

30 September 2022

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

2022 SUSTAINABILITY REPORT

Seven Group Holdings Limited (ASX: SVW) attaches its 2022 Sustainability Report.

A copy of the 2022 Sustainability Report is also available on the Company's website at:
www.sevengroup.com.au/sustainability.

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

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Seven Group Holdings Limited is a leading Australian diversified operating and investment group with market leading businesses and investments in industrial services, media and energy. In industrial services, WesTrac is the sole authorised Caterpillar dealer in Western Australia, New South Wales and the Australian Capital Territory. WesTrac is one of Caterpillar's top dealers globally (by sales value). SGH owns Coates, Australia's largest nationwide industrial and general equipment hire business. SGH also has a 69.6% shareholding in Boral, an international building products and construction materials group. In energy, SGH has a 30.0% shareholding in Beach Energy and has interests in oil and gas projects in Australia and the United States. In media, SGH has a 38.9% shareholding in Seven West Media, one of Australia's largest multiple platform media companies, including the Seven Network, 7plus and The West Australian.



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 Cover photo: Whitney Moore, Projects Manager at WesTrac's Tomago facility

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

Coverage

This report covers the operations of SGH and businesses that SGH wholly owns and operates over the time period 1 July 2021 to 30 June 2022 (FY22).

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

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

Reporting Approach

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

Our approach is guided by GRI's principles for informing report content: materiality, stakeholder inclusion, sustainability context, and completeness. A reconciliation to GRI's reporting standards is provided at SGH's website.

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

Other information

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

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

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

coates.com.au/sustainability
westrac.com.au/sustainability



Cat® 785s rebuilt in WesTrac's Tomago NSW workshop



Message from Ryan Stokes AO

It is with great pleasure
that I present the FY22
Sustainability Report for
Seven Group Holdings.



Ryan Stokes AO
Managing Director & CEO

This report continues the significant step forward that Seven Group Holdings (SGH) took in FY21 to change our approach to sustainability.

That change involved an extensive consultation with stakeholders to identify ten material ESG areas for SGH focus, and a step-up in the degree of disclosure and transparency we provide to our stakeholders in terms of our aspirations, actions and outcomes in each material area.

The change also involved adoption of the globally-accepted GRI framework and a commitment to disclose in line with the recommendations of the Task Force on Climate-related Financial Disclosures.

What did not change in FY22 is SGH's long-held commitment to providing for the safety of our people.

We continue to put safety as our number one priority throughout our businesses, and while we found ourselves tested in this area at times over the past 12 months, I am proud to say that on each occasion our businesses responded immediately and effectively to these challenges. We are never complacent in this area and are humble enough to know we can always continue to improve: we are constantly evolving our practices and approach to improve our safety culture and performance across the Group.

Another area of strong focus for our businesses has been in the area of emissions reduction.

In FY21, we announced ambitious targets for emissions reduction for our two wholly owned and operated operating businesses, Coates and WesTrac: an aspiration to achieve net zero Scope 1 and Scope 2 emissions by 2040; and interim targets of a 30 per cent reduction from 2020 levels by 2026 and 50 per cent by 2030.

In FY22, each business embarked upon their respective roadmaps for achieving these targets, with the near-term focus being on rolling out solar power through the major facilities in our network. WesTrac's workshop at Port Hedland became the first site in our network to install solar panels, and business cases were approved for imminent installation in tranches of sites across the Coates and WesTrac networks.

Waste has been a major area of focus as well in FY22, with both businesses undertaking extensive exercises for the first time to establish and confirm quantitative baseline metrics and improvement opportunities.

Our strong commitment to operational training put us in good stead to deal with the employment market pressures felt right throughout the Australian economy in FY22.

Message from Ryan Stokes AO continued

“In executing our strategy, a trademark of our approach has been an insistence on ‘mainstreaming’ ESG”

We continue to look for ways to develop and train our teams and provide workplaces characterised by a strong culture, a respect for diversity and a focus on performance.

An element of our approach to sustainability that I am particularly proud of is our focus on helping our customers achieve their own ESG objectives. Coates' launch of its Greener Choices range, which informs and empowers our customers to reduce their own emissions, is a landmark for the rental sector in Australia. And WesTrac's work to bring Caterpillar's® automation and electrification developments to our customers ensures Australia's resources and construction sectors benefit from being at the global leading edge of technological innovation.

Stepping back from initiatives in individual areas, FY22 also saw SGH make significant progress in the way we execute our ESG strategy.

In executing our ESG strategy, a trademark of our approach has been an insistence on ‘mainstreaming’ ESG issues into the core roles and processes of our businesses. For instance, we are focused on ensuring that any ESG initiative emanates from and is owned by an existing executive role, and is evaluated using the core decision processes, forums and rules that are applicable to all mainstream business decisions.

Similarly, when an ESG issue emerges, our starting point is always that the executive team itself needs to understand and solve the issue, rather than relying on a ‘turnkey’ solution from an ESG advisor or consultancy.

By insisting that ESG issues are owned and solved within the ‘mainstream’ of our businesses, we believe that the strategies and initiatives we are executing will stick and be more sustainable over the long term.



Reconciliation Action Plan artwork on two Boral agitators at Canberra Plant

Looking forward, our focus will be on continuing to progress actions and outcomes in our selected material issues areas, but we will also continue to monitor evolving stakeholder requirements and areas of interest, such as biodiversity, as well as regulatory developments.

In terms of SGH's broader portfolio of investments, including our investments in the oil and gas sector, we acknowledge the role we can play in those companies' directions via our shareholder votes and Board seats. While we recognise that the transition to a low-carbon world will eventually require a significantly smaller role for gas in the energy mix, we believe that gas is a key transition fuel and plays an underpinning and enabling role as the world decarbonises. We will continue to assess all of our investments, assets and businesses with the aim to invest in operations that generate attractive returns for shareholders with an ability to remain sustainable for all stakeholders.

I would like to thank the teams in our operating businesses for the continuing contributions and enthusiasm they have shown over the last two years as we have developed and then executed our transformed ESG strategy. Right across our Group, and at all levels of the businesses, there is a resolve and belief about what we can do to deliver better outcomes for all of our stakeholders.

Ryan Stokes AO
Managing Director & CEO

Our approach to Sustainability

SGH's approach to sustainability is reflected in our core objective as a business to maximise returns to stakeholders through long term sustainable value creation. As part of this approach we look to embed sustainability into the mainstream of our business management processes.

Our sustainability strategy is based on a series of exercises undertaken in FY21 to ascertain the ESG issues that are most material to our businesses.

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

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

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

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

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

1	Energy & Emissions	To play a leading role in each of our sectors in meeting the Paris Agreement's goal to limit global temperature rises to well below 2°C.	Page 13
2	Waste & Water	To play a positive role in helping Australia reduce its reliance on landfill and attain more sustainable water outcomes.	Page 18
3	Materials	To be a leading Australian corporate contributor to the circular economy.	Page 21
4	Technology & Innovation	To bring the benefits of technology and innovation, including digital, to our teams and customers.	Page 23
5	Safety	To be recognised by our teams, customers and regulators for safety excellence.	Page 10
6	Training	To engage, educate, develop and inspire our people.	Page 30
7	Diversity	To ensure we have a diverse and inclusive workforce that increasingly reflects the communities in which we operate.	Page 26
8	Employment	To be an employer of choice across all categories of employment, known for fairness, empathy, development and contribution.	Page 29
9	Indigenous Inclusion	To make a meaningful contribution to the full realisation of the rights of Aboriginal and Torres Strait Islander peoples in the communities we operate in.	Page 32
10	Local Communities	To be an engaged and constructive participant in the communities in which we operate.	Page 34

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

Our approach to Sustainability continued

UN Sustainable Development Goals

Our material issues align to over twenty UN Sustainable Development Goal indicators, and cover twelve of the seventeen Sustainable Development Goals.

A reconciliation of our material issues with the UN Sustainable Development Goals appears on page 44 of this report.



Modern Slavery

SGH is committed to operating our businesses lawfully and ethically in respect of human rights and opposes all forms of Modern Slavery. The Group acknowledges that Modern Slavery is a serious issue throughout the world and can occur in many forms. With an extensive supply chain, the Group recognises that our procurement activities have social and environmental impacts, and we are committed to working with suppliers to understand and minimise impacts from our business operations.

We submitted our second Modern Slavery Statement in December 2021, focusing on our wholly owned and operated material entities Coates and WesTrac. The Statement can be found at <https://www.sevengroup.com.au/sustainability/other-information/>. Modern Slavery Statements of our partially owned businesses Beach Energy, Boral and Seven West Media can be found at those corporations' websites.

Tax Transparency

SGH supports the Voluntary Tax Transparency Code and issues regular annual Tax Transparency Reports to provide additional tax transparency to our stakeholders and the community. These reports provide an overview of SGH's approach to tax risk management and strategy and contain the disclosures required to comply with the Australian Voluntary Tax Transparency Code, including details of intra-group international related party dealings and revenue contributed to Australian State and Federal Governments via taxes and levies paid.

Our latest Tax Transparency Report can be found at <https://www.sevengroup.com.au/sustainability/other-information/>.



Beach Energy's Lang Lang Gas Plant, Victoria

FY22 Highlights

Environment



10+ sites approved for solar panel installation

Launch of Coates' Greener Choices offering

Commitment to 30% reduction in carbon emissions by 2026; 50% by 2030; net zero by 2040

People



\$10m+
Spent on training programs

Increases in female representation

>40% of workforce employed outside of metro areas

Operations



Addition of safety lead indicators

Coates leading participation in the Circular Economy

WesTrac: 9,500+ component rebuilds and 200+ full machine rebuilds

Community



WesTrac Reflect RAP; Coates Innovate RAP

Launch of Coates Foundation

Strong involvement in local and regional communities

Our Stakeholders



 The 'Coates Climbers' at the Humpty Dumpty Balmoral Burn

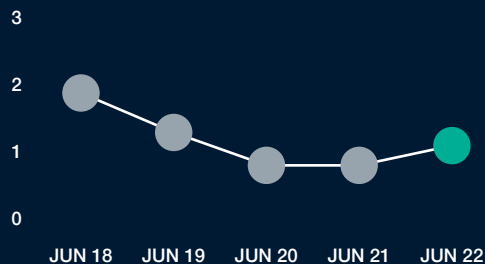
Across our business and at the Group level, a wide range of stakeholders are regularly consulted with.

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

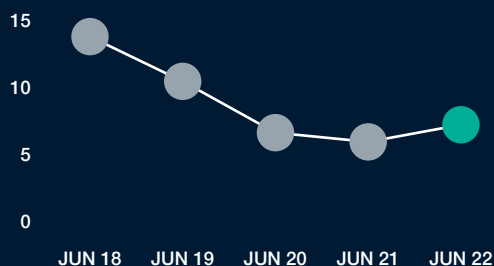
Stakeholder	How we engage
Employees	Training, development plans, feedback sessions, engagement surveys, social functions, forums, meetings
Customers	Joint planning, reviews, partnerships, meetings, surveys, industry events, trade days
Communities	Donations & sponsorships, meetings, volunteering
Shareholders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

Safety

Rolling 12 Month LTIFR



Rolling 12 Month TRIFR



WesTrac team member in our Canberra workshop

Aspiration

To be recognised by our teams, customers and regulators for safety excellence

At SGH, safety is core to our approach to business, and we place great value on preventative and protective measures that support our people. We recognise the need to protect the physical and mental wellbeing of our people in the workplace, and our approach to physical safety, physical health and mental health and wellbeing reflects this.

We are proud of the significant progress our businesses have made in recent years to build 'safety-first zero harm' into their workplace culture.

Our businesses are placing increasing emphasis on a proactive approach to safety and on a safety culture. WesTrac's safety cultural transformation journey through the "Built by Us" program has been particularly successful over the last few years in supporting a genuine shift in mindset when it comes to safety.

During FY22 we introduced additional safety metrics, namely Potential Serious Harm Incidents (PSHI) and Actual Serious Harm Incidents (ASHI), to proactively monitor the severity of potential and actual incidents and to perform and report on root cause analysis and effectiveness of safety intervention and remediation plans. In addition to PSHIs and ASHIs, both WesTrac and Coates now have a range of leading KPIs in place that are regularly reviewed all the way from the workshop level through to the Board level.

Related UNSDG



Safety continued



Ronald Ginez resealing front housing on a C12 truck engine in WesTrac's Griffith workshop

We also continue to support a greater focus on mental health and wellbeing in our businesses.

While there has been marked improvement in safety performance across the Group over the last five years, Coates had a deterioration in the performance of their lag indicators in FY22 while WesTrac remained relatively stable.

Coates

Coates experienced a rise in safety incidents in the first quarter of the FY22 financial year. A national 'Stop for Safety' was immediately conducted to allow discussions across the organisation and to understand the causes of the increase.

The subsequent investigation identified a number of causes, with a key one being a dilution of focus and messaging around physical workplace safety as the business focussed heavily on health-related matters associated with managing COVID. A multi-pronged 'Safety Intervention Program' was then launched across all areas of the business, with a focus on action across face-to-face communications, 'back to basics' for key workplace safety practices, and improved reporting. These initiatives saw an almost immediate response, with injury rates returning to prior lower levels in the remaining quarters of FY22.

