SUSTAINABILITY REPORT 2022

MACMAHON

CONTENTS

SUSTAINABILITY
YEAR IN REVIEW FY22

GOVERNANCE

Developing Macmahon's Sustainability Framework

Culture employee engagement survey resulting in updated company values

New Sexual Harassment Policy

No reported incidents of corruption

ENVIRONMENT

Commenced the Baseline Environmental Footprint Project

Overview of Macmahon's ESG footprint

TYRE RECYCLING PROGRAM

1,267 tonnes tyres recycled

GREENHOUSE GAS EMISSIONS

15, 125 **SCOPE 1** tonnes CO_2-e

1,246 **SCOPE 2** tonnes CO_2-e

LAND REHABILITATION

169 hectares in Australia

48 hectares in Indonesia

SOCIAL

DIVERSITY

4.7% Indigenous Australians

33.3% Female Non-Executive Directors

57.1% Females in Executive Leadership positions

15.1% Female employees across the whole organisation

30.0% Female workforce at Martabe in Indonesia

We continually improve and are committed to diversity, equity, inclusion, human rights and modern slavery, including training of staff in relation to these aspects.

INTERNAL AND EXTERNAL TRAINING

102 Apprentices
14% Female

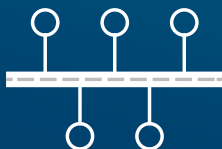**467** Trainees
32% Female

431 New to Industry
41% Female

STRONG MINDS
STRONG MINES

Award-winning mental health program Strong Minds, Strong Mines program extended to wider industry

STRONG MINDS
STRONG SCHOOLS

Launched our mental health program, Strong Minds, Strong Schools, into schools across Western Australia

In FY22 we developed a Sexual Harassment Road Map which included Bystander training, a new whistleblower platform, independent culture reviews and employee pulse checks.

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 months ending 30 June 2022 (FY22).

The Report has been prepared with reference to the Global Reporting Initiative (GRI) Standards: Core option. A copy of the GRI context index is available on pages 55 and 56.

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 007 611 485) 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 that covers 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 FY22 Annual Report and FY22 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

Macmahon is committed
to integrating safety,
environmental and social
considerations into our
procurement policy and
practices, and we encourage
suppliers to do the same.

LETTER FROM THE CHAIR

Dear Stakeholders,

I am pleased to present Macmahon's annual Sustainability Report. The Report provides comprehensive information on Macmahon's environmental, social and governance performance for the 2022 financial year.

Macmahon continued its strong business and operational performance in line with its growth strategy. This success is reflective of our values and our ability to deliver a safe, efficient, and sustainable business. Macmahon remains committed to driving this success forward whilst focusing on outcomes for our people, communities, and of course, our environment.

We continued to review our company wide approach to sustainability and are expanding the framework accordingly. We have taken active steps to ensure that we meet our environmental, social and governance obligations by implementing and driving several initiatives this year. In addition, we are focused on eliminating sexual harassment, not only from our business, but also from our industry. Our ongoing drive and commitment to operating a sustainable business are reflected in this Report.

Macmahon embraces the challenges we regularly face in order to operate sustainably whilst exceeding safety standards and minimising the impact on the environment. At the same time, we aim to improve our efficiency and reduce waste, with the end goal of reducing costs, enhancing our value proposition and growing the loyalty of our stakeholders.

On behalf of the Board, I would like to take this opportunity to thank our people and of course our clients and stakeholders for their ongoing resilience and commitment to deliver a safe and sustainable business.

EVA SKIRA, AM
Chair

OUR FY23 SUSTAINABILITY OBJECTIVES

Meet our environmental, social and governance obligations.

Focused on eliminating sexual harassment, not only from our business but also from our industry.

Exceed safety standards.

Minimise the impact on the environment.

Improve our efficiency and reduce waste.

Enhance our value proposition.

Grow the loyalty of our stakeholders.

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
Managing Director and Chief Executive Officer

OUR BUSINESS

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

An ASX-listed company with headquarters in Perth, we provide services to many of the largest resource 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. Macmahon generally has no operational control over any mines, which are primarily the responsibility of our clients (mine owners).

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

Industry and Other Organisations

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

The Chamber of Minerals and Energy

Queensland Resources Council
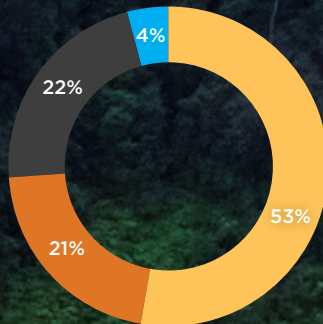
WA School of Mines Alumni

Civil Contractors Federation

FY22 Breakdown

A breakdown of the services, projects and clients is provided in our FY22 Annual Report.

Commodity
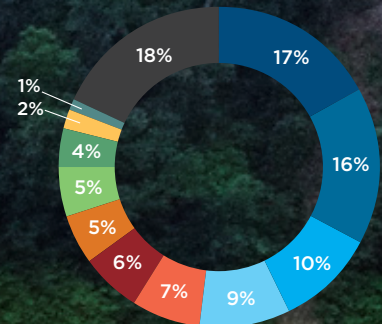
- Gold
- Copper/Gold
- Met Coal
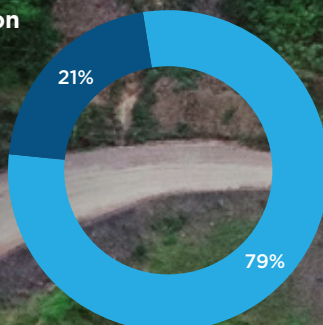- Other

53%
22%
21%
4%

Client

- AngloGold Ashanti
- PT AMNT
- QCoal
- Newcrest
- Silver Lake
- St Barbara
- Dacian Gold
- Qmetco
- Anglo American
- Red 5 Limited
- Calidus
- Other

17%
16%
10%
9%
7%
6%
5%
5%
4%
2%
1%
18%

Country/Region

- Australia
- Southeast Asia

79%
21%

Activity

- Surface
- Underground
- Mining Support Services

64%
25%
11%
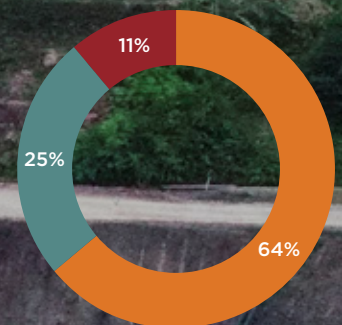
MAP OF OPERATIONS

35
TOTAL SITES

Australia
Indonesia
Malaysia

4
OFFICES

Perth
Brisbane
Jakarta
Kalgoorlie

4
WORKSHOPS

Perth
Boulder
Coppabella
Lonsdale

7
COMMODITIES

Gold
Metallurgical Coal
Copper
Limestone
Nickel
Mineral Sands
Uranium

BATU HIJAU

+ HIGHLIGHT PROJECT

SURFACE MINING | COPPER/GOLD

Life of Mine
Duration

PT AMNT
Client

Macmahon has a life of mine, alliance style mining services contract at the Batu Hijau Mine in Indonesia. Batu Hijau is a large open pit, porphyry copper-gold deposit located on Sumbawa Island in Indonesia. It is the second-largest copper-gold mine in Indonesia.

