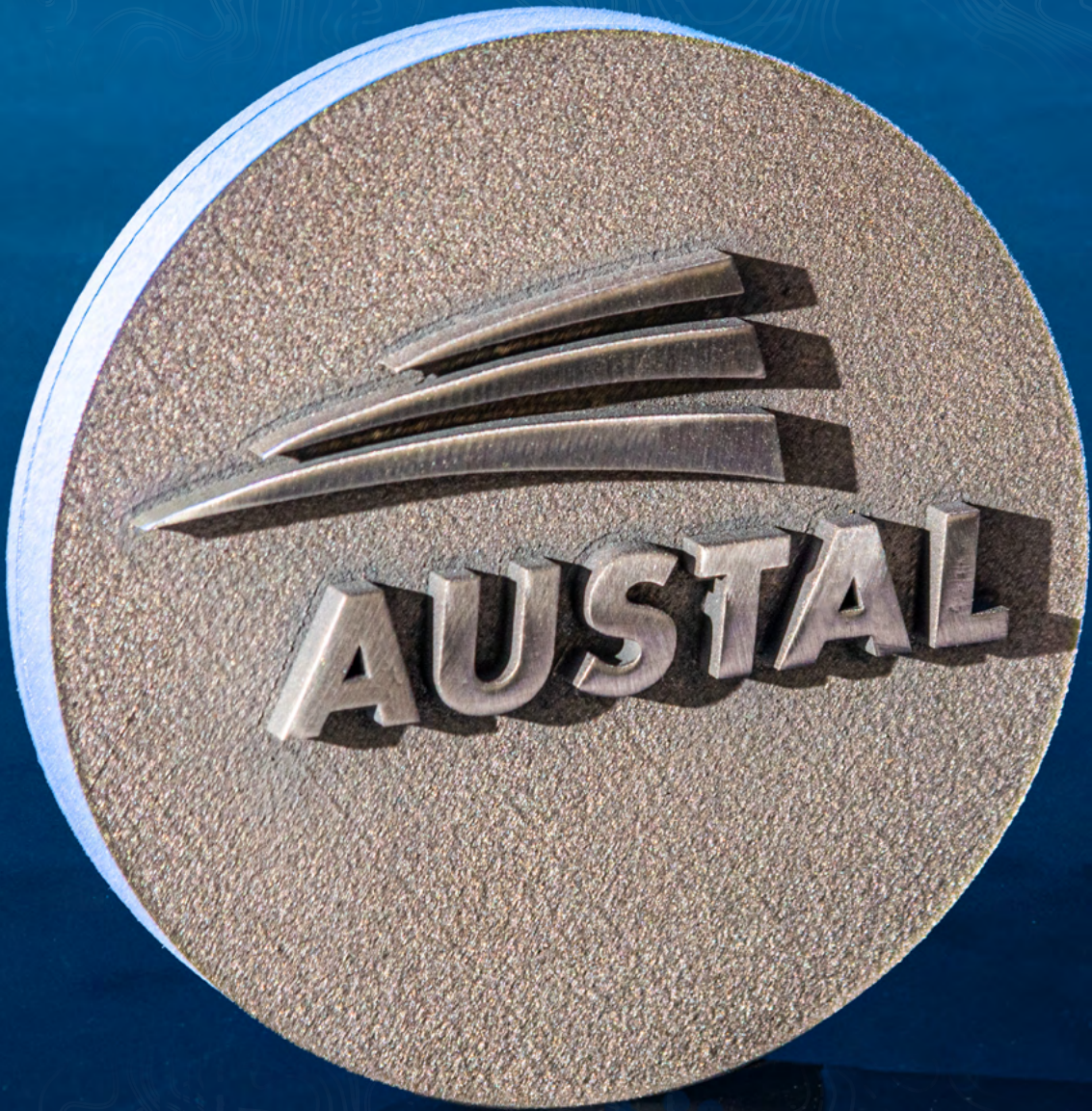


Austal Limited
Environmental, Social and
Governance (ESG) Report

2025



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Letter from the CEO



For more than three decades, Austal has been designing, building and sustaining some of the most advanced vessels in the world. From our beginnings in Western Australia to our operations across Australia, the United States, Vietnam and the Philippines, we have grown into a trusted partner for

governments, navies and commercial operators — delivering platforms that protect nations, connect communities and advance maritime innovation.

This year, as we mark 36 years of continuous progress, our position as a leader in global shipbuilding is stronger than ever. We remain the first and only foreign-owned prime contractor to design, construct and sustain ships for the US Navy, with recent contracts for the US Navy's Towage, Salvage and Rescue Ship program and the US Coast Guard's Offshore Patrol Cutter reinforcing our presence in North America. Our work in autonomous capability — from the Australian Patrol Boat Autonomy Trial to launching the US Navy's Vanguard Overlord Unmanned Surface Vessel — reflects our ability to deliver next-generation solutions in partnership with industry, government and defence stakeholders.

We also recognise that the future of shipbuilding is being shaped by powerful global trends: the urgent need for climate action, the acceleration of technology and the demand for more resilient supply chains. Our Growth Strategy 2050, built on the pillars of Expand Shipbuilding, Enhance Systems and Extend Support, positions us to navigate these changes with purpose.

Sustainability is integral to that strategy. We are targeting a 50% reduction in embodied emissions by 2030 and achieving net zero by 2050. Across our operations, we are embedding technologies that improve energy efficiency, enable alternative fuels and support greater vessel autonomy. We are also building sustainability into our supply chain — from sourcing lower-carbon aluminium and steel to partnering with suppliers on waste reduction, packaging optimisation and renewable energy adoption.

Our innovation in sustainable design is already evident. The 66.8 metre aluminium cargo trimaran for VELA will operate on 100 percent wind, while the Gotland Horizon X fast ferry is designed for hydrogen operation but adaptable to LNG and other low carbon fuels. These projects show how Austal combines engineering excellence with environmental responsibility.

At the heart of these achievements are the Austal values of Customer Focus, Integrity, Excellence and Teamwork. These values guide our commitment to health and safety, diversity and inclusion, training and workforce development, environmental stewardship and community engagement. From expanding our global apprenticeship programs to supporting local community initiatives, we continue to create value beyond the vessels we deliver.

This ESG Report highlights our progress and the steps we are taking to build a more sustainable, inclusive and innovative future. I am proud of what we have achieved together, and I am confident that Austal will continue to adapt, lead and succeed in a rapidly evolving maritime industry.

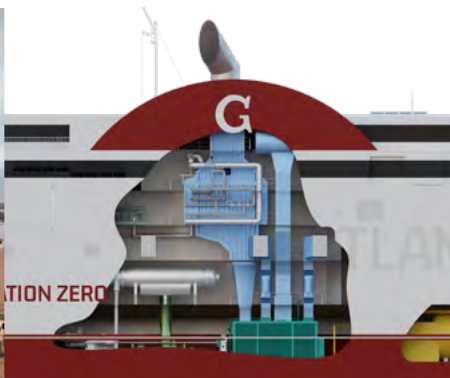
PADDY GREGG

Austal Chief Executive Officer

FY25 Sustainability Highlights



Identified by the Commonwealth of Australia as the intended Strategic Shipbuilder in Western Australia under the Strategic Shipbuilding Agreement. Commenced supplier engagement to enhance environmental sustainability.

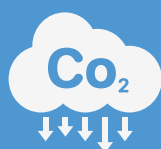


Commenced construction of the 130m High Speed Ferry *Horizon X* with multi-fuel capability.



Commenced scenario analysis to enhance climate resilience and align with climate mandatory reporting requirements.

Greenhouse gases (GHG) emissions reduction goals¹



By **2030**

50% reduction of embodied emissions (Scope 1, 2 and 3-upstream)



By **2050**

A **Net Zero** commitment consistent with **Science Based Targets**

¹ Our ability to achieve these goals is subject to the availability of low carbon solutions in the market and the pace of technological advancement.

² Based upon 1,000,000 hours worked.

About Austal

Austal¹ is a global shipbuilder, defence prime contractor and maritime technology partner of choice.

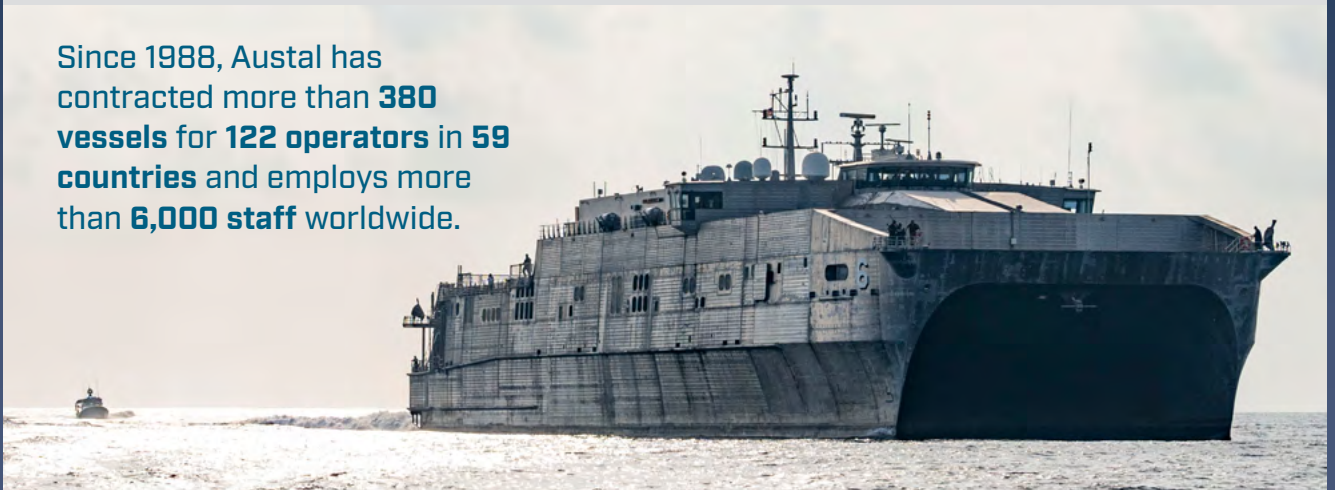
Founded in Perth, Western Australia nearly four decades ago with a vision to build high-quality vessels for the international market, Austal has grown into a global shipbuilding and defence prime contractor providing industry-leading solutions that enhance operational capability, efficiency and sustainability. From defending nations to connecting communities and sustaining fleets, Austal delivers proven performance, next-generation innovation, and mission-critical

reliability. Ensuring our customers stay ahead in an evolving maritime world.

Austal shipyards are located in Australia, the United States of America, Vietnam and the Philippines, with our global headquarters in Henderson, Western Australia. Austal's network of shipyards and offices enables a **global reach, with local expertise** offering localised support and a deep understanding of regional markets and operational needs.

The Company is listed on the Australian Stock Exchange and trades under the ASX code "ASB".

Since 1988, Austal has contracted more than **380 vessels** for **122 operators** in **59 countries** and employs more than **6,000 staff** worldwide.



Austal products and services

Innovative Shipbuilding Excellence

Advanced aluminium and steel vessel design, delivering unmatched speed, efficiency, and durability.

Trusted Defence Partner

As a supplier of frontline naval platforms, including Littoral Combat Ship (LCS) and Expeditionary Fast Transport (EPF) vessels for the US Navy, supporting global security operations.

The recent awards of the Towage, Salvage and Rescue Ship (T-ATS) program for US Navy and the Offshore Patrol Cutter (OPC) program for the US Coast Guard confirm our continued presence as a leading shipbuilder in that region.

World-Class Commercial Vessels

Custom-built ferries and offshore vessels, optimising passenger experience, freight capacity, and operator efficiency. We have a proven track record designing, building and delivering commercial vessel platforms in monohull, catamaran and trimaran configurations, including the world's largest trimaran ferry.

Through Life Sustainment and Lifecycle Support

Comprehensive maintenance, refit, and sustainment services, ensuring peak performance and longevity.

Pioneering Maritime Innovation

Advancing autonomous technology, hybrid propulsion, onboard digital systems and sustainable ship design to define and support the future of maritime operations.

¹ In this report, the terms "Austal", the "Company", "we", "us", "our" and "ourselves" refer to Austal and its entities as a whole.

Austal Shipyards, Service Centres and Offices

SHIPYARDS SERVICE CENTRES AND OFFICES

World map showing Austal locations:

- USA: San Diego, Charlottesville, Washington D.C., USA Mobile
- UK: London
- Trinidad and Tobago: Port of Spain
- Vietnam: Vung Tau
- Philippines: Balamban
- Singapore
- Australia: Henderson (Perth), Darwin, Cairns, Brisbane, Canberra



AUSTAL USA
MOBILE, USA



AUSTAL AUSTRALIA
HENDERSON,
AUSTRALIA



AUSTAL PHILIPPINES
BALAMBAN,
PHILIPPINES



AUSTAL VIETNAM
VUNG TAU, VIETNAM

Austal's growth strategy



Austal's Growth Strategy 2050 outlines three strategic priorities: "Expand Shipbuilding", "Enhance Systems" and "Extend Support", which are designed to help the Company navigate risks and capture future opportunities.



Strategic Priorities



EXPAND SHIPBUILDING

EXPAND our shipbuilding capabilities to be a world leading designer and builder, in both steel and aluminium, of large, complex naval and commercial vessels, including autonomous naval ships and zero emission fast ferries.



ENHANCE SYSTEMS

ENHANCE our systems and digital products to become Australia's sovereign supplier of naval vessel systems, the global leader in fleet life cycle management solutions for complex assets and a regional champion of industry 4.0 in shipbuilding.



EXTEND SUPPORT

EXTEND our support and sustainment services to become the leading Indo-Pacific regional supplier to the US Navy and the Australian Commonwealth across all Defence domains and regional navies wherever Austal has a shipyard presence.

Our three **strategic priorities** are supported by our **strategic enablers**:



SAFETY

Keeping our people **Safe** at all times and making safety a way of life in our workplace



SECURITY

Modernising our systems and ensuring our data is **Secure**.



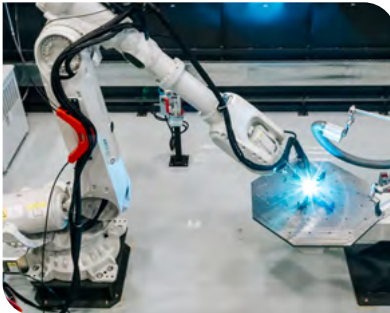
PEOPLE

Developing the capabilities of our **People** and ensuring we live the Austal values.



RELATIONSHIPS

Fostering collaborative **Relationships** with our customers and suppliers.



TECHNOLOGY

Leveraging our **Technology**, Intellectual Property and new digital products for differentiation.



PERFORMANCE

Delivering on our commitments and exceeding customer expectations through **Performance** excellence.

The Austal Values

At Austal, our values are the foundation of how we work - shaping our culture, driving our performance and reflecting our commitment to our people, customers and stakeholders.

The senior executive team plays a pivotal role in embedding the Austal Values throughout the organisation by delivering training to all employees and consistently reinforcing them in their ongoing engagement with staff. This commitment ensures that Austal's values are lived and upheld at every level of the business.

Customer Focus

Our customer is the focus of everything we do.

Integrity

Every interaction with our customers, our people, and our suppliers is with respect, honesty and transparency.

Excellence

Every day we aim to be the best at what we do.

We look for ways to improve customer relationships, designs, productivity, and safety and quality.

Teamwork

We achieve more as a team than as individuals.

We value each other's contribution.

We all have a role to play in Austal's ongoing success.