A significant milestone for Coates in FY22 was the successful implementation of our new safety system, SafetyHub. The easier access and interface for all of our team members, including via mobile devices, has seen a strong uplift not only in the amount of incidents reported and safety resources accessed, but also in the frequency of proactive safety activities such as 'Take 5's.

As part of the management of COVID during FY22, there has been an increased effort at Coates around employee wellbeing, including regular welfare checks on employees in lockdown, promotion of services available via our Employee Assistance Program and TIACS (This is a Conversation Starter), and regular 'Wellness Wednesday' communications with simple, practical ideas to encourage care and wellbeing.

Looking forward to FY23, Coates intends to focus further attention on Health and Wellbeing initiatives, including further activities with TIACS, one of our key partners in the Coates Foundation. Work will also be progressed on refreshing Coates' critical risks and establishing a refreshed HSEQ Strategy to guide the business over the next three years.

Safety continued

WesTrac

With significant progress over recent years to get the overall levels of safety incidents down to low levels, in FY22 WesTrac's focus has now turned to targeting specific areas of recurring incidents. 'Hands and Fingers' was a particular focus over FY22 for both our WA and NSW dealerships, including strong emphasis during the onboarding of new employees as well as monthly tracking of results at the workshop level. Pleasingly, as a result of this focus, we have seen a 32 per cent reduction in such injuries in our NSW business.

WesTrac also directed focus to addressing safety issues associated with the labour market shortages that emerged over FY22 and drove higher turnover and an increased use of contractors. This included a buddy program, TracMate, for new starters in our workshops to heighten awareness of potential safety issues and to encourage safety training from fellow team members. While injury rates did rise with the influx of new starters, these initiatives have delivered improved outcomes.

The launch of a refresh to our lifesaving commitments was another highlight of FY22 for WesTrac from a safety perspective. The refresh refocused attention onto 'the things that mean the world' to our people, and as a result the level of engagement with the lifesaving commitments has increased materially.

In FY22 we further increased usage of our Cat Driver Safety System. This in-cab fatigue and distraction detection technology is fitted to WesTrac WA's fleet of service vehicles, and monitors drivers for signs of fatigue or distracted driving. By issuing immediate alerts in the cab, as well as alerts to a monitored centre where follow-up actions can be initiated from, our use of this technology minimises the risk to our people from unsafe driving practices as well as to other road users. The business has also commenced a broader review of fatigue related risk.

At WesTrac we are also aware of our ability to contribute to the safety of our customers' worksites, with over 65 per cent of products we deliver to our customers having object visual aid technology. In the Hunter Valley this year, we successfully trialled Cat MineStar Detect – Driver Safety System Forward Facing Cameras with a customer. This product will now roll out to the customer's entire fleet of 66 haul trucks, allowing significant improvements to the ability to manage risks associated with vehicle-vehicle and vehicle-personnel interactions.

Looking forward, WesTrac intends over FY23 to increase its focus on the identification and management of high-potential risk. This builds on a move in FY22 to track high-potential serious harm incidents as an additional safety metric. We will also develop a holistic mental health strategy that builds on a psychosocial risk review of the workplace undertaken in FY22.

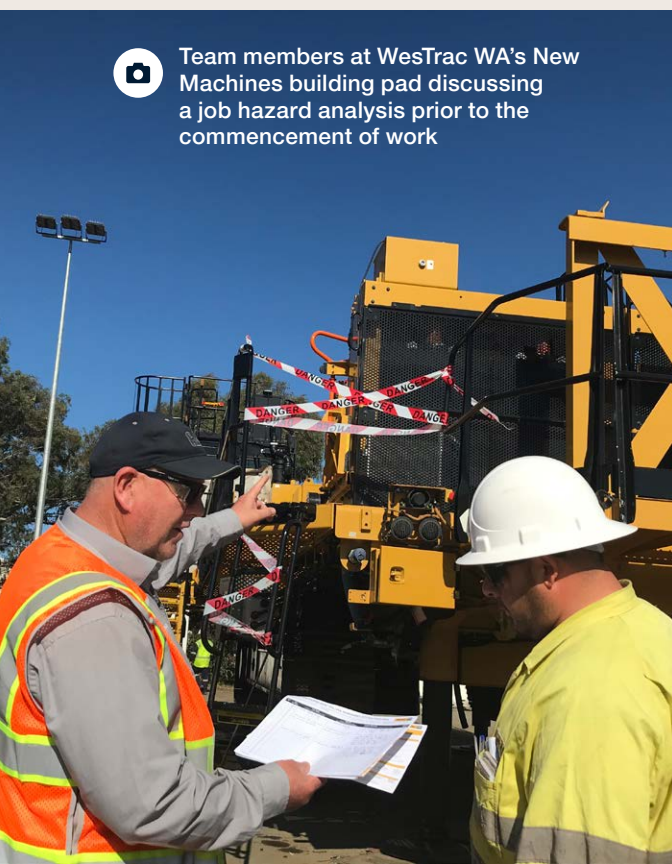


A poster produced by WesTrac to advertise the introduction of critical risk controls in support of Life Saving Commitments

Q WesTrac's use of lead safety indicators



Team members at WesTrac WA's New Machines building pad discussing a job hazard analysis prior to the commencement of work



With significant progress in TRIFR and LTIFR reductions in recent years, the next step in WesTrac's safety journey has been to augment our lagging metrics with a set of leading safety metrics that are regularly recorded, monitored, reported and acted upon.

We now have a number of leading safety metrics that are regularly reported on, both to internal management and also to our Board. A key lead safety indicator is the number of Life Saving Commitment breaches. Our Life Saving Commitments form a non-negotiable set of promises that we make to each other to ensure that we work safely where there is a risk of serious injury. Our Life Saving Commitments are partnered with critical risk controls that ensure that unintended consequences are prevented or mitigated.

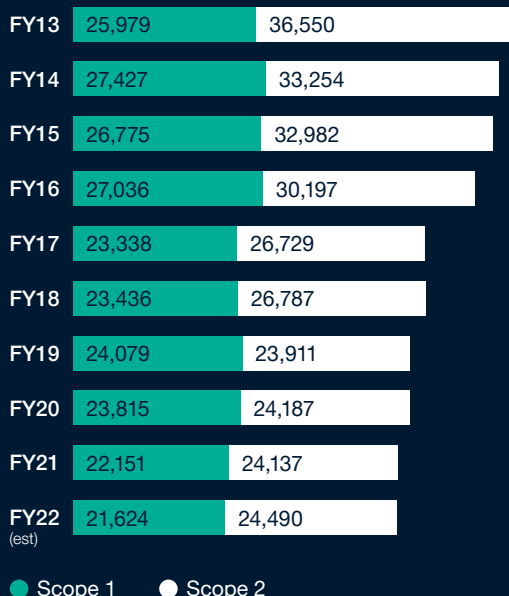
Similarly, the number of hazard reports generated is tracked. Reporting on this number encourages positive safety behaviour and speaking up on safety, and we track the number of open hazards that have not been satisfactorily addressed.

We have also introduced a 'buddy' program for new starters in operational areas, to ensure that those most unfamiliar with our work environments are easily identified and know how to find the information they need to operate safely.

The emphasis on reporting leading safety metrics is part of a broader set of actions aimed at proactively addressing root causes of safety incidents. These include our leaders regularly conducting safety walks throughout the business, and the use of internal audits to inform safety initiatives.

Energy & Emissions

Coates and WesTrac Greenhouse Gas Emissions



WesTrac's 150kW solar array at Port Hedland

Aspiration

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

SGH is committed to supporting the 2015 Paris Agreement goal to limit global temperature rises to well below 2°C.

For our Coates and WesTrac businesses, this means achieving net zero Scope 1 and 2 emissions by 2040, with a reduction of 30 per cent by 2026 and 50 per cent by 2030.

FY22 saw both businesses take initial steps on their roadmapped journeys to achieve these targets. Assessments were undertaken of the potential for solar panels, batteries and LED lighting across the entire network of both businesses' sites, and business cases were approved for the first tranche of solar panels to be installed over FY22 and FY23 for both businesses.

Scope 3 emissions are also being addressed in both businesses, with work underway with customers and suppliers to understand drivers of their emissions and the ways our businesses can materially assist in reducing them. Where possible and appropriate, we also aim to use our influence within trade associations to influence their actions and positions on climate change.

Related UNSDGs



Energy & Emissions continued

WesTrac

In FY22 WesTrac commenced actioning initiatives in our emissions roadmap to achieve our targeted reductions of 30 per cent by 2026 and 50 per cent by 2030.

For scope 1 emissions, which are driven predominantly by our internal vehicle fleets, FY22 saw trials of a hybrid flatbed truck in our Perth operations. Two-thirds of our lifting fleet is powered by LPG or electricity. We are also trialling hybrid vehicles in our fleets in South Guildford and Tomago.

For scope 2 emissions, which are driven by our purchase of grid electricity, our Port Hedland operations in WA's Pilbara region in FY22 became Seven Group's first site to have solar panels installed. A 150kw solar array was installed in December 2021 and is delivering reductions of ~100 tonnes p.a. in Scope 2 emissions on that site.

Through FY22 we also secured approval for installations in FY23 of solar panels in the further sites of Perth and Geraldton in WA and Tomago, Mt Thorley and Tamworth in NSW, with the three NSW sites set to reduce our NSW business' Scope 2 carbon emissions by up to 27 per cent.

Overall in FY22 WesTrac's greenhouse gas emissions stayed broadly flat versus FY21 despite an increase in activity. With our solar program beginning to gain traction in FY23 we will see reduction in the coming years to FY26 as this and our other roadmap initiatives are executed.

For scope 3 emissions, significant focus also continued through FY22 on working with our customers and suppliers emissions along our value chain. This includes working with our large mining customers and our major supplier, Caterpillar, as it plans and designs the zero-emissions mining and construction fleets of the future. Caterpillar announced during FY22 that it is working with a large international miner toward developing and deploying zero-emission haulage trucks, and WesTrac expects to play a key role in bringing these innovative solutions to our Australian customers.

We are also working with our customers to assist their transition to lower emissions in the nearer term. Autonomous technology and other Caterpillar innovations can provide fuel advantages and productivity gains of up to 30 per cent. More broadly, we are opening avenues for customers to replace diesel fuels using existing engine technologies. In FY22 we installed unique dynamic gas blending componentry on five Cat 785 large mining trucks for one of our customers, allowing substitution of LNG for ~65 per cent of diesel usage.

At our brownfield site build in the Perth Airport precinct, we were able to source lower carbon concrete for the main pad. Boral's Envirocrete® concrete contains over 40 per cent less portland cement than typical concrete and incorporates the use of industrial by-products and recycled water.



WesTrac is using Boral's low carbon Envirocrete® for its capacity expansion project at South Guildford, WA

Looking forward, we will continue over coming years to implement our emissions reduction roadmap. This includes in FY23 the planned solar panel installations for our Perth, Tomago and other regional operations, as well as further penetration of LED lighting and increasing the use of smart meters. We will also be pursuing energy reduction measures in our workshops such as variable speed drive compressor motors and reduced dynamometer operations.

Coates

Coates' scope 1 and 2 emissions are predominantly driven by consumption of fossil fuels by our internal vehicle fleet and the use of grid electricity. FY22 saw the first steps underway in Coates' emissions roadmap to achieve our target reductions of 30 per cent by 2026 and 50 per cent by 2030, with three sites investing in solar panels in FY22 and approvals gained for the another tranche of solar panel and LED lighting installations across our branch network, to be rolled out over FY23.

Overall in FY22 Coates' greenhouse gas emissions reduced by 3 per cent versus FY21, and now stand more than 10 per cent below our FY20 baseline. While some of these falls were assisted by COVID-related transport impacts, with our solar program beginning to gain traction in FY23 we will see further reduction in the coming years to FY26 as this and our other roadmap initiatives are executed.

Coates has nominated two sites – our new Mascot Head Office (to be established in first half of FY23) and our large operational site in Ingleburn in Sydney – as 'exemplar' sites where a suite of environmental efficiencies will be implemented as pilots prior to expansion to other key sites in following years. This will include electric light vehicle trials and electric charging stations, renewable installations behind the grid, optimised recycling, LED lighting, efficiency assessments and energy measurement and reporting.

Energy & Emissions continued

For scope 3 emissions, as Australia's leading equipment hire and solutions provider, we are focused on broadening our environmentally sustainable equipment solutions that support our customers' sustainability goals and guide suppliers in making greener choices for our planet.

We continue to work with our customers to assist on ways to help reduce their emissions. In June 2022, in conjunction with World Environment Day, we launched our Greener Choices Range to support the sustainability objectives of our customers' projects and their organisations. This initiative demonstrates our long-term commitment to energy efficiency and investment in emerging and innovative technologies.

Coates' Greener Choices range of more sustainable equipment and solutions will provide more transparency and optionality for our customers, and will form the basis for future increases in our lower-emissions fleet to help our customers transition to a net zero world. At present, 56 per cent of our current Access equipment is electric and 4 per cent is hybrid; 9 per cent of our current Lighting equipment is solar powered; and 93 per cent of our current Traffic Management equipment is solar powered.

Coates' substantial fleet of site accommodation units is also continually evolving to optimise efficiency and improve environment performance. In FY22, Coates participated in the development of a 'best practice' sustainability criteria for the Responsible Construction Leadership Group. This criteria is specifically designed for construction site facilities, which ensures that our site accommodation is a greener choice for customers.