MALAYSIA

TOTAL SITES
1

1 **SURFACE**
Langkawi

INDONESIA

TOTAL SITES
4

2 **SURFACE**
Batu Hijau
Martabe

1 **UNDERGROUND**
Tujuh Bukit

1 **MINING SUPPORT SERVICES**
Hu'u Project

WESTERN AUSTRALIA

TOTAL SITES
21

5 **SURFACE**
Julius
King of the Hills
Mt Morgans
Telfer
Tropicana

13 **UNDERGROUND**
Bellevue
Boston Shaker
Cock-eyed Bob
Daisy Milano
Deflector
Granny Smith
Gwalia
King of the Hills
Leinster
Maxwells
Nicolsons
Santa
Wagtail

3 **MINING SUPPORT SERVICES**
Coburn
Fimiston
Warrawoona

NORTHERN TERRITORY

TOTAL SITES
1

1 **UNDERGROUND**
Tanami

QUEENSLAND

TOTAL SITES
6

2 **SURFACE**
Byerwen
Dawson South

4 **MINING SUPPORT SERVICES**
Blackwater
Foxleigh
Peak Downs
Saraji

SOUTH AUSTRALIA

TOTAL SITES
1

1 **UNDERGROUND**
Olympic Dam

VICTORIA

TOTAL SITES
1
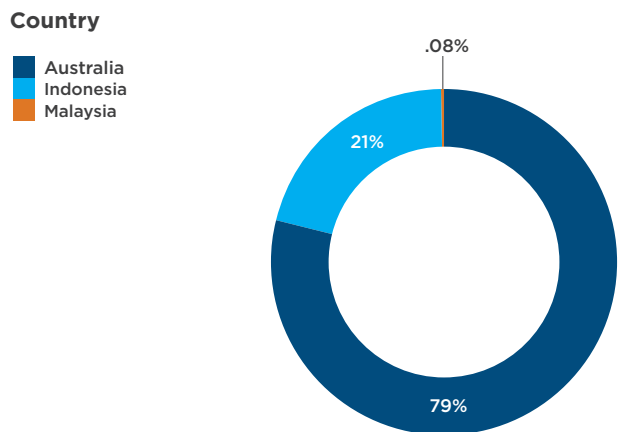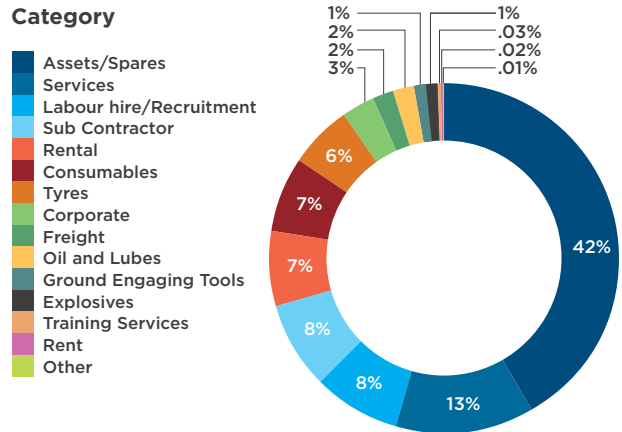
1 **UNDERGROUND**
Fosterville

SUPPLY CHAIN

In FY22, our supply chains were predominantly within Australia and Indonesia, reflecting our operations.

Referring to our FY22 breakdown of expenditure, the majority of our spend is with vendors based in Australia and Indonesia on equipment and spares, services and labour-hire.

Macmahon expects suppliers to conduct procurement activities that identify potential environmental opportunities, risks and impacts of goods or services in the Company's business processes.

Our supply chains include the following services and products:

- Accommodation
- Equipment and Spares
- Consumables
- Corporate Services
- Energy
- Explosives
- Freight
- Fuel
- Hire and Rental Goods
- Human Resources (HR)
- Labour Hire
- Oil and Lubricants
- Services
- Tyres

Category

- Assets/Spares
- Services
- Labour hire/Recruitment
- Sub Contractor
- Rental
- Consumables
- Tyres
- Corporate
- Freight
- Oil and Lubes
- Ground Engaging Tools
- Explosives
- Training Services
- Rent
- Other

42%, 13%, 8%, 8%, 7%, 7%, 6%, 3%, 2%, 2%, 1%, 1%, .03%, .02%, .01%

Country

- Australia
- Indonesia
- Malaysia

79%, 21%, .08%

Macmahon is committed
to work together to
achieve sustainable waste
management best practices
across all our operations.

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 behave according to our values.

UNITED
Be Inclusive • Work Together • Support Each Other

We value diversity, inclusion and working together to achieve exceptional outcomes.

COURAGE
Be Brave • Speak Up • Challenge Yourself

We persevere and push through boundaries to strengthen our team.

INTEGRITY
Be Honest • Respect People • Be Accountable

We are transparent, we live our values and take accountability for our actions.

PRIDE
Be Humble • Work Hard • Celebrate Wins

We set high standards, pursue excellence, show humility and celebrate success.

Strategy

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

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

Strategic Overview

IMPROVE	INVEST	EXPAND	DIVERSIFY	VALUE
Margins and execution	**Relevance and competitive advantage**	**Growth in current markets**	**Build scalability**	**Grow shareholder value**
• Systems and processes • Contract management • Operational excellence	• Advanced contractor • Structure and capability • Technology solutions to enhance sustainability	• Additional services with existing clients • Grow market share in Indonesia with trusted clients where skilled labour market supports organic growth	• Mining Support Services • Underground • Future / battery minerals	• Strengthen Balance Sheet • Acquisitions, JV's and/ or Teaming arrangements • Exit non-core businesses

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.

GOVERNANCE

Corporate Governance

Macmahon is committed to the highest standards of corporate governance, which are hinged on accountability, transparency, fairness and responsibility. The Company's 2022 Corporate Governance Statement reports on the key governance principles and practices, as reflected in Macmahon's conduct of these principles. Throughout the reporting period ended 30 June 2022, the Directors believe that the Company's governance arrangements have been consistent with ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition). The Company appreciates the long-term benefits of adhering to good governance practices.

Macmahon is also committed to ensuring that the Company's obligations and responsibilities to its various stakeholders are fulfilled through its corporate governance practices. These practices are designed to enhance the Company's sustainable long-term performance and value creation for all stakeholders.

Our corporate governance policies set up the framework and expectations for compliance and ethical behaviour in our operations by our people. There were some changes to the Company's corporate governance policies during the reporting period ended on 30 June 2022. The introduction of a Sexual Harassment Policy and updates to the Whistleblower Policy, Diversity Policy (now called the Diversity and Inclusion Policy) and Committee Charters.

Copies of the Company's key corporate governance charters and policies are available on the Company's website in the interests of transparency, fairness and accountability.

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 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.

The Board is dedicated to fulfilling these duties in accordance with Macmahon's Statement of Values and "best practice" governance processes. Each year, the Board carries out a self-assessment to review the skills and diversity of the Board, as well as to identify gaps or opportunities necessary to achieve Macmahon's strategic objectives.

The Board has adopted a Charter that details the Board's role, powers, duties and functions. Other than as reserved explicitly to the Board in the Charter, responsibility for Macmahon's business activities is delegated to the Managing Director and Chief Executive Officer. The 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 seven directors, with the majority being independent, Non-Executive Directors. Currently, 33.3% of the Non-Executive Directors are female.

COMMITTEES OF THE BOARD

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

The *Audit and Risk Committee* assists the Board with the following key matters:

- Company's consolidated financial reports and statements;
- Financial reporting policies, controls and procedures;
- Oversight of the Company's risk register and effectiveness of systems of risk management, internal controls and cybersecurity;
- External audit;
- Compliance with applicable governance, legal and regulatory requirements;
- Oversight of the effectiveness, independence and objectivity of the internal audit function (as applicable to Macmahon);
- Tax risk management and compliance; and
- Fraud and corruption disclosures.

The *Remuneration Committee* assists the Board with the following key matters:

- Assessing and identifying key factors in setting Key Performance Indicators (KPIs), such as diversity goals and workplace demands.
- Implementing a remuneration structure that promotes positive corporate culture and governance practices, as well as compliance with the Company's Values, Code of Conduct, policies and procedures, and the legislative and regulatory framework.
- Reviewing employee and business performance against set KPIs which recognises and rewards performance.

The *Nomination Committee* assists the Board with the following key matters:

- Reviewing the size, structure and balance of the Board.
- Making recommendations to the Board about:
  - The process for recruiting a new director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board.
  - Specific candidates for nomination.
  - Induction and orientation programs for new directors.
  - Board succession plans.
  - Succession plan for the Managing Director/Chief Executive Officer.
  - Processes for the evaluation of the Board (including the Managing Director/Chief Executive Officer), Committee and director performance.
  - The appointment and re-election of directors.
  - Continuous professional development for directors to maintain the competencies required by Macmahon.