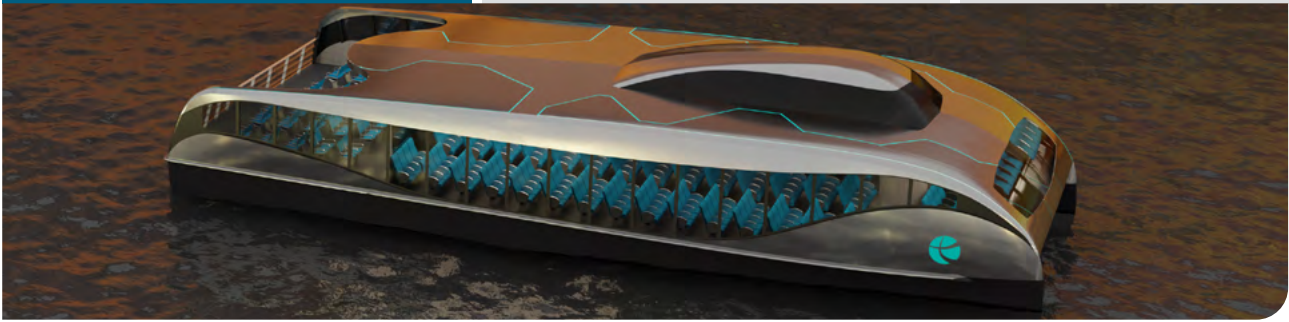




Sustainability at Austal







Responding to Climate Change in the Maritime Industry

The global response to climate change is reshaping the maritime industry, bringing new expectations, emerging regulations and growing demand for low-emission solutions. For Austal, this transition is both a challenge and a strategic opportunity to lead with innovation, engineering excellence and forward-thinking design.

We are embedding sustainability across our operations, focusing on technologies that support

energy efficiency, the use of alternative fuels and greater vessel autonomy. At the same time, we are working closely with customers to co-develop solutions that align with their evolving needs.

To guide our strategy, Austal is monitoring and responding to six key forces grouped into two categories: 'Drivers' shaping the broader industry, and 'Enablers' Austal can harness to create value and resilience.

Drivers

Global warming and social responsibility

There is greater awareness of the risks associated with global warming resulting in pressure from communities, governments and customers for sustainable practices. Climate considerations are shaping purchasing decisions and influencing policy. As these expectations rise, Austal is working closely with stakeholders to meet these priorities.

Legislation

Regulation continues to be a major force shaping the sector. The '2023 International Maritime Organization (IMO) Strategy on the Reduction of GHG Emissions from Ships' sets an ambitious target of net-zero emissions from international shipping by 2050. It also calls for the widespread adoption of alternative fuels by 2030. This signals a significant shift in global expectations and regulatory obligations.

Financial

Access to capital is increasingly influenced by the environmental performance of products and services. Vessel owners and operators are aligning their procurement and funding strategies with emissions reduction goals, creating a higher demand for lower-emission solutions.



Enablers

Technology

Technology is a key enabler of decarbonisation. Advances in automation, ride control systems, hull optimisation, and energy-efficient design are unlocking new possibilities for reducing emissions across vessel lifecycles—both during construction and at sea.

Infrastructure

Infrastructure readiness is critical. The transition to alternative fuels and battery-powered vessels requires investment in new supporting systems, particularly in ports. This includes facilities for recharging onboard energy storage and safely handling liquid and gaseous fuels. Austal is engaging with partners to help identify and support scalable infrastructure solutions.

Energy availability

Energy allocation remains a near-term constraint. As the world shifts to renewable energy, supply is still limited—especially in segments like high-speed commercial ferries. Austal is addressing this by focusing on energy efficiency, hybrid propulsion, and design strategies that maximise the use of available low-carbon energy sources over the coming decade.



A fuel flexible approach

Austal continues to pursue and develop technologies to enable cleaner and more sustainable operations for our customers. With a deep understanding of international regulations, and existing and emerging technologies, Austal's technology, research and development teams are working closely with ferry operators to identify how new generation high-speed ROPAX ferries can meet their legislative and operational requirements, in a flexible way.

Electrification is a promising technology, and Austal is well placed to deliver high-speed transport solutions through its Volta product range. It cannot however be the only maritime fuel considered, as it is simply not practical or appropriate for many operators today.

To maximise the benefits of electric high-speed ROPAX ferries, a high level of route-specific optimisation is required. For some operators, this could mean reduced flexibility or economic viability.

Where electrification is not feasible and alternative maritime fuels and technologies are not yet available, Austal supports customers with flexible solutions. Both in terms of the maritime fuels they use and their ability to accept or be reconfigured for future technologies.

Gotland is a prime example of the result of such a process. This is a vessel designed to operate on 100% Hydrogen fuel in the future, but will initially be configured to operate on liquified natural gas (LNG) and diesel.

Leading in Autonomous Capability

In today's fast-paced technological environment, Austal continues to advance its autonomous capabilities as a key objective to maintain its leadership position in the industry.

Autonomous vessel capability has been identified as an area of strategic importance by the US Navy. Austal USA is one of six of US Defense contractors who have been engaged to undertake the concept design for the US Navy's Large Unmanned Surface Vessels, which involves a prototype of an unmanned

ship that is capable of semi-autonomous operation. Austal USA has partnered with L3Harris Technologies in the United States to deliver autonomous capabilities. Austal USA has been working to advance its autonomous capability with the ongoing development of the US Navy's Overlord Unmanned Surface Vehicle ("OUSV") program, which includes the 60-metre modified crewboat design Vanguard OUSV and Mariner OUSVs. In January 2024, Austal launched the US Navy's newest Overlord Unmanned Surface Vessel Vanguard (OUSV3).



Building a sustainable and strategic defence supply chain

Austal has been identified by the Commonwealth of Australia as the intended Strategic Shipbuilder in Western Australia under the Strategic Shipbuilding Agreement (SSA). This designation positions Austal to lead the construction of several classes of Navy vessels, starting with the Landing Craft Medium (LCM) and Landing Craft Heavy (LCH). Subject to the successful delivery of these pilot programs, Austal is expected to play a central role in delivering future platforms including the General Purpose Frigate (GPF) and the Large Optionally-Crewed Surface Vessel (LOSV).

This national program presents a generational opportunity to strengthen sovereign industrial capability through a long-term pipeline of work. Austal is leveraging this opportunity to consolidate procurement activity, enhance resilience and embed sustainability across the supply chain. Coordinating long-term demand across multiple vessel classes provides greater commercial leverage, reduced volatility and improved planning certainty, all critical to building a secure, capable and future-ready supply base.

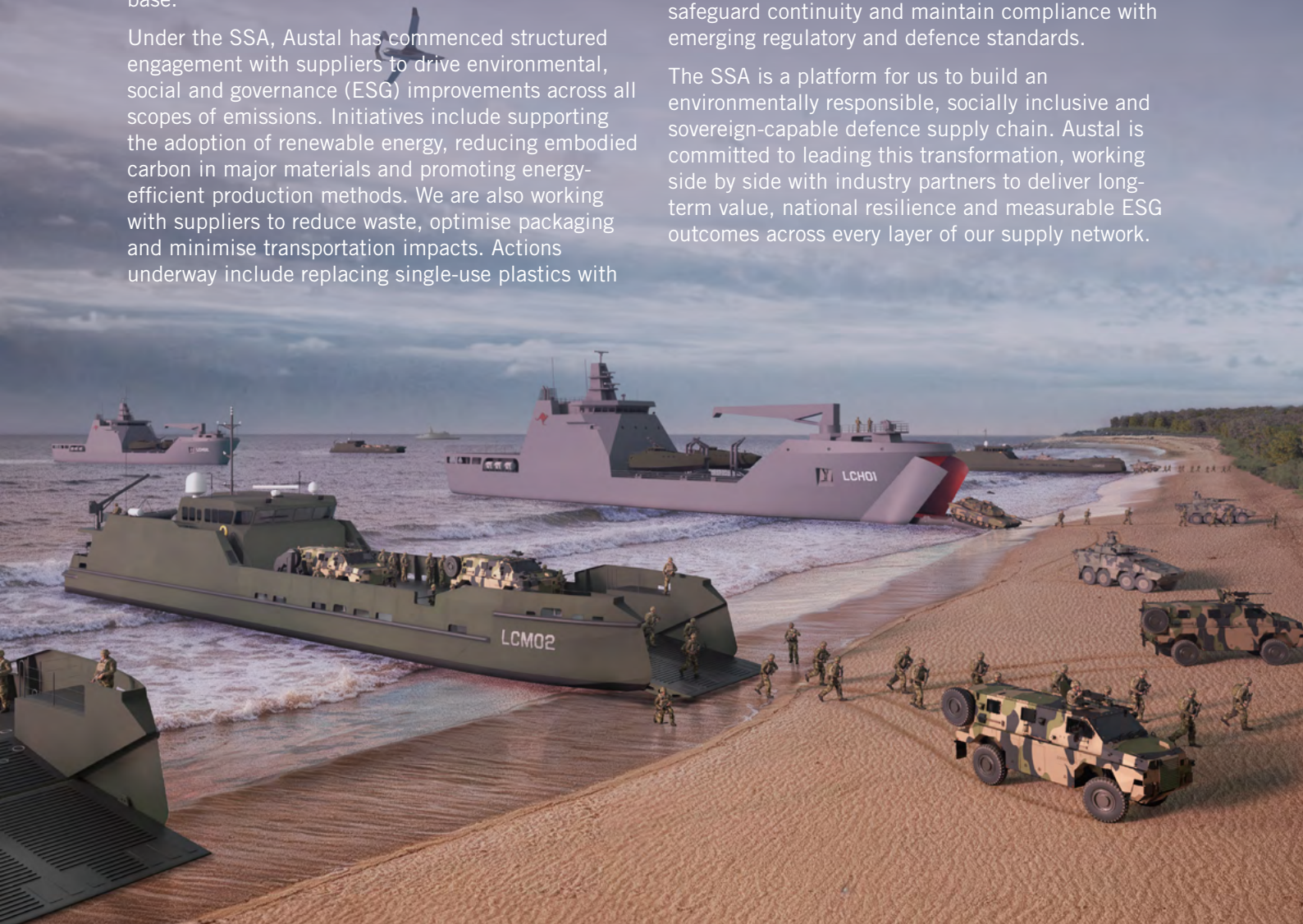
Under the SSA, Austal has commenced structured engagement with suppliers to drive environmental, social and governance (ESG) improvements across all scopes of emissions. Initiatives include supporting the adoption of renewable energy, reducing embodied carbon in major materials and promoting energy-efficient production methods. We are also working with suppliers to reduce waste, optimise packaging and minimise transportation impacts. Actions underway include replacing single-use plastics with

recyclable or biodegradable materials, consolidating logistics to reduce freight movements and exploring circular economy pathways for material reuse and recycling.

Beyond environmental improvements, Austal is using this opportunity to build a more inclusive and socially responsible supplier base. We are increasing engagement with Indigenous-owned and veteran-owned businesses, and broadening participation among local small-to-medium enterprises. These efforts not only strengthen our social impact but also contribute to greater supply chain resilience by diversifying the supplier base and investing in regional capability.

Security and reliability of supply are essential to national defence programs. Austal's approach integrates ESG principles as a core element of supply chain risk management, recognising that long-term program success depends on strong, values-aligned supplier partnerships. We are actively identifying and mitigating ESG-related risks, from emissions and waste to workforce wellbeing and ethical sourcing, to safeguard continuity and maintain compliance with emerging regulatory and defence standards.

The SSA is a platform for us to build an environmentally responsible, socially inclusive and sovereign-capable defence supply chain. Austal is committed to leading this transformation, working side by side with industry partners to deliver long-term value, national resilience and measurable ESG outcomes across every layer of our supply network.



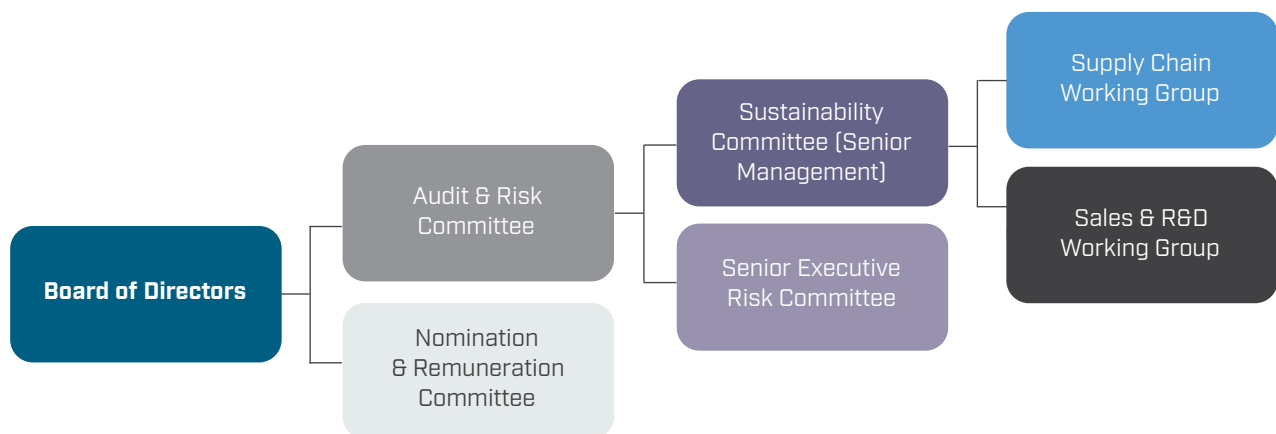
Sustainability Governance

Austal has a structured governance framework to oversee and manage ESG matters across the business.

Austal's ESG governance is led by the Board of Directors, with responsibilities delegated to the Audit and Risk Committee. The Audit and Risk Committee supports the Board by ensuring that appropriate risk management systems and procedures are in place. The Senior Executive Risk Committee considers material risks and opportunities of a strategic and operational nature which affect

Austal at the enterprise level. The Sustainability Committee comprising senior management leads the management of ESG matters, supported by working groups focused on supply chain, sales, and research and development. This structure supports coordinated action across the business on sustainability priorities.

In FY25, the Sustainability Committee held quarterly meetings to discuss matters such as ESG related risks and opportunities as well as mandatory climate reporting disclosure in its Annual Reporting for FY26.



Stakeholder Engagement and Materiality Assessment

To focus our sustainability efforts where they matter most, we regularly assess the ESG topics that are most relevant to our business and stakeholders. In FY24, we conducted a materiality assessment to better understand the ESG topics that matter most to our stakeholders and where our operations have the greatest impact. The assessment considered our

impact on the economy, environment and people. We engaged internal and external stakeholders through a survey to inform our priorities and ensure our sustainability efforts remain aligned with evolving expectations. Our materiality assessment process is outlined below.

Identification

We examined our most significant actual and potential impacts on the economy, environment and people. From this analysis, a refined list of ESG topics was developed to support topic prioritisation.

Prioritisation

We engaged a broad group of internal and external stakeholders¹ to assess the importance of sustainability issues to Austal. A total of 575 responses were received, with strong representation from employees across all locations. Stakeholders also shared perspectives on our current sustainability performance to support ongoing improvement. The results informed a list of prioritised ESG topics, with additional watchlist topics identified for potential elevation in future assessments

Validation

A validation workshop with the Sustainability Committee was conducted to confirm the prioritised material topics. The outcomes were then presented to the Audit and Risk Committee.



Material topics and watchlist topics identified are presented in the table below.

Environment	Social	Governance
Material topics		
» Energy use	» Cyber security	» Business conduct, ethics and compliance
» Waste management	» Occupational health and safety	» Risk management
» Product sustainability	» Training and development	» Supply chain governance
Watchlist topics		
» Biodiversity	» Diversity and inclusion	» Human rights
» Climate change	» Local community impacts	
» Water management	» Product safety	
» Material used		

¹ Including Austal Board members, employees, customers, suppliers, contractors and community organisations.

Environmental Sustainability





Environmental Sustainability

Management Approach

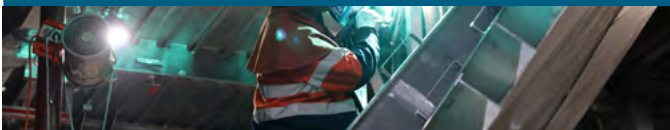
Austal integrates environmental management into daily operations through dedicated teams and robust systems.

