



Providing a better life



Creating
value

2021 Sustainability Report

ABOUT THIS REPORT

Aveng seeks to create value for its stakeholders by maintaining financial stability and conducting its business activities responsibly and ethically. This sustainability report provides an opportunity for the Group to give its stakeholders insight into our sustainability performance for the 2021 financial year.

BOUNDARY AND SCOPE

The report includes the Group's operations across most of the geographies it operated in, with the exception* of operations in Zambia, Zimbabwe and Mauritius, during the financial period 1 July 2020 to 30 June 2021. Relevant developments between 1 July 2021 and the date of publication are included. Any limitations to this boundary are indicated where applicable. Our sustainability reporting process is guided by a synthesis of the principles and requirements of the International Integrated Reporting <IR> Framework, the King Report on Corporate Governance™ for South Africa (King IV¹), the Listings Requirements of the JSE Limited (JSE), the Aveng safety, health and environment, people management and diversity and inclusion policies and frameworks, the Global Reporting Initiative (GRI), the Greenhouse Gas (GHG) protocol and the broad-based black economic empowerment (BBBEE) codes of good practice.

* The operating activities in these regions are small scale.
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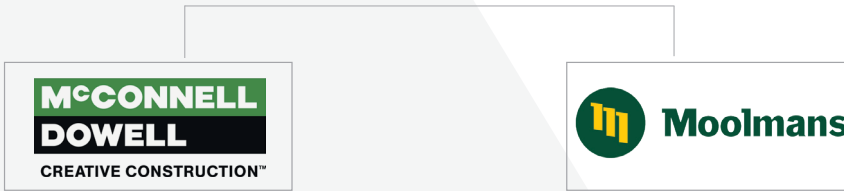
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Providing a better life



Our strategy is to be an international infrastructure resources and contract mining group operating in selected markets and capitalising on the expertise and experience of McConnell Dowell and Moolmans.

WELCOME TO THE AVENG 2021 SUSTAINABILITY REPORT

For more than 125 years, Aveng has evolved in character, capacity and reach, and continues to make its mark across the globe. Over the years Aveng has developed world-class expertise in steel, engineering, manufacturing, mining, concessions, public infrastructure and water treatment in a diverse range of sectoral and geographic markets. Now the Group is forging a new future as it responds to material changes in its traditional markets.

Navigating this report:




This icon indicates where further information or supplementary reports can be found **online**.



This icon indicates where further information on a matter can be found elsewhere **in this report**.

REPORTING APPROACH

Aveng applies the principle of materiality to determine the content of its reporting and defines materiality as matters that substantially affect the Group’s ability to create and sustain value over the short, medium and long term. Through this process the Group considers relevant internal and external matters, including risks, opportunities and stakeholder concerns, to identify the most important sustainability themes. We endeavour to report on sustainability matters that influence our ability to create value, including information about the effect of our business activities on our stakeholders.

 Materiality report, 2021 Aveng integrated report www.aveng.co.za

2021 sustainability pillars

Sustainability pillar	Focus area	Actions
Social	Safety performance <ul style="list-style-type: none"> • Zero harm • Drive ownership of safety culture 	<ul style="list-style-type: none"> • Improve focus on high-consequence activities • Strengthen visible leadership and behavioural engagement
	People management <ul style="list-style-type: none"> • Leadership • Capability development • Rewards and recognition 	<ul style="list-style-type: none"> • Executive coaching • Talent management • Capability implementation plan through succession planning interventions and leadership development programmes
	Diversity and inclusion <ul style="list-style-type: none"> • Transformation and localisation • Advancement of indigenous people 	<ul style="list-style-type: none"> • Sourcing employment and procurement opportunities from the local community • Improve inclusion and gender equality • Stakeholder engagement
Environment	Environmental stewardship <ul style="list-style-type: none"> • Carbon footprint reduction • Identify and align responsible measures • Develop improvement initiatives by impact area/s 	<ul style="list-style-type: none"> • Delivering dams and hydro projects • Implementation of recycling initiatives on projects • Active engagement with clients to find solutions to decarbonisation and minimising diesel usage
Governance	An ethical, responsible, values-driven organisation <ul style="list-style-type: none"> • Commitment to King IV • Compliance with laws, regulations and codes of best practice • Strategic direction 	<ul style="list-style-type: none"> • Ethical behaviour based on Code of Business Conduct • Accountable and effective Board • Fulfilment of strategic plan

Governance

Sustainability forms part of the Board’s roles and responsibilities. The Aveng Board, its safety, health and environmental committee as well as the social, ethics and transformation committee review quarterly reports prepared by the operations on their performance against key performance indicators (KPIs) and the implementation of preventive or corrective measures.