The *Tender Review Committee* oversees assessment of the risk profile associated with bid and contracting opportunities that exceed a certain monetary threshold, or which have other qualitative characteristics that may expose the Company to new or greater risks if pursued (for example, entry into new jurisdictions or unusual or onerous contracting terms).

Details of each committee's current membership and composition are set out in the 2022 Corporate Governance Statement on the Company's website.

EXECUTIVE-LEVEL POSITIONS

Other than as specifically reserved to the Board in the Board Charter, responsibility for Macmahon's business activities is 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.

Our executive remuneration incorporates sustainability performance objectives. Our FY22 short-term incentive bonus plan includes a safety performance KPI. In addition, our FY22 short and long-term incentive plans contain an improved safety objective and employee engagement score.

Business Ethics and Transparency

Macmahon is committed to increasing shareholder value within an appropriate ethical framework. This is supported by our Code of Conduct, which sets the parameters for Macmahon's business and ensures everyone at Macmahon is accountable for exercising integrity in all decisions and behaviours, acts ethically in the Company's best interests, and observes the law and Company policies.

Our core values are set out on page 14 of this Report and are pivotal to the Company's behaviour. Integrity is one of our core values which dictates that all employees act lawfully, ethically, and responsibly.

Our expectations on anti-bribery and corruption are detailed in our Code of Conduct, available on our website. Our people must complete our Code of Conduct training in their induction program and annually thereafter, including several other key policies explaining their importance and relevance to our operations.

Macmahon is not involved in any lobbying practices and has made no political donations.

Macmahon strongly encourages and provides protection and support for reporting reasonably held concerns of suspected or actual misconduct, improper state of affairs, or circumstances under our Whistleblower Policy. The Whistleblower Policy provides a confidential, anonymous and retaliation-free process – including through intermediary Your Call Whistleblowing Solutions.

Macmahon's Equal Employment and Diversity Policy and Sexual Harassment Policy provides an alternative pathway for reporting and investigating unlawful victimisation, discrimination, retaliation and harassment based on sex, race, religion, nationality, age, disability and other matters protected by law.

Macmahon has several channels for individuals wishing to make a Whistleblower report. The Board is made aware of material situations and any corrective actions. Whistleblower reports and serious breaches of the Code of Conduct are standing items for discussion on all Audit and Risk Committee and Board agendas. Reportable conduct (including sexual harassment) is a standing item for discussion on all Board meeting agendas.

As of the date of this Sustainability Report, there are:

- No matters involving corruption breaches of our Code of Conduct.
- 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 public legal cases regarding corruption brought against Macmahon or its employees during the reporting period.

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 to conflicts and potential conflicts of interest.

Notification Obligation

Directors must notify the Chair of the Board of a conflict of interest or a potential conflict of interest.

The Chair of the Board must notify 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.

EXTERNAL CHARTERS, PRINCIPLES OR OTHER INITIATIVES

Macmahon does not directly subscribe to or endorse any externally developed economic, environmental, and social charters, principles, or other initiatives.

Risk Mitigation Management

Macmahon conducts its business and takes informed and appropriate commercial and business risks to achieve its objectives and deliver shareholder value. In so doing, risks are proactively identified and managed by our people. Macmahon also ensures that hazard and risk assessment, mitigation, and risk management are prioritised and dealt with across all our operations.

Macmahon has put in place a number of measures to guide risk assessment and eliminate hazards from our operations. These include Macmahon's Risk Management Policy and Risk and Opportunity Management Standard. While serving distinct functions, these documents emphasise accountability, processes for risk reporting

and set out control measures to ensure that our people properly and sufficiently identify, assess and manage risk.

Consistent with its Charter, the Audit and Risk Committee is responsible for developing and maintaining a Risk Management Policy, which articulates general principles and provides a framework for integrating risk management into day-to-day decision-making.

As set out above, the role of the Audit and Risk Committee is to assist the Board in meeting 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. The Audit and Risk Committee plays a further important role in overseeing and challenging senior management of Macmahon to identify new, emerging and escalating risks that may impact our operations. The Audit and Risk Committee also considers whether the risk mitigation measures are sufficient to reduce any risk exposure to the business. Results from the Audit and Risk Committee's risk review are presented or reported to the Board on a quarterly basis.

The Audit and Risk Committee is tasked with periodically reviewing and suggesting any necessary amendments to Macmahon's risk management framework, risk register or the risk appetite set by the Board.

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

External factors and sustainability-related risks affecting Macmahon are set out in the FY22 Annual Report.

The Company does not apply the Precautionary Principle or approach.

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 FY22, we:

- Completed an independent Cyber Security Maturity Assessment and Vulnerability Scan.
- Completed development of a three-year cyber security plan that includes an increase of people,

- modification of processes, and upgrading our security technology.
- Commenced execution of a three-year security plan.
- Formalised cyber security training for all technology users and enhanced internal system checks.
- FY23-26 additional budget spend of over $4 million approved by the Board.

Leadership in Sustainability

Macmahon is committed to sustainability performance and reporting. In FY21, Macmahon undertook an ESG materiality assessment with both 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 trends and investor interests.

- Considering the priority of material topics by engaging with internal and external stakeholders.

- Assessing engagement results to further guide the approach to sustainability and establishment of an internal Environment and Social Performance Working Group.

This year, in FY22, the focus has been on the ambitious program to calculate our baseline environmental footprint for the Company across various environmental aspects – from usage of fossil fuels and quantity of greenhouse gases emitted to performance on waste, water and rehabilitation.

This program is a significant undertaking and it will set the foundation for further environmental and sustainability stewardship. A baseline environmental footprint will provide considerable insight into the impact of Macmahon's activities and will highlight where the greatest improvements can be made.

We have commenced the Company wide Sustainability Framework, which will describe our key focus areas and the commitments under each. Completing the baseline environmental footprint program will provide crucial information for the Macmahon Sustainability Framework. Macmahon's senior management makes recommendations to the Macmahon Board, ensuring appropriate strategies and controls are implemented.

In developing Macmahon's Sustainability Framework, and as part of the FY23 Business Plan, we are investigating and developing the following key focus areas:

1. Mental Health in Mining (via the Strong Minds, Strong Mines Program)
2. Diversity and Inclusion
3. Biodiversity and Rehabilitation
4. Climate Change

Key initiatives that will be rolled out under these focus areas include:

- A Diversity, Equity and Inclusion Roadmap
- Development of our psychological safety and wellness programs
- A roadmap to eliminate sexual harassment

Integrated Management System Overview

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

Our IMS is certified with:

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

Our IMS is aligned with ISO 31000 Risk Management.

Note that our ISO accreditation covers Macmahon's Australian operations, offices, and workshops.

We also hold accreditation under the Work Health and Safety Office of the Federal Safety Commissioner Scheme.

Policies

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

- Sustainability Policy
- Environmental Policy
- Climate Change Position Statement
- Risk Management Policy
- Quality Policy
- Health and Safety Policy
- Equal Employment and Diversity Policy
- Indigenous Peoples Policy
- Whistleblower Policy
- Diversity and Inclusion Policy
- Human Rights Policy
- Anti-Bribery and Corruption Policy
- Sexual Harassment Policy

Audits

Macmahon's systems, standards and procedures are accompanied by an assurance program and audit framework to measure and monitor compliance and identify continuous improvement opportunities as a component of both project-specific operational and corporate activity. Audits are conducted regularly and encompass the precepts of international and the Macmahon Integrated Management Standards.

During FY22, scheduled external and internal audits were completed, and our management systems were independently certified by BSI Group ANZ Pty Limited (a third-party certification body).

The scope of the certification includes our core business areas and project management services across all Australian operations.