Our Health, Safety and Environmental teams support Austal's operational sites by maintaining regulatory compliance, executing industry practices and fostering a strong culture of safety and sustainability. Our Research and Development teams develop climate-related strategies and identify opportunities to reduce environmental impact throughout the vessel production process and the end product. Our Supply Chain teams play a key role in sourcing materials that align with our emissions reduction goals.

We look at environmental management through two lenses:

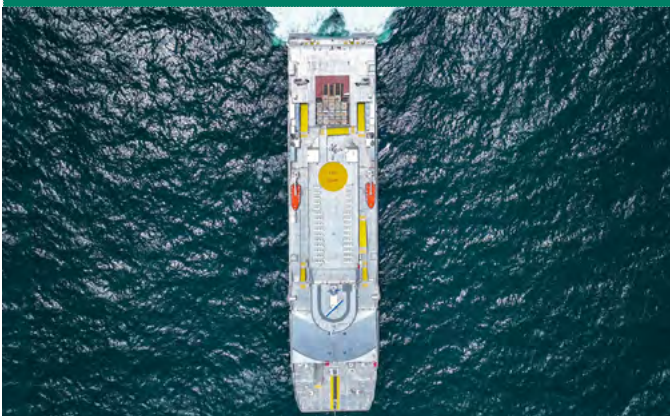
OPERATIONS

- » We are exploring efficiency opportunities within our operations and manage risks associated with energy use, waste, pollution and water management.



PRODUCTS

- » We are committed to improving the sustainability of our products, from the assessment of materials we use for production, to fuel efficiency and reduction in greenhouse gas emissions.
- » We review the environmental impacts of our products throughout their life cycle to assess footprints and find efficiencies.



The principles that underpin our environmental commitments include:

- » Environmental sustainability presents opportunities for Austal our customers and stakeholders.
- » Environmental management should be integrated into our everyday operations.
- » Natural resources should be conserved where possible, by reusing and recycling materials.
- » Positive actions taken through caring for the environment means proactively preventing harm.

Environmental management across our Australian operations is certified by ISO 14001 and aligned with the Austal Business Management System. These practices are reinforced by Austal Australasia's Environmental Policy, which sets out our commitment to best-practice environmental management. Certification details can be found in the Appendices and on our website.

Our US sites comply with United States Environmental Protection Agency requirements, as well as all applicable federal, state, county and city environmental regulations, and operate under their own Environmental Policy.

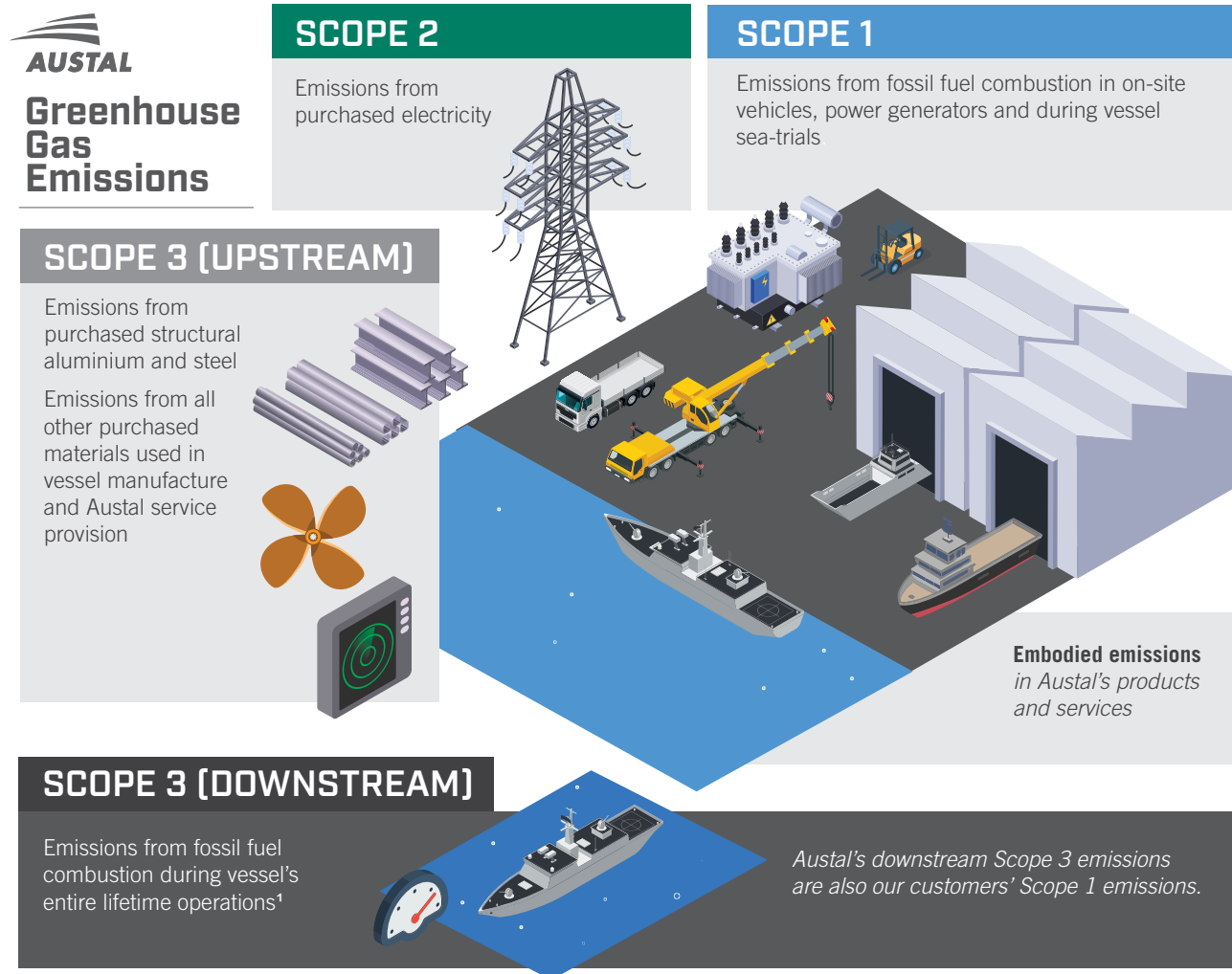
Climate Change

Climate change presents a dynamic challenge for businesses, bringing both risks and opportunities. While extreme weather events, evolving regulations and shifting market expectations can disrupt operations, they also prompt innovation and open pathways for growth. Austal approaches climate change as both a responsibility and a strategic driver. The company actively manages risks while investing in research and development to harness emerging technologies, strengthen its market position and deliver long-term value.

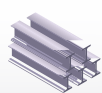
Greenhouse Gas Emissions Profile

Austal measures its Scope 1, 2 and 3 greenhouse gas emissions annually, with reporting covering operations across Australia, the Philippines, Vietnam and the United States.

The detailed basis of preparation we have taken in calculating GHG emissions for this financial year is included in the Appendices.



The majority of Austal's GHG footprint in the manufacture and delivery of its products and services are emissions associated with:



Aluminium and steel incorporated into Austal's vessels



All the other equipment and materials incorporated into the vessels produced



Electricity used across our operational sites



Fuel consumed during sea trials



Fuel consumed during delivery voyages

¹ Please refer to Appendix – GHG Emissions – Methodology and Assumptions.

Greenhouse Gas Emissions Ambition

Austal is committed to reducing its greenhouse gas emissions¹ as part of its broader strategy to enhance climate resilience and support the transition to a low-carbon economy.

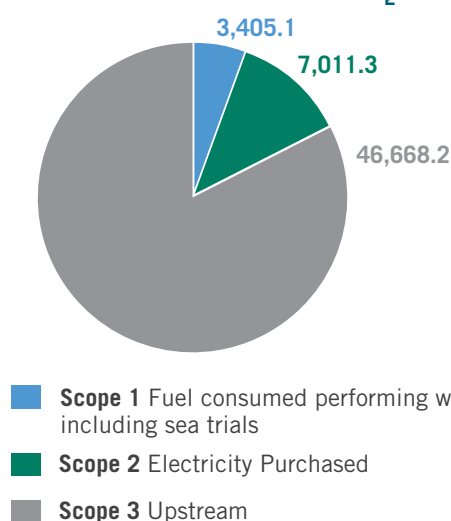
50% reduction of embodied emissions (Scope 1, 2 and 3-upstream per tonnes of steel equivalent structural weight of vessels delivered)² from a FY21 baseline

By 2030

A Net Zero commitment consistent with **Science Based Targets**³

By 2050

FY25 GHG Emissions (tCO₂e)



Scope 3 upstream emissions have the largest share, reflecting significant emissions from material sourcing. Scope 2 emissions from purchased electricity follow, highlighting the carbon footprint of energy consumption. Scope 1 emissions from fuel consumed has the smallest contribution. This suggests that material sourcing, particularly aluminium and steel, has the highest impact, while direct fuel consumption is comparatively minimal.

Year	FY21	FY22	FY23	FY24	FY25
Embodied emissions (intensity)	14.6	15.2	13.6	13	13.2
% of reduction since FY22	Baseline year	+4%	-7%	-11%	-10%

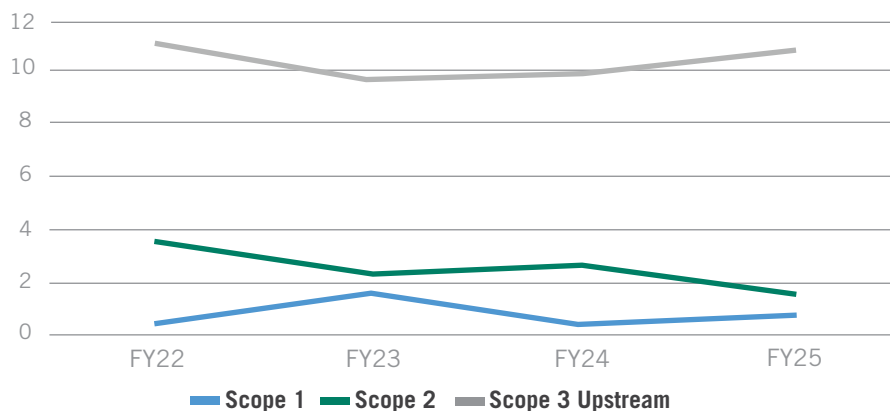
¹ Our ability to achieve these goals is subject to the availability of low carbon solutions in the market and the pace of technological advancement.

² The target includes embodied carbon emissions of the vessels Austal builds.

³ Science Based Targets is driven by the Science Based Targets initiative, an international coalition of non-profit organisations and businesses promoting best practices for emissions reduction in line with the Paris Agreement, which aims to limit global warming to 1.5°C. The baseline year is FY21.

Scope 1, 2 and 3 emissions (intensity)

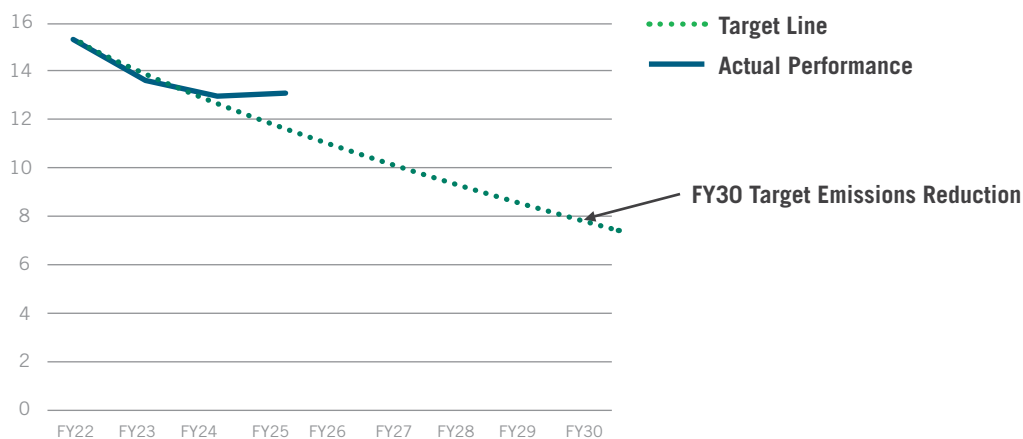
TCO_{2e}/Tonne Steel Equivalent Produced



In FY25 Total CO₂ emissions increased in-line with increased shipbuilding activity.

- » **Scope 1** emissions intensity are reasonably stable as construction continues with fleet builds. It is likely there will be some temporary increases when first of class vessels are trialled.
- » **Scope 2** emissions intensity continues to reduce relative to tonnes steel produced. This is linked to a consistent decarbonisation of electricity grids.
- » **Scope 3** Upstream emissions intensity have increased slightly due to the increased mix of aluminium vs steel vessels delivered. This mix will change significantly over the next 5 years as the steel fleets under construction are delivered, with a relatively small number of aluminium vessels to be delivered in the same period.

FY25 Total Emissions per Tonne Steel Trend



Austal's emissions per tonne of steel equivalent produced is consistent with last year, which remains above the normalised average reduction ("Target Line") required to achieve the FY30 target. This is explained by the fact that a significant driver to meet Austal's FY30 emissions target is shifting production from aluminium to steel vessels. This change in product material continues to evolve, with a marked increase in steel vessels planned for later part of this decade.

Climate resilience

Building on the FY23 climate risk assessment¹, Austal has undertaken scenario analysis to enhance understanding of its climate resilience. We developed two scenarios: one aligned with the 1.5°C target and another reflecting a higher warming pathway above 3°C. These scenarios help assess the strategic, operational and financial impacts of different climate futures. Rather than forecasting, the analysis explores how Austal's strategies might adapt to potential

risks and opportunities. This approach enables Austal to better anticipate challenges and identify opportunities, strengthening its ability to respond effectively to potential climate risk and opportunities and support informed decision-making for long-term climate resilience. Austal will assess its climate resilience against the scenarios in FY26.

Reducing Austal's GHG emissions

Austal is taking a comprehensive approach to reducing greenhouse gas emissions by improving vessel efficiency, adopting renewable energy, sourcing lower-carbon materials and advancing low emissions vessel design.

Austal's approach to reducing greenhouse gas emissions involves investigating, implementing, or considering a range of initiatives across its operations and value chain:



Scope 1

- » Expanding the use of simulation technology to enhance vessel efficiency and shorten sea trial durations.



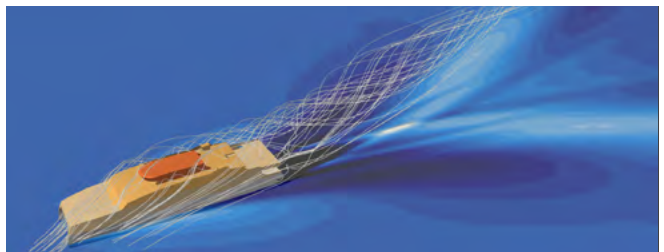
Scope 2

- » Reducing electricity use in shipyards through energy efficiency programs
- » Purchasing renewable electricity to meet the remaining power demand.



Scope 3 Upstream

- » Sourcing aluminium produced using renewable electricity from suppliers incorporating higher quantities of recycled aluminium.
- » Increasing share of steel vessel build.
- » Prioritising suppliers of major equipment and materials that demonstrate lower greenhouse gas emissions in their products.



Scope 3 Downstream

- » Developing a portfolio of low emissions vessels by advancing battery electric designs and exploring the use of renewable fuels such as green hydrogen, ammonia, methanol and hybrid systems.
- » Enhancing the efficiency of diesel-powered vessels through ongoing research and development focused on reducing vessel weight and optimising hydrodynamic performance.

¹ Please refer to Austal ESG Report 2023 for more details.

Austal is assessing upgrade solutions for existing vessels, pending the successful development of effective battery, hybrid or alternative fuel powertrains. In collaboration with suppliers and customers, Austal is also advancing the design and delivery of more energy-efficient vessels and integrated systems, including necessary equipment

and shore-based infrastructure for battery recharging and alternative fuel refuelling. Given the greater complexity of these solutions compared to traditional diesel-powered vessels, Austal is well placed to support customers in reducing their Scope 1 emissions and lowering Scope 3 downstream emissions for Austal.