Governance and assurance are critical for the effective management of operations, including the management of various operating licences (accreditation, certification and customer prequalification) and the provision of governance support to carry out assurance activities across the business.





















 Governance report, 2021 Aveng integrated report www.aveng.co.za

Assurance and comparability

No significant changes were made in the scope, boundary or measurement methods applied in this report. There were no restatements to comparatives unless otherwise stated in the relevant sections.


Aveng has provided disclosures in this report in line with best practice and internationally accepted standards, where possible.

In this sustainability report Aveng seeks to demonstrate how the Group's management of safety, health and environment (SHE), human capital and diversity and inclusion is integral to its strategy to become an international infrastructure, resources and contract mining group. A key element of the strategy is to create a sustainable financial platform for the accelerated future growth of Aveng's core operations, McConnell Dowell and Moolmans.

2021 Group performance	Sustainable Development Goals – aligned
<ul style="list-style-type: none"> Completed a balance sheet restructuring and recapitalisation Reduced Group debt by R1 billion McConnell Dowell, Moolmans and Trident Steel all profitable <p> Materiality report, 2021 Aveng integrated report www.aveng.co.za</p>	 
<ul style="list-style-type: none"> One confirmed fatality and recovery operations continuing for a missing colleague Improved safety indicators TRIFR of 0,74^(LA) LTIFR of 0,14^(LA) 	
<ul style="list-style-type: none"> Strong leadership teams in core businesses KPI-aligned performance management 	  
<ul style="list-style-type: none"> BBBEE level 3 McConnell Dowell focused on inclusion of indigenous communities and strengthened gender equity in graduation programme 	   
<ul style="list-style-type: none"> Zero major incidents McConnell Dowell awarded the Kidston Pumped Hydro project 	     
<ul style="list-style-type: none"> New appointments supported Board effectiveness and diversity Strategic focus maintained business resilience 	  

Feedback

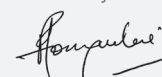
We welcome feedback on our sustainability report to ensure that we continue to disclose information that is pertinent.

 Please refer queries or suggestions to info@avenggroup.com.

Board responsibility and approval

The Board, assisted by its audit and risk committee and other Board committees, is ultimately responsible for overseeing the integrity of the sustainability report. The Board has applied its collective mind to the preparation and presentation of the sustainability report and concluded that it is presented in accordance with the Group's material matters and management approach to improving alignment with King IV, the GRI, the GHG protocol, the Sustainable Development Goals (SDGs) and BBBEE codes of good practice reporting guidelines.

The sustainability report was approved by the Board on 12 October 2021 and signed on its behalf by:



PA Hourquebie
Independent non-executive chair



SJ Flanagan
Group chief executive officer



MA Hermanus
Lead independent non-executive director



AH Macartney
Group financial director

Certain sustainability information has been correctly extracted from or referenced to the Aveng integrated report.

Ernst & Young Inc. (EY) has undertaken a limited assurance engagement for the selected KPIs and related disclosures included in this report for the year ended 30 June 2021. The limited assurance engagement was conducted in accordance with the International Standard on Assurance Engagements

(ISAE) 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information and in accordance with ISAE 3410 Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board.

Stay informed

The report is complemented by our online information and resources at www.aveng.co.za

PROVIDING A BETTER LIFE

We align our core values and sustainability goals with our purpose of providing a better life to improve economic, social, environmental and governance outcomes for our stakeholders.

Our values



Safety and care

Our care for the health and wellbeing of our people, the communities we work in and our environment. This is encapsulated in our goal: “Home Without Harm Everyone Every Day”.

Living our values in 2021

Regrettably our safety performance was marred by the loss of an employee as a result of a slope failure event at Gamsberg on 17 November 2020. Recovery operations are still in progress to locate and recover the second employee involved in this incident. We investigate all safety, health and environmental incidents and apply lessons learnt to avoid recurrence. Other safety indicators and our management of health risks improved.



Honesty and integrity

We do what is right – consistently and transparently.

Aveng is a values-driven organisation that conducts its business operations and activities in a responsible and ethical manner. The Group embraces the principles of good governance – transparency, integrity, accountability and fairness – and is committed to the highest standards of governance as recommended by King IV.



Working together

We are team players who are committed to the Aveng purpose and values. We respect and collaborate with each other, tapping into our rich diversity.