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	FY22 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 content, employment and business opportunities.	• Community consultation and engagement • Social investment • Project community engagement plans • Jangga Operations (Indigenous Group Byerwen) • Western Kangoulu (Indigenous Partnership in Central Queensland)
Clients	Reliability, quality, cost and delivery.	• 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.	• 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 and pulse checks
Investors	Delivery of financial returns, mitigation and management of financial and non-financial risks, and ESG reporting.	• Regular meetings and contact with financiers, institutional shareholders and investor representatives (brokers, analysts) • Annual General Meeting – FY21 AGM was accessible via an online platform. It included the ability for shareholders to ask questions and to vote in real-time • Australian Securities Exchange (ASX) announcements • Regular printed and electronic communications, including investor presentations
Industry groups	Collaboration to ensure outcomes from the industry, for example, the coordination of safety data for the benefit of the industry.	• Active participation in many associations, including The Chamber of Minerals and Energy, Civil Contractors Federation of Western Australia, Queensland Resources Council and the WA School of Mines Alumni
Regulators	Safety and environmental reportable incidents and breaches.	• Australian Securities Exchange (ASX) • Safety and Environmental Departments **(These names vary across different states and the direct relationship is often with the client depending on jurisdictions)
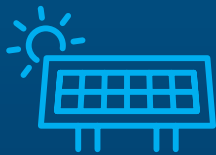
Environment

Macmahon's Environmental Policy, values, and commitment reflect the integrated way we work at our locations. Even though 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.

ENVIRONMENT

While the majority of environmental compliance is often the responsibility of our clients, at Macmahon, we choose to lead by example. We are committed to environmental and sustainability best practices at all of our sites and operations.

Our environmental and sustainability policies include a commitment to reduce impacts and improve resource efficiency; protect our people's health, safety and wellbeing; encourage diversity, equity and inclusion; respect cultural heritage; protect human rights and behave ethically.

Our integrated management system reflects these commitments and mandates our performance reporting. We continue to improve our understanding of the sources, scope and extent of our resource use, including environmental emissions and impacts. Our overarching goal is to contribute to lasting environmental and sustainability value across the regions where we operate.

This financial year, Macmahon has undertaken its first comprehensive environmental overview for some years. The Baseline Environmental Footprint Project will detail Macmahon's Australian and offshore operations' environmental footprint.

Climate Change

As stated in Macmahon's Climate Change Position Statement, we acknowledge that climate change is real and threatens our environment. We will seek continual improvements in energy efficiency across our business to understand and reduce the carbon intensity of our operations.

Macmahon measures and reports its GHG emissions yearly via an independent consultant. Macmahon does not report GHG data directly for the purposes of the National Greenhouse and Energy Reporting Scheme (NGERS 2007), as this functional responsibility of most mining projects sits with our clients. Macmahon also does not currently exceed the legal threshold for reporting.

Before this year, reports have been compiled to demonstrate NGERS compliance using data confined to fuel purchases, electricity, and a relatively insignificant amount of natural gas. This year, due to the comprehensive ESG corporate mandate, we are measuring emissions covering both Company purchased and client-supplied goods and services.

SCOPE 1, 2 EMISSIONS

Scope 1 emissions are direct emissions from company-owned and controlled resources. In other words, emissions are released into the atmosphere directly from a set of activities at a firm level. All fuels that produce GHG emissions must be included in Scope 1.

Scope 2 emissions are indirect emissions from the generation of purchased energy from a utility provider. In other words, all GHG emissions released in the atmosphere from the consumption of purchased electricity, steam, heat and cooling.

During FY22, our GHG emissions were calculated to be:

- Scope 1 GHG emissions: 15,125 tonnes CO_2-e
- Scope 2 GHG emissions: 1,246 tonnes CO_2-e

This data was compiled from Macmahon purchases of fuel, electricity, and natural gas.

The FY2022 carbon emissions and energy use are considerably higher than the 2021 emissions and energy use. This increase is essentially attributable to the additional purchase of diesel fuel.

As noted, Macmahon has no legislative requirement to report its FY22 operational emissions and energy use to the Office of the Clean Energy Regulator under the provisions of the National Greenhouse and Energy Reporting Act 2007.

FY22	Energy (GJ)	GHG (Scope 1 & 2) tonne CO_2-e
Electricity/ Natural Gas	6,910	1,246
Diesel	214,909	15,094
Petrol	466	31
Total	**222,285**	**16,371**

Together with our Original Equipment Manufacturers and our clients, we monitor equipment performance with the intent to extend and utilise our workshop to rebuild equipment. Our engineering team continuously assesses opportunities to purchase lower-emission equipment. We moved from a predominately mechanical drive trucking fleet for new purchases to an electric drive. In FY22, our team commenced trials of battery-powered light vehicles in the underground operation.

Macmahon seeks to work across various commodities, including those critical 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).

Rehabilitation and Biodiversity

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

Macmahon has proven experience operating with sensitivity in areas of high diversity and conservation value, whether operating as a 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.

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

In FY22, we rehabilitated 169 hectares in Australia across all mine sites, predominantly at the Peak Downs and Saraji mines. In addition, 48 hectares were rehabilitated in Southeast Asia at the Batu Hijau site.

Australia	FY22	FY21	FY20
Total Hectares rehabilitated	169	142	60

Southeast Asia	CY21	CY20	CY19
Total Hectares rehabilitated	48.2	45	37

Batu Hijau Rehabilitation and Restoration

The Batu Hijau Project progressively rehabilitates the land alongside their mining activities.

Around 1.2 million trees were replanted across 700 hectares between 2000 to 2020. Between 2020 and 2022, another 159,891 trees have been replanted across 93.2 hectares.

We initiated restoration programs for the coral reef and the coastal ecosystem and received the Aditama Trophy for managing the mineral and coal mining environment category. The Aditama Trophy is the prestigious Good Mining Practice Award from the Energy and Mineral Resources (EMR) Ministry for its commitment to exercising responsible and sustainable mining activities.

~1.36 MILLION TREES REPLANTED

793.2 HECTARES

YEARS 2000-2022

Batu Hijau, Indonesia.

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 implemented for our operations.

We recognise that water use is important to our stakeholders; however, it is not a major resource use for the Company. There are no water targets as access to water monitoring is commonly provided by our clients. Macmahon does not handle or use cyanide.

Waste Management

Macmahon's services generate non-hazardous wastes and a relatively small amount of hazardous wastes.

General waste makes up the majority of all waste. The remainder consists of used batteries, tyres, contaminated soils, oily rags, scrap steel, lubricants, oil/fuel filters, air filters, sewerage, oil and grease, and wash-down wastewater.

This year, as a result of the Baseline Environmental Footprint Project, the reporting for waste, including the diversity of information collected, has substantially increased insight into our waste performance. As a result, recycled waste data has increased dramatically.

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. Macmahon aims to recycle separate components for collection by licensed contractors where reuse is not possible. This is our second year of reporting waste as per the below table:

	FY22 Tonnes	FY21 Tonnes
General waste	1,810	693.6
Recycling	9,612	28.2
Tyres recycled	1,267	-

Dangerous Goods and Contamination

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

Environmental Compliance

Macmahon utilises a certified environmental management system to ensure its systems and operations meet legal and other requirements to minimise environmental impacts. Certification surveillance audits of Macmahon's AS/NZS ISO 14001:2004 Environmental Management Systems were undertaken by a third-party in August 2021.

We conduct monthly environmental inspections. In FY22, we conducted over 371 inspections across our operations and recorded no major environmental incidents.

During FY22, there were no environmental prosecutions or infringements.

Macmahon's risk register classifies a major incident as native plant or animal damage, environmental alteration to its detriment, degradation or breach of legislation. A critical incident is an irreversible, high-impact or widespread impact or occurs in a high conservation value area or breaches of environmental legislation.

Custom Loader Tyre

Macmahon has teamed up with BKT Tires, Tradefaire International and RUD Chains to produce the world's first custom loader tyre.