Gotland Horizon X Fast Ferry

Austal Ships has won the contract and commenced construction of the 130m High Speed Ferry in the Philippines. Scheduled to enter service in Spring 2029, this gas turbine-powered vessel will be able to carry 400 cars and 1,500 passengers at a top speed of 30 knots. The Gotland Horizon X fast ferry is designed to operate on 100% hydrogen fuel, however as green hydrogen is still being developed at scale, its multi-fuel capability allows operation on other low CO2 fuels.

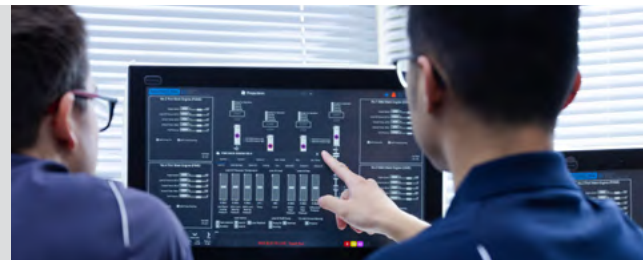
At the heart of this vessel's low emissions concept are two Siemens Energy SGT-400 gas turbines in combined cycle with steam turbines and sizeable



batteries to drive the water jets. Significant electrical input will be derived from PTOs on the gearboxes. The SGT-400 gas turbine is fitted with a Dry Low Emissions combustion system as standard, offering wide fuel flexibility but also low NOx emissions, with the ability to comply with IMO Tier III requirements on LNG, hydrogen and diesel fuels.

Driving vessel efficiency through advanced data analytics

Austal is increasing the use of data analytics to improve operational efficiency and reduce fuel consumption across its vessels. Our digital system 'Marinelink Prime' monitors every system onboard, generating a comprehensive dataset that provides valuable insights into vessel performance. Austal is further developing data capture and analysis tools to help operators identify opportunities to improve efficiency, reduce fuel consumption and



lower carbon emissions. These advancements support informed decision-making and align with Austal's commitment to innovation and sustainability in vessel design and operation.

Predictive maintenance

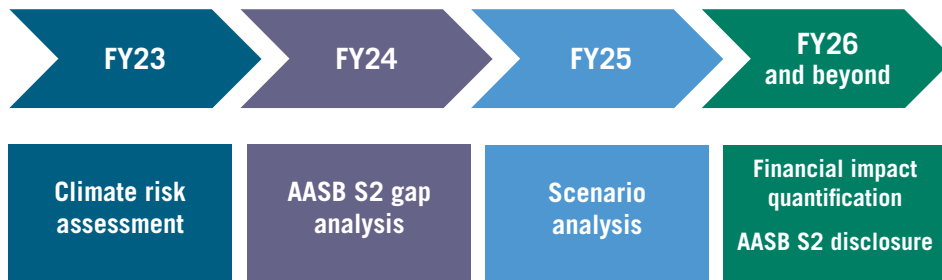
Vessel maintenance is traditionally carried out on a fixed schedule, which can result in unnecessary servicing and resource use. Austal is exploring the development of predictive maintenance capabilities that use real-time data and analytics to optimise maintenance timing. This approach aims to reduce the use of parts and consumables, improve operational efficiency and lower the overall carbon footprint of vessel operations.



Climate mandatory reporting

The Australian Accounting Standards Board (AASB) has introduced the Australian Sustainability Reporting Standards (ASRS) for climate-related financial disclosures. These standards mandate companies to disclose climate-related risks and opportunities, governance framework, risk management and metrics and targets. We have assessed our obligations and are preparing to meet

the requirements of AASB S2. FY25, we completed a gap analysis to evaluate our current alignment and identify areas requiring enhancement. This process confirmed our prior identification of physical and transition climate risks and opportunities, while also highlighting the need to strengthen disclosures related to strategy and financial impacts.



Materials Used in Our Products

Assembling an Austal vessel involves a complex process that integrates structural materials such as aluminium and steel with a wide range of fabricated components, including electrical supply, fuel and engine systems, HVAC units, seating, windows and other essential amenities.

When sourcing materials for our vessels, we prioritise longevity, durability, and repairability to ensuring

that each product meets high standards of quality, efficiency, and long-term performance. Our aim is to manufacture vessels that are highly economical and sustainable over their lifecycle (which usually ranges between 20 – 30 years). For instance, in Austal USA over 50% of steel billet made is sourced from post-consumer or industrial recycled scrap.



Austal is the world's leading manufacturer of large aluminium vessels, leveraging the material's strength, light weight and durability to optimise vessel performance. Aluminium is particularly suited to high-speed vessels, offering significantly better fuel efficiency than steel hulls by reducing fuel consumption for vessels of comparable size and speed.

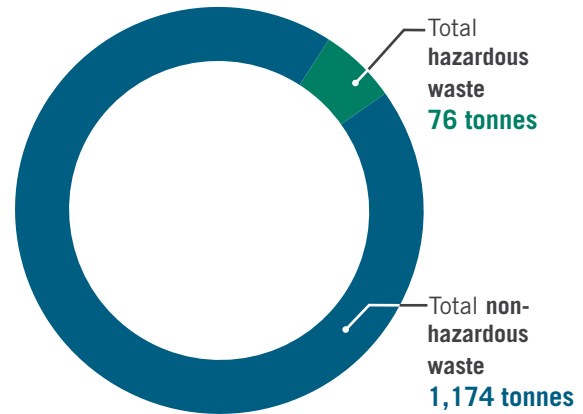
Aluminium suffers from little to no corrosion. Marine grade aluminium ensures that protective coatings are not required on all hull surfaces, limiting materials used for the construction of our

ships. Correctly designed aluminium structures will operate effectively for up to 30 years without any structural issues or the need for a single coat of paint. Furthermore, aluminium is highly economical to recycle.

We acknowledge that aluminium production is more energy intensive than steel, and this environmental impact is reflected in our upstream Scope 3 greenhouse gas emissions. Conversely, the benefits of aluminium's lighter weight in reducing diesel consumption are captured in our downstream Scope 3 emissions.

Waste Management

Austal manages waste from vessel construction, maintenance, service operations and office activities in compliance with environmental regulations across all regions. Central to this effort are our Health, Safety, Environment, and Quality (HSEQ) risk management principles, which guide efforts to minimise environmental impacts. Waste management plans, guidelines and procedures tailored to specific waste streams, such as aluminium and steel scraps, are implemented at each site. Beyond our facilities, we follow the waste management hierarchy, prioritising waste prevention, then reduction, reuse and recycling wherever possible.



Aluminium Waste management and resource recovery

Austal USA

In FY25, Austal USA advanced its waste reduction initiatives by partnering with Shapiro Metals to recycle steel scrap generated from its new steel shipbuilding process. This partnership reinforces Austal's commitment to prioritising recycling as the first line of waste treatment. The Environmental Department also implemented new processes to reduce hazardous waste by converting certain materials to universal waste, recycling more blast media and initiating the recycling of used drums. These measures collectively reduced the facility's hazardous waste footprint and increased the volume of materials diverted from landfill.

Austal Australia

During FY25, Austal Australia reviewed and refined site-based operational controls, incorporating them into updated Site Management Plans. This has improved awareness of environmental roles and responsibilities and strengthened compliance with regulatory requirements. Despite efforts to identify recycling partners for plastic reels, no suitable solution has yet been found due to mixed material composition and low volumes. Addressing these material-specific challenges remains a future focus. Future priorities also include expanding environmental resource capabilities and enhancing site infrastructure and monitoring systems to drive continual improvement.

Austal Philippines

Residual waste reduction remains a key focus for Austal Philippines. Dedicated personnel are responsible for conducting second-stage segregation of all residual waste before disposal, retrieving materials for sale and significantly reducing waste sent to landfill. Waste-to-landfill weighing commenced in FY25, providing baseline data to inform further reduction strategies in the coming year. Ongoing recycling initiatives include repurposing excess paints for community engagement programs, reusing paint cans for barricade stands and recycling plastic sheets. These measures are embedded in the Company's waste management procedure, with performance linked to leaders' objectives to ensure consistent application.

Austal Vietnam

Austal Vietnam's sustainability initiatives in FY25 focused on waste segregation. Material sorting has been improved at the source, ensuring proper separation of general, recyclable and hazardous waste. A material reuse program was also introduced, repurposing offcuts and leftover materials for non-critical uses, thereby reducing procurement needs and supporting circular resource use. Regular toolbox talks and internal audits have reinforced environmental awareness among employees, supported by collaboration with waste management vendors to maintain regulatory compliance.



Water Management

Austal primarily sources its water from third-party suppliers, with minimal direct water use in shipbuilding processes. To protect the environment, surface water management procedures are in place to prevent contamination and maintain water quality across all sites. Austal USA implements a Spill Prevention Control and Countermeasures Plan and a Storm Water Pollution Prevention Plan to safeguard water runoff. All used water is directed to local treatment plants, with wastewater managed according to national and local standards. Water consumption

is closely monitored at each facility to identify normal usage patterns, enabling quick detection and correction of abnormalities, as demonstrated at the Philippines shipyard. In FY25 Austal Philippines began monitoring water consumption in both shipbuilding and ship repair activities to better understand usage patterns and identify opportunities for water conservation. Additionally, rainwater harvesting at Austal Philippines saves approximately 290m³ annually.



Employees & Communities

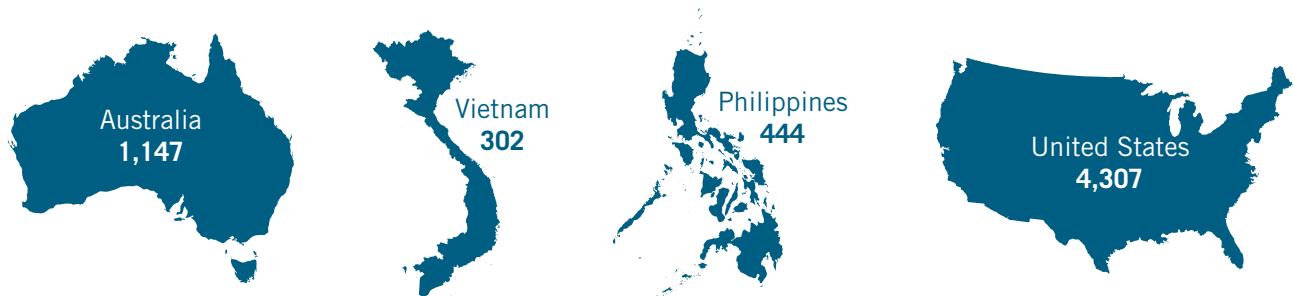




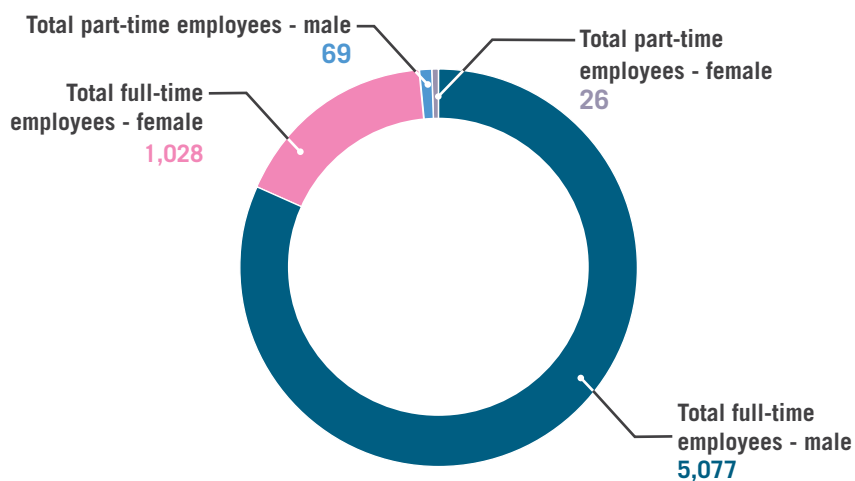
Employees

Austal's employee practices reflect our commitment to building a skilled, engaged and inclusive workforce across our operating regions. We prioritise the wellbeing, development and contribution of our people across all locations, fostering a culture of safety, respect and continuous improvement.

Global workforce



Employees by type of contract and gender



Employment Benefits

Austal offers a range of employee benefits, including healthcare, injury and disability coverage, paid parental leave, medical leave, personal time off and vacation entitlements. Employment benefits are aligned with local regulations across our operations. In addition, Austal implements tailored programs designed to meet the unique needs of our workforce, addressing the specific challenges and environments in which they work. Examples include:

- » In Australia, employees can participate in the Austal Group Employee Share Plan, encouraging ownership and alignment with the Company's performance. Austal also provides a range of additional benefits, including employee assistance program, the option to cash out accrued leave such as annual and, in some cases, sick leave, as well as novated leasing, salary sacrifice arrangements, purchased leaves and on-site parking to support financial wellbeing and everyday convenience.
- » Austal USA provides employees voluntary benefits designed to support their health, financial wellbeing and personal needs. Employees can choose from three affordable health insurance plans and have the option to enrol in additional benefits such as dental coverage, medical expense reimbursement, voluntary life insurance for employees, spouses and their children, as well as whole life insurance. Other available benefits include critical illness and accident plans, flexible spending accounts for health and dependent care (day care) and pet insurance. Austal USA is piloting programs offering increased flexibility to employees, such as alternative work schedules that allow employees to adjust their schedule to better fit their personal needs and lifestyles.
- » In the Philippines, Austal provides employees with a range of benefits that support their wellbeing and day-to-day needs. These include accident insurance, monthly allowances for food, transportation and other daily essentials. Regular employees are eligible to cash out leave entitlements beyond a set threshold and receive medical insurance, with subsidised premiums available for dependents. Probationary staff receive additional support through relocation allowance and travel expenses. To support workforce mobility, we have expanded our relocation assistance to include all newly hired employees in eligible regions.
- » In Vietnam, Austal provides full-time employees with accident and health insurance coverage, which also extends to one nominated family member. Employees are offered a daily meal allowance and have the option to cash out their accrued leave, supporting both their wellbeing and financial flexibility.



Promoting Flexible Work

Austal recognises that flexible working practices are key to supporting work-life balance, enhancing productivity, and fostering a more diverse workforce. To accommodate the varying needs of our employees, we are expanding part-time employment opportunities. In Australia, we offer flexible working hours such as a nine-day fortnight, allowing individuals more time for personal activities. Additionally, a company-wide review of resources is underway to better understand current job design and organisational structure, with the aim of identifying how flexible work arrangements can be applied across all roles.

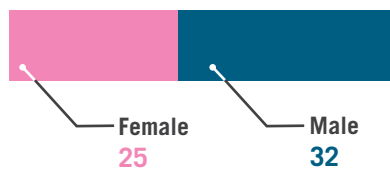


Parental Leave

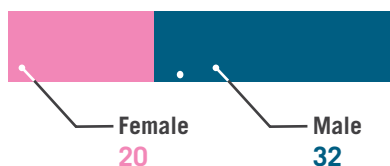
Austal offers parental leave scheme for all operations. Employees taking extended leave have the option, but no obligation, to remain engaged by receiving company communications and participating training events. In Australia, we also maintain superannuation contributions for up to 12 months beyond standard parental leave entitlements, helping to minimise the long-term impact on retirement savings.

Parental leave per gender

Number of employees who took parental leave: **57**



Number of employees who returned to work after parental leave: **52**



Diversity and Equal Opportunity

At Austal, we recognise that cultivating a diverse workforce and an inclusive culture is integral to achieving sustained success across all areas of our operations.