Aveng has a diverse range of stakeholders who have an interest in our business and may be affected by it. Our stakeholders influence our ability to create sustainable value. This is why we engage openly and constructively with them to ensure that we understand and respond to their expectations and concerns. By doing so effectively, we can create lasting value together.



Customer focus

We build relationships by engaging, listening, understanding, collaborating and delivering on our promises with excellence.

- 19% of McConnell Dowell projects are alliance contracts where collaborative contracting approaches and early contractor involvement reduce risk
- The majority of Moolmans' projects are repeat work with valuable customers



Performance excellence

We are clear about the desired results and what we need to get there. We deliver with excellence as we strive to create value for our shareholders.

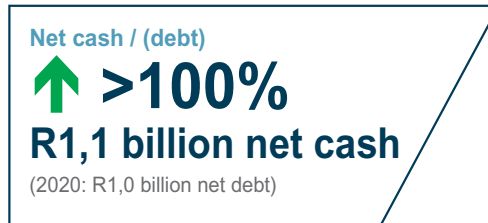
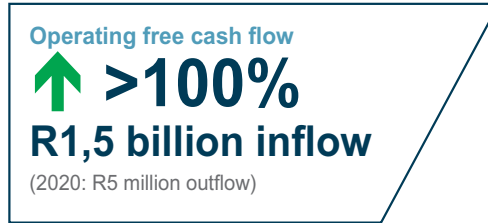
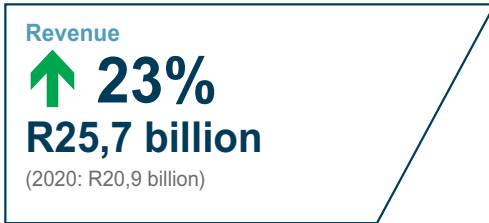
We fulfilled our strategic commitment to restore a sustainable future for Aveng and its stakeholders by:

- Building a sustainable long-term capital base
- Generating liquidity through the disposal of non-core assets
- Improving the performance of the core businesses, McConnell Dowell and Moolmans



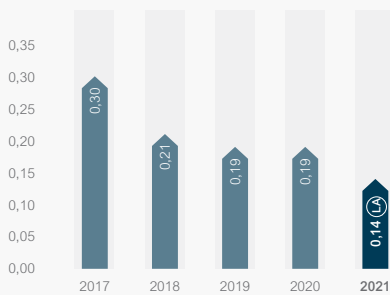
2021 PERFORMANCE OVERVIEW

FINANCIAL



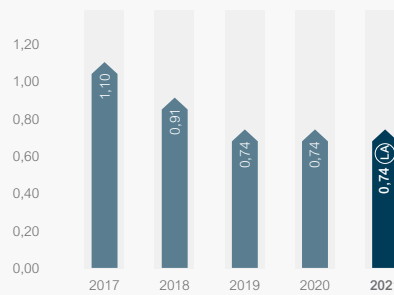
NON-FINANCIAL

Group 12 months rolling LTIFR*



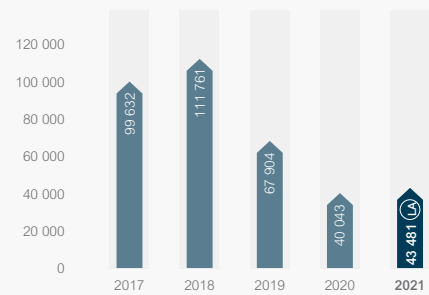
*Lost-time injury frequency rate

Group 12 months rolling TRIFR*



*Total recordable injury frequency rate
 (LA) This item was the subject of limited assurance engagement performed by EY

Total carbon emissions (tCo₂e)



(LA) This item was the subject of limited assurance engagement performed by EY

Safety milestones

- Kolomela: 1 583 LTI*-free days
- Sishen: 1 355 LTI*-free days
- Union mine: 1 147 LTI*-free days

* Lost-time injury

Learning and development

R61 million
 spent at Moolmans
20 249 hours
 training for McConnell Dowell employees

Diversity and inclusion

Level 3
 BBBEE contributor
R2 billion
 paid to black-owned suppliers, 22% to black women-owned suppliers

MESSAGE FROM THE BOARD

2021 focus areas

The Board focused on responding to and minimising the impact of COVID-19 on our people.



May Hermanus
Chair of the SHE committee and the social, ethics and transformation committee

Aveng’s purpose of providing a better life gained deeper relevance during the past year as the Group sought to restore financial sustainability and ensure safe working environments during COVID-19.

The combined efforts of management and employees not only delivered improved financial performances across Aveng’s operations, but also maintained the stability of the Group’s social, environmental and governance systems as we all responded to the global impacts of COVID-19 and sustained economic weakness in South Africa.