The rough terrain of our mine sites means we need to fit our loader tyres with protective chains to last longer and reduce downtime. Unfortunately, obtaining these tyres has been unnecessarily complicated. The process involved:

- Ordering tyres from a supplier
- Sending tyres to another company to be shaved down to size
- Getting chains fitted at another place

This process was not only time-consuming but expensive. It also created unnecessary waste, with the rubber shaved off tyres ending up in landfills. Macmahon found a way to improve sustainability practices by manufacturing custom tyres.

We teamed up with specialists in industrial tyres, BKT Tires, and accredited Australian tyre distributor, TradeFaire International. Both companies jumped at the chance to collaborate with Macmahon on the world's first custom loader tyre.

After working through the specifications, BKT produced tyres with a rolling circumference to fit the chains we needed for our mining environment. The process took 12 months from concept to delivery and included shipping delays.

The technicians that manufactured the tyres travelled from India to Australia to visit the Tropicana Goldmine to see the new tyres in action at the Boston Shaker Underground Mine.

Manufacturing our underground loader tyres is exciting because it exemplifies our commitment to innovation, but it's also incredible for sustainability.

The custom tyre means together we can:

REDUCE
WASTE
—
REDUCE
COSTS BY 25%
—
REDUCE
PRODUCTION TIME
—
REDUCE
ENERGY CONSUMPTION

Baseline Environmental Footprint Project

Macmahon recognises that a baseline measurement is required to improve environmental and sustainability performance.

In FY22, we commenced our journey towards sustainability benchmarking. We have developed a program to calculate our baseline environmental footprint for the company across various environmental aspects – from usage of fossil fuels and quantity of greenhouse gases emitted to performance on waste, water and rehabilitation.

Utilising the existing safety management system 'InControl', our updated processes now include capturing monthly environmental data from each operational site. The newly introduced environmental data requirements are the subject of inductions, meetings and on-site discussions to aid the cultural shift towards viewing data collection as beneficial rather than a hindrance.

The Baseline Environmental Footprint Project will form the initial foundation upon which Macmahon will build our Corporate Sustainability Framework.

The Project has allowed visibility and transparency across all operations. When considering the expansion of operations into new clients and projects, we can start to evaluate the areas of significant impact. Then following our key commitments, we will develop improvement programs.

We have developed a program to calculate our baseline environmental footprint for the Company across various environmental aspects.
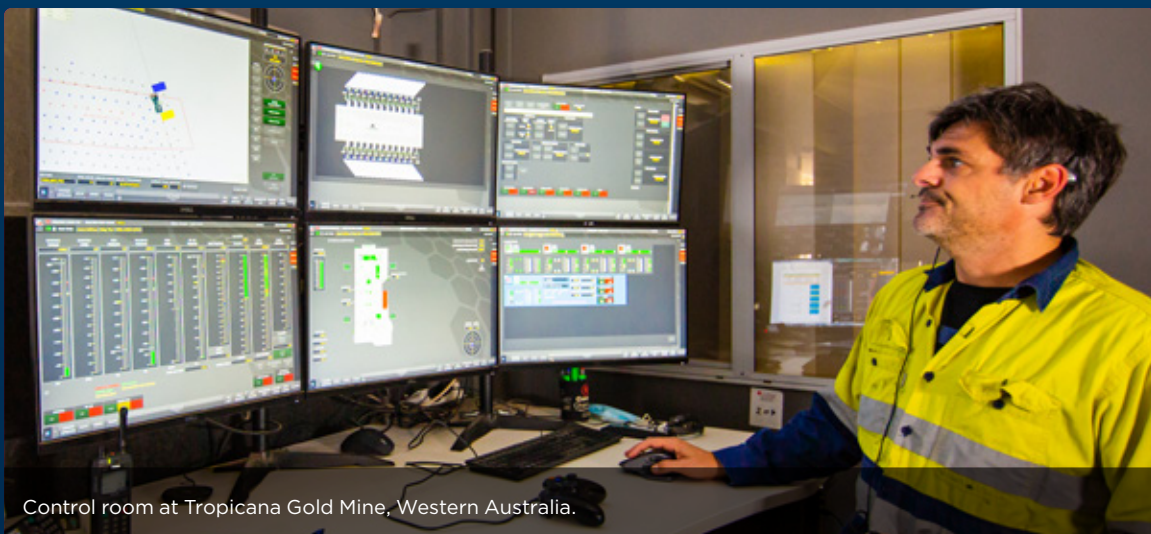
Control room at Tropicana Gold Mine, Western Australia.

Social

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

SOCIAL

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 at the end of June 2022 was 7,848 people. We anticipate this to increase over the coming year as we bring on a number of new projects in FY23.

Workforce by Location

	Employees	Contractors	Total Workforce
Australia	3343	966	4309
Southeast Asia	3419	120	3539
Total	**6762**	**1086**	**7848**

Workforce by Business Unit

3% 3%
15%
79%

- Surface
- Underground
- Mining Support Services
- Corporate/Other
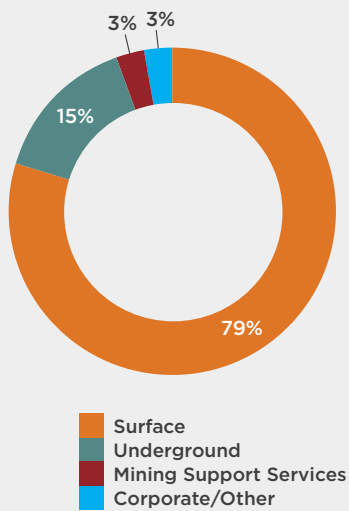
Workforce over the last three years

	FY20	FY21	FY22
Total	7,059	7,069	7,848
Contractors	1,830	987	1,086
Employees	5,229	6,082	6,762

■ Employees ■ Contractors
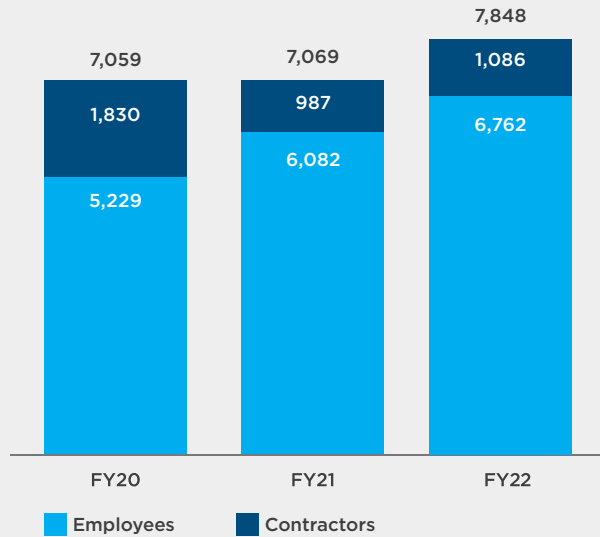
Given the increased demand for mining services in the year's second half and continued COVID travel restrictions, we have experienced tightened labour availability in Australia and higher turnover rates.

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 36).
- 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 FIFO workforce the flexibility to choose between lifestyle (even-time) and higher earnings rosters.
- Access to Perth head-office gym facilities and classes.
- Access to an award-winning physical and mental health program, Strong Minds, Strong Mines.

Dump Truck Operator simulator training at Dawson South, Queensland.

Training and Development

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

Macmahon has established two dedicated Training Academies across the nation with one housed in Perth WA and the other located in Central Queensland.

IN FY22

Twenty-nine graduates were actively engaged with Macmahon. The graduates are progressing through a 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.

One hundred and two apprentices continued in our National Apprenticeship Programs, specialising in mobile plant mechanics, auto electricians, HV electricians and boilermakers with an increase of 31 new apprentices joining the business across the conventional and accelerated programs to continue their trade component in FY22.

To complement our Apprenticeship Program, Macmahon has established an industry recognised Post Trade development program comprised of leading technical trainers who provide a range of internal technical training courses to cater for the Macmahon business. The trade development team also provide recurring upskilling opportunities to the international trade employees to get them job-ready for deployment to our remote sites.