Austal is committed to fostering a workforce that reflects the diverse backgrounds, perspectives and capabilities. Our Diversity Committee, chaired by the Chief Executive Officer, convenes quarterly to evaluate, plan and endorse initiatives that support diversity throughout the organisation. As part of Austal's balanced scorecard approach, executives are assigned key performance indicators related to gender representation within their areas of responsibility, with a portion of their remuneration tied to the achievement of these targets. Our Equity and Diversity Policy stipulates principles of promoting fair and equitable opportunities to all employees and contractors.

Our business operations are underpinned by the following principles:

- » Recruiting and managing based on individual competence and performance.
- » Cultivating a culture that empowers and rewards adherence to this policy.
- » Valuing and respecting the unique skills, experiences, and perspectives each individual contributes to the workplace.
- » Establishing clear reporting processes and procedures.
- » Promoting an inclusive, productive and safe work environment by actively preventing and addressing discrimination, harassment and bullying.

Advancing an inclusive workplace culture at Austal USA

Austal USA has launched internal culture workshops with its senior leadership team to strengthen alignment across departments and cultivate an inclusive workplace culture. These workshops aim to establish a shared understanding of values and behaviours across teams. By engaging senior leaders first, we are taking a top-down approach to reinforce leadership accountability and promote consistency in how values are demonstrated and upheld.

Complementing this initiative, Austal USA delivers diversity and equal opportunity training for management. Annual training on topics is provided, such as interview compliance, workplace diversity and inclusion and preventing discrimination and harassment. All employees complete yearly training on the Company's Code of Conduct and Ethics. These efforts reflect Austal USA's commitment to creating a respectful and inclusive work environment.



Share of Workers and Equal Remuneration and Participation

We make employment and remuneration decisions based on merit, qualifications, skills and experience. We are committed to fostering an inclusive workplace where all qualified individuals are respected and recognised, regardless of gender, marital or family status, sexual orientation, gender identity, disability, ethnicity, cultural background, socio-economic status, age, religious beliefs or personal values.

We are committed to supporting the employment of individuals with diverse needs. In Australia, this includes people with hearing impairments, recruited directly or with support from the Australian

Commonwealth Rehabilitation Service. When required, an Auslan (Australian Sign Language) interpreter is provided to support deaf employees during company communication events. Austal USA provides reasonable accommodations to qualified individuals with disabilities to support them in performing the essential functions of their roles. These accommodations may include modifications to work schedules or duties, adaptive equipment or aids, leaves of absence or other changes to the job or work environment.

Enhancing workforce stability through Employee Value Proposition

A resilient workforce capable of meeting the demands of complex shipbuilding projects is important in the competitive shipbuilding landscape. Austal Australia has initiated the development of an enhanced Employee Value Proposition (EVP) to strengthen its position in the industry. An EVP is the unique set of benefits, rewards and opportunities an organisation offers to its employees in return for their skills, capabilities and commitment.

With skilled trades and technical roles in high demand, particularly in defence-related projects, a compelling EVP is critical to attracting and retaining the specialised talent required to deliver projects on time and maintain workforce stability. By addressing employee expectations, Austal aims to become an employer of choice while supporting long-term workforce planning and retention.



Training and Education

At Austal, training and education are integral to our commitment to operational excellence, safety and workforce development. We aim to strengthen individual capability, enhance team performance and ensure we are well equipped to meet the evolving demands of the shipbuilding industry. Our approach combines practical, role-specific training with broader development opportunities to support a resilient, skilled and future-ready workforce.

Austal USA partners with the Mobile Chamber of Commerce and local schools, including the Williamson High School Maritime Academy, to expand training opportunities. We also receive requests from Alabama schools for student internships and youth apprenticeships. Our four-year apprenticeship and trade assistant programs are designed to build a skilled, job-ready workforce and support long-term employment pathways.

Austal Australia's two-year Graduate Development Program offers both generalist and specialist pathways, equipping graduates from fields such as Engineering, Business, ICT, Project Management and Finance. Participants gain exposure across departments, work on research projects and receive mentoring from senior leaders, positioning Austal as an employer of choice in shipbuilding. Our vision is to provide early career pathways in support of Australian shipbuilding industry, developing skilled professionals for evolving business needs, fast track competencies development in diverse portfolio and sustain the ongoing legacy of Austal culture in our future professionals. Throughout FY25 there were eight "former Graduates" working in the business and 14 currently participating to the program. Out of these seven graduated within this timeframe.

In partnership with around 25 educational institutions, Austal Australia delivers vocational training and apprenticeships across trades including Electrical, Fabrication, Cabinet Making and Mechanical Fitting over a 42 to 48 month period. Our collaboration with South Metropolitan TAFE has been central since 2007, providing both classroom learning and supervised, hands-on experience. We also welcome up to 100 school and TAFE students each year for a two-week trade work experience program that often leads to our apprenticeship programs.

As a core partner in the Defence Industry Pathways Program (DIPP) with South Metropolitan TAFE and the Royal Australian Navy, Austal Australia supports a 12-month shipbuilding traineeship that introduces graduates to various fields before they choose their future maritime defence career path.

Austal Vietnam's 12-month Shipbuilding Trainee Program provides advanced training in welding,

fabrication, fit-out and pipefitting. In FY25, 38 new trainees were recruited, with over 25 percent of the intake being women, reflecting a continued focus on improving gender diversity in technical roles. Additional initiatives in FY25 included English language training, a leadership development program for design superintendents and a structured pathway from draftsman to design engineer. This pathway combines training, mentoring and on-the-job coaching to support professional growth and workforce capability.

Austal Philippines partners with CITE Technical Institute, Inc. to implement the Dual Training System program. This program provides trainees with hands-on experience across departments, supported by tailored mentorship, leadership workshops and technical training.



Driving performance through skills assessment and targeted training

Our training programs place strong emphasis on evaluation and assessment as the foundation for targeted workforce development. Austal Philippines' Advanced Training Program begins with an assessment of advanced technical skills of the participants, allowing for rapid refinement of competencies through practical application and system integration. Similarly, the Production Technical Training Program evaluates the baseline capabilities of semi-skilled participants to tailor intensive hands-on learning that accelerates their development. For leadership roles, a Pre-Leadership Assessment identifies existing strengths and gaps, informing the design of a customised training pathway focused on coaching, supervision and decision-making. By embedding skills assessment, each program delivers relevant and effective training that supports both individual growth and operational performance.



Strengthening workforce capability through structured training

Austal USA delivers a training and education framework that supports both technical and non-technical employee development across multiple functions. The Anchors of Excellence leadership series, covering ten core topics, is designed to build essential leadership capability. To deepen project and program management skills, Austal provides project management certification preparation for project and program managers, covering both technical methodologies and soft skills critical for navigating complex stakeholder environments. Business development teams attend workshops to strengthen their competitive position during pre-proposal stage.

On the technical front, Austal USA is expanding training pipelines in partnership with community colleges, providing offsite training pathways for various roles. Additionally, plans to integrate Augmented Reality and Virtual Reality into weld training reflect a commitment to innovation in workforce development. These programs reinforce Austal USA's strategy to build a skilled and adaptable workforce aligned with the evolving demands of the shipbuilding industry.



Early career development

Austal's commitment to developing early career talent is reflected in the 86 apprentices engaged across various disciplines and sites during FY25. High-performing apprentices and those demonstrating exceptional behaviours are recognised through the Apprentice of the Year and Austal Values Awards.

Our engagement with communities focuses on both promoting shipbuilding and the defence industry and providing entry-level workforce opportunities. In FY25, Austal facilitated more than 114 work placements across the business, offering valuable job experiences to those seeking to enter the workforce. This included 23 placements through the Defence Industry Pathway Program, demonstrating the importance

our managers and supervisors place on early engagement with school and university students to foster the skills of our future workforce.

A sustainable approach to workforce skills development also requires the transfer of knowledge and experience. To support this, Austal has developed a competency assessment framework that provides ongoing monitoring of capabilities while creating opportunities for experienced employees to be recognised for their contributions. Internal Subject Matter Expert Assessors have been identified and trained to maintain our organisational knowledge and preserve best practice in safe, efficient shipbuilding for future generations.

Occupational health and safety

Austal is committed to safeguarding the health, safety and wellbeing of its workforce through management systems, risk management and a strong culture of safety across all operations.

At Austal, the health, safety, and wellbeing of our people is a top priority and an integral part of our organisational commitment. Our health and safety approach is built on strong leadership, well-established systems and a culture of continuous improvement. We take a proactive stance on risk identification and management, maintain full compliance with applicable legislation, and promote a strong safety culture through ongoing training, open communication and active workforce engagement.

Safety

Austal is committed to protecting the safety and wellbeing of its workforce by embedding internationally recognised health, safety, and environmental (HSE) standards across all operations. In Australia, our operations are guided by the ISO Integrated Management System, including ISO 9001, 45001, and 14001 standards. Austal Australia has achieved ISO 45001 certification for its Occupational Health and Safety Management Systems. We also apply the ISO 31000 risk management framework to systematically identify and address risks.

In the USA, compliance with Occupational Safety and Health Administration (OSHA) regulations guides our practices, while operations in Vietnam and the Philippines adopt these standards to maintain consistency globally. Our HSE teams develop and

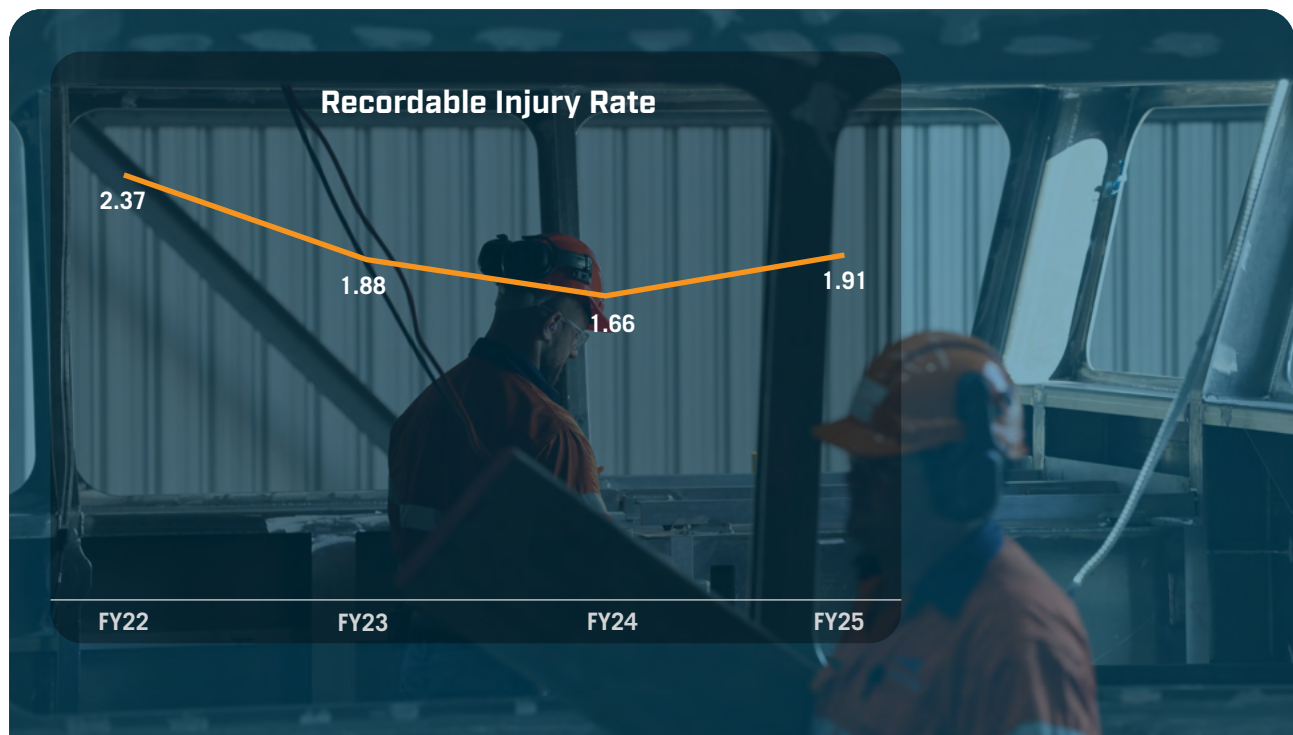
maintain risk registers for planning and implementing mitigation measures, with regular audits to drive continuous improvement.

Austal Australasia's Event Management Procedure ensures timely and thorough incident investigation, with all cases reviewed within 48 hours. Recent efforts have focused on reducing hand injuries, informed by trend analysis. Across the business, we continue to strengthen our safety systems and promote accountability to foster a safe and resilient working environment.

Austal Vietnam fosters a strong safety culture through risk management, regular training and clear procedures. Key initiatives include the use of Job Safety and Environmental Analyses for high-risk tasks, the Take 5 risk assessment tool and monthly health, safety and environment messages.

Austal Philippines' HSE team is involved in safety inspections, permit checks and safety walkthroughs. Safety performance is reviewed monthly to identify trends and guide improvements. A preventative maintenance program is in place to support equipment reliability, while regular drills, training and clear emergency procedures ensure preparedness across all operations.

We continue to strengthen our safety management systems, promote a culture of accountability at all levels, and invest in training, tools and communication to empower our people to work safely every day. These efforts reflect our commitment to safeguarding our workforce and driving sustainable operational excellence.





Austal Australasia HSE Strategic Priorities

Strategic Direction

In FY24, Austal Australasia launched its Health, Safety and Environment Strategic Priorities 2024–2027, setting the plan for managing high-risk activities and enhancing HSE practices across Australia, Vietnam and the Philippines. Over the past year, the focus has been on strengthening the HSE Management System to ensure consistency and alignment across diverse operations. Initiatives have included the review of high-severity incidents with senior leaders, improved root cause analysis and the sharing of lessons learned across sites, as well as enhanced risk assessments to drive proactive safety culture.

Employee Health and Wellbeing

Austal supports the physical and mental wellbeing of employees across all regions.

- » **Austal USA:** Annual biometric screenings are provided during the benefits fair, along with year-round access to counselling through the Employee Assistance Program.
- » **Austal Australia:** Mental health first aid training continues to be delivered, the Psychosocial Procedure has been further developed, and the Employee Assistance Program was reviewed to identify improvements.
- » **Austal Philippines:** Health and wellness programs include lifestyle disease awareness, ergonomics training, sports festivals, and increased random drug and alcohol testing, supported by access to company medical staff.
- » **Austal Vietnam:** Annual health checks, occupational disease screenings, and wellbeing activities are offered, supported by flexible work arrangements.

Safety Culture and Risk Management

Austal's safety programs focus on preventing illness and injury through proactive risk management, improved workplace design and employee engagement.

- » **Austal USA:** Weekly site hazard walks by senior management, regular operations and HSE meetings and thorough incident investigations underpin a preventative approach.
- » **Austal Australia:** Achieved industry recognition for innovation in vessel floor covering application which has reduced manual handling risks.
- » **Austal Philippines:** Safety initiatives include daily site inspections, leadership safety walkthroughs, preventative maintenance, emergency preparedness training and a structured system for hazard and incident reporting.
- » **Austal Vietnam:** Proactive risk identification, job safety environment analyses for high-risk tasks, monthly safety campaigns and initiatives such as "Take 5" pre-task risk assessments strengthen hazard awareness.

Training and Capability Development

Targeted training ensures employees have the competencies to work safely.

- » **Austal USA:** Weekly safety training addresses topics such as confined space entry, fall protection and lockout/tagout in line with regulatory requirements.
- » **Austal Australia:** The 'WHS for Leaders' program, a reform of the competency and assessment framework and enhanced procedural awareness training have increased operational safety capability.
- » **Austal Philippines:** In-house training covers hazard management, PPE use, environmental protection and leadership skills through a six-module program.
- » **Austal Vietnam:** Training includes site induction, first aid, fire safety and specialised courses for high-risk activities, with ongoing toolbox talks and refresher sessions.