We also continue to work with our suppliers to reduce the amount of carbon and waste embedded in their products. This initiative is further described in the Materials section of this report.

Looking forward to FY23, planning is underway for the second tranche of solar panel approvals. As part of our property strategy, we will also review our branches and offices for potential LED lighting upgrades. Construction will also conclude on our new greenfield site at Ingleburn in Western Sydney, which will form the blueprint for all new Coates facilities with a 5 Star Green rating going forward. As part of our longer-term transition plan for our 1,200+ on-road vehicle fleet, we plan to undertake a lower-emissions heavy commercial vehicle trial in one or more metropolitan locations.

In terms of scope 3 emissions, our Greener Choices program will increase in range and depth over coming years, with the criteria for inclusion in the Greener Choices range expected to evolve as new technologies emerge. In FY23 we will explore the scope for increasing the penetration of lower emission Tier 4 engines and the introduction of more electric options for traditional engine driven equipment such as telehandlers and small earth moving equipment.



Beach Energy's world-leading deployment of carbon capture and storage



The Moomba gas processing plant in the Cooper Basin, South Australia, where Beach and joint venture partner Santos will undertake carbon capture and storage

In November 2021 Beach Energy and its joint venture partner Santos announced the milestone of reaching a final investment decision to proceed with their Moomba carbon capture and storage (CCS) project in South Australia.

Moomba CCS is designed to store underground 1.76 million tonnes of CO₂ p.a. extracted from the processing of natural gas at the Moomba gas plant. Moomba CCS is currently the second largest and one of the lowest cost CO₂ storage projects in the world. The CO₂ to be stored annually is equivalent to taking approximately 700,000 cars off the road permanently, or reducing the emissions from the State of South Australia by 8 per cent annually.

Moomba CCS is the largest single investment Beach has made in reducing its net emissions and will significantly reduce Beach's net emissions from FY25 onwards. Beach's capital investment of ~\$80m will store ~550 thousand tonnes of CO₂ p.a.

Moomba CCS is on schedule for first CO₂ injection in Q1 2024 and will ramp up to full production by Q3 2024. This is a showcase project not only for Beach but the whole nation.

Emissions and Climate Change – TCFD Disclosure

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

Governance

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

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

Management is responsible for reviewing and monitoring, and reporting to the Board on, matters including:

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

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

Core Elements of Recommended Climate-Related Financial Disclosures

Governance

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

Strategy

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

Risk Management

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



Metrics and Targets

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

Strategy

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

In FY22, as part of our strategic planning process, SGH reconfirmed the outcomes of our FY21 'clean-sheet' analysis and review of the potential impacts of climate change on our business. That exercise included a consideration of potential technological and regulatory changes on our portfolio of businesses and investments, and on potential future opportunities. The analysis included the use of generally accepted International Energy Agency scenarios to understand the resilience of our business under different climatic and regulatory futures.

In FY22, the strategic planning process for both the SGH group and business unit level was modified to formally include steps and analyses to incorporate climate change risks and opportunities into the strategy setting process. The analysis and conclusions were presented and discussed with the SGH Board as part of the overall business and Group strategies. SGH also completed during FY22 economic modelling of carbon price scenarios for assets in one of its businesses, with the intention that over time such modelling will become a core capability of SGH businesses' planning and financial teams and applied to all business areas.

Emissions and Climate Change – TCFD Disclosure *continued*

Risk Management

SGH's overall approach to risk management is described in our Corporate Governance Statement contained in our FY22 Annual Report.

Climate-related risks are factored into our risk management approach as one of many fundamental source categories of risk alongside technological, operational, regulatory, social and geopolitical.

We continued in FY22 the practice introduced in FY21 of using the TCFD classification of climate-related risks to ensure comprehensiveness in our approach to this source of risk. In FY22 we conducted a specific deep dive on our site network exposure to physical climate risks with a third party expert, Katestone (see box).

Metrics & Targets

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

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

In FY21 SGH announced that our fully-owned and operated businesses Coates and WesTrac would achieve net zero Scope 1 and Scope 2 emissions by 2040. Targets of 30 per cent below 2020 levels by 2025 and 50 per cent by 2030. Achievement of these short-term targets will ensure that both businesses are well on their way on their roadmaps to achieve net zero by 2040.

Physical climate risks: Exposure assessment

In FY22 SGH worked closely with Katestone, a leading meteorological advisory provider, to understand the extent to which our operating locations might be subject to increased hazards from future weather events related to physical climate change.

The study applied climate modelling of the worst-case RCP 8.5 scenario through to 2050 across the 12 Australian regions that Coates and WesTrac operate in.

Four climate-related hazards were modelled in each region: extreme heat; extreme rainfall/flooding; bushfire; and cyclones. Trigger parameters for each hazard were defined that are relevant and appropriate for WesTrac and Coates' businesses.

The study found, amongst other things, that over the projected period:

- 7 of our 12 regions will experience significant rises of 50 per cent or more in extreme rainfall events
- 5 of our 12 regions will experience significant rises of 50 per cent or more in bushfire hazards
- 2 of our 12 regions will experience significant rises of 50 per cent or more in extreme heat events.

These results are now being used in each business to guide further analysis of exposure and vulnerability at sites with material exposure to increased hazard prevalence. The insights will be used as inputs into our businesses' operational decisions and into their planning and risk processes.

Physical climate future hazards exposure

Climate Hazard	Exposure assessment
Extreme temperature	Sites in the Monsoonal North, Rangelands and Wet Tropics cluster all experience high exposure to days above 35°C with moderate (20-30 per cent) increases expected in the future. Sites in the Central Slopes and East Coast North clusters are expected to increase a moderate to high exposure.
Fire weather	Sites in the Rangelands and Monsoonal North clusters currently experience a high exposure to fire weather days and moderate to significant increases are expected in the future. A significant increase (>50 per cent) in fire weather days is expected for the Central Slopes cluster. Medium increases are predicted in some areas of the Southern and Southwestern flat lands .
Extreme rainfall/flooding	Significant increase in extreme rainfall is projected for the Monsoonal North, Rangelands, Murray Basin and Southern and Central Slopes (>30 per cent).
Cyclones/winds	Cyclone exposure in Monsoonal North, Wet Tropics, Rangelands and East Coast North clusters are predicted to become less frequent, however the frequency of severe cyclones is expected to double, resulting in more frequent destructive winds.

Source: Katestone *Climate Change Risk Screening – Coates and WesTrac*.

Waste & Water

Waste Baseline FY22

Type	Diverted From Disposal	Directed To Disposal	Total
Metal	2,805	–	2,805
Timber	2,589	646	3,235
Plastic	102	–	102
Cardboard	111	1	111
Co-mingle & general	193	4,487	4,681
Other non-hazardous	1,082	241	1,322
Total non-Hazardous	6,881	5,375	12,256
Septic	1,172	934	2,106
Tyres	82	–	82
Liquids	2,036	175	2,211
E-waste	58	5	62
Other hazardous	2,848	865	3,713
Total Hazardous	6,196	1,979	8,175
Total	13,077	7,353	20,431
Diverted %			64%



Coates Water Treatment System at tunnelling site – East Coast, Australia

Aspiration

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

FY22 was a foundational year for our operating businesses in terms of water and waste.

Following the identification in FY21 of water and waste as material ESG topics for focus by our businesses, significant effort has been spent over FY22 on establishing a comprehensive baseline of our waste and water footprint in each business and identifying the main levers we have to drive more sustainable outcomes.

WesTrac

At WesTrac, a comprehensive baselining of our operations across WA, NSW and the ACT has provided new insights into where our opportunities lie.

The baselining helped WesTrac achieve a comprehensive read on all waste across all waste types. In FY22, across both NSW and WA dealerships, WesTrac generated almost 13,500 tonnes of waste, of which 68 per cent was diverted from landfill and other forms of disposal. Baselining also included waste audits at selected sites.

Related UNSDGs



Waste & Water continued



WesTrac helping our mining customers reduce water usage

In FY22 WesTrac introduced to the Australian mining industry the first fully autonomous water truck, the Cat 789D.

Part of Caterpillar's broader set of products delivering an autonomous mine of the future, the 789D water cart applies MineStar technology to the task of dust minimisation. The application of autonomous technology allows a reduction in the amount of water required for this task by enabling greater discretion and granularity in the sections of road that are watered, and by avoiding re-watering.

While it is early days for this application, WesTrac is excited by the prospect of helping underpin our customers' success through continuous advances in the deployment of automation technology.



Cat 789D water truck

Further improvements in landfill diversion are planned over FY23. These include closer collaboration with waste service providers to improve separation of plastics and dry general waste, including the recycling of oil samples. Working with our suppliers, WesTrac will address the quantity and types of packaging we receive. The planned increase of use of balers for plastic across large operations will increase the quantity of soft plastics that can be recycled, and the recently-approved move from paper to digital delivery of courses through the WesTrac Institute will reduce paper usage by over 300,000 sheets per annum. Finally, WesTrac is embarking on a new education program across its business to re-energise focus on recycling.

WesTrac will also continue its program with local recycling not-for-profits. In Tomago our efforts see approximately 8,000 containers per annum being recycled, an estimated 174kg of waste diverted from landfill, and approximately 46,000 litres of water saved.

Coates

Like WesTrac, Coates' focus during FY22 has been on a comprehensive baselining of our operations across all Australian territories to inform our water and waste strategies.

Our water consumption efforts over FY22 involved detailed analysis of disparate data sources for all of our sites, and established that Coates' annual water consumption footprint is an estimated 69 megalitres. We have used this baseline to develop our long-term water roadmap, guiding the next steps in managing water usage. In FY23, the first focus will be on the water use associated with washbays at Coates branches.

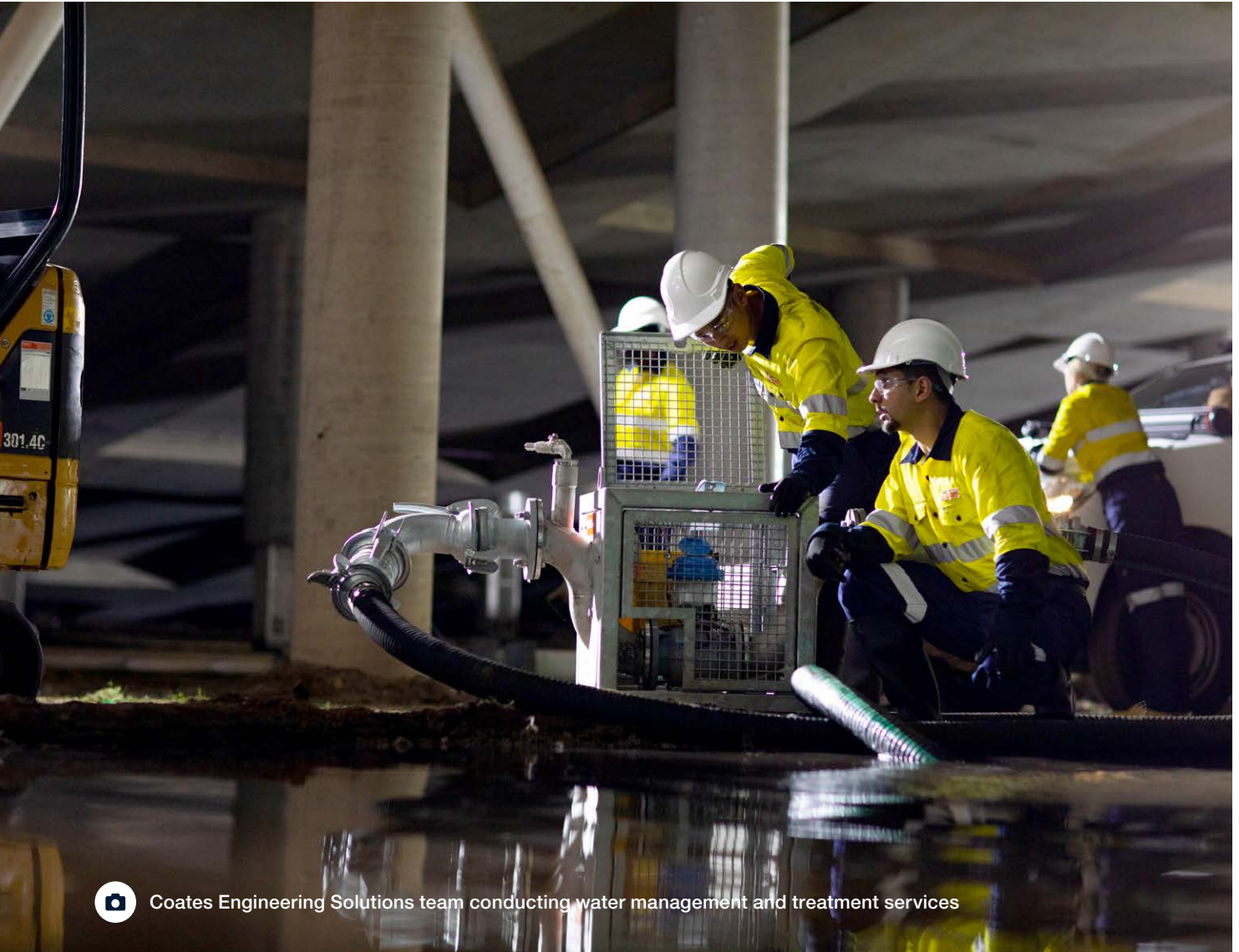
In addition to our own use of water, we also assist our customers manage their water usage and disposal. Our product specialists advise the right technique and pump choice for moving of water on a construction site, tunnelling project or remote mine site; and our water treatment offerings also allow customers to manage and discharge site water in a way that is safe for the environment and community.