Macmahon has trained 728 registered trainees in FY22, with 474 commencing in this financial year. Macmahon closed the financial year with an active registered count of 467 trainees.

Macmahon offers three specific programs tailored to suit our multi-faceted leadership framework. Ninety-one of our leaders participated in a

29 Graduates

102 Apprentices

structured leadership program. Sixty-nine people received entry-level Effective Supervisors' training, and experienced Leaders participated in the Managers' Development program setting our leaders up for success.

Macmahon has established two Training Academies in Perth and Queensland to address the national skills shortage. These facilities provide a variety of training, including for new-to-industry personnel. During the year, these facilities have trained 431 people.

	FY22
New to industry Training Academy Total	**431**
Female representation	41%
Indigenous representation	9%
Retention	90%
New to industry Training Academy External Total	**101**
Female representation	48%
Indigenous representation	18%

Training Academy

728 Traineeships

91 Leadership Development Program

Nicole Martin

GRADUATE ENGINEER, TROPICANA

Nicole graduated with a double degree in Chemical Engineering and Finance and was accepted into our competitive engineering graduate program.

Macmahon appealed to Nicole because of our stance on innovation and the new technologies in our mine sites. The graduate program also offers an excellent opportunity to learn through mentorship.

Nicole is currently in the drill and blast team. She's learning how to conduct initial quality assurance, place detonators and boosters, load the emulsion or heavy ANFO (blasting agent), and ensure that all detonators go off correctly.

"I felt the graduate program would provide valuable insight and direction in these early stages of my career."

Arcado Niyosaba

DTO TRAINEE, TELFER

With an infectiously positive attitude, Arcado is excited to enter the mining industry and build his skills as a dump truck operator.

Despite having no exposure or FIFO experience, Arcado eagerly applied and was accepted into the program. Arcado's training at Telfer kicked off with two weeks in a classroom to cover what to expect from the program, with a strong focus on safety. From there, he took on simulator training to help prepare him to jump in a truck. Now that Arcado is trained and deemed competent, he's driving solo. Arcado sees his future in mining and is eager to take in all that he can.

"There are long hours and the conditions can be challenging but there is a strong culture centred around friendship."

Safety

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

Our safety performance has improved in line with our projected targets compared to industry averages. Macmahon's Total Reportable Injury Frequency Rate (TRIFR) for FY22 decreased from 6.39 in FY21 to 4.80 in FY22. The Lost Time Injury Frequency Rate (LTIFR) increased from 0.14 in FY21 to 0.21 in FY22.

	FY22	FY21	FY20
TRIFR	4.80	6.39	3.77
LTIFR	0.21	0.14	0.12
Workforce	7,848	7,069	7,059

In line with continual improvement and dedication to safety, emphasis is still being placed on improving behaviours and ensuring a safe workplace. We will focus on implementing the following initiatives in FY23:

- Training our front line leader's in our Integrated Management System (IMS) to improve operational discipline against our health and safety management processes.
- Embedding sexual harassment as a material risk within the Company and implementing the controls that have been identified in the corporate risk register.
- Conducting verification audits on the Company's Critical Risk Standards
- Continuing the psychological safety program to address culture and make sure our people are empowered to speak up to create a safer workplace environment.
- Supporting the business in the transition to the new *Work Health and Safety Act (WA)*. This ensures all findings from the gap analysis are implemented and our officers are aware of their due diligence requirements.

Our leading indicators show the significant steps and efforts we have put into improving safety performance. 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

Sexual Harassment

Macmahon recognises that safety is not just about preventing accidents and injuries. It's also about promoting a workplace culture where all our people feel safe. Sexual harassment is unlawful and is not tolerated in any way, shape or form at Macmahon. We also recognise that there is much work to be done to eliminate sexual harassment from our operations.

Macmahon remains committed to learning about and addressing the drivers of sexual harassment and improving as a business. We believe that there is room for cultural change to create an environment where everyone feels safe and secure at work. To this end, during FY22, Macmahon implemented a standalone policy on sexual harassment.

The policy:

- Defines what sexual harassment entails.
- Stresses that sexual harassment is illegal.
- Sets out the procedures for reporting and investigating reports of sexual harassment as well as criminal offences.
- Sets out the responsibilities of management and employees.
- Highlights the importance of bystander intervention.

We recognise that under-reporting of sexual harassment occurs for different reasons, including shame, lack of knowledge of how to report, fear of retribution, imbalance of power, and a lack of confidence that reporting will lead to a satisfactory result. We strongly encourage everyone to report any incidents of sexual harassment.

There are multiple reporting options, with the ability to remain anonymous, including:

- Raising a complaint with a supervisor or a HR representative
- Lodging a complaints form
- Making a complaint under our Whistleblower Policy
- Reaching out to the Employee Assistance Program offered by third-party provider Converge International. The program provides 24/7 telephone and face-to-face counselling.

Our deliberate and structured approach to eliminating sexual harassment at Macmahon is supported by a pivotal roadmap at all levels in our business to drive education, empower all our people to speak up, and build confidence to report any incidents.

During the financial year, we completed a 'Pulse Check' survey into what our people say about sexual harassment. The anonymous survey was sent out to our Australian employees. The results revealed that:

- 99.97% knew that Macmahon has a standalone sexual harassment policy
- 97.60% knew how to report sexual harassment
- 81.84% said that they definitely would feel confident to report sexual harassment if they witness it or are subjected to it
- 71.95% said that it was extremely clear to them what sexual harassment meant

Our roadmap has been developed with integrity to impact all our work locations. It is agile and responsive to feedback received from our people through pulse checks.

We acknowledge that we are at the early stages of the journey. However, we have the unequivocal commitment of the leaders at Macmahon to drive a safe and inclusive workplace. We will continue to build on our foundations in FY23.

We will continue to build on the foundations in the business and have developed a specific roadmap for FY23 which will ensure progress in this priority area continues.

DURING FY22, WE IMPLEMENTED

BYSTANDER TRAINING

A NEW WHISTLEBLOWER PLATFORM

INDEPENDENT CULTURE REVIEWS

EMPLOYEE PULSE CHECKS

Health and Wellbeing

Macmahon provides our people with health and wellbeing programs, including an employee assistance program that provides a free professional counselling service addressing personal and work-related issues, career advice and coaching, and legal support and guidance. Our dedicated internal communication platform, Team MAC, includes a Wellbeing Centre that provides comprehensive nutrition and fitness information, financial advice to assist with budgeting and spending and practical advice and tools to support mental health.

Our Perth office has access to our onsite well-equipped gym together with dedicated fitness classes and private training sessions. Similarly, the Brisbane office is pursuing a partnership to emulate similar benefits.

Macmahon's Strong Minds, Strong Mines initiative continues to deliver mental, physical and social health support to our people and the broader mining industry. The program aims to remove the stigma around mental health.

+ CASE STUDY

STRONG MINDS

STRONG MINES

Strong Minds, Strong Mines

Strong Minds, Strong Mines is a mental, physical and social health program developed by Macmahon to remove the stigma around mental health and delivered to our people and the broader resources industry. To increase awareness of the importance of caring for mental health, we held a Corporate Boxing Event at the Burswood Casino in Western Australia. Now an annual black-tie ticketed event, corporate boxing combines mental and physical health through fitness and the sport of boxing. The inaugural event raised more than $50,000 for various charities, including the WA School of Mines Alumni.

COVID-19

While the impact of the COVID-19 pandemic continues to be a global challenge, we have been able to adapt swiftly and protect the wellbeing of our people and the broader communities we operate in. We continue to closely monitor the situation and implement risk management measures across our business to protect our workforce and stakeholders and safeguard business continuity.

These measures included:

- Providing financial support to those directly impacted.

- Continuing to secure accommodation for fly-in-fly-out (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.