Most of Aveng’s primary SHE performance indicators maintained a long-term improvement trend, as reported throughout this sustainability report. This was largely attributable to:

- disciplined compliance with SHE management systems, local regulatory requirements and COVID-19 protocols;

- management visibility and employee engagement at project sites;
- increased identification, monitoring and reporting of hazards encountered at project sites; and
- ensuring that lessons learnt from incidents inform future behaviour and practices.

The unfortunate slope failure incident at Gamsberg on 17 November 2020 marred our safety performance and highlighted the need to always do more in safety. We are committed to learning from and prevent these tragic incidents from recurring.

The Group’s people management focused on attracting and retaining experienced, competent and diverse people across its core operations to

sustain operational and financial performance improvements and support the Group’s growth strategy. Although COVID-19 impacted our training and development programmes, we continued to provide study bursaries along with learnerships and apprenticeships at Moolmans, while McConnell Dowell focused on reviewing and revising its development programmes to maintain its relevance and effectiveness as the business grows.

The health and economic risks associated with COVID-19 increased our awareness of the most vulnerable in our societies, our businesses and our homes, informing much of the work of our employee wellness and social investment programmes during

2021. By facilitating access to its procurement spending, Moolmans supported the longer-term sustainability of emerging black-owned and black women-owned enterprises that provide services to its mining projects.

As Aveng responds to constant change in its external environment, we are becoming more considered in our approach to the relationships and resources that underpin our ability to create value.

Aveng functions in operating environments that respond to constant change. The construction, engineering and mining industries we serve are influenced by major forces sweeping across the world: Increasing urbanisation is driving demand for social infrastructure and energy; accelerating technological change is improving connectivity and heightening competition; climate change is hastening the conversion to economic systems that progressively reduce carbon dioxide emissions and promote “green” energy to contain rising temperatures.

COVID-19 heightened the world's understanding of the connections between people and natural environments, increasing awareness of the health, social and economic value that resides in natural resources, the risks associated with regional

formalise our ESG management process, integrate it into all of our business activities and align our targets, sustainability measures and reporting to global best practices. This process, together with the implementation of the Group's growth

Against this background, Aveng reviewed its position as a responsible corporate citizen in 2021 and re-emphasised its commitment to ethical and responsible business practices across its operations.

trends such as water scarcity and deforestation, and the importance of developing green economies that reduce environmental risks and ecological scarcities.




While the Group employs effective systems to manage its economic, social and governance (ESG) matters, we recognise that it is necessary to

strategy, will promote trusting stakeholder relationships, global legitimacy and business continuity.



May Hermanus
Chair of the SHE committee and the social, ethics and transformation committee

ESG Framework Providing a better life

	Environment  Carbon & Our Environment	Social  Our Community & Our People	Governance  Conduct & Compliance
Safety & Care Home without harm, everyone every day. The health, safety and wellbeing of our people, the community and the environment is paramount.	Carbon Emission: Reduce carbon intensity and outline roadmap to carbon neutrality	Home Without Harm: Consistently improving our lead indicator performance	Decision Making: Sustainability forms part of all decision making processes.
Honesty & Integrity We do what is right – consistently and transparently	Environment Awareness: Environmental education and reporting transparency.	Supply Chain: Commitment and partnership with our supply chain for sustainable practices.	Corporate Governance Financial (incl tax) transparency & compliance
Customer Focus We build relationships by collaborating and delivering on our promises with excellence	Climate Change: Engineering & design considers climate change and adaptation measures	Customer Relations: Innovation through strong and effective customer relationships	Risk Management: Clear and effective risk management frameworks and controls
Working Together We respect and cooperate with each other and leverage our rich knowledge and diversity	Resource Depletion: Partnerships with all stakeholders to reduce consumption and improve resource efficiency	Community: Direct economic value generated by community investments	Internal Procedure Governance: Delivering compliant projects in accordance with governing policies, operating standards and procedures.
Performance Excellence We hold ourselves and each other accountable and always strive to exceed expectations	Waste & Pollution: Reducing waste, diverting waste from landfill and increasing recycling. Identify and remediate sources of pollution	People & Development: Diversity and inclusion. Learning & Development commitment to all employees	Ethical Conduct: All business performed in accordance with the Code of Conduct and verified by annual Pledge

INDEPENDENT ASSURANCE

INDEPENDENT LIMITED ASSURANCE REPORT FOR SELECTED SUSTAINABILITY PERFORMANCE INFORMATION REPORTED IN AVENG LIMITED'S SUSTAINABILITY REPORT FOR THE YEAR ENDED ON 30 JUNE 2021

TO THE DIRECTORS OF AVENG LIMITED

Our Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected sustainability performance information and related disclosures set out in our report below, as presented in Aveng Limited ("Aveng")'s Sustainability Report for the year ended on 30 June 2021 ("the Report") is not prepared, in all material respects, in accordance with Aveng management's measurement and reporting criteria ("Reporting Criteria") specified for reporting that information.