Our beliefs

- » Health and safety is everyone's responsibility
- » All accidents are preventable
- » Our behaviour as leaders influences health and safety
- » Anyone can stop an unsafe act
- » Lessons learnt and continuous improvement are vital to effective safety management

Worker training on occupational health and safety

Austal promotes a strong safety and health culture across all levels of its workforce. Management addresses all significant incidents, while employees must complete a general HSE induction and any relevant site-specific training before commencing work. At Austal Australia, all supervisors and above

are required to complete an Occupational Health and Safety course covering legal responsibilities. High-risk tasks are limited to employees who have passed formal competency assessments to ensure safe and qualified performance.

Health and wellbeing

Austal is committed to fostering a supportive work environment that prioritises employee well-being across all operations. Austal Australia has implemented a Psychosocial Management Procedure to identify and manage mental health risks in the workplace. Across Australasia and the USA, Employee Assistance Programs offer free and confidential counselling to help employees navigate personal and work-related challenges.

Austal Philippines enhanced its health and wellness programs in FY25 to reduce health risks and improve workplace conditions. Initiatives include sessions on lifestyle diseases and ergonomics, increased random drug and alcohol testing, a blood donation drive and a sports activities. Health data is used to assess overall workforce health through a nationally

recognised classification system, with medical support provided by the Company Physician and Occupational Health Nurse.

Austal Vietnam promotes well-being through annual health check-ups, occupational disease screening for workshop staff and sports and wellness activities. Flexible work arrangements help maintain a safe, inclusive and balanced working environment.

Austal USA is exploring the development of an on-site medical clinic at its Mobile campus to improve healthcare access, manage costs and strengthen connections with employees. The Company continues to refine its benefit offerings to deliver cost-effective choices for employees and their dependents.



Our community and partners

Austal supports impactful community initiatives, fostering wellbeing and positive change.

Austal Australia



Austal Giving

Austal Australia launched Austal Giving to support community and charitable initiatives through a structured and impact-driven approach. Managed by the Austal Giving Committee, the platform reviews all applications to ensure alignment with Austal's values, reinforcing its commitment to responsible community engagement. Below are highlights from FY25.

The Long Run 2024 – Prostate Cancer Foundation of Australia

Austal Giving raised an impressive amount of approximately \$24,000, becoming the second highest fundraising team in Australia. Austal staff collectively covered over 2,100 km through walking, running and cycling, supporting cancer research and raising health awareness.



Telethon Kids Institute Djaalinj Waakinj Ear Portal Program

Austal supports Telethon Kids Institute's Djaalinj Waakinj Ear Portal Program which delivered over 400 specialist appointments, 98 surgeries and speech therapy referrals for Aboriginal children in Western Australia. The initiative also funded cultural and ear health training for Aboriginal staff, addressing long-term health inequality in regional communities.



Recovery & Restoration Veterans Transition Centre

Multiple Austal departments worked together to refurbish veteran facilities, including dorms, bathrooms, and common areas. This hands-on volunteer work provided critical infrastructure to support the well-being and rehabilitation of Australia's ex-service personnel.

Biggest Morning Tea – Cancer Council

Austal Australia raised \$4,680 (including matched donations) in support of the Cancer Council. The funds directly contributed to SunSmart education for 2,925 children, 62 cancer support calls and 39 days of PhD-led research, demonstrating a wide-reaching impact on cancer prevention and care.

Austal USA

Austal USA is engaged with the Mobile, Alabama community, partnering with local schools and workforce councils to foster relationships and drive discussions on diversity in the workplace and workforce development. Here are some highlights from FY25.

Charity Golf Invitational 2025

In March 2025 Austal USA hosted its 14th annual Charity Golf Invitational at Magnolia Grove Golf Course, raising over \$225,000 for 14 local charities in Mobile and Baldwin County. With a record 80 teams participating, the decade-long event has now contributed more than \$2.7 million over its history. Beneficiaries included organisations such as United Way of Southwest Alabama, Make-a-Wish of Alabama and the U.S. Coast Guard Foundation, all selected for the significant impact their projects have on the community. This tournament exemplifies Austal USA's ongoing commitment to giving back to the community that supports its 25 years as a major defense contractor.

Broader Community Engagement

Beyond the annual golf tournament, Austal USA supports over 50 organisations across Mobile, San Diego, Washington DC, Charlottesville and Singapore. The Company's involvement spans a wide range of focus areas including community impact, economic development, environmental initiatives, education and workforce development, health and wellness, as well as veteran and military support. These partnerships highlight Austal's dedication to making a positive difference in the diverse communities where it operates.



Austal Philippines

Austal Philippines engaged in several community programs that reflect its commitment to environmental responsibility and local development. In celebration of Philippine Arbor Day 2024, Austal joined West Cebu Estate's Zone-Wide Tree Planting Activity, planting 2,500 seedlings. The team also participated in the Department of Education's Brigada Eskwela by helping maintain school facilities for the upcoming academic year. In September, we took part in the annual International Coastal Clean-Up, working with local partners to collect over 20 sacks of waste from Cotcoton Beach in Balamban, and raise awareness about marine pollution. Austal partnered with Nangka National High School to support skills development, donating a welding machine and delivering a education session to the students to help strengthen technical-vocational education.



Austal Vietnam

Austal Vietnam collaborated with Nha Trang University to host a career orientation session, providing shipbuilding students with practical insights into the industry and potential career pathways.



Governance & Business Ethics

An aerial photograph of a busy port area at dusk or dawn. In the foreground, a large white cargo ship with a green deck is docked at a pier. To its right, a smaller red and white tugboat is also docked. Further right, a large white container ship is moving through the water, leaving a white wake. The background features a city skyline with various buildings and a multi-lane highway bridge spanning the water. The sky is a deep blue, and the water reflects the lights from the ships and the city.



Governance Structure

The Board of Austal is responsible for guiding and monitoring the Company on behalf of shareholders. Oversight and management of Austal's corporate governance policies and procedures is shared between the Board's Audit & Risk subcommittee and the Board.

Other than those responsibilities specifically reserved by the Board, the operation and administration of the Company is delegated by the Board to the CEO and the executive management team, who are accountable to the Board through the CEO. The Board's functions and responsibilities are set out in the Board Charter which appears in the [Corporate Governance section](#) of our Company's website.

As part of its US Government-mandated measures to mitigate the impact of foreign ownership, control and influence (FOCI), Austal's US subsidiary is managed by a separate Board and executive group, although it remains a wholly-owned subsidiary of Austal Limited. The Group CEO and Non-executive Chairman each sit on the Board of Austal USA, along with 3 other experienced Board members:

- » **Chris Chadwick, Chairman.** Chris' most recent previous roles were as Executive Vice President, President and CEO at Boeing Defence, Space & Security in the USA;
- » **Alison Stiller, Board member.** Alison most recently served as Principal Civilian Deputy to the Assistant Secretary of the US Navy for Research, Development and Acquisition;
- » **Glenn Brady, Board member.** Glenn is an internationally recognised expert in governance, risk management, internal controls and compliance. Prior to Austal USA his most recent role was as the Global Managing Partner of PwC's Aerospace and Defence practice); and

» **Michelle Kruger, President at Austal USA.** Michelle is a marine engineer (bachelor and masters) with more than 25 years of maritime industry experience in new construction, repair and maintenance. Prior to joining Austal USA, Michelle was vice president of operations at General Dynamics Bath Iron Works where she led a workforce of approximately 4,000 shipbuilders.

For more details of Board's structure and management of subsidiary companies, please refer to Austal Annual Reports and the Corporate Governance Statement.

Board Diversity

The Board has adopted an [Equity and Diversity policy](#) which is periodically reviewed. The policy was updated in 2023 to include measurable targets for employing women across the workforce, with targets for the Board including 30% of Board members to be women by 30 June 2025. Despite the Board's efforts and ongoing recruitment discussions, satisfaction of this target remains outstanding. Following the Company's institutional placement in March 2025, an additional (male) director was nominated by the Company's major shareholder; this has altered the metrics behind achievement of the Board's target of 30% for FY2025, however the Board has determined to retain the objective of 30% female directors by 30 June 2026

Austal also focuses on improving Board diversity through workplace practices that include ensuring that diversity is a relevant consideration for the composition of the Board, including having directors of different ages, ethnicities and backgrounds to help bring different perspectives and experiences to bear and avoid "groupthink" or other cognitive biases in decision-making.



Risk Management at Austal

Risk Governance and Internal Controls

Our Board and its Audit and Risk Management subcommittee shapes and oversees Austal's risk appetite and reviews internal processes and procedures to satisfy itself that management has developed and implemented a sound risk management framework.

Although the Board maintains ultimate responsibility for Austal's risk management framework, it has delegated the specific responsibility of overseeing the Company's risk management framework to its Audit and Risk Committee. As at 30 June 2025, the Audit and Risk Committee consisted of 5 members, all of whom are Non-Executive Directors.

The committee's charter provides that, among other things, it is responsible for:

- » Ensuring that appropriate systems and procedures are in place to identify, monitor and mitigate the Company's operational and financial risks (including climate-related risks); and
- » Monitoring management's internal control programs, processes and policies which deal with the Company's reporting system.

The Audit and Risk Management Committee Charter can be viewed on the corporate governance section of Austal's website.

In carrying out its risk management duties, the Audit and Risk Committee is entitled to:

- » Obtain any information it considers appropriate, from any employee or any external party;
- » Interview management and external auditors (with or without management present); and
- » Seek advice from external consultants or specialists where the committee considers it necessary or appropriate.

The committee will, if necessary, institute special investigations and hire special counsel or experts to assist, if appropriate.

A fundamental objective of management is to ensure that risk management measures are embedded in its operations by investing in appropriate risk management tools and personnel and educating the Company's employees regarding their roles in managing risk.

Risk Management

Austal has processes in place to evaluate and continually improve the effectiveness of our governance, risk management and internal controls. Risk management is considered by the Audit and Risk Committee at each meeting and in between meetings as required.

In FY2025, the Audit and Risk Committee held a joint workshop with the Senior Executive Risk Committee to comprehensively review the Enterprise Risk Register.

The objectives of the joint review were:

- » To collectively discuss the changing risk environment and its implications for the business;
- » To ensure we are identifying and recording the right risks in our Enterprise Risk Register;
- » To ensure appropriate mitigations are in place for our strategic risks; and
- » To continue to build risk management maturity and dialogue within the ARC.

Best practice frameworks were discussed and a deep dive into selected risks was undertaken.

Management is responsible for promoting and applying the risk management framework throughout the business. The Chief Executive Officer is the champion of risk management across all Austal entities.

In light of its global operations, Austal is exposed to economic and political risks in the form of currency movements and supplier and customer security. The Group has in place a robust system of financial and procurement procedures and policies to ensure foreign exchange and procurement risks are managed effectively. These measures, alongside our codes of conduct, guidelines for employment, insurance program, and business management systems, are reviewed regularly and updated as required, and help the company to manage other non-financial risks.

Austal has comprehensive Health, Safety, Environment and Quality Management Plans ("HSEQ Plans") in place, overseen by a dedicated HSEQ team at each of our facilities. The HSEQ Plans underpin all of Austal's operations and provide clarity on the Company's general health, safety and environmental strategies.

Risk Review

In addition to our procedural improvement measures, Austal undertakes regular risk reviews to ensure our risk management framework continues to be fit-for-purpose and we are operating with due regard to the risk appetite set by the Board.

The Senior Executive Risk Committee (SERC) considers material risks (and their mitigation) and opportunities of a strategic and operational nature which affect Austal at the enterprise level. The enterprise risk management framework has been designed to ensure that the SERC has visibility any material risks that have been identified within each major business and functional area.

The SERC meets on a quarterly basis to conduct a full enterprise risk review to principally address risks under the following categories as they relate to the specific Australian, US, Philippines or Vietnam shipyard operations:

- » Business risks inherent to the shipbuilding industry and the sustainability of the business;
- » Operating risks associated with sales, design and production;
- » Financial and tax risks;
- » Legal and compliance risks;
- » Specific vessel risks; and
- » Contemporary and emerging risks, such as conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change.

The SERC maintains an enterprise risk register that is considered at each Audit & Risk Committee meeting.

In accordance with the Enterprise Risk Management framework, the Company undertook a minimum of four enterprise risk reviews during the financial year ending 30 June 2025.

The output of these reviews forms part of the Board's corporate strategy development to ensure that risks are appropriately managed and that we are able to act on strategic opportunities while minimising the Company's exposure to those risks. The Board reviews the Company's risk management framework regularly as part of its strategic discussions.

Austal has identified a number of matters as posing the most potential risk to the business on an enterprise basis, which we detail further in our Corporate Governance Statement.



Cyber Security

Protecting Austal's intellectual property, our customers' and suppliers' data and other sensitive information is crucial to the stability and long-term success of our business.

Austal has established information handling policies and standards and cyber security measures that seek to prevent the disclosure and theft of such information and retains its ISO27001 accreditation, which further enhances the Company's cyber security framework. As a defence provider to the Commonwealth of Australia, Austal Australia

is certified under the Department of Defence's Defence Industry Security Program (DISP) and as a prime contractor to the US Department of Defence, Austal USA complies with the National Institute of Standards and Technology SP800-171 Standard (NIST 800-171), as well as the Cybersecurity Maturity Model Certification (CMMC) 2.0.

Austal provides ongoing staff training on cyber-related matters and participates in yearly ISO27001 and internal audits.

Code of Conduct

Our Board acknowledges the importance of all directors, managers, and employees of the Austal Group maintaining the highest standards of corporate governance practice and ethical conduct. The Company has adopted Codes of Conduct for employees, and one for Directors specifically, under which they are expected to:

- » Act honestly and with high standards of personal integrity;
- » Act ethically and responsibly;
- » Exercise due care and diligence in fulfilling the functions of their office;
- » Use their powers to act in accordance with the Company's stated values and in the best interests of the Company as a whole;
- » Treat fellow staff members with respect and not engage in bullying, harassment or discrimination;
- » Deal with customers and suppliers fairly;
- » Disclose and deal appropriately with any conflicts between their personal interests and their duties as a Director, senior executive or employee;
- » Comply with all laws and regulations that apply to the Company and its operations;

- » Not take advantage of the property or information of the Company or its customers for personal gain or to cause detriment to the Company or its customers;
- » Not take advantage of their position or the opportunities arising therefrom for personal gain;
- » Report breaches of the Code to the appropriate person or body within the organisation; and
- » Comply with the share trading rules and other Company policies.

The Corporate Governance Statement and Code of Conduct are reviewed periodically to ensure effectiveness.

Austal's general Code of Conduct promotes ethical and responsible decision-making by directors, managers and employees. All employees undergo training on their obligations under the code, and appropriate and proportionate disciplinary actions result from any breaches.

Austal USA's corporate compliance program, which was enhanced and rolled out to all employees in 2023 is modelled on the United States Department of Justice framework and reinforces our culture of compliance.



Supply Chain Governance

At Austal, our supply chain is more than a network of transactions, it is a platform for advancing responsible business practices and creating lasting environmental and social value. Our approach to supply chain governance is grounded in our ESG commitments, ensuring our supplier relationships contribute to a more resilient, ethical, and sustainable industry.