+ CASE STUDY

Strong Minds, Strong Schools

Macmahon is a strong advocate for the mental health of its people, delivering the Strong Minds, Strong Mines program to our people and the resources industry since 2019. More than ever, our youth require mental health support too. So, in June 2022, we launched the Strong Minds, Strong Schools mental health program at Harrisdale High School. The program aims to educate students about mental health, while breaking the stigma surrounding it. 400+ students engaged with the program, and the reception was exceptional! We will be extending the Strong Minds, Strong Schools program to additional schools later in the year.

Enterprise Agreements

Macmahon currently has 11 single enterprise agreements in Australia that cover approximately 2,529 wages employees, which determine employment terms and conditions. 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. 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. It requires the Board to set and report against measurable diversity targets.

Macmahon continues to support improvements in the industry's gender ratio by actively encouraging female applicants and targeting 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, and strengthening this is a focus area for Macmahon in FY22. A revised DEI framework was implemented to engage and raise awareness with internal and external stakeholders.

In addition, Macmahon actively encourages Indigenous Australians' employment and continues to work with our clients to provide opportunities for Indigenous participation (refer to Indigenous Engagement on page 46).

In FY22, the Company's target for Indigenous representation remains at 5.5% of its total Australian workforce. Macmahon employed 156 Indigenous people in the reporting year, representing 4.7% of the Australian workforce.

The following table outlines our measurable objectives for diversity and the progress made towards achieving our objectives at 30 June 2022.

	FY22 Target	FY22 Actual	FY21 Actual	FY23 Target
Indigenous Australians [2]	5.5%	4.7%	4.6%	5.5%
Percentage of female Non-Executive Directors [1,2]	20.0%	33.3%	12.2%	20.0%
Percentage of female employees across Australia	15.0%	16.4%	13.2%	15.0%
Percentage of female employees across the whole organisation	15.0%	15.1%	11.5%	15.0%

1   For this target, senior executive positions are defined as those with senior managerial responsibilities in either corporate or operational areas and include project managers.
2   Australia only.

Gender diversity in Indonesia is making steady progress with 53% female for the Jakarta Office and 30% female for the Martabe workforce.

	FY22 Actual	FY21 Actual
Percentage of female employees - Jakarta Office	53%	47%
Percentage of female employees - Martabe worforce	30%	29%

Human Rights and Modern Slavery

Modern Slavery is unacceptable within our operations and supply chains. Underpinning our commitment towards modern slavery are a framework of company policies and procedures. These include our Human Rights Policy and our policies of Employment and Diversity, Health and Safety, Environment, Indigenous Peoples and our Code of Conduct. We are committed to collaborating with our employees, suppliers, government and all other relevant stakeholders to tackle this challenge.

In FY22 we:

- Tailored the existing supplier assessment framework to ensure appropriateness for our Indonesian and Malaysian supplier base.
- Assessed modern slavery risks of our suppliers.
- Conducted due diligence on our Australian, Indonesian and Malaysian supply chains, including following up with suppliers who had not responded to our first modern slavery self-assessment questionnaire (SAQ).
- Initiated corrective action processes with Chinese, Australian and Indonesian suppliers who were identified as "high risk".
- Finalised and rolled out a Supplier Code of Conduct which requires suppliers to uphold our commitments towards human rights and preventing modern slavery.
- Held Modern Slavery Working Group meetings and drive initiatives which strengthen our modern slavery compliance efforts.
- Implemented a supplier compliance and onboarding system and commenced the re-qualification process of existing vendors.
- Introduced an online training module throughout our Malaysian workforce and for new procurement employees.

Please refer to the Modern Slavery Statement available on our website for further information.

Community Partnerships and Investment

Macmahon has an established tradition of supporting local initiatives in the communities in which we operate. Macmahon identifies community sponsorships and partnerships that align with the interests of local communities close to our projects that provide strong synergies with Macmahon's values-based culture.

Macmahon's strategic community investment includes voluntary contributions, in-kind support, and allocated funding totalled $413K 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 united, courage, integrity and pride.
- 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.

Indigenous Engagement

Macmahon has an Indigenous Peoples Policy and actively encourages the employment of Indigenous Australians. We work with our clients to provide opportunities for Indigenous participation across all our projects. We comply with all government and client requirements on Indigenous participation within the workforce and maintain percentages of Indigenous employment KPIs.

In FY22, the Company's target for Indigenous representation was 5.5% of employees. Macmahon employed 156 Indigenous people in the reporting year, representing 4.7% of the Australian workforce.

Overall, we have noted an organic trend of Indigenous persons joining Macmahon but not consistently identifying as Indigenous. This indicates that our KPIs are underreported and that the percentage of Indigenous employment is higher. This is a testament to providing equal opportunities to everyone regardless of their background. Our approach is genuinely embedded in good processes and procedures rather than an 'add-on'.

Macmahon has continued to provide a number of traineeship initiatives and entry-level employment opportunities to Indigenous people to support skills and training. This is generally done in collaboration with our clients, helping them achieve their goals and objectives for Indigenous participation.

+ CASE STUDY

NAIDOC Week

A time to celebrate the histories, cultures and achievements of Aboriginal and Torres Strait Islander people.

This year's theme is #Get Up! Stand Up! Show Up! And it's about showing genuine commitment in supporting systemic change.

Supporting change is something we're working on at Macmahon, and we look forward to improving our engagement with the oldest culture in the world.

This year, we invited our Perth office and workshop to join us for the opening of NAIDOC week. We were delighted to have Traditional Elder, Morton Hansen give us a Welcome to Country supported by a traditional dance.

We then enjoyed a morning tea supplied by Indigenous catering company Mocha Baby.

Collette Councillor

Collette Councillor is a proud Nungaja woman from Geraldton region of Yamitji and a determined changemaker at Macmahon. Collette went through our Indigenous Trainee Dump Truck Operator (DTO) program in 2013, and after a few years of pursuing other things, she returned as a DTO at Telfer in 2018.

Returning from maternity leave, Collette is a dedicated Administrator in our HSEQ team working on safety planning and reporting. She brings a wealth of knowledge to the role, with multiple training programs under her belt, including Certificate IV in Training and Assessing and safety leadership.

Collette is also an Engagement Officer, supporting our Diversity and Inclusion Strategy. She believes our focus on cultural awareness will help remove the stigma associated with people from different backgrounds.

Mentorship is a priority for Collette and something she wants to build for the Indigenous team. Collette is championing Indigenous engagement and is hopeful of gaining leader support for a dedicated Indigenous trainee program. She also wants to act in a supporting role for all employees to bridge the gap for positive cultural outcomes.

Collette is undoubtedly a strong, resilient and passionate woman who is making a difference at Macmahon and in the community surrounding her.

"My biggest challenge is supporting people through the adjustments of working away and providing Indigenous people in our business with the confidence to mentor new trainees."

One of the changes Collette would like to implement is Welcome to Country ceremonies performed across Macmahon sites and important meetings. This cultural practice is a simple gesture that will help educate other Australians on Indigenous history and create a more inclusive work environment.

Lycullin Training

The Macmahon Training Centre in Lycullin, Queensland, launched in September 2021, providing customised training to create employment opportunities for local communities and address Macmahon operational resource requirements.

The New-to-Industry (NTI) dump truck academy is available to friends and family of Macmahon employees and Indigenous people through our partnership with The Jangga People and On Country Workforce Solutions. We also offer training services for other mining companies, including our client, BHP.

"I now have a career I love for life. Giving me immense mental clarity and ensuring a prosperous life for my family and myself."

Robert Parker, Jangga trainee

The Lycullin Training Centre allows the community to better prepare themselves for a career in mining through scenario-based learning and assessment.

Ivy Adamson, BHP trainee "Training through Macmahon provided me with everything I needed before arriving on site. I am confident I am ready to start my new career."

Lycullin evolved from an original station house where the learning environment is comfortable and welcoming to students resulting in high rates of knowledge retention. Trainees experience operating a haul truck in a simulated environment via dedicated structured curricula.

Andrew Carmichael, BHP trainee said "This course has made it a lot easier to gain confidence in myself, to understand what I am heading into."

Safety is not just about preventing accidents and injuries. It's also about promoting a culture where employees feel safe at work. Sexual harassment is unlawful and is not tolerated in any way, shape or form at Macmahon.