This conclusion is to be read in the context of what we say in the remainder of our assurance report.

Scope of work

The scope of our work was limited to performing our assurance engagement for the selected sustainability performance information and related disclosures set out below, as presented in the Report ("Selected Information"). These are marked with an "LA" in the Report wherever they appear.

Our scope does not include coverage of data sets or information unrelated to the data and information underlying the Selected Information, information reported outside of the Report, and information relating to prior periods or comparisons against historical data.

Selected Information, reported at Group level	Reporting Criteria
1. Carbon Emissions: Scope 1 – Diesel Purchased	Aveng's published Reporting Criteria (see Appendix A)
2. Carbon Emissions: Scope 2 – Electricity purchased	
3. Total Reportable Injury Frequency Rate (TRIFR)	
4. Lost Time Injury Frequency Rate (LTIFR)	
5. Number of Confirmed & Paid Cases Related to Noise Induced Hearing Loss (NIHL)	

Understanding the reporting and measurement approach

The Selected Information needs to be read and understood together with Aveng's Reporting Criteria specified for the 2021 reporting year (see "glossary of terms – sustainability reporting definitions" available on Aveng's website at www.aveng.co.za/annual-reports.php) and Appendix A to this report), which Aveng is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement and reporting techniques and can affect comparability between entities and over time. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. In addition, the precision of different measurement techniques may vary. Carbon emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Professional Standards Applied and Level of Assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information', and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements', issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Selected Information is prepared, in all material respects, in accordance with the Reporting Criteria.

Inherent limitations

Inherent limitations of assurance engagements include use of selective testing of the information being examined, which means that it is possible that fraud, error or non-compliance may occur and not be detected in the course of performing the engagement. Accordingly, there is some risk that a material misstatement may remain undetected. Further, our assurance engagement is not designed to detect fraud or error that is immaterial.

Where Aveng's reporting of the Selected Information relies on factors derived by independent third parties, our assurance work has not included examination of the derivation of those factors and other third-party information.

Our independence and quality control

We have complied with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants as well as the *Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors*, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with International Standard on *Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Service Engagements*, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. Our work was carried out by an independent and multi-disciplinary team with experience in sustainability performance and carbon emissions reporting and assurance.

Summary of work performed

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability of Aveng's 2021 Reporting Criteria with reference to relevant circumstances and planning and performing our work in order to consider the risk of material misstatement of the Selected Information, whether due to fraud or error.

In doing so, we:

- made enquiries of relevant Aveng executives and management to obtain an understanding of the following matters as relevant to Aveng's governance and accountability arrangements for reporting on its material environmental, social and governance issues:
 - adoption and implementation of recommended governance practices aligned to the King IV Code Principles including for management reporting Aveng's sustainability performance to the Board and for ensuring integrity of reported performance information;
 - management's process to identify Aveng's material environmental and social issues, and to establish performance targets for those issues and monitor performance achieved;
 - the control environment, information systems and relevant control activities applied to compiling information from relevant data sources for reporting the selected sustainability information, and for monitoring the integrity of the information presented in the Report (but not for the purpose of evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness).
 - evaluated the design of Aveng's control environment including key structures, systems, processes and controls at group-level for managing, recording and reporting the Selected Information and internal assurance processes applied thereto. This included completing desktop reviews of site level data, selected on the basis of their inherent risk and materiality to the group, to understand the key processes and existing management and other controls for reporting site performance data and to obtain supporting information;
 - performed limited tests of detail on a selective basis of the Selected Information at selected sites to check that: (i) data had been appropriately measured, recorded, collated and reported; and (ii) activities set out by management are appropriately evidenced and reported; and
 - assessed the disclosure and presentation of the Selected Information in the Report, including consideration of whether it is consistent with our overall knowledge and experience of Aveng's approach to management of and reporting on its material environmental and social issues.

The procedures we performed were based on our professional judgement.