We are embedding ESG principles across our procurement and supplier management processes, focusing on measurable impact, risk mitigation and long-term improvement. Key areas of focus include:

- » **Ethical Procurement** - Our procurement activities are guided by principles of integrity, fairness, and transparency. We ensure all suppliers are treated equitably and that decisions are made without bias or the perception of undue influence.
- » **ESG-Aligned Supplier Engagement** - We maintain active and transparent engagement with our suppliers to promote ESG-aligned outcomes. This includes encouraging sustainable operations, responsible governance, and socially conscious business practices. Through collaboration, we aim to build strong, values-based partnerships that support mutual success.
- » **Responsible and Sustainable Sourcing** - Our supplier selection criteria favour organisations that demonstrate a commitment to ESG outcomes, such as reducing emissions, minimising waste, and using recycled or low-impact materials. Responsible sourcing is a central component of our strategy, supporting the transition to more sustainable supply chains.
- » **Transparency and Reporting** - We are enhancing our systems for monitoring and reporting ESG performance across the supply chain. This transparency enables us to measure progress, identify improvement opportunities, and communicate our commitments and results to stakeholders with confidence.
- » **Supplier Assessments and Audits** - We conduct supplier assessments and periodic audits to evaluate adherence to our ESG standards. Where issues are identified, we implement targeted corrective action plans and provide support to help suppliers improve performance over time.
- » **Innovation and Traceability** - We are leveraging technology to enhance traceability, improve data quality, and increase accountability throughout our supply chain. These tools help us identify ESG risks and ensure compliance with relevant standards and expectations.
- » **Diversity and Inclusion** - We are committed to supplier diversity and inclusive procurement. We actively support small businesses, local suppliers, and underrepresented groups. We also encourage our suppliers to implement inclusive labour practices and promote gender equality within their organisations.
- » **ESG Risk Management** - We take a proactive approach to identifying and managing ESG-related risks, including climate impacts, labour rights, and resource constraints. These risks are assessed through our supplier qualification and review processes, and appropriate mitigation plans are developed where required.
- » **Stakeholder Engagement** - We engage with a broad range of stakeholders including suppliers, customers, regulators, and community representatives to understand evolving ESG expectations. This input informs our strategy and supports continuous alignment with industry best practices.
- » **Continuous Improvement** - We are developing ESG performance indicators and targets to track progress over time. These benchmarks support continuous improvement across our supply chain and ensure that our ESG strategy remains responsive to changing global standards and stakeholder needs.

Supplier Qualification and ESG Integration

Our supplier qualification process includes an initial screening to assess alignment with environmental and social expectations. A risk-based assessment then determines eligibility for qualification. ESG considerations are integrated into our broader sourcing strategy and category management practices. We prioritise suppliers that hold relevant ISO certifications such as ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety), and that can demonstrate strong ESG performance through supporting documentation. Once qualified, suppliers are recorded in our systems and subject to ongoing monitoring and performance review.

Shared Responsibility and Lasting Impact

We view our suppliers as critical partners in advancing our ESG objectives. Through responsible procurement, clear governance structures, and transparent collaboration, we are building a supply chain that reflects our values and supports a more sustainable future for our business, our stakeholders, and the communities we serve.

Human Rights

Australasia

Our approach to combatting Modern Slavery is guided by the Australian Government's Modern Slavery Act 2018, as well as any local requirements in Vietnam and Philippines. It sets out our approach to assessing and responding to the potential for human rights issues to be present in our business. Our ongoing approach to managing the human rights risks includes:

Where third parties are identified as being key suppliers to Austal, or where they are domiciled in areas that Austal assesses as higher risk, we undertake a full due diligence assessment before the supplier is accepted. The assessment covers a range of topics including the supplier's regulatory and legal compliance, HR policies and practices, and the integrity of its operations.

The United States

Austal USA has adopted the US Government's prohibition against trafficking in persons as set forth in FAR 52.222-50 as its Anti-Trafficking Policy. The Anti-Trafficking Policy, along with the Anti-Trafficking Compliance Plan, ensures that:

- » Austal employees are aware of the US Government's anti-trafficking prohibitions under applicable laws and regulations
- » the consequences which may result from engaging in trafficking-related activities
- » Austal's fair recruitment, wage, and housing practices
- » Austal's procedures for preventing employees, agents, subcontractors, subcontractor employees, and their agents from engaging in trafficking-related activities
- » Austal only engages suppliers who have signed up to our Representations and Certifications (the "Reps and Certs"). The Reps and Certs require suppliers to certify that it and its subcontractors and agents have not engaged in human trafficking and that the supplier's policy prohibits the supplier and its employees from engaging in human trafficking, using forced labour, and several other activities detrimental to human rights
- » Roll out of the abovementioned campaign across all sites in Australasia – including posters/information provided to employees in the local language.

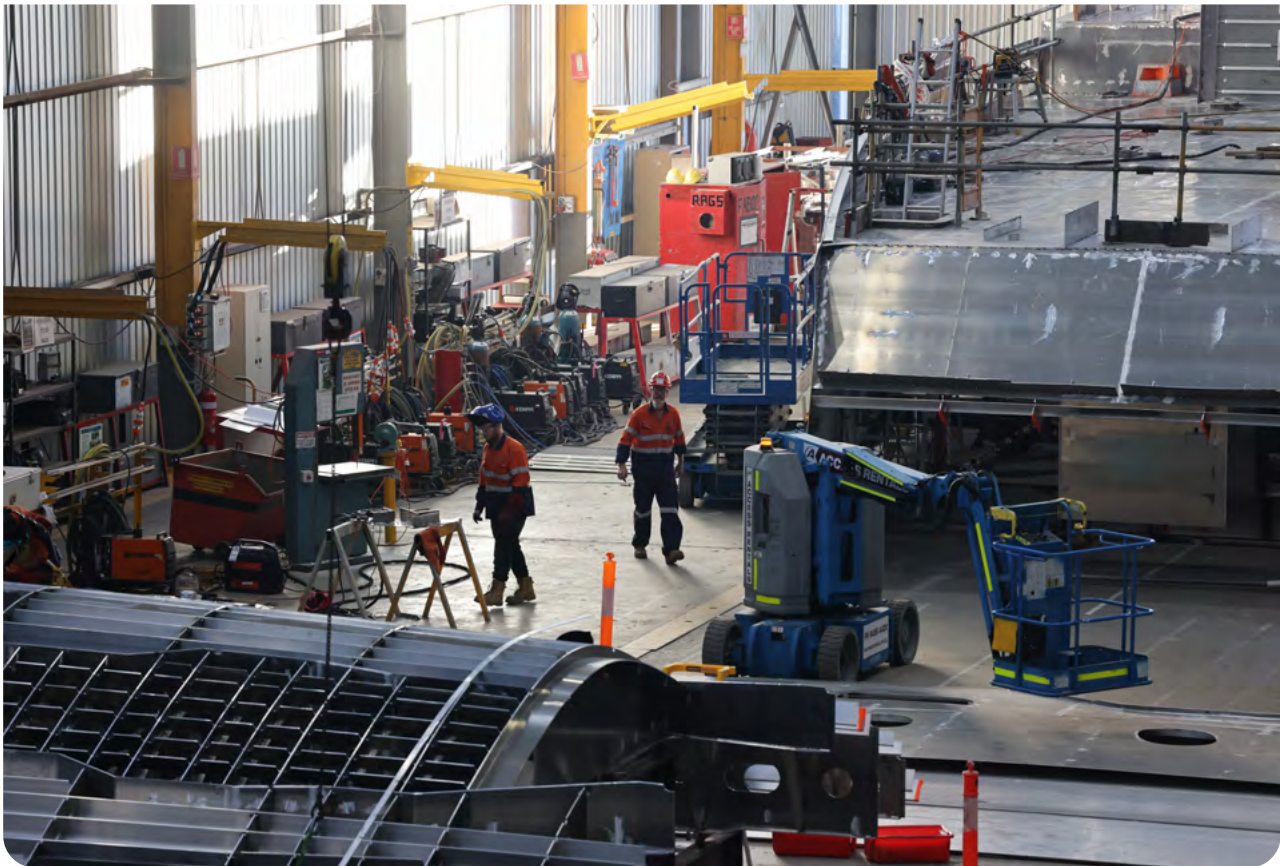
Whistle-blower Policy

Austal's group-wide [Whistleblower Protection Policy](#) gives all directors, officers, employees, contractors, suppliers and associates the ability to speak out if they have concerns about any unlawful, unethical, irresponsible behaviour or misconduct by Austal. Austal has set up an anonymous external helpline to assist the reporting of suspected reportable conduct under the policy.

The CEO is informed of all incidents reported through Austal Limited's Whistleblower framework and determines whether it is appropriate to commence

an investigation. If further investigation or enquiry is required, an investigator is appointed to assess and examine reports. Subsequently, the investigator reports findings to the CEO. The CEO reports any material incidents to the Board. During FY25 Austal Limited did not receive any enquiries or concerns through its whistleblower framework.

The policy is made available to employees, officers, and other parties in the Company's intranet. It is also available on Austal's public website.



Anti-bribery and Corruption Policy

Austal's [Anti-Bribery Procedure](#) and Anti-Bribery Policy set out rules and principles on appropriate business conduct which apply to all directors and employees. This policy provides information and guidance on how to recognise and deal with bribery and corruption issues such as facilitation payments. It also details around authority thresholds and other material that the Austal considers to be commercially sensitive. In addition, we have a formal guideline for our employees when engaging sales agencies and consultants to ensure integrity.

Where appropriate, the General Counsel will investigate reports of bribery in any way connected to an Austal entity or employee. The Board will then consider what action to take as a result of such investigations, including disciplinary action, termination of business relationships and reports to relevant governmental authorities or regulators where applicable. Austal's General Counsel will maintain a register of all reports made under this Procedure. For more details on internal monitoring system, managerial responsibility, record keeping and other operating guidelines, please refer to Austal's [Anti-Bribery Procedure](#) available at the corporate website.

Internal training on anti-corruption topics such as legislative background, definition of bribery, case studies to ensure staff are aware of key concepts and know when to speak up. There were no breaches or litigation associated with anti-bribery and corruption brought to Austal's attention in FY25.

Product Safety

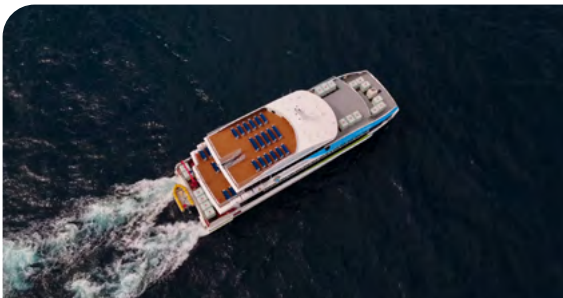
Our concern for safety is not limited to our own employees and workplace, but extends to our entire shipbuilding value chain, to ensure safety requirements are upheld for our customers.

Austal is obliged to design, contract and maintain all of our vessels in accordance with ship classification societies and flag state requirements. Ship classification can be defined as the verification of the structural strength and integrity of the essential parts of a ship's hull and its appendages, as well as the authentication of the reliability and function of its propulsion and steering systems alongside other features built into the ship to maintain essential onboard services for safe operation. Classification societies classify ships, establish and maintain technical and safety standards for the construction and operation of a vessel, ensure that the ship's design and workings are in accordance with the standards set by their class. This oversight process provides an additional level of assurance in conjunction with our quality procedures, and ensures that our products comply with all safety requirements. Additionally, our clients will not take possession or accept delivery of our vessels unless

all classification society requirements have been met during inspection.

Monitoring of Product Safety

The registration of a ship plays an important role in ensuring safety and security of the ship. Registration grants the ship physical and legal protection of that flag state which may be applied to vital areas such as safety of cargo and life of those on board the ship. As per International Maritime Organization ("IMO") regulations, all ships must be surveyed in order to ensure that the ships under their registers are structurally sound and subscribe to design and safety standards. A classification certificate is also issued which establishes a ship's seaworthiness. This certificate is required to be present on board the ship for any inspections by authorities from time to time. Vessel registration is typically undertaken by vessel owners – including customers of newly-built vessels – and Austal supports this process by complying with all requirements of ship registration, ship classification societies requirements and associated inspections.



Share Trading Policy

All employees, including directors, must comply with Austal's share trading policy. The Board's Audit & Risk Committee reviews the policy annually, which is published on the corporate governance section of our website.

The policy includes the following requirements:

- » A blackout period restricting trading in Company shares for two months prior to the release of half year and full-year reports. Directors and employees are also restricted from trading in Company shares for 24 hours following any announcement by the Company to the Australian Securities Exchange;
- » Any director intending to buy or sell shares in the Company or any company in which Austal has an interest is required to notify the Chairman or the Company Secretary of his/her intentions before proceeding with the transaction;
- » A prohibition on dealing in the Austal's securities by any employee if they are in possession of material information which is not available to the share market, but if it were, may impact the value at which the Company's securities are traded; and
- » In addition, Directors share and update a register of their relevant personal interests outside the company, to maximise visibility of any potential conflicts of interest among the Board.

Shareholder Rights

Austal has an established investor relations program which includes:

- » Analyst briefings
- » Annual General Meeting
- » Annual report
- » Regular release of financial information

Our annual general meeting ("AGM") – which is usually held in October or November – provides

shareholders with the opportunity to vote on resolutions recommended by the Board, hear directly from the Board and CEO, and ask questions of the Board.

The chairman and CEO's AGM presentations and voting results are released to the Australian Securities Exchange and made available on our website.



Appendices





Appendices

About This Report

This report provides an overview of Austal's sustainability approach and performance from 1 July 2024 to 30 June 2025 and was approved by Austal's Board of Directors. It was prepared with reference to the Global Reporting Initiative's Sustainability Reporting Standards 2021 ("GRI Standards"). It covers sustainability topics most relevant to our business activities at this point in time.

The report covers Austal's shipyard operations in Australia, the United States, the Philippines and Vietnam. Austal acknowledges that this report includes a focused number of disclosures for the past financial year. We are enhancing our data capture capabilities to increase the scope and breadth of

disclosures as we look to deliver a more thorough overview of the material issues identified. Where we have not been able to provide relevant disclosures in this report, reasons for such omissions are included in the GRI Index table. We continue to enhance our alignment with the recommendations of Task Force on Climate-Related Financial Disclosures ("TCFD"). It is our intention to further align with TCFD and produce an assured and audited report in the long term, as we continue to enhance our data collection processes.

Austal's last ESG Report 2024 was published on 10 October 2024.



¹ Does not cover service centres and other offices as they do not have significant impact.

Performance Data Table

Unit		FY23	FY24	FY25
Environmental Performance				
GHG Emissions				
Scope 1				
» Total	Tonnes of CO ₂ e	10,465 ¹	1,534	3,405
» Intensity	Tonnes of CO ₂ e / tonnes of steel equivalent structural weight of vessels delivered	1.6	0.4	0.8
Scope 2				
» Total	Tonnes of CO ₂ e	15,188	10,828	7,011
» Intensity	Tonnes of CO ₂ e / tonnes of steel as structural weight of vessels delivered	2.3	2.6	1.6
Scope 3 (Upstream)				
» Total	Tonnes of CO ₂ e	66,442	42,060	48,668
» Intensity	Tonnes of CO ₂ e / tonnes of steel equivalent structural weight of vessels delivered	9.8	10	10.9
Scope 3 (Downstream)				
» Total	Tonnes of CO ₂ e	Not reporting	Not reporting	Not reporting
» Intensity	Tonnes of CO ₂ e / tonnes of steel equivalent structural weight of vessels delivered	Not reporting	Not reporting	Not reporting
Total fuel (diesel) consumption	Litres	3,612,274	1,590,609	1,233,572
Total electricity consumption	Gigajoules	159,325	185,683	82,407
Water				
Total water withdrawal from surface water ²	Megalitres	0.36	0.36	0.36
Total water withdrawal from third-party water	Megalitres	42.72	37.28	37.04

¹ The increase of scope 1 emissions in FY23 is largely driven by the delivery of two vessels from Austal USA. One of the vessels included additional trials required to demonstrate the new Autonomous systems installed.

² The data refers to harvested rainwater for our cistern tank for fire protection, based on a tank capacity of 360,000 m³.

