre dedicated to tackling some of the world's most significant health issues.

“

Riding together to fund health research.

”



Partnerships



“Providing the skills of financial resilience for more young Australians.”



Macmahon continues to support the philanthropic work of the QCoal Foundation and its charitable efforts in regional areas. In the second year of a three-year partnership, we have donated \$12k to school resources through the Ca\$hed Up Program. The Ca\$hed Up Program was developed in collaboration with the Financial Basics Community Foundation to improve financial resilience and capability for young Australians, with a particular focus on those living in regional and remote communities.



“Championing the next generation of mining industry leaders.”



The WA School of Mines has an over 100-year history of educating future industry leaders, and maintains a world-class reputation in the resources sector. Many of our team graduated from WASM Kalgoorlie, and Macmahon proudly supports the Alumni group in their goals of increasing enrolment to the school from undergraduates, postgraduates and international students.



“Food security for more Australians.”



Foodbank fights hunger by providing food for 815,000 Australians each month, and advocates for almost 1 in 5 Australians who experience food insecurity each year. Macmahon continues to support our neighbour, Foodbank, with financial assistance and food donations during the annual Christmas Appeal. Our CEO and MD Michael Finnegan also jumped in the Foodbank community kitchen with a group of other Perth business leaders to put their cooking skills to the test.

Indigenous Engagement

Macmahon has an Indigenous Peoples Policy and actively encourages the employment of Indigenous Australians. We continue to work with our clients to provide opportunities for Indigenous participation in our projects.

During the reporting year of FY21, there have been no incidents of violations involving the rights of Indigenous Peoples recorded by Macmahon.

Macmahon provided several traineeship initiatives to provide entry-level employment opportunities to Indigenous people to support skills and training.

Through its Indigenous employment subsidiary, Doorn-Djil Yoordaning, Macmahon operated at the Argyle Diamond Mine in Western Australia, where it completed tailings dam services in February 2021. The project achieved 70% indigenous engagement and was LTI free from 2012.

Macmahon formally celebrated Nation Reconciliation Week for the first time in its Perth and Brisbane offices in 2021. Macmahon is taking action to make reconciliation a part of our business and our culture by developing a Reconciliation Action Plan in FY22.



i Kelvin Dunrobin from Western Kangoolu presents a series of tooling artefacts to Macmahon's Brisbane office.



CASE STUDY

GET INTO MINING

In collaboration with WA-based civil contracting company Carey Mining and our Tropicana Joint Venture Partners, AngloGold Ashanti and Independence Group, we developed the highly successful Operator Traineeship program "Get into Mining".




CASE STUDY

BYERWEN MINE

Since 2017, we have provided training and development to the local Traditional Land Owners (the Jangga people) at the Byerwen Coal Mine in the Bowen Basin, Queensland. Currently, Macmahon employs 53 Aboriginal and Torres Strait Islander people at Byerwen.



 Tropicana Gold Mine "Go Line", Western Australia



Governance

Macmahon is committed to ensuring that the Company's obligations and responsibilities to its various stakeholders are fulfilled through its corporate governance practices. Macmahon is committed to the development of a culture that values ethical behaviour, integrity and respect. We believe that adopting and operating in accordance with high standards of corporate governance enhances the Company's sustainable long-term performance and value creation for all stakeholders.

Corporate Governance

Macmahon is committed to the highest standards of corporate governance. The Company's 2021 Corporate Governance Statement reports on fundamental governance principles and practices. Throughout the reporting period ended 30 June 2021, the Directors believe that the Company's governance arrangements have been consistent with the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board is ultimately responsible for approving and updating Macmahon's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics. The Board is also the body that formally reviews and approves Macmahon's Sustainability Report.

There were no changes to the Company's corporate governance policies during the reporting period ended 30 June 2021.

Copies of the Company's corporate governance charters and policies are available on our website.

THE MACMAHON BOARD

The Board of Macmahon recognises its ultimate responsibility is to its shareholders for the strategy and performance of Macmahon in general. The Board is dedicated to fulfilling these duties in a lawful and professional manner and in accordance with Macmahon's Statement of Values and "best practice" governance processes. Macmahon's Board Charter outlines the role and responsibilities of the Board and senior management.

BOARD CHARTER

The Board has adopted a Board Charter which details the Board's role, powers, duties and functions. The Board Charter is regularly reviewed and updated to reflect changes in the commercial, legal, and social environment, together with any amendments and developments in Board policies and procedures.