INDEPENDENT ASSURANCE CONTINUED

Aveng's responsibilities

The Directors of Aveng are responsible for:

- establishing objective Reporting Criteria that are suitable for preparing and reporting the Selected Information in the Report, including in consideration of the information needs of the intended report users;
- appropriate and accessible disclosure of Aveng's basis for preparation of its 2021 sustainability performance information, including the Selected Information;
- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that are free from material misstatement, whether due to fraud or error;
- measuring and reporting the Selected Information based on the Reporting Criteria; and
- supporting our performance of a high-quality, effective and efficient assurance engagement, including through enabling our timely access to information, documentation and management personnel required for our assurance work.

Our responsibility

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information are 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 on whether the Selected Information are prepared, in all material respects, in accordance with the Reporting Criteria; and
- reporting our conclusion to the Directors of Aveng in our assurance report.

Our assurance report does not extend to any disclosures or assertions relating to management's future performance plans, forward-looking statements or strategies disclosed in the Report.

Other matters

Our report, including our conclusion, has been prepared solely for the Board of Directors of Aveng in accordance with the agreement between us and for no other purpose. We permit this report to be published within Aveng's Sustainability Report published online at www.aveng.co.za in respect of the 2021 reporting year, to assist the Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information as presented within the Sustainability Report.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and Aveng for our work or for our report and the conclusion contained therein. We agree to publication of our assurance report within Aveng's Report provided it is clearly understood by recipients or readers of the Report that they enjoy such receipt for information only and that we accept no duty of care to them whatsoever in respect of our assurance report.

Maintenance and integrity of Aveng's website is the responsibility of Aveng's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the Selected Information as reported, or our independent assurance report that may occur subsequent to the initial date of publication of the Report on Aveng's website.

Ernst & Young Inc.

Director: Allister Carshagen

Registered Auditor
Chartered Accountant (SA)

102 Rivonia Road
Johannesburg
2196

12 October 2021

Appendix: Aveng Ltd’s Reporting Criteria for the Selected Information reported for Aveng Group (and as disclosed at aveng-sustainable-2020.pdf)

KPI Name/Description	KPI Reporting Definitions (and descriptions of underlying data/information records)
Environment	Carbon Footprint
Emissions	Discharging or sending out of gases, particles, substances or fluids, e.g. car fumes, typically to atmosphere. Direct Greenhouse Gas emissions which come from sources owned or controlled by the organization. Indirect GHG emissions from the generation of purchased electricity, steam, and district heating/cooling consumed by the organization.
Environment	Carbon footprint: Scope 1 – diesel consumption
Scope 1 emissions (from combustion of diesel procured) (tCO₂e)	Direct Greenhouse Gas emissions which come from sources owned or controlled by the organization. Emission factor guidelines will be considered as follows: <ul style="list-style-type: none"> • RSA – DEFRA • MCD – GHG reporting corporate standard (which often utilises DEFRA factors)
Diesel Consumed	Diesel procured is the cost and associated quantity of diesel consumed for which invoices (payable by Aveng) exist, irrespective whether or not the supplier has been paid for the diesel consumed.
Environment	Carbon footprint: Scope 2 – Purchased Electricity
Scope 2 emissions (from purchased electricity) (tCO₂e)	Indirect GHG emissions from the generation of purchased electricity, steam, and district heating/cooling consumed by the organization. Emission Factors guidelines considered: <ul style="list-style-type: none"> • RSA – Eskom • MCD – GHG reporting guidelines.
Electricity Consumed	Purchased electricity is the cost and associated quantity of electricity consumed for which invoices (payable by Aveng) exist, irrespective whether or not the supplier has been paid for the electricity consumed.
Health and Safety	Injury Frequency Rates (Recordable and Lost Time IFR)
Total Recordable Injuries Frequency Rate (TRIFR)	A proportional representation of all injuries which is used as an indicator of safety performance. The TRIFR is based on a total number of recordable occupational injuries per 200 000 employee hours reported during the period of exposure. $TRIFR = \frac{\text{Total of RI} \times 200\,000}{\text{Number of hours worked}}$ The figure 200 000 refers to the average number of hours worked by 100 employees in one year.
Fatalities	A fatality is an incident occurring at work or arising out of or in connection with the activities of persons at work, or in connection with the use of plant or machinery, in which, or in consequence of which any person (i.e. employee, contractor or member of the public) dies regardless of the time intervention between the injury and/or exposure to the cause and death. This excludes the death of any person by natural causes while at the workplace or on duty.