Unit		FY23	FY24	FY25			
Environmental Performance							
Waste							
Waste generated							
- Total	Tonnes	3,214	1,336	1,250			
- Intensity	Kg per 1,000 hours worked	0.36	0.16	0.13			
Total hazardous waste	Tonnes	503	360	76			
Total non-hazardous waste	Tonnes	2,711	971	1,174			
Total waste recycled	Tonnes	1,920	952	792			
Social Performance							
Workforce							
		Male	Female	Male	Female	Male	Female
Total employees	Number	3,665	650	4,809	1,005	5,146	1,054
By location and gender							
Australia	Number	744	133	799	167	921	226
USA	Number	2,572	421	3,548	706	3,640	667
The Philippines	Number	178	49	336	87	349	95
Vietnam	Number	171	47	126	45	236	66
By employment type and gender							
Full time	Number	3,701	640	4,758	985	5,077	1,028
Part time	Number	23	17	51	20	69	26
By employee category and gender							
Senior management	Number	50	13	40	10	115	19
Middle management	Number	475	60	646	121	578	94
General	Number	3,152	630	3,704	734	3,709	793
By age group							
Under 30	Number	668		845		1,102	
30-50	Number	2,465		2,712		2,839	
Over 50	Number	1,085		1,530		1,377	
Employee new hires							
By location							
Australia	Number	258		219		282	
USA	Number	1,181		1,326		1,025	
The Philippines	Number	73		143		204	
Vietnam	Number	62		44		159 ¹	
By gender							
Male	Number	1,083		1,328		1,407	
Female	Number	276		404		363	

¹ The significant increase of employee new hire is due to new projects in FY25.

Unit		FY23	FY24	FY25			
Social Performance							
Employee new hires							
By age group							
Under 30	Number	375	341	481			
30-50	Number	447	497	616			
Over 50	Number	132	179	126			
Employee turnover							
By location							
Australia	Number	336	208	205			
USA	Number	519	1,089	1,071			
The Philippines	Number	466	86	120			
Vietnam	Number	92	26	70			
By gender							
Male	Number	1,181	1,092	1,189			
Female	Number	232	317	277			
By age group							
Under 30	Number	343	216	276			
30-50	Number	571	489	444			
Over 50	Number	126	200	186			
Parental leave							
		Male	Female	Male	Female	Male	Female
Employees took parental leave	Number	52	22	61	20	32	25
Employees returned to work after parental leave	Number	51	16	61	10	32	20
Employees entitled to parental leave	Number	3,741 ¹		4,448		4,506	
Average training hours							
By gender							
Male	Number	11.93		16.01		12.36	
Female	Number	8.22		16.62		16.77	
By employee category							
Senior management	Number	6.30		4.31		3.75	
Management	Number	7.50		15.52		9.83	
General	Number	11.78		16.89		13.90	
Safety							
Number of fatalities from work related injury	Number	0		0		0	
Rate of fatalities from work-related injury	Fatalities rate per 200,000 hours worked	0		0		0	

¹ Data includes Austal Australasia and Austal USA.

	Unit	FY23	FY24	FY25
Social Performance				
Number of high consequence work related injuries	Number	3	28 ¹	23
Number of recordable work related injuries	Number	84	71	89
High-consequence work-related injuries rate	High-consequence work-related injuries rate per 200,000 hours worked	0.07	0.65	0.49
Reportable injury rate ²	Recordable injury rate per 200,000 hours worked	1.88	1.66	1.91
Number of hours worked	Number	8,955,883	8,572,469	9,301,738
Governance Performance				
New suppliers that were screened using environmental and social criteria³				
New suppliers that were screened using environmental criteria	Percentage	-	87	98
New suppliers that were screened using social criteria (i.e. safety)	Percentage	-	86	99

¹ The increased focus on steel production programs at Austal USA, which had previously centred on aluminium, contributed to a rise in injury severity compared to previous years.

² To further align with the latest GRI requirement, the calculation method has been revised to rate per 200,000 working hours. Last year's reportable injury rate is restated as 0.93%.

³ Data collection commenced in FY24. Data only includes Austal USA and Austal Vietnam.

GHG emissions – methodology and assumptions

Austal's yearly GHG emissions are tightly linked to the manufacture and operation of its vessels, we therefore note that Austal's GHG emissions are dependent to a large extent on the number and type of vessels we deliver in any given year.

In developing our methodology, we used an approach that allows us to monitor and hence act to reduce emissions associated with our operations using a set of metrics that will enable comparison year-to-year, despite annual variations in the number of vessel deliveries.

Scope 1 Emissions

Austal's Scope 1 GHG emissions include transport fuel combustion emissions from vessels owned by Austal's generators and fuel used in sea trials for customer vessels; and fugitive emissions from heating, ventilation, and air conditioning ("HVAC") installation.

The emissions factors from diesel combustion used for the Scope 1 estimate is taken from the Australian Government's 2023 National Greenhouse Accounts factors for fuels used for transport energy.

Sea trial emissions include the fuel burned on all sea trials conducted during the FY25 accounting period. For sea trials conducted close to the end of the accounting period where the vessel was not delivered before 30th June 2025, that vessel's Scope 3 emissions are not included in this accounting period and will be included in the year that the vessel is delivered to the customer. Similarly, for vessels delivered early in the accounting period some of the fuel use for sea trials will have occurred in the previous accounting year but is included in the current accounting period's Scope 1 value to align with the year of vessel delivery.

Fugitive emissions from HVAC installation include emissions from HVAC systems installed by Austal in boats delivered in FY25. The emissions have been calculated according to the method and assumptions in the US EPA Greenhouse Gas Inventory Guidance for Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases.

Scope 2 Emissions

Scope 2 emissions encompass emissions from the total MWh of electricity purchased by all Austal entities in the accounting period FY25.

Publicly available average emissions factors have been used to calculate emissions in each geographic location for electricity generated on local grids.

- » Western Australia and Queensland – Australian Government's 2023 National Greenhouse Accounts;
- » Philippines factors – 2020 Climate Transparency Report;
- » Vietnam – Worldbank 2017 country report; and
- » United States – US EPA for the SRSO SERC South electricity grid region.

Austal's Scope 2 emissions include all electricity consumed in FY25. This includes both vessels delivered and vessels not delivered by 30 June 2025. With that, Austal's Scope 2 emissions will not be completely aligned in time period reporting with the Scope 1 and Scope 3 emissions, which are calculated for the vessels delivered in the FY24 period only.

Scope 3 Emissions

Scope 3 upstream emissions include:

- » Emissions from air travel and car hire on employee business travel.
- » Upstream emissions from purchased materials and equipment is accounted in the year the vessel is delivered. As vessel construction takes place over more than one year, some of these materials and equipment will have been purchased and receipted in the prior financial year but are included in the FY25 CO₂e accounting because this is when the finished vessel was delivered to the customer.
- » Purchased aluminium and steel consumed in production of the vessels delivered in FY24. For this reporting cycle the emissions factor associated with the production of aluminium was as advised by the supplier of the aluminium and varies based on the source of supply. The emissions factor for steel was assumed to be 1.85 tCO₂e/tonne of steel, the global average in 2018 as published by the World Steel Association.
- » Purchased equipment and materials. In addition to the structural steel or aluminium, an Austal vessel is a complex manufactured product that integrates thousands of fabricated and purchased components and equipment. A comprehensive bottom up estimate of the Scope 3 emissions for this complex supply chain has not been performed. Rather, an aggregate assumption of the emissions associated with equipment and materials on a weight basis has been made.

- » Austal assumes that the non-structural elements of a large complex vessel are equivalent in relative proportion of use and nature to those comprising a diesel-powered automobile. The aggregate value thus used of 5.2 tCO₂e/ non-structural tonne of vessel weight is taken from the estimates of Hill, Nikolas et. al. Determining the environmental impacts of conventional and alternatively fuelled vehicles through LCA; Final Report for the European Commission, DG Climate Action, by Ricardo AEA Ltd. July 2020.
- » Delivery voyage emissions are Scope 3 rather than Scope 1 as Austal is no longer in possession of the vessel. However, it is not considered downstream throughlife emissions as it is delivery rather than normal intended operations. Emission factors for the diesel combustion are from the Australian Government guidelines as per Scope 1.

Scope 3 downstream emissions include:

- » The GHG emissions associated with the operation by its customers of the vessels Austal delivers is part of Austal's downstream Scope 3 emissions. This refers to the through-life emissions from the operation of each vessel. We previously made estimations from an assumed operating speed, the measured fuel usage for the installed engines at that speed and an assumed number of operating hours per year over a 25-year expected operational life of the vessels. However, some of the assumptions are considered as highly uncertain after a revisit of data in FY24. According to Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard, any estimated data should be as accurate as possible to guide the decision-making needs of the company. Currently, we have insufficient data to provide accurate through-life emissions from the operation of each vessel. We will continue to explore opportunities in enhancing our data collection.

Industry Associations, Not-for-profit Group Membership and ISO Certifications

List of industry associations, not-for-profit groups membership and ISO certifications of which Austal (and its subsidiaries) is a member or a major contributor in FY25.

Austal Australia

- » AI Group
- » AIDN
- » AIG Defence Council
- » American Chamber of Commerce in Australia
- » Australian Defence Magazine
- » Australian Marine Exports Group
- » Australian Welding institute
- » CCIWA
- » Chamber of Commerce and Advance Cairns
- » Cockburn Council - Blue Economy Working Group
- » Development WA
- » Federal Labour Business Forum
- » Fremantle Hospital Lottery
- » Henderson Alliance
- » Interferry
- » ISO 45001
- » ISO 14001
- » ISO 9001
- » ISO 27001
- » Perth USAsia
- » The 500 Club
- » The Leaders' Forum of Western Australia
- » UWA DSI (Defence & Security Institute)
- » Weld Australia Defence Industry Group

Austal USA

- » Association for Uncrewed Vehicle Systems International
- » Alabama Aerospace & Defense Council
- » American Chamber of Commerce in Singapore
- » Baldwin County Economic Development Alliance
- » Business Council of Alabama
- » Coastal Alabama Partnership
- » Downtown Mobile Alliance
- » Eastern Shore Chamber of Commerce
- » International Maritime Organization
- » Manufacture Alabama
- » Mobile Chamber of Commerce
- » National City Chamber of Commerce
- » Naval Submarine League
- » Navy League Center for Maritime Strategy
- » Navy League of Mobile
- » Navy League of the United States
- » Navy League of the United States – Singapore Council
- » Port of San Diego Ship Repair Association
- » San Diego Regional Chamber of Commerce
- » San Diego Working Waterfront
- » Shipbuilders Council of America
- » Southern Legislative Conference
- » Surface Navy Association
- » U.S. Coast Guard Foundation

Austal Philippines

- » ANZCham Philippines
- » ISO 14001
- » ISO 9001
- » ISO 45001
- » Mactan Export Processing Zone Chamber of Commerce and Manufacturers
- » People Management Association of the Philippines
- » Philippine Society of Training & Development
- » Shipping Association of the Philippines
- » Shipping Association Cebu
- » Cebu Chamber of Commerce & Industry

Austal Vietnam

- » ISO 45001
- » ISO 14001
- » ISO 9001
- » ISO 27001

GRI Index





Statement of use	Austal has reported the information cited in this GRI content index for the period from 1 July 2024 to 30 June 2025 with reference to the GRI Standards.
GRI1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure reference	Disclosure title	Location ¹	Page	Notes
General Disclosures					
GRI 2: General Disclosures 2021	2-1	Organisation details	About Austal	6	
	2-2	Entities included in the organisation's sustainability reporting	About Austal	6	
	2-3	Reporting period, frequency and contact point	About This Report; back cover	60, 76	
	2-4	Restatements of information			No restatements were made during the reporting period.
	2-5	External assurance			No external assurance has been sought for FY25.
	2-6	Activities, value chain and other business relationships	About Austal	6 - 7	
	2-7	Employees	Performance Data Table	62	
	2-8	Workers who are not employees			Data unavailable. We are working on improving the data collection systems.
	2-9	Governance structure and composition	Sustainability Governance; Governance & Business Ethics – Governance Structure	18, 48	
	2-10	Nomination and selection of the highest governance body	Corporate Governance Statement 2025		
	2-11	Chair of the highest governance body	Corporate Governance Statement 2025		
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Statement 2025		
	2-13	Delegation of responsibility for managing impacts	Corporate Governance Statement 2025		
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance	18	
	2-15	Conflicts of interest	Directors Code of Conduct		
	2-16	Communication of critical concerns	Whistle-blower Policy	54	

¹ Name of the main section is given first, followed by the relevant subsection, e.g.: Main section – subsection, Subsection.

GRI Standard	Disclosure reference	Disclosure title	Location ¹	Page	Notes
General Disclosures					
GRI 2: General Disclosures 2021	2-17	Collective knowledge of the highest governance body	Corporate Governance Statement 2025		
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Statement 2025		
	2-19	Remuneration policies	Annual Report 2025 – Remuneration Report		
	2-20	Process to determine remuneration	Annual Report 2025 – Remuneration Report		
	2-21	Annual total compensation ratio			Data unavailable.
	2-22	Statement on sustainable development strategy	Letter from the CEO	4	
	2-23	Policy commitments	Governance & Business Ethics	48 - 51	
	2-24	Embedding policy commitments	Governance & Business Ethics	48 - 54	
	2-25	Processes to remediate negative impacts	Whistle-blower Policy	54	
	2-26	Mechanisms for seeking advice and raising concerns	Whistle-blower Policy	48	
	2-27	Compliance with laws and regulations			There are no significant instances of non-compliance with laws and regulations in FY25.
	2-28	Membership associations	Industry Associations, Not-for-profit Group Membership and ISO Certifications	68 - 69	
	2-29	Approach to stakeholder engagement	Stakeholder engagement and Materiality Assessment		
	2-30	Collective bargaining agreements			Austal respects its employees' right to exercise freedom of association and collective bargaining. Less than one per cent of Austal's workforce is unionised in locations covered by the scope of this report.
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Stakeholder engagement and Materiality Assessment	18 - 19	
	3-2	List of material topics	Stakeholder engagement and Materiality Assessment	19	

GRI Standard	Disclosure reference	Disclosure title	Location ¹	Page	Notes
Material Topics					
Energy use					
GRI 302: Energy 2016	3-3	Management of material topics	Environmental Sustainability	22	
	302-1	Energy consumption within the organisation	Performance Data Table	61	
GRI 305: emissions	3-3	Management of material topics	Environmental Sustainability	22	
	305-1	Direct (Scope 1) GHG emissions	Environmental Sustainability – Greenhouse Gas Emissions; Appendix – GHG Emissions -Methodology and Assumptions; Data Performance Table	23, 61, 65	
	305-2	Energy indirect (Scope 2) GHG emissions		23, 61, 65	
	305-3	Other indirect (Scope 3) GHG emissions		23, 61, 65, 66	
	305-4	GHG emissions intensity		23, 61, 65, 66	
Waste management					
GRI 306: Waste 2020	3-3	Management of material topics	Waste Management	28	
	306-1	Waste generation and significant waste-related impacts	Waste Management	28	
	306-2	Management of significant waste-related impacts	Waste Management	29	
	306-3	Waste generated	Performance Data Table	62	
	306-4	Waste diverted from disposal	Performance Data Table	62	
Occupational health and safety					
GRI 403: Occupational Health and Safety 2018	3-3	Management of material topics	Occupational health and safety	41	
	403-1	Occupational health and safety management system	Occupational health and safety	41	
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational health and safety	41, 42	
	403-3	Occupational health services	Health and wellbeing	43	

GRI Standard	Disclosure reference	Disclosure title	Location ¹	Page	Notes
Material Topics					
Occupational health and safety					
	403-5	Worker training on occupational health and safety	Health and wellbeing	43	
	403-6	Promotion of worker health	Health and wellbeing	43	
	403-9	Work-related injuries	Performance Data Table	63, 64	
Training and development					
GRI 404: Training and Education 2016	3-3	Management of material topics	Training and Education	39	
	404-1	Average hours of training per year per employee	Performance Data Table	63	
	404-2	Programs for upgrading employee skills and transition assistance programs	Training and Education	39 - 40	
Supply chain governance					
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of material topics	Supply Chain Governance	52	
	308-1	New suppliers that were screened using environmental criteria	Performance Data Table	64	
GRI 414: Supplier Social Assessment 2016	3-3	Management of material topics	Supply Chain Governance	52	
	414-1	New suppliers that were screened using social criteria	Performance Data Table	64	



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