PERFORMANCE DATA

	Metric	FY22	FY21	FY20
GOVERNANCE				
Compliance with Code of Conduct	# breaches	0	0	0
Compliance with Continuous Disclosure	# breaches	0	0	0
Compliance with Modern Slavery Statement	# breaches	0	-	-
HEALTH AND SAFETY				
Total fatalities	#	0	2	0
Lost Time Injury Frequency Rate (LTIFR)	# incidents per million hours worked	0.21	0.14	0.12
Total Recordable Injury Frequency Rate (TRIFR)	# incidents per million hours worked	4.80	6.39	3.77
Fines and prosecutions	#	0	0	0
Integrated Management System Audits completed	% to schedule	100%	100%	100%
Inspections	#	4,759	4,266	3,677
Hazards reported	#	22,563	15,730	9,851
ENVIRONMENT				
Greenhouse gas emissions - scope 1	tonnes CO_2-e	15,125	2,051	6,119
Greenhouse gas emissions - scope 2	tonnes CO_2-e	1,246	1,481	1,803
Total GHG emissions	tonnes CO_2-e	16,371	3,532	7,922
Energy consumed	gigajoules	222,285	37,200	96,140
Total major environmental incidents	#	0	0	0
Fines and Prosecutions	#	0	0	0
Inspections	#	371	292	276
General waste	tonnes	1,810	694	-
Recycling	hectares	9,612	28	-
Land rehabilitated - Australia	hectares	169	142	60

		CY22	CY21	CY20
Land rehabilitated - Southeast Asia	hectares	48	45	37

PERFORMANCE DATA

	Metric	FY22				FY21	FY20
WORKFORCE DIVERSITY		F	M	Not Disclosed/ Non-binary/ Gender Diverse	ALL	ALL	ALL
Total workforce	#	959	6,884	5	7848	7,069	7,059
Total employees	#	885	5,876	1	6,762	6,082	5,229
Total contractors	#	74	1,008	4	1,082	987	1,830
Total workforce by region							
Employees							
Australia	#	546	2,796	1	3,343	3,035	2,351
Southeast Asia	#	339	3,080	0	3,419	3,016	2,878
Other	#	0	0	0	0	31	-
Contractors							
Australia	#	59	903	4	966	940	822
Southeast Asia	#	15	105	0	120	47	1,008
Other	#	0	0	0	0	0	0
Total workforce by division							
Surface	#	719	5,542	3	6,264	5,339	6,107
Underground	#	118	1,042	1	1,161	1,049	774
Mining Support Services	#	15	190	-	205	249	0
Corporate/Other	#	107	110	1	218	432	178
Total workforce by employment type							
Full-time	#	858	5,846	1	6,705	7,047	7,037
Part-time	#	23	4	-	27	22	22
New employee hires							
People	#	320	1626	1	1,947	1,613	848
Percentage	%	16.4	83.5	0.1	100	100	-
Employee turnover							
People	#	-	-	-	1,333	733	629
Percentage	%	-	-	-	21	15.9	10.4
Australian Indigenous employees							
People	#	43	113	-	156	114	114
Percentage	%	4.5	1.6	-	4.7	4.7	4.8
Expats in Southeast Asia							
People	#	11	-	-	11	10	20
Percentage	%	-	-	-	0.1	0.3	0.5

WORKFORCE DIVERSITY	Metric	FY22				FY21	FY20
		F	M	Not Disclosed/ Non-binary/ Gender Diverse	ALL	ALL	ALL
Total workforce							
Staff	#	334	1,080	-	1,414	100	-
Operations	#	486	3,065	1	3,552	100	-
Maintenance	#	65	1,731	-	1,796	100	-
Total workforce by age							
<30	#	377	1,570	3	1,950	1,485	-
30-50	#	466	4,265	1	4,732	4,559	-
>50	#	116	1,049	1	1,166	1,025	-

TRAINING AND DEVELOPMENT	Metric	FY22			FY21	FY20	FY19
		% Female representation	% Indigenous representation	ALL	ALL	ALL	ALL
Leadership	#	-	-	123	95	110	112
Apprentices	#	14	2	102	105	56	52
Trainees	#	32	9	467	289	259	122
Total new to industry Training Academy	#	41	9	431	-	-	-
New to industry Training Academy - external	#	48	18	101	-	-	-

	Metric	FY22			FY21			FY20		
		F	M	ALL	F	M	ALL	F	M	ALL
Board										
People	#	2	5	7	2	6	8	1	6	7
Percentage	%	33.3	66.7	100	25	75	100	14	86	100
Executive Leadership Team										
People	#	4	5	9	2	6	8	1	8	9
Percentage	%	44.4	55.6	100	25.0	75.0	100	11.1	88.9	100

GLOBAL REPORTING INITIATIVE CONTENT INDEX

Macmahon's FY22 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	8-11 (& Annual Report)
102-3	2016	Location of headquarters	10
102-4	2016	Location of operations	8-11 (& 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	34-35
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	21
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
102-17	2016	Mechanisms for advice and concerns about ethics	40-41
Governance			
102-18	2016	Governance structure	18-20 (& Annual Report)
102-20	2016	Executive-level responsibility for economic, environmental, and social topics	19
102-22	2016	Composition of the highest governance body and its committees	18 (& Annual Report)
102-23	2016	Chair of the highest governance body	18
102-25	2016	Conflicts of Interest	20
102-26	2016	Role of highest governance body in setting purpose, values, and strategy	18
102-30	2016	Effectiveness of risk management processes	20-21
Stakeholder Engagement			
102-40	2016	List of stakeholder groups	23
102-41	2016	Collective bargaining agreements	44
102-42	2016	Identifying and selecting stakeholders	23
102-43	2016	Approach to stakeholder engagement	23
102-44	2016	Key topics and concerns raised	23
Reporting Practice			
102-45	2016	Entities included in the consolidated financial statements	Annual Report

GRI Standard	Year	GRI Disclosure	Reference
102-46	2016	Defining report content and topic boundaries	4
102-47	2016	List of material topics	4
102-48	2016	Restatements of information	As identified throughout report
102-49	2016	Changes in reporting	4
102-50	2016	Reporting period	FY22
102-51	2016	Date of most recent report	Annual Report FY21
102-52	2016	Reporting cycle	Annual
102-53	2016	Contact point for questions regarding the report	6
102-54	**2016**	**Claims of reporting in accordance with the GRI Standards**	**55**
102-55	**2016**	**GRI content index**	**55-56**
102-56	2016	External assurance	22

ENVIRONMENT DISCLOSURES

Energy

103-1 to 103-3	2016	Management approach – Energy	26-27
302-1	2016	Energy consumption within the organisation	51

Emissions

103-1 to 103-3	2016	Management approach – Emissions	26
305-1	2016	Direct (Scope 1) GHG emissions	26
305-2	2016	Energy indirect (Scope 2) GHG emissions	26

Environmental Compliance

307	2016	Management approach – Environmental Compliance	26
307-1	2016	Non-compliance with environmental laws and regulations	26

SOCIAL DISCLOSURES

Employment

103-1 to 103-3	2016	Management approach – Employment	40, 44
401-1	2016	New employee hires and employee turnover	52

Diversity and Equal Opportunity

103-1 to 103-3	2016	Management approach – Diversity and Equal Opportunity	44
405-1	2016	Diversity of governance bodies and employees	44

Human Rights Assessment

103-1 to 103-3	2016	Management approach – Human Rights Assessment	45
412-2	2016	Employee training on human rights policies or procedures	45

Rights of Indigenous Peoples

103-1 to 103-3	2016	Management approach – Rights of Indigenous Peoples	46
411-1	2016	Incidents of violations involving rights of indigenous peoples	22

GOVERNANCE DISCLOSURES

Anti-corruption

103-1 to 103-3	2016	Management approach – Anti-corruption	19
205-3	2016	Confirmed incidents of corruption and actions taken	20

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