A separate waste baselining initiative was also conducted over FY22. This involved working closely with our waste management providers to ensure a comprehensive waste and recycling footprint readout that captures both recurring waste streams and disposal of assets at end of life. Based on that work, we confirmed that we have lifted our percentage of waste diverted from landfill and other forms of disposal to 57 per cent by the end of FY22.

The baselining work is forming the basis for our long term waste roadmap that covers our branch network waste, asset disposals and e-waste.

In FY22 we also undertook waste audits across 19 of our largest waste generating sites. The audits identified a range of opportunities for improving bin allocation and scheduling, onsite segregation and signage among other initiatives that will form the basis of the branch network landfill waste reduction roadmap in FY23.

Waste & Water continued



Coates Engineering Solutions team conducting water management and treatment services

For Coates asset disposals, we have programs in place to actively identify potential new owners around the globe who may be able to find an ongoing use for our end-of-life equipment. In FY22 we were able to extend the life of assets through on-sale to new owners in 43 per cent of cases. The remaining 57 per cent of disposed assets were able to be used for scrap or recycling. This includes innovative re-processing such as our Armorzone barriers, which are now processed into granules and refined, before being sold back to the original plastic manufacturer to create new products, including barriers, in a circular production system.

In FY22 we also enhanced our focus on recycling of e-waste. The Coates IT team actively manages e-waste for all IT assets such as electronic devices, TV's, computer screens, computers, mobile phones, and our office appliances and air conditioners are tracked and decommissioned at their end of life.

All items are recycled through our network and infrastructure partners who are certified recyclers, and used toner and ink cartridges are re-filled and re-used. With an ambition to become paperless, Coates IT introduced digital Equipment Incident Reports for our Asset Services team in FY22, and in FY23 will introduce Docusign, a digital tool for obtaining signatures for contracts and agreements.

In FY23, Coates will finalise the roadmap for landfill waste reduction for our branch network. This will form the basis for the Coates National Recycling Program, which is expected to include 2026 and 2030 landfill diversion targets.

Materials



Coates' Greener Choices Catalogue

Aspiration

To be a leading Australian corporate contributor to the circular economy

SGH's operating businesses play key roles in the circular economy, helping our customers and the Australian economy reduce overall materials usage.

Coates

At Coates, we understand the leadership role we can play in promoting circular economy practices due to the inherently circular nature of our equipment hire and business solutions model.

In FY22 Coates used this understanding to develop and formalise a 'Circular Systems' program to drive opportunities to reduce materials and improve efficiencies across the lifecycle of our products. The program includes several initiatives that continue to place Coates at the forefront of this work in Australia.

We also developed Circular Systems Plans for all major equipment categories, including targets for purchasing of 'Greener Choices' equipment across each product category.

Sustainability attribute information has now been established and is requested for all new products, including the percentage of recycled materials and the proportion of the product that can be recycled at end of life, among a range of other indicators of efficiency and sustainability performance.

Related UNSDG



Materials continued

We are also engaging with original equipment manufacturers to understand their current priority areas, initiatives, and equipment benefits, and to encourage continuous improvement.

Together with our Greener Choices program (see the Emissions chapter of this report), our Circular Systems program represents Coates' focus on understanding and influencing sustainability in design and manufacturing.

In FY23, we will continue to build on our Circular Systems programs across all phases of the product lifecycle, and to evolve our Greener Choices range of equipment and solutions.

WesTrac

Like Coates, WesTrac's business contains a core that lies at the heart of the circular economy: the bulk of our operations workforce is devoted to the reclamation and rebuilding of parts, components and machines that would otherwise be regarded as having come to end of life. We have 'rebuild' teams in multiple workshops across the country who specialise in taking fully used equipment and rebuilding each component such that it is in an 'as new' state.

During FY22, our rebuild teams undertook more work than ever before, with the number of full machine rebuilds doubling to over 200 and the number of component rebuilds increasing to 9,500. In addition, we sold 69,000 pieces of equipment that had been rebuilt by Caterpillar.

We also look for opportunities to utilise automation and robotics to facilitate our rebuild activities. The use of robotic systems for High Velocity Oxygen Fuel (HVOF), laser welding robotic systems and Metal Arc Spray all enable the reuse of components that have reached a full life cycle, while at the same time improving quality and safety.

Beyond component and equipment rebuild, we are also working across our operations to remove and reduce the amount of packaging in our business. A recent packaging tender included requirements from the successful tenderer to meet a range of ESG outcomes. Separately, WesTrac is working with Caterpillar on a circular economy initiative to reduce the volume and change the types of packing that are used when sending products to our dealerships. With Caterpillar being our largest supplier, this change has the potential to substantially reduce the volume of waste materials sent to both recycling and to landfill.

Q WesTrac's Rebuilds business

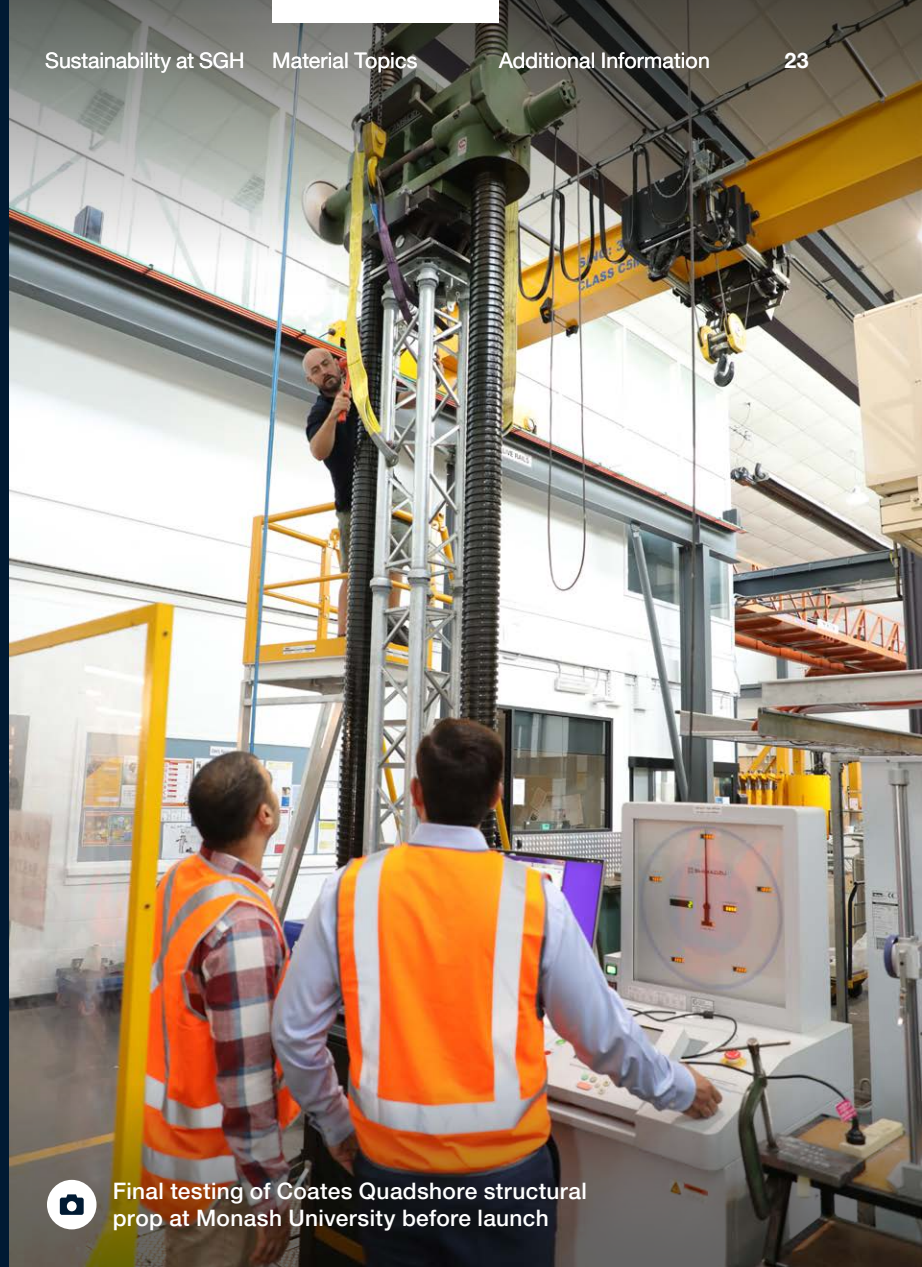


When Busselton City Council found its Cat 826G Landfill Compactor showing signs of wear and tear, WesTrac assisted the Council to lay out an option to rebuild.

Following a cost analysis, the decision was made to commission WesTrac to rebuild the machine instead of buying new.

WesTrac's Bunbury team carried out the rebuild. After 1,587 hours over 138 days, the Busselton City Council's 826G was transformed into an as-new machine. The rebuild included a full operating system update as well as the addition of Cat Product Link™ hardware that wirelessly connects the compactor to WesTrac's network.

Technology & Innovation



Final testing of Coates Quadshore structural prop at Monash University before launch

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

Technology and innovation remain key to the success of our businesses, our customers' businesses and the Australian economy. SGH continues to equip our businesses with the know-how, capital and incentives to continuously search for ways to adopt and leverage new technology.

Coates

During FY22, Coates continued to work closely with our customers to understand their needs, and partnered with research institutions such as Monash University, the University of Queensland, and University of Technology Sydney to design and deliver on those needs.

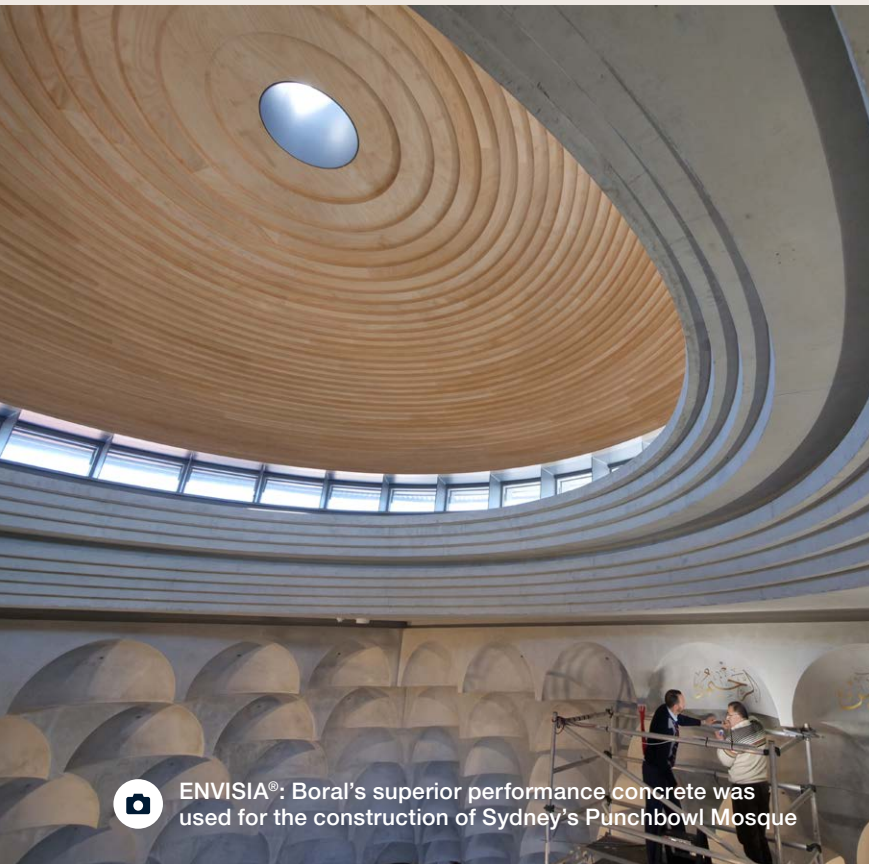
The first completed solution to reach the market from Coates' \$1 million research partnership with Monash University is the Quadshore 50 and 150 lightweight structural prop systems. Launching through FY23, these systems are the world's lightest heavy duty structural support systems for temporary works in the construction sector, with capacity of up to 150 tonnes. Tilt props and shoring boxes are also planned for market launch in FY23.

Related UNSDGs



Technology & Innovation continued

Q Boral Leading innovation in low carbon concrete



ENVISIA®: Boral's superior performance concrete was used for the construction of Sydney's Punchbowl Mosque

Boral has an in-house centre of excellence responsible for developing advanced cement and concrete solutions for our customers.

As a key element of achieving Boral's decarbonisation ambitions, and assisting our customers to achieve theirs, we placed an early and high prioritisation on innovating in low carbon concrete.

The result of that push is a suite of low carbon concrete products – ENVISIA®, Envirocrete® Plus, and Envirocrete® – which in FY22 represented 7 per cent of Boral sales volumes, up from 3 per cent in FY21. These products also help customers lower emissions and achieve certifications under Australian sustainable design and building standards.

Boral now has plans to grow this range over the next few years to the point where our standard offering is lower carbon concrete. We have commenced a major expansion of the availability of the range, so that it is now able to be purchased in most States, capital cities, and major regional centres.