BOARD COMPOSITION

The Board currently comprises eight directors, with Independent, Non-Executive Directors (Directors), including the Chair of the Board, comprising of the majority of Directors. Currently, 25% of the Directors are female.

The roles of Chair of the Board and Chief Executive Officer (CEO) are held by different individuals.

ROLE OF THE CHAIR

The Chair is responsible for leadership of the Board, ensuring the Board operates effectively, and for the briefing of all Directors in relation to issues arising at Board meetings. A link to the Chair's biography is available on the Macmahon website.

COMMITTEES OF THE BOARD

The Board has established an Audit and Risk Committee, a Remuneration Committee, a Nomination Committee, and a Tender Review Committee to assist with the discharge of its responsibilities.

Details of the current membership and composition of each committee are set out in the 2021 Corporate Governance Statement on the Company's website. Both the Audit and Risk Committee and the Tender Review Committee consider sustainability and environmental matters, with the full Board being responsible for social and governance matters.

EXECUTIVE-LEVEL POSITIONS

Other than as specifically reserved to the Board in the Board Charter, managing Macmahon's business activities are delegated to the CEO who is accountable to the Board. The Board Charter and the delegation of Board authority to the CEO are reviewed regularly.

As part of our commitment to sustainability, the Company employs a General Manager - Health, Safety, Environment and Quality (HSEQ), who is responsible for the health and wellbeing of our people and managing our environmental and social footprint.

Macmahon's executive remuneration incorporates sustainability performance objectives. Our FY21 short-term incentive (STI) bonus plan includes a safety performance hurdle. In addition, our FY22 STI and long-term incentive (LTI) plans incorporate an improved safety objective (TRIFR) and employee engagement score.

Business Ethics and Transparency

Integrity is one of Macmahon's five core values and we expect all employees to act lawfully, ethically, and responsibly. Our expectations on anti-bribery and corruption are detailed in our Code of Conduct, which is available on our website. All employees are required to complete training on our Code of Conduct in their induction program and annually thereafter.

While Macmahon is a member of various industry groups which engage with governments from time to time, Macmahon is not directly involved in lobbying and has not made any political donations.

Macmahon's approach to bribery and corruption is supported by our Whistleblower Policy. The Company has a number of channels for making a report, including a whistleblower hotline for stakeholders to call if they would like to report actual or suspected unlawful, unethical or irresponsible behavior in a confidential manner.

As of the date of this Sustainability Report, for FY21 there were:

- No confirmed incidents of corruption.
- No confirmed incidents in which employees were dismissed or disciplined for corruption.
- No confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.
- No formal proceedings against Macmahon or its employees.

CONFLICTS OF INTEREST

The Board of Macmahon has a Board Conflict of Interest Policy which outlines:

- The circumstances in which Directors must notify the Board of existing and potential conflicts of interest.
- How the Board will proceed in relation to conflicts and potential conflicts of interest.

Notification obligation

Directors must give notice to the Chair of the Board of a Conflict of Interest or a potential Conflict of Interest.

The Chair of the Board must give notice to the Chair of the Audit and Risk Committee of a Conflict of Interest or a potential Conflict of Interest involving the Chair.

Board management of conflicts

If the Chair (or the Chair of the Audit and Risk Committee as appropriate) determines that a Conflict of Interest exists in relation to a Director, or determines there is a real and sensible possibility that a Conflict of Interest may arise, then the relevant Director:

- Will not receive Board Papers on the Conflict Matters, but will be advised that those Board Papers have been withheld.
- Cannot be present at the meeting when the Conflict Matter is considered unless the other Directors resolve (in accordance with the *Corporations Act*) that the Director in question can stay.
- Cannot vote on the Conflict Matter unless the other Directors resolve (in accordance with the *Corporations Act*) that the Director in question can vote.

Risk Management

In conducting its business, Macmahon takes informed and appropriate commercial and business risks to achieve its objectives and deliver shareholder value. In so doing, risks should be proactively identified and managed by our people, the most important resource within the organisation.

Risk management is overseen by the Board's Audit and Risk Committee. Consistent with its Charter, the Audit and Risk Committee is responsible for the development and maintenance of this Risk Management Policy, which articulates general principles and provides a framework for the integration of risk management into day-to-day decision making.

The role of the Audit and Risk Committee is to assist the Board to meet its oversight responsibilities in relation to the Company's financial reporting, the risk management framework and procedures, compliance with related legal and regulatory requirements, and the internal and external audit functions. In doing so, it is the Committee's responsibility to maintain free and open communication between the Committee and the external auditors and the management of Macmahon.