INDEPENDENT ASSURANCE CONTINUED

KPI Name/Description	KPI Reporting Definitions (and descriptions of underlying data/information records)
Lost Time Injury	<p>A work-related injury where an employee/contractor is unable to attend work on the next calendar day after the day of the injury. The injury/occupational illness results in time lost from work the next shift for one day / full shift or more.</p> <p>A lost time injury includes:</p> <ul style="list-style-type: none"> • Any permanent disability arising out of an injury, such as an amputation or permanent loss of the use of a limb or part thereof • A fatality <p>A lost time injury excludes:</p> <ul style="list-style-type: none"> • Occupational disease/illness certified by an occupational medical practitioner or a specialist in the medical field, depending on the case (e.g. NIHL, an ENT or Audiologist; lung diseases confirmed by a specialist by means of diagnostic evaluation/examination).
Lost Time Injury Frequency Rate	<p>A proportional representation of lost time injuries which is used as an indicator of health and safety performance.</p> <p>The figure 200000 refers to the average number of hours worked by 100 employees in one year.</p> <p>The LTIFR is based on a total number of lost time injuries reported during the period of exposure.</p> <p>Number of lost time incidents from an occupational injury per 200 000 employee hours of exposure.</p> <p>The LTIFR reflects:</p> $\text{LTIFR} = \frac{\text{Total Number of LTIs} \times 200\,000}{\text{Number of hours worked}}$ <p>Frequency rate – determine exposure rate to particular safety measure or indicator.</p>
Medical Treatment Case	<p>A work injury requiring treatment by a medical practitioner and which is beyond the scope of normal first aid including initial treatment given for more serious injuries. It does not include:</p> <ul style="list-style-type: none"> • A first aid case or lost time injury • Visits to physicians or other licensed health care professional solely for observation or counselling. • The conduct of diagnostic procedures, such as X-rays and blood tests, including the administration of prescription medications used solely for diagnostic purposes (for example, eye drops to dilate pupils). • Visits to physicians or other licensed health care professionals solely for therapy as a preventative measure (for example, physiotherapy or massage as preventative therapy).
Fatalities	<p>A fatality is an incident occurring at work or arising out of or in connection with the activities of persons at work, or in connection with the use of plant or machinery, in which, or in consequence of which any person (i.e. employee, contractor or member of the public) dies regardless of the time intervention between the injury and/or exposure to the cause and death.</p> <p>This excludes the death of any person by natural causes while at the workplace or on duty.</p>
Recordable Injury (RI)	<p>Sum of injuries (Fatalities, LTI's, RWC's and MTC's) – (Industry practice)</p>
Restricted Workday Case	<p>A work-related injury or occupational illness which leaves an individual, although at work, unable to perform one or more of their routine functions on the next day/shift (including weekends and public holidays), after the day of the injury.</p> <p>A RWC shall be certified by advice from a suitably qualified health care provider. (Industry practice)</p>
Number of Hours Worked	<p>The total number of hours worked by all employees and contractors in the reporting period.</p> <p>The total hours worked includes regular/normal time and overtime.</p> <p>Where it is not practicable to calculate the actual number of working hours, an estimated average of 220 hours per person per month may be used. (OG/BU also apply practical approach to estimated hours).</p>

KPI Name/Description	KPI Reporting Definitions (and descriptions of underlying data/information records)
Health and Safety	Number of confirmed cases related to Noise Induced Hearing Loss (NIHL)
Noise Induced Hearing Loss (NIHL)	<p>Hearing loss that occurs as a consequence of sustained exposure to excessive levels of noise at work.</p> <p>Number of confirmed cases related to Noise Induced Hearing Loss (Liability Confirmed and compensation paid).</p> <p>(Note: excessive levels - Refer to Potential hearing loss definitions and % guidelines)</p> <p>It is diagnosed by a medical practitioner and submitted to the Compensation Commissioner or equivalent in the geographical area of operation, or as stipulated by the applicable legislation. Claim registered and liability has been confirmed.</p> <p><i>Potential hearing loss claims for investigation 5 to 10 % - Based on outcome of medical surveillance program, results of audiogram are captured onto a register, all audiogram which have a result of between 5% and 10% require the implementation of a hearing conservation plan – this includes but is not limited to require employee to be retrained on the use of PPE, the risk reassessed</i></p>

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OUR SAFETY, HEALTH AND ENVIRONMENT APPROACH





OUR SAFETY, HEALTH AND ENVIRONMENT APPROACH

Aveng is a leading global infrastructure development group focused on the construction and mining sectors in a range of geographic markets and complex operating environments. The Group recognises the importance of SHE stewardship to its employees and society, and is committed to creating and maintaining leading SHE practices.