We are also looking to continue to innovate in low carbon concrete. Our partnership with the University of Technology Sydney is developing the next generation of lower carbon concretes via the Innovative Manufacturing Cooperative Research Centre. We are also accelerating our research into the new binders that will be required as traditional supplementary cementitious materials become less available.

Coates is also innovating in hydraulic shoring – achieving multifaceted lifecycle benefits and significant reductions in greenhouse gas emissions associated with both materials and transport. These systems provide performance above and beyond traditional steel systems by pre-loading the shoring, which is more efficient at resisting load and deflection, and reduces the steel quantity required. Our hydraulics are water based, reducing hydrocarbon consumption and eliminating risk of oil leaks/spills.

Another element of Coates' technology agenda is the roll out of Internet of Things (IoT) technology across our fleet. As well as ensuring every new piece of equipment procured is IoT enabled, we have also embarked on a retrofit program for a significant proportion of our existing fleet using a bespoke IoT device developed locally in partnership with a Tasmanian company. To date, over 13,000 assets have been retrofitted with these unique telemetry devices.

As we drive our business further into providing overall solutions for our customers, technology will be key. In our growing Industrial Solutions business, which assists our large manufacturing and mining customers during on site maintenance shuts, we trialled in FY22 the use of drones as a method to help assess hazardous and hard-to-reach areas on sites. As well as eliminating the need for costly, risky and labour-intensive physical inspections, an intuitive online platform enables customers to view and use high-resolution imagery and 3D models of their assets.

Looking forward, we will be continuing our partnerships with Monash University, the University of Queensland, and the University of Technology Sydney over FY23. Our IoT retrofit rollout will continue, with the aim of reaching almost 17,500 assets by the end of FY23. We will also be developing use cases for IoT technology to potentially support estimation of energy consumption and emissions generation by Coates hired plant and equipment.

Technology & Innovation continued

WesTrac

In FY22 WesTrac continued to bring the latest Cat technology innovations to the Australian construction and resource sectors.

Building on the current fleet of over 350 Cat operational autonomous haulage trucks that are already operating in WA, the fleet of remote-operated Cat dozers in WA mines will grow beyond 10 in 2022. WesTrac is supporting the forecast growth of remote operated machines by committing to a material expansion of our Technology Training Centre in Collie.

FY22 also saw WesTrac deploy the world's first fully autonomous water cart at Rio Tinto's Gudai-Darri mine in the Pilbara. Two of these Cat machines are working in conjunction with the autonomous haul truck fleet at Gudai Darri and helping Rio Tinto continue their advancements in safety, efficiency, productivity and sustainability.

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

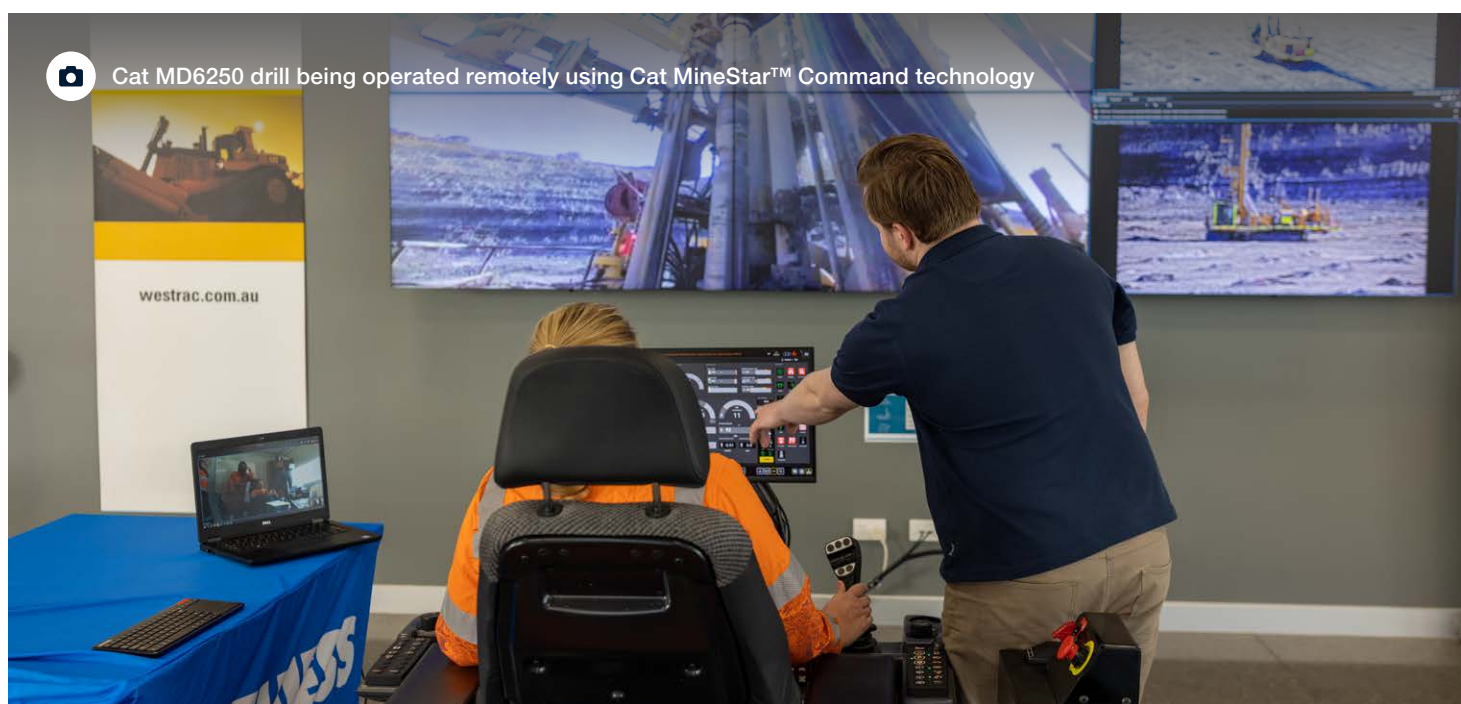
In the NSW resources sector in FY22, we expanded trials with one of our customers of Cat semi-autonomous drilling technology and also deployed Cat remote control dozing systems. Both of these technologies allows our customers to increase the productivity and utilisation of their machines whilst providing a safer, more sustainable environment for their operators.

In the construction sector, a material and growing proportion of the new equipment we supply has market leading 3D and 2D E-fence as standard. These technologies allow worksites to exclude personnel from the working footprint of machines and limits machine to a predefined areas, providing a safer and more productive worksite.

In addition to helping bring Caterpillar innovations to the Australian market, WesTrac continues to innovate within our own business. In FY22 a pilot exercise was undertaken to implement advanced digital analytics in one of our core operations workshops, creating a 'digital twin' of the industrial operations and utilising that twin to generate alerts and recommendations. A complementary initiative developed and deployed an internally-generated methodology for tracking componentry in real-time through our workshops. Together, these initiatives can be deployed to improve time through workshop, and minimise labour downtime and parts holdings, creating better outcomes for our operations and those of our customers.

In FY22 WesTrac also further developed our digital offering for our customers. Our internally-developed 'FitFleet' portal offers a new range of self-service options for our customers that both reduce the time it takes to interact with WesTrac and also increases the flexibility our customers have to interact with us at a time of their own choosing.

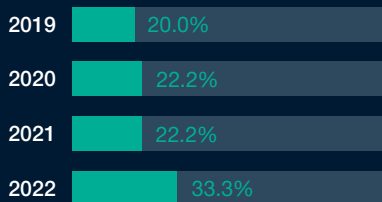
Looking forward to FY23, we intend to roll our FitFleet offering out beyond the current set of beta customers to all customers. We will also continue our use of digital innovation in operations as we expand the use of remote diagnosis and trouble shooting, and will explore and pilot the further application of robotics and automation, including in our fluid analysis laboratory.



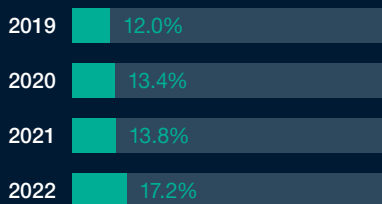
Diversity

Gender Diversity as Reported to the Workplace Gender Equality Agency

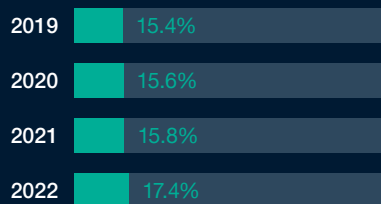
Board



Senior Managers/Managers



Whole Organisation



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



Coates' Access and Earthmoving branch at Moorebank, NSW



Aspiration

To ensure we have a diverse and inclusive workforce that increasingly reflects the communities in which we operate

SGH is committed to supporting open and inclusive workplaces that embrace and promote diversity and equal opportunity.

We are an equal opportunity employer and actively invest in programs to build capability and foster a positive and inclusive culture. SGH recognises a diverse workforce and inclusive culture are fundamental elements for providing diversity of thought and ideas that lead to improved business performance and sustain our competitive advantage.

Our businesses employ a range of initiatives and measures to progress our diversity ambitions, including practices encouraged by the Workplace Gender Equality Agency. Diversity improvement targets are embedded in the KPIs of all executives to reinforce the importance and focus on diversity across all businesses.

We have an active approach to recruitment which has resulted in increased female participation. We also continue to evolve our talent and succession planning processes to encourage and promote the inclusion of more women at all levels of the businesses, and particularly in operational roles. This process also provides greater understanding of talent across the Group and potential successors to key roles.

Related UNSDGs



Diversity continued

Our approach to diversity also increasingly focuses on improved Indigenous participation and other elements of diversity such as nationality, ethnicity, physical abilities, sexual orientation, body type, gender identity, generation/age, disability, socio-economic status, religious belief, parental status, professional and educational background as well as global and cultural experiences.

WesTrac

In FY22 our diversity efforts continued to gain momentum. The overall female participation for WesTrac reached 16.4 per cent in FY22, with a goal of 25 per cent female participation by 2025.

In FY22, our annual gender pay parity review process – which identifies, investigates and closes any pay gap in like for like roles – found that of the 69 WesTrac Common Law roles with both females and males working in them, four of 138 team members in those roles had a potential gender pay parity concern. These cases were rectified through the allocation of additional funds.

A number of new initiatives were launched in FY22. 'Women of WesTrac' champions outstanding females from different areas of our business across a full spectrum from experienced executives to young apprentices. This program is complemented by a new mentor program aimed at providing female employees at all levels with the opportunity for development and connection.

Additionally, a diversity and inclusion committee has been established to promote and champion diversity, equality and inclusion, with the aim to ensure an environment in which all people across all areas feel valued and respected. We have placed increased effort on further improving our recruiting practices, including a recruitment awareness initiative and a re-assessment of gender inclusivity in our recruitment advertising. Proudly, we have been a major sponsor of the Civil Contractors Federation's Women in Civil mentoring program since its inception.

Looking forward to FY23, WesTrac's focus will be on ensuring the initiatives now in place are delivering impact. We will continue to undertake targeted recruiting, including for our apprentice intake via partnerships with trade training companies and schools, and we will continue to trial and implement more inclusive work arrangements and facilities, with the aim of attaining our target of 25 per cent female participation by 2025.

Coates

In FY22 Coates launched our Leading Excellence And Performance (LEAP) initiative, aimed at empowering and developing emerging female leaders across our business. Two cohorts of 20 employees each have now completed the program, with highly positive feedback from participants and their managers. Eight of the 40 participants to date have secured promotions during FY22.



We also commenced the roll out of unconscious bias training with leadership teams. This is the first step on a broader journey to roll out such training further into our organisation, and will complement the work being undertaken as part of the Hire Road program aimed at embedding the Coates values and improving our workplace culture (see the chapter on Employment in this Report).

Coates also made advances during FY22 in introducing more flexible working practices into our business. This includes job share arrangements, piloting part-time work options in traditionally full-time roles, and greater flexibility with respect to working from home. A formal Coates Flexibility Policy has been launched to encourage and guide these developments.

There has been pleasing improvement in the increase in overall female participation in the Coates workforce and leaders. Significant work has been undertaken in recruitment over FY22 to address this, with initiatives such as requiring all leadership roles to have multiple genders in shortlists and on the interview panel.

We continue to actively monitor and manage our gender base pay gap. In December 2021, a regular review identified some emerging gaps that were addressed to ensure the gap was brought to zero. Our aim is for the gap to remain below 1 per cent at all times, and gap reviews will continue to occur to ensure this target is met.