To further assist the Board with respect to risk management in the context of the tendering and contracting environment, the Board established a Tender Review Committee in November 2019.

External factors and sustainability related risks affecting Macmahon are set out in the FY21 Annual Report, and include:

- COVID-19
- Key personnel
- Climate change
- Cyber security

Macmahon encourages, promotes, and supports enterprising, prudent, and robust decision making by management and operational personnel.

CYBER AND INFORMATION SECURITY

We remain vigilant regarding any cyber risks, and our workforce receives regular communications on what they should do to manage potential threats.

In FY21 we:

- Conducted a Cyber Security Maturity Assessment and Vulnerability Scan.
- Developed a three-year cyber security plan which includes modification and upgrades of our security technology.
- Formalised cyber security training for all employees and commenced internal system checks.

Performance Data

	Metric	FY21	FY20	FY19
GOVERNANCE				
Incidents of Corruption	# breaches	0	0	0
Compliance with Continuous Disclosure	# breaches	0	0	0
HEALTH AND SAFETY				
Total fatalities	#	2	0	1
Lost Time Injury Frequency Rate (LTIFR)	# incidents per million hours worked	0.14	0.12	0.36
Total Recordable Injury Frequency Rate (TRIFR)	# incidents per million hours worked	6.39	3.77	3.98
Fines and prosecutions	#	0	0	1*
Integrated Management System Audits completed	100% to schedule	100%	100%	100%
Inspections	#	4,266	3,677	3,896
Hazards reported	#	15,730	9,851	8,456
ENVIRONMENT				
GHG emissions - scope 1	tonnes CO ₂ -e	2,051	6,119	795
GHG emissions - scope 2	tonnes CO ₂ -e	1,481	1,803	1,761
Total GHG emissions	tonnes CO ₂ -e	3,532	7,922	2,556
Energy consumed	gigajoules	37,200	96,140	20,478
Total major environmental incidents	#	0	0	0
Fines and prosecutions	#	0	0	0
General waste	tonnes	694	-	-
Recycling	tonnes	28	-	-
Land rehabilitated - Australia	hectares	142	60	177
		CY21	CY20	CY19
Land rehabilitated - Southeast Asia	hectares	45	37	23

* Relates to a fatality in 2013

Performance Data

	Metric	FY21			FY20	FY19
WORKFORCE DIVERSITY		F	M	ALL	ALL	ALL
Total workforce	#	841	6,228	7,069	7,059	5,572
Total employees	#	756	5,326	6,082	5,229	4,072
Total contractors	#	85	902	987	1,830	1,500
Total workforce by region						
<i>Employees</i>						
Australia	#	431	2,604	3,035	2,351	1,591
Southeast Asia	#	322	2,694	3,016	2,878	2,290
Other	#	3	28	31	-	13
<i>Contractors</i>						
Australia	#	76	864	940	822	747
Southeast Asia	#	9	38	47	1,008	931
Other	#	0	0	0	0	0
Total workforce by division						
Surface	#	602	4,737	5,339	6,107	5,117
Underground	#	84	965	1,049	774	299
Mining Support Services	#	33	216	249	0	0
Corporate/Other	#	121	311	432	178	156
Total workforce by employment type						
Full-time	#	822	6,225	7,047	7,037	5,559
Part-time	#	19	3	22	22	13
New employee hires						
People	#	267	1,346	1,613	848	723
Percentage	%	17	83	100	-	-
Employee turnover						
People	#	-	-	733	629	534
Percentage	%	-	-	15.9	10.4	12.5
Australian Indigenous employees						
People	#	31	113	114	114	83
Percentage	%	1.0	3.7	4.7	4.8	5.2
Expats in Southeast Asia						
People	#	-	-	10	20	22
Percentage	%	-	-	0.3	0.5	0.7

Performance Data

	Metric	FY21			FY20	FY19
WORKFORCE DIVERSITY						
		F	M	ALL	ALL	ALL
Total workforce						
Staff	%	21	79	100	-	-
Operations	%	13	87	100	-	-
Maintenance	%	3	97	100	-	-
Total workforce by age						
<30	#	300	1,185	1,485	-	-
30-50	#	439	4,120	4,559	-	-
>50	#	102	923	1,025	-	-
Training and development						
Graduates	#	-	-	32	37	23
Apprentices	#	-	-	105	56	52
Trainees	#	-	-	289	259	122
Leadership training	#	-	-	95	110	112

	Metric	FY21			FY20			FY19		
Board										
		F	M	ALL	F	M	ALL	F	M	ALL
People	#	2	6	8	1	6	7	1	3	4
Percentage	%	25	75	100	14	86	100	25	75	100

Global Reporting Initiative

Content Index

Macmahon's FY21 Sustainability Report has been prepared in accordance with the GRI Standards: Core option. For more information see: www.globalreporting.org/standards.