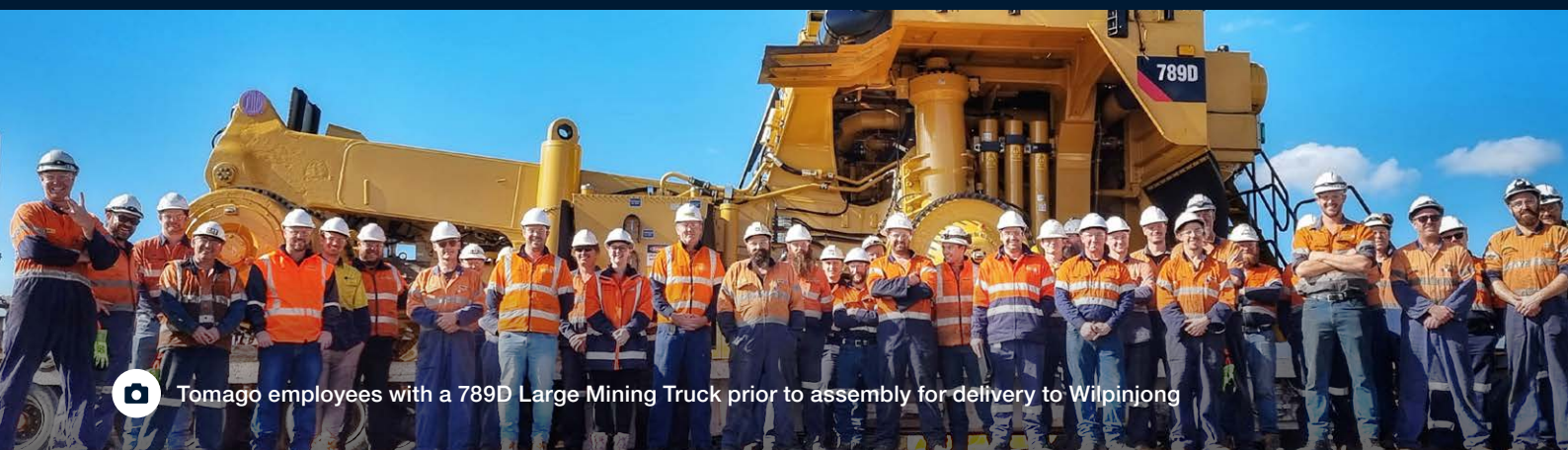
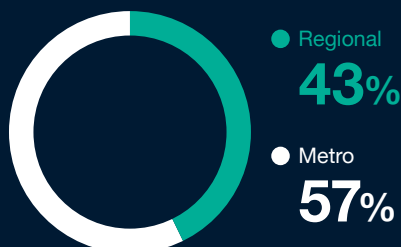
Looking forward, in FY23 Coates intends to further improve our steps in diversity through the formulation and adoption of a structured diversity and inclusiveness plan for the business. This plan will include the ongoing rollout of initiatives in place in FY22, such as the LEAP program, flexible working, and continued efforts in the attraction and retention of females, as well as further training in areas such as acceptable workplace behaviour and improvements to parental leave.

Employment

Total Employees FY18–FY22



Geographic Workforce Split



Tomago employees with a 789D Large Mining Truck prior to assembly for delivery to Wilpinjong

Aspiration

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

Coates and WesTrac employ a total of almost 5,900 people, operating across all States and territories in Australia, an increase of 17 per cent over the last four years.

Our workforce contains a vibrant mix of skills and capabilities, including tradespeople, salespersons, warehouse and logistics specialists, machine guidance and control technicians, drivers, accountants, IT professionals, safety professionals and human resources specialists. Full time employees represent the bulk of our team. We are a significant employer in regional Australia, with over 2,500 employees located outside the major capital cities.

Our people have the right to freedom of association and collective bargaining, and we maintain constructive relationships with multiple unions that participate in the sectors we operate in. Our SGH Employee Share Purchase Plan, launched in FY21, provides employees with the opportunity to share in the value that they help generate for shareholders.

SGH also provides flexible work practices to ensure employees can balance work with family, carer or other responsibilities.

Related UNSDG



Employment continued

Talent and succession planning processes are in place and continue to evolve, providing a greater understanding of talent across the Group and potential successors to key roles. A transparent performance management process ensures decisions are based on merit, performance, and talent.

WesTrac

WesTrac employs around 4,000 people across our WA and NSW/ACT dealerships, 1,785 of whom are employed outside of capital cities.

We are extremely proud of the improvements in engagement we have been able to achieve in both our NSW & WA dealerships over recent years. This comes from a concerted effort at building our culture, with a particular emphasis on safety, through a structured cultural change program 'Built By Us'. With 89 per cent of all team members having participated in the program, it has delivered significant improvements in both safety and engagement. 74 per cent of our team members are proud to tell others where they work.

Like many Australian businesses, WesTrac has experienced a tight market for labour in FY22. The launch of our 'Made for More' employment value proposition, with its emphasis on our strong culture and values, structured programs of training and development, and our commitment to delivering a diverse and inclusive work environment, has proved extremely valuable in attracting new talent and retaining existing team members.

Looking forward to FY23, we will look to further strengthen and utilise our employment value proposition. We will also be proactive in ensuring we are taking all possible steps to attract skilled overseas workers and hires from non-traditional backgrounds into our business.

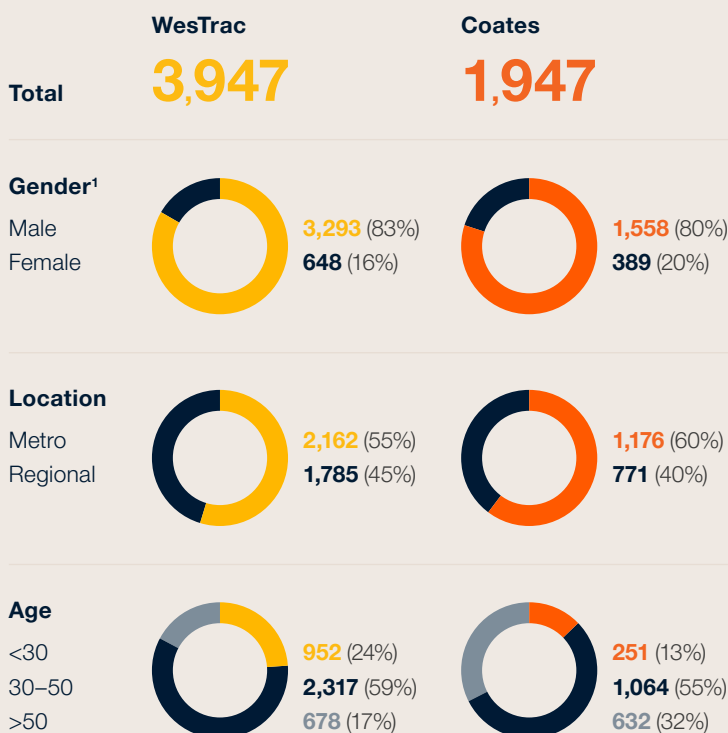
Coates

Coates employs around 2,000 employees across Australia with branches in every State and territory. We also engage a large number of contractors to assist transporting our equipment to and from our customers.

FY22 has seen our employees deal with a number of external challenges, with tight labour markets impacting staffing levels and ongoing issues and absences due to COVID. Yet our people have continued to respond positively, and pleasingly our engagement scores increased across Coates through the year.

FY22 saw the continuation of our Hire Road program focussing on cultural transformation, especially around customer focus. The innovative and highly engaging program has a number of phases delivered in person off-site, aimed at bringing to life Coates' values and embedding them in how we operate to deliver for customers, employees and the business as a whole. Formal and informal follow-up activities are used to ensure the learnings go beyond the off-site sessions.

Employee totals by gender, age and location



1. WesTrac includes six employees who identify as Other.

We aim to complete the Hire Road program by mid-FY23, by which time all leaders and frontline employees will have participated.

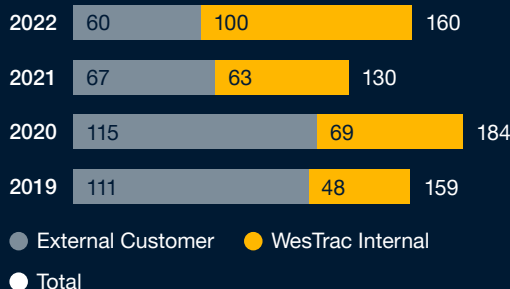
We were pleased during FY22 to reach agreement with our ~800 employees who are covered by the Coates National Agreement a three-year agreement with associated pay increases. This was approved by the Fair Work Commission in February 2022 and implemented accordingly.

In FY22 a significant amount of work was undertaken to update and refresh a large number of Coates' people policies in order to provide clear guidance on key topics and processes and promote positive workplace practices in line with Coates values. This included a full refresh of our Code of Conduct and introduction of a Human Rights Statement.

In FY23 we will focus on a range of activities to continue to strengthen employee engagement, attraction and retention in anticipation of continued tough labour market conditions. In particular, work will be done to finalise and promote an updated Employee Value Proposition, to define an improved benefits program, to review our remuneration frameworks, and to review the Coates operating model with an aim to improve customer and employee experience.

Training

WesTrac's Enrolments into Apprenticeship program per year 2019–2022



Note: Auto Electrician & Plant Mechanical Apprenticeships only



Post-Trade Technical Trainer delivering training to team members and customers

Aspiration
To engage,
educate, develop
and inspire
our people

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

We strive to provide an environment in which our people can develop the requisite skills and leadership capabilities to deliver value to our customers and our stakeholders.

We have a particular focus on programs such as training, apprenticeships, and trade upgrades to ensure we have access to the skilled labour we need. Both Coates and WesTrac are Registered Training Organisations (RTOs).

Coates

Coates invested \$3.5m in employee training in FY22. As a Registered Training Organisation, we deliver training not only for our employees, but also our customers and members of the public, with 3,305 units of competency, 581 verifications of competency and 1,404 training certificates issued in FY22.

Beyond traditional training in our RTO, Coates also built and delivered new training programs across our business in FY22. This included a comprehensive program of training for our sales team, with 168 sales team members receiving training ranging from Sales Development Coaching to Consultative and Strategic Selling.

**Related
UNSDG**



Training continued

In addition, 1,078 people participated in product-related training across the sales and operational teams, and 220 operational staff received Original Equipment Manufacturing training. These training programs help our team enhance capabilities to deliver their roles and to achieve organisational goals.

In FY22 we also instituted, for the first time in the SGH Group, modules in Sustainability training. This training was offered to all staff on a voluntary basis, and we saw close to 100 employees taking up the offering.

Looking forward into FY23, we will roll out a comprehensive training program for our branch managers. This training will be delivered to over 150 branch managers and provide enhanced skills in safety, finance and people leadership. We will also launch additional modules for our Sustainability training programs and look to develop training and career pathways for front line roles such as mechanics and Sales Co-ordinators. Our training facilities will also be upgraded.

Also in FY23, we are looking to establish partnerships with First Nations businesses and to increase delivery of government funded training for First Nations people above the 173 through the RTO in FY22.

WesTrac

WesTrac invested \$6.4 million in training our employees in FY22. In this we are guided by our People Capability framework, which translates the workforce capabilities required by our business plans and customer needs into a structured workforce plan.

Our accredited Apprenticeship Program remains highly regarded and receives on average more than 2,000 applications each year for about 50 new placements. There are 170 internal WesTrac apprentices and 245 external customer apprentices currently in training in Western Australia, and 85 internal WesTrac apprentices and 22 external customer apprentices training in NSW. We also work with partners such as State Training to identify opportunities to take on displaced apprentices and give them the opportunity to continue their training and career progression in their chosen field.

For existing employees, we continue to offer a comprehensive set of trade upgrade and dual trade programs.

FY22 also saw the successful launch of WesTrac's new Learning Management System. This system provides enhanced ability for our team members to plan their career pathways, as well as the flexibility for them to undertake self-paced and self-directed learning.

Our Collie Technology Training Centre, launched in FY21 to provide autonomy training to the Australian resource sector and the first of its kind outside the USA, continued from strength to strength during FY22 with 136 trainees progressing through the Centre.

Looking forward to FY23, we are planning to develop new training programs, including on electrification and the technician of the future, which will lead to the creation of new roles. We also expect to deliver a wider range of Cat accredited training courses that are currently only accessible outside of territory, following our accreditation to provide the Cat Technician Career Development Program.



Coates' 'LEAP' training program: making a difference for womens' careers

"LEAP has taught me that I have to adapt and grow as I progress at Coates in order to become the leader I want to be. It has made me realise that to be a good leader and role model, I need to break down the barriers I hide behind and speak up to be heard."



Melissa Crofts, Product Specialist in Western Australia

Coates' Leadership, Excellence and Performance (LEAP) Program is designed to identify and develop high performing future female leaders at Coates. The eight-month development program was launched in February 2021 and has supported over 40 females to focus on their development in roles ranging from Sales Coordinators, Assistant Branch Managers, Account Managers, Engineers, Mechanics and many more.

Participants have credited the program for building their self-awareness and identifying habits that may be holding them back, challenging them to lift out of the every day and think more strategically, strengthening their business acumen and becoming more confident to put themselves forward for new challenges. Pleasingly, a number of participants have applied for and been successful for promotions in Coates over the last 18 months.

Indigenous Inclusion



Recognising Naidoc Week with a traditional smoking ceremony conducted by the Worimi Aboriginal Land Council at Tomago Facility

Aspiration

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

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

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

Coates

Coates is proud to be on the path to reconciliation and are committed to working to help close the gap. Following the launch of our “Reflect” Reconciliation Action Plan (RAP) in FY21, all of the actions in that plan were completed in FY22.

By implementing our second RAP “Innovate” in FY22 and working with Indigenous-owned companies, chambers of commerce and not-for-profit organisations, we are turning good intentions into measurable actions. Our First Nation supplier pool doubled in size in FY22, and our spend in that pool rose 120 per cent to reach \$3.2m.

Indigenous Inclusion *continued*



Coates Helps bring unique vision of 'Yarning Circle' to life



Adam Spink – Coates National Partnership Manager demonstrates the safe function of Coates equipment to Indigenous students at Cecil Andres College in Perth, WA

Through our relationship with the Clontarf Foundation (see below), during FY22 Coates helped the Cecil Andrews College upgrade its Yarning Circle for Aboriginal and Torres Strait Island students at the school.

The creation of the Yarning Circle – a safe space for students to congregate and share stories – was the vision of Wayne Ninnette, the College's Aboriginal Islander Education Officer. Wayne saw a need for students to find a place to speak freely, share experiences and to build relationships with other students and staff. Coates and BMD provided materials, personnel and equipment required to help create the space for the school.

"I've been really impressed that Coates have come to the party with this project; for them to contribute to the community that they work in strengthens that relationship and builds community," said Nathan Morton, School Principal, Cecil Andrews College. "I can't thank Coates enough for what they've delivered today and what they've done for this project. This provides a space for all of our students to come together, experience culture and feel a sense of belonging."

Our partnership with the Clontarf Foundation supports 137 Clontarf Academies located where we co-exist. With more than 10,000 students enrolled, the Clontarf program is designed to improve the education, discipline, life skills, self-esteem and employment opportunities of young Aboriginal and Torres Strait Islander men. Coates hosts visits to Coates work sites and provides opportunities such as work experience, career pathways and apprenticeships. In FY22, we provided employment to seven Clontarf graduates.

Across Australia, Coates also participated in over 20 Clontarf Academy visits, 10 work site visits and morning training sessions, 20 Clontarf Awards nights, 15 carnivals and major events, and four Clontarf employment forums.

Alongside our actions to create a more diverse and inclusive workplace culture, the cumulative impact of these steps has seen the number of Coates employees who identify as First Nations increase from 20 to 34 during FY22.

Looking forward to FY23, under our Innovate RAP we will be taking further actions to strengthen our relationships with Aboriginal and Torres Strait Islander communities and will be piloting innovative strategies to empower Aboriginal and Torres Strait Islander peoples. We will also commence delivery of a formal cultural awareness training for our employees. Additionally, we will establish social procurement protocols and processes and establish a set of Indigenous preferred providers.

WesTrac

Following a strong history of supporting and working closely with local Indigenous organisations, FY22 was a foundation year for WesTrac as we formalised our approach to Indigenous issues with the development and approval of a "Reflect" Reconciliation Action Plan (RAP).

Our support of specific programs continued through FY22. This includes the Carey Bindjareb program, which provides industry training for Aboriginal and Torres Strait Islanders engaged in the criminal justice system, and Olabud Doogethu, which provides training for Indigenous Halls Creek locals to operate Cat equipment. Both programs aim to help provide locals with employment and career opportunities.

WesTrac has also provided in FY22 sponsorship to Deadly Science, a program that provides STEM learning support resources to local Indigenous communities in which we work in NSW.

FY23 will see WesTrac work to deliver our "Reflect" RAP actions. This will include scoping the development of an Indigenous employment strategy and an increased focus on cultural awareness activities. We also aim to partner with Deadly Science to develop STEM based career pathways for Indigenous students.

Local Communities



Coates South BU team helping Foodbank in Victoria

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

Coates and WesTrac operate and serve our customers in remote and regional areas across Australia. Wherever we operate in local communities, our teams aim to be actively involved in those communities. As an organisation, SGH's commitment to making a positive contribution to all these communities is resolute, and we have a proud history of providing assistance and support to communities across Australia, particularly in times of need.

Coates

In FY22 Coates formalised our approach to supporting local communities with the launch of the Coates Foundation.

The aims in establishing the foundation are to enhance our social license to operate, to provide a structured approach to our philanthropic work and how we give back to the communities in which we operate, and to build engagement and social conscience through community involvement and employee giving.

An example from our South business unit is a team of Coates volunteers who spent a day working with their local charity of choice, Foodbank. Foodbank is Australia's largest food relief organisation assisting charities, schools and individuals with essential meals and groceries.

Local Communities continued

Q WesTrac's Work with the Motivation Foundation



 Southwest Collie Graduating Class of 2021

WesTrac's long-term partnership with Motivation Foundation supports it to help young West Australians from diverse and disadvantaged backgrounds through providing education, developing employability, and linking graduates with industry partners. The Motivation Foundation runs practical on-site training programs at their West Swan location in the Perth metro area, and at WesTrac's Collie facility in WA's southwest as part of the Southwest Collie Civil and Mining Academy pathway. Providing the students at Collie with a dedicated operating area adjacent the WesTrac Training Centre, with unparalleled access to Cat construction and earthmoving equipment, ensures students are well versed in real-world operations.

The first year of WesTrac's partnership last year saw 28 trainees from the six-month long program in Collie graduate and obtain either or both of a Certificate II in Civil Construction and a Certificate II in Resources and Infrastructure Preparation. Currently, there are another 27 trainees enrolled at Collie who are on track to graduate this year, with an additional mid-year intake to commence in July. Within three to six months of graduating, Motivation Foundation finds employment opportunities at a 90 per cent success rate, bridging the gap between education and industry partners.

The Coates team packed a record-breaking total of 33,246 meals, which were distributed to over 450 charities across Victoria.

Under the Coates Foundation guidelines and structure, we established three new charity partners over FY22: Mission Australia, Humpty Dumpty Foundation and TIACS. Together, these charities reflect our nominated aims of supporting women, men, children and families in our communities, as well as mental health.

The employee giving component of the Coates Foundation saw an increase in the giving and volunteering undertaken by our team members. Apart from assistance to our three main charity partners, our team members were also able to provide assistance to Victoria Foodbank, Seven Telethon and the Balmoral Burn. Altogether, we invested more than \$450,000 in local community activity, employee giving initiatives, and charity partnerships through the Coates Foundation in FY22.

FY22 saw horrific flooding across the east coast of Australia. As with the FY20 bushfires, Coates was able to mobilise equipment, people and resources to assist people and communities in need. In the Lismore floods, Coates erected within 48 hours a 500-bed camp for the Royal Fire Service team, including bathrooms, laundries and toilets to support the recovery process. Separately, we also supported Covid-impacted Indigenous communities in Wilcannia and Bourke with the establishment of isolation camps to help stop virus spread.

Looking forward to FY23, Coates will concentrate on further extending the efforts and investments we are making through the Coates Foundation. Separately, we will take steps to monitor and measure the social impact of our initiatives, to allow us to continuously improve. We also aim to continue and bolster our role as a trusted partner in disaster management.

Local Communities continued

WesTrac

In FY22 WesTrac continued to play a constructive role in the communities we operate in. This is achieved via a strategic donation and sponsorship portfolio that has been designed to benefit our team members, local communities, and customers.

Considering our proud presence in the NSW Hunter region, WesTrac provides significant sponsorship initiatives within that community. In FY22, sponsorship in the Hunter spanned the Lifeline Hunter Emerald Ball in support of lifechanging local services, the Civil Contractors Federation's Women in Civil Program, regional charity events, and junior sporting clubs.

In Western Australia, we continued our involvement with the Motivation Foundation in the Collie local community (see box). We remain the official sponsor for the hallmark MACA Cancer 200 ride for research, hosting the 'WesTrac Welcome Back' end of trip celebrations at the Camfield.

Last year, the WesTrac Team raised more than \$137,000 in vital funds towards cancer research at the Harry Perkins Institute of Medical Research.

Looking to the future, WesTrac is working towards strengthening its school-to-career pathways with local Indigenous communities. Now in its second stage, our NSW dealership's partnership with Deadly Science Pathways is helping to develop strong STEM-based career opportunities for Indigenous students.

In WA, our team will continue to provide pathways and placements for participants of the Carey Bindjareb Program. Through this partnership, we have connected more broadly across the Department of Justice – including at Bandyup and Boronia Women's Prisons – by presenting information on the career opportunities available at WesTrac.

WesTrac frequently assesses new opportunities for community engagement and always welcomes the opportunity to work proactively with key local community stakeholders.

Q Seven's telethon



Channel 7 newsreaders Susannah Carr (L) and Rick Ardan (R) with Oliver Lim, a 2021 WA Little Telethon Star

The Channel 7 Telethon Trust had a record breaking year in 2021, adding to the \$457 million that it has raised over the five decades of its existence.

Despite the impact of COVID-19, Telethon was able to raise \$62 million, \$16 million more than the previous year. This result shows Seven West Media's commitment to supporting organisations that care for the health and wellbeing of children and young people. The funds raised provided certainty to charities and not-for-profit groups that were impacted by COVID-19 and the subsequent economic uncertainty, rising cost of living, and forced cancellation of many fundraising events in Western Australia.

The outcome of the 2021 Telethon fundraiser had real, meaningful impacts. Lifeline was able to establish a new digital one-on-one service to fill the 11:00pm to 4:00am gap, and its supporters have since had more than 5,000 text conversations or online chats since this launch. Additionally, the Fiona Wood Foundation used raised funds to implement high-tech scar treatment assessment as well as an information campaign to help burns patients cope with their trauma.

The record amount of funds raised in 2021 has ensured that Telethon this year can support an unprecedented number of causes. Telethon will be supporting a record breaking 97 organisations, charities, and good causes in 2022. As chairman Richard Goyder noted, this translates into nearly 50 percent more beneficiaries and children's charities receiving vital financial support in 2022, and more than 200 different grants being funded.

Assurance Statement

INDEPENDENT ASSURANCE STATEMENT

To: The Stakeholders of Seven Group Holdings



Introduction and Objectives of Work

Bureau Veritas Australia Pty Ltd ("Bureau Veritas") was engaged by Seven Group Holdings ("SGH") to undertake a limited assurance engagement on selected sustainability metrics presented in the 2022 SGH Sustainability Report ("the Report"). This Assurance Statement applies to the related information included within the scope of assurance described below.

Scope of Limited Assurance

The scope of assurance was limited to the information and data related to Coates Group Holdings Pty Ltd ("Coates") and WesTrac Pty Ltd ("WesTrac") for the period of 1st July 2021 to 30th June 2022.

The complete list of assured disclosures and associated reporting criteria is referred to within the table below.

Sustainability Metrics Subject to Limited Assurance	Reporting Criteria
Work-Related Injuries	GRI 403-9 a. i. iii. Iv. v. (2018)
Ratio of Basic Salary and Remuneration of Women to Men	GRI 405-2 (2016)
New Employee Hires and Employee Turnover	GRI 401-1 (2016)
Energy Consumption within the Organisation	GRI 302-1 e. (2016) and the <i>National Greenhouse and Energy Reporting Act 2007</i>
Direct (Scope 1) GHG Emissions	GRI 305-1 a. (2016) and the <i>National Greenhouse and Energy Reporting Act 2007</i>
Energy Indirect (Scope 2) GHG Emissions	GRI 305-2 a. (2016) and the <i>National Greenhouse and Energy Reporting Act 2007</i>
Waste Generated and Waste Diverted from Disposal	GRI 306-3 (2020) and GRI 306-4 a. (2020)
Water Withdrawal	GRI 303-3 a. (2018)

Our assurance engagement does not extend to any other information included in the Report or information in respect of earlier periods.

Limited Assurance Conclusion

On the basis of our procedures as described under "Methodology" and the evidence we have obtained, we provide limited assurance that nothing has come to our attention:

- To indicate that the statements reviewed within the scope of our assurance engagement are inaccurate and the information included therein is not fairly stated.
- That causes us to believe that the information, within the scope of our assurance engagement, is not prepared, in all material respects, in accordance with the criteria indicated under "Scope of Limited Assurance".

It is our opinion that SGH has established systems for the collection, aggregation and analysis of relevant information and quantitative data.

SGH's Responsibilities

Management of SGH was responsible for:

- Selecting and establishing suitable criteria for preparing the Report and information subject to our limited assurance;
- Preparing the information in accordance with the criteria; and
- Designing, implementing and maintaining internal controls over information relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

Bureau Veritas was responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the information included within the scope of assurance is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Directors of SGH.

Bureau Veritas was not involved in the drafting of the Report and our independence has not been compromised.



Assurance Statement continued

INDEPENDENT ASSURANCE STATEMENT**Methodology**

Our limited assurance engagement was performed in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board, and informed by Bureau Veritas' standard procedures and guidelines for external verification and assurance of Sustainability Report.

Our work was planned and executed in a manner designed to produce a limited level of assurance and to provide a sound basis for our conclusions. We undertook the following activities:

- Review of the suitability of the criteria used as the basis for preparing the information subject to assurance;
- Interviews and follow-up communication with relevant individuals;
- Review of documentary evidence produced by SGH representatives;
- Audit of performance data and factual information including source verification; and
- Review of SGH's processes for identification, aggregation and analysis of relevant information, report content and performance data.

Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined reporting period;
- Statements of commitment to, or intention to undertake future actions by SGH;
- Statements of position, opinion, belief and/or aspiration by SGH;
- Financial data audited by an external third party; and
- Other sites and/or activities not included in the scope.

This independent assurance statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

Statement of Independence, Impartiality and Competence

Bureau Veritas is a global leader in Testing, Inspection and Certification ("TIC") services. The Group's mission is to reduce its clients' risks, improve their performance and help them innovate to meet the challenges of quality, health, safety, hygiene, environmental protection and social responsibility. Leveraging its renowned expertise, as well as its impartiality, integrity and independence, Bureau Veritas has helped build trust between companies, public authorities and consumers for more than 190 years.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among its personnel in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with SGH, its Directors or Managers beyond that required of this assignment. We have conducted this assurance engagement independently and there has been no conflict of interest.