Macmahon has also reported against additional GRI governance disclosures.

GRI Standard	Year	GRI Disclosure	Reference
GRI 102: GENERAL DISCLOSURES			
Organisational Profile			
102-1	2016	Name of the organisation	Front page
102-2	2016	Activities, brands, products, and services	8-10 (& Annual Report)
102-3	2016	Location of headquarters	8
102-4	2016	Location of operations	8-10 (& Annual Report)
102-5	2016	Ownership and legal form	8
102-6	2016	Markets served	8-10 (& Annual Report)
102-7	2016	Scale of the organisation	8
102-8	2016	Information on employees and other workers	46-47
102-9	2016	Supply chain	12
102-10	2016	Significant changes to the organisation and its supply chain	12
102-11	2016	Precautionary principle or approach	44
102-12	2016	External initiatives	No significant external initiatives
102-13	2016	Membership of associations	9
Strategy			
102-14	2016	Statement from senior decision-maker	6
Ethics and Integrity			
102-16	2016	Values, principles, standards, and norms of behaviour	14, 43
102-17	2016	Mechanisms for advice and concerns about ethics	43
Governance			
102-18	2016	Governance structure	42-44 (& Annual Report)
102-20	2016	Executive-level responsibility for economic, environmental, and social topics	42
102-22	2016	Composition of the highest governance body and its committees	42 (& Annual Report)
102-23	2016	Chair of the highest governance body	42
102-25	2016	Conflicts of Interest	43
102-26	2016	Role of highest governance body in setting purpose, values, and strategy	42
102-30	2016	Effectiveness of risk management processes	44
Stakeholder Engagement			
102-40	2016	List of stakeholder groups	20
102-41	2016	Collective bargaining agreements	34
102-42	2016	Identifying and selecting stakeholders	20
102-43	2016	Approach to stakeholder engagement	20
102-44	2016	Key topics and concerns raised	20

GRI Standard	Year	GRI Disclosure	Reference
Reporting Practice			
102-45	2016	Entities included in the consolidated financial statements	Annual Report
102-46	2016	Defining report content and topic boundaries	16-17
102-47	2016	List of material topics	16-18
102-48	2016	Restatements of information	As identified throughout report
102-49	2016	Changes in reporting	New standalone sustainability report
102-50	2016	Reporting period	FY21
102-51	2016	Date of most recent report	Annual Report FY20
102-52	2016	Reporting cycle	Annual
102-53	2016	Contact point for questions regarding the report	4
102-54	2016	Claims of reporting in accordance with the GRI Standards	48
102-55	2016	GRI content index	48-49
102-56	2016	External assurance	No external assurance
ENVIRONMENT DISCLOSURES			
Energy			
103-1 to 103-3	2016	Management approach - Energy	24-25
302-1	2016	Energy consumption within the organisation	24-25
Emissions			
103-1 to 103-3	2016	Management approach - Emissions	24-25
305-1	2016	Direct (Scope 1) GHG emissions	24-25
305-2	2016	Energy indirect (Scope 2) GHG emissions	24-25
Environmental Compliance			
307	2016	Management approach - Environmental Compliance	27
307-1	2016	Non-compliance with environmental laws and regulations	27
SOCIAL DISCLOSURES			
Employment			
103-1 to 103-3	2016	Management approach - Employment	30-31
401-1	2016	New employee hires and employee turnover	30-31
Diversity and Equal Opportunity			
103-1 to 103-3	2016	Management approach - Diversity and Equal Opportunity	34
405-1	2016	Diversity of governance bodies and employees	34
Human Rights Assessment			
103-1 to 103-3	2016	Management approach - Human Rights Assessment	35
412-2	2016	Employee training on human rights policies or procedures	35
Rights of Indigenous Peoples			
103-1 to 103-3	2016	Management approach - Rights of Indigenous Peoples	39
411-1	2016	Incidents of violations involving rights of indigenous peoples	39
GOVERNANCE DISCLOSURES			
Anti-corruption			
103-1 to 103-3	2016	Management approach - Anti-corruption	43
205-3	2016	Confirmed incidents of corruption and actions taken	43



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