The assurance team was selected based on its extensive Industry Sector knowledge and experience in conducting independent verification, validation and assurance of Environmental Social and Governance (ESG) information and associated systems and processes.

Jeremy Leu

General Manager – Certification and Sustainability Pacific

15th August 2022

Bureau Veritas Australia Pty Ltd



Data Tables

Work-Related Injuries

Coates

	FY21	FY22
Workers covered by OHS management system ¹	100% of 1,974 employees	100% of 1,947 employees [†]
Lost time injuries	8	15 [†]
Lost time injury frequency rate ²	1.70	2.82 [†]
Recordable injuries ³	38	46 [†]
Recordable injuries frequency rate ²	8.05	8.64 [†]
Fatalities	0	0 [†]
Cases of work-related ill health ⁴	93	99
Exposure hours	4,719,431	5,325,313 [†]

Note: these measures align to GRI 403-9 a) i, iii, iv, v (2018). Coates intends to collect further contractor-specific data with the intention of reporting in future in line with GRI403-9 b.

- OHS management system covers all employees as identified in the table above as well as all contractors that supplement the workforce on company locations under direct supervision.
- Rates have been calculated based on 1,000,000 hours worked. Rates include both employees and contractors.
- The main types of recordable work-related injury are: body stressing, falls, trips, slips and hitting objects with a part of body.
- Workers compensation claims lodged during the period.

† Bureau Veritas–assured metric.

WesTrac

	FY21	FY22
Workers covered by OHS management system ¹	100% of 3,760 employees	100% of 3,947 employees [†]
Lost time injuries	2	1 [†]
Lost time injury frequency rate ²	0.20	0.10 [†]
Recordable injuries ³	48	67 [†]
Recordable injuries frequency rate ²	4.80	6.97 [†]
Fatalities		0 [†]
Cases of work-related ill health ⁴	163	198
Exposure hours	9,990,102	9,616,577 [†]

Note: these measures align to GRI 403-9 a) i, iii, iv, v (2018). WesTrac intends to collect further contractor-specific data with the intention of reporting future in line with GRI403-9 b.

- OHS management system covers all employees as identified in the table above as well as all contractors that supplement the workforce on company locations under direct supervision.
- Rates have been calculated based on 1,000,000 hours worked. Rates include both employees and contractors.
- The main types of recordable work-related injury are: hand and finger lacerations; soft tissue injuries (primarily back).
- Workers' compensation claims lodged during the period.

† Bureau Veritas–assured metric.

Data Tables continued

Diversity

Coates

	FY21	FY22
Ratio of basic salary and remuneration of women to men	Basic salary 97.1% Remuneration 84.6%	Basic salary 100.7% [†] Remuneration 89.2% [†]
Ratio for managers ¹	Basic salary 111.5% Remuneration 107.5%	Basic salary 101.3% [†] Remuneration 107.3% [†]
Ratio for non-managers	Basic salary 101.4% Remuneration 84.9%	Basic salary 103.5% [†] Remuneration 83.8% [†]
Ratio for metro ²	Basic salary 95.2% Remuneration 86.2%	Basic salary 98.6% [†] Remuneration 93.5% [†]
Ratio for regional	Basic salary 94.5% Remuneration 79.4%	Basic salary 97.5% [†] Remuneration 79.0% [†]
Percentage of workforce who are women	18.3%	20.0%
% for managers	10.5%	10.5%
% for non-managers	19.9%	21.5%

Note: these measures align to GRI 405-2 (2016).

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

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

[†] Bureau Veritas–assured metric.

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

WesTrac

	FY21	FY22
Ratio of basic salary and remuneration of women to men	Basic salary 87.9% Remuneration 71.3%	Basic salary 90.9% [†] Remuneration 71.0% [†]
Ratio for managers ¹	Basic salary 95.9% Remuneration 85.3%	Basic salary 90.4% [†] Remuneration 81.8% [†]
Ratio for non-managers	Basic salary 85.7% Remuneration 69.1%	Basic salary 88.5% [†] Remuneration 68.0% [†]
Ratio for metro ²	Basic salary 89.5% Remuneration 76.8%	Basic salary 91.8% [†] Remuneration 75.9% [†]
Ratio for regional	Basic salary 74.5% Remuneration 58.7%	Basic salary 86.3% [†] Remuneration 65.7% [†]
Percentage of workforce who are women	14.6%	16.4%
% for managers	16.5%	18.1%
% for non-managers	14.4%	16.2%

Note: these measures align to GRI 405-2 (2016).

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

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

[†] Bureau Veritas–assured metric.

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

Data Tables continued

Employment

Coates

	FY21		FY22 [†]	
	New Employee Hires	Terminations ³	New Employee Hires	Terminations ³
Number	417	409	481	545
Rate ¹	21.2%	20.8%	24.8%	28.1%
Male – Number	301	311	337	411
Male – Rate	18.6%	19.2%	21.6%	26.4%
Female – Number	116	98	144	134
Female – Rate	32.7%	27.6%	38.2%	35.5%
Metro ² – Number	215	209	275	312
Metro – Rate	18.1%	17.6%	23.6%	26.7%
Regional – Number	202	200	206	233
Regional – Rate	25.8%	25.5%	26.6%	30.1%
<30 years old – Number	111	92	146	101
<30 years old – Rate	43.7%	36.2%	57.5%	39.8%
30–50 years old – Number	237	220	263	291
30–50 years old – Rate	21.8%	20.2%	24.9%	27.6%
>50 years old – Number	69	97	72	153
>50 years old – Rate	11.0%	15.4%	11.4%	24.2%

Note: these measures align to GRI 401-1 (2016).

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

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

3. Termination numbers and rates include turnover of fixed-term employees and contractors.

† All FY22 metrics are Bureau Veritas–assured.

WesTrac

	FY21		FY22 [†]	
	New Employee Hires	Terminations ³	New Employee Hires	Terminations ³
Number	727	529	1,060	869
Rate ¹	19.9%	14.5%	27.4%	22.5%
Male – Number	578	427	777	694
Male – Rate	18.4%	13.6%	24.7%	22.0%
Female – Number	149	102	274	174
Female – Rate	28.5%	19.5%	44.6%	28.3%
Metro ² – Number	481	390	677	511
Metro – Rate	24.9%	20.2%	32.4%	24.4%
Regional – Number	246	139	383	358
Regional – Rate	14.2%	8.0%	21.6%	20.2%
<30 years old – Number	287	129	426	241
<30 years old – Rate	33.1%	14.9%	48.6%	27.5%
30–50 years old – Number	358	311	537	499
30–50 years old – Rate	17.0%	14.7%	23.4%	21.7%
>50 years old – Number	82	89	97	129
>50 years old – Rate	12.0%	13.1%	14.0%	18.6%

Note: these measures align to GRI 401-1 (2016).

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

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

3. Termination numbers and rates include turnover of fixed-term employees and contractors.

† All FY22 metrics are Bureau Veritas–assured.

Data Tables continued

Emissions & Energy

Coates

	FY21 ²	FY22 ^{1†}
Scope 1 emissions (t CO ₂ e)	11,725	11,062
Scope 2 emissions (t CO ₂ e)	6,367	6,539
Total Scope 1 and 2 emissions (t CO ₂ e)	18,092	17,601
Energy consumed (GJ)	202,145	195,257

Note: these metrics align to GRI 305-1a, 305-2a and 302-1e (2016) and the *National Greenhouse and Energy Reporting Act 2007*.

1. FY22 includes a small amount of estimated data due to the timing of this report. Figures will be finalised prior to submission to the Clean Energy Regulator. Changes are not expected to have a material impact.
2. FY21 numbers have been restated down due to clarifications made during FY22 final measurement process.

† All FY22 metrics are Bureau Veritas-assured.

WesTrac

	FY21	FY22 ^{1†}
Scope 1 emissions (t CO ₂ e)	8,898	9,208
Scope 2 emissions (t CO ₂ e)	17,089	17,271
Total Scope 1 and 2 emissions (t CO ₂ e)	25,988	26,479
Energy consumed (GJ)	213,456	220,892

Note: these metrics align to GRI 305-1a, 305-2a and 302-1e (2016) and the *National Greenhouse and Energy Reporting Act 2007*.

1. FY22 includes a small amount of estimated data due to the timing of this report. Figures will be finalised prior to submission to the Clean Energy Regulator. Changes are not expected to have a material impact.

† All FY22 metrics are Bureau Veritas-assured.

Data Tables continued

Waste & Water

Coates

	FY22 [†]
Total waste generated – non-hazardous (t)	4,159
Total waste generated – hazardous (t)	2,807
Total waste generated (t)	6,966
Total waste diverted from disposal – non-hazardous (t)	2,129
Total waste diverted from disposal – hazardous (t)	1,857
Total waste diverted from disposal (t)	3,987
% waste diverted from disposal – non-hazardous	51%
% waste diverted from disposal – hazardous	66%
% waste diverted from disposal	57%
Total water withdrawn from municipal water suppliers and utilities (ML)	68.5
Total water withdrawn from other sources (ML)	0
Total water withdrawn (ML)	68.5

Note: these metrics align to GRI 306-3, 306-4a (2020) and 303-3a (2018). As this is the first year of collecting these metrics, estimates have been used for some categories and time periods.

As we move to more continuous data collection, the use of such estimates is expected to decline and the basis for estimates is expected to improve.

1. Data has been compiled from waste transfer notes from Coates' main contracted waste collector, as well as specifically sourced data for additional waste relating to tyres, septic, metal and plastic.

† All FY22 metrics are Bureau Veritas–assured.

WesTrac

	FY22 [†]
Total waste generated – non-hazardous (t)	8,097
Total waste generated – hazardous (t)	5,368
Total waste generated (t)	13,465
Total waste diverted from disposal – non-hazardous (t)	4,752
Total waste diverted from disposal – hazardous (t)	4,338
Total waste diverted from disposal (t)	9,090
% waste diverted from disposal – non-hazardous	59%
% waste diverted from disposal – hazardous	81%
% waste diverted from disposal	68%
Total water withdrawn from municipal water suppliers and utilities (ML)	90.3
Total water withdrawn from other sources (ML)	5.7
Total water withdrawn (ML)	96

Note: these metrics align to GRI 306-3, 306-4a and 303-5a (2018). As this is the first year of collecting these metrics, estimates have been used for some categories and time periods.

As we move to more continuous data collection, the use of such estimates is expected to decline and the basis for estimates is expected to improve.

1. Data has been compiled from waste transfer notes from WesTrac's main contracted waste collector, as well as specifically sourced data for additional waste relating to e-waste and metal.

† All FY22 metrics are Bureau Veritas–assured.

Alignment with United Nations Sustainable Development Goals



3. Good health and well-being



4. Quality education



5. Gender equality



6. Clean water and sanitation



7. Affordable and clean energy



8. Decent work and economic growth



9. Industry, innovation and infrastructure



10. Reduced inequalities



11. Sustainable cities and communities



12. Responsible consumption and production



13. Climate action



16. Peace, justice and strong institutions

Material Topic	Description	Related UNSDGs
Materials	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	
Energy & Emissions	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities 13.2 Integrate climate change measures into national policies, strategies and planning	
Waste & Water	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity 6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	
Occupational Health & Safety	3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents	

Alignment with United Nations Sustainable Development Goals continued

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

Glossary

CO₂e	Carbon dioxide equivalent – a standard unit for measuring carbon footprints
CCUS	Carbon capture, utilisation and storage
Employee turnover	The number of employee departures during the year
ESG	Environmental, Social and Governance
FY	Financial year
GHG emissions	Greenhouse gas emissions, mainly CO ₂ and methane
GJ	Gigajoule – equal to 1 billion joules
GRI	Global Reporting Initiative
HSEQ	Health, Safety, Environment and Quality
LTIFR	Lost Time Injury Frequency rate – the number of lost-time injuries per million hours worked during the period
Modern Slavery	Defined by the <i>Australian Modern Slavery Act 2018</i> as including eight types of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour, and deceptive recruiting for labour or services
NDIS	National Disability Insurance Scheme
NGER	National Greenhouse and Energy Reporting
Paris Agreement	An agreement within the framework of the United Nations Framework Convention on Climate Change
t	Tonnes
tCO₂e	Tonnes CO ₂ e
TRIFR	Total Recordable Injury Frequency rate – the number of injuries that result in medical treatment as well as those that result in lost work time per million hours worked
Scope 1 emissions	Direct emissions from the combustion of fuels in manufacturing and transport, and chemical process emissions (such as from calcination of limestone). Calculated using factors and methodologies set out in legislation, regulatory or international best practice guidance
Scope 2 emissions	Indirect (attributed) emissions from electricity purchased, calculated using factors particular to regional electricity grids. Such factors are usually defined in legislation or regulatory guidance
Scope 3 emissions	Indirect emissions, other than from Scope 2 emissions, that are generated in the wider economy. These may include emissions from production of purchased goods and services, through to the use of sold products and services, and in particular for Boral, from transport of materials both upstream and downstream in our supply chain. Calculated based on a number of internationally accepted reporting standards
SGH	Seven Group Holdings
TCFD	The Financial Stability Board's Task Force on Climate-related Financial Disclosures
UNSDGs	United Nations Sustainable Development Goals are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set up in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030