The safety and health of Aveng's employees is a core value that is integral to the way the Group conducts its business. Protection of the natural environment is necessary for the wellbeing of current and future generations. The Group ensures compliance with SHE regulatory requirements in the countries in which it operates as a minimum requirement.

Aveng's vision is to ensure that the Group conducts its work in line with its ultimate goal: "Home Without Harm Everyone Every Day". This commitment is expected to be a way of life for employees, suppliers, contractors and visitors to the Group's premises or project sites.

Safety, health and environment policy

The SHE policy sets out the Group's commitment to the "Home Without Harm Everyone Every Day" goal and enables Aveng operations to align their activities and strategies with the goal. The policy states Aveng's intent to act in the best interests of employees and all other stakeholders by:

- Continuously strengthening the SHE culture
- Identifying, assessing, monitoring, minimising and responsibly managing SHE risks arising from the Group's activities
- Continuously improving programmes with reference to leading practice and opportunities for innovation. This includes avoiding, minimising and rectifying workplace and environmental exposures, and promoting sustainable construction and mining practices throughout the lifecycle of all projects

- Implementing holistic employee wellness programmes
- Engaging with, and consulting, key stakeholders and industry associations.

The policy applies to all of the Group's officers and employees. Each operating group is responsible for the allocation of appropriate resources, including the provision of training, consultation and auditing of the implementation of the policy.

The Aveng Board and SHE committee, assisted by SHE executives from McConnell Dowell and Moolmans, provide policy direction, oversight, strategic direction through the implementation of SHE frameworks, and the identification of risks and opportunities to improve the Group's approach to SHE.

Each operating group develops and manages its own health programme and procedures within the guidelines of the Group's SHE framework. Regular meetings between the human resources (HR), SHE teams and employees in operating groups ensures that the impact of health on safety is fully understood and managed. This includes consideration of underlying factors and reviews of absenteeism rates, incapacity and ill health cases. Regular reviews of the health strategy are undertaken in each operating group to evaluate impact and return on investment.

Safety, health and environment management

All of the Group's operations comply with applicable SHE regulations and are guided by a SHE management standard and frameworks derived from the SHE policy. The operations maintain safety, health environment and quality (SHEQ) management systems that are certified to the ISO 9001, ISO 45001 and ISO 14001 international standards. They customise the Group's SHE roadmap (also referred to as a Plan on Page) with specific criteria and risk controls aligned to legislative and other requirements in each region of operation.

To achieve continuous improvement in SHE and quality performance, the Group monitors and measures SHEQ KPIs.

Key performance indicators

The following selected SHE KPIs are subject to limited assurance by EY to support the collation and reporting of sustainability information:

- Lost-time injury frequency rate (LTIFR), total recordable injury frequency rate (TRIFR) and noise-induced hearing loss (NIHL) safety and health KPIs
- Scope 1 and 2 environmental KPIs.

Independent assurance

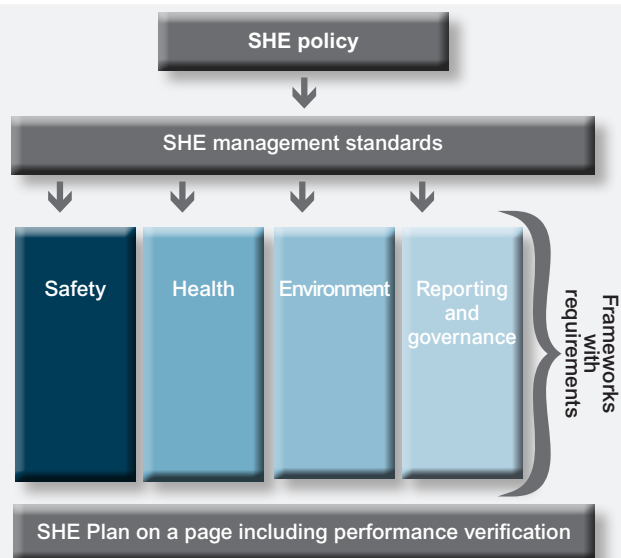
Other SHE KPIs are monitored and measured internally.

SHE management standard and frameworks

The SHE management standard and frameworks guide SHE performance.

The Group's SHE management standard aims to:

- ensure that the highest standards of performance and accountability are achieved across all the Group's operations, sites and projects; and
- provide a standard for each operating group to develop and manage its own policies and procedures under the direction and supervision of leadership and management.



The frameworks set the minimum requirements for each operating group to adopt within its operating environment. They contain non-negotiable requirements and focus areas that assist in the achievement of "Home Without Harm Everyone Every Day" as a way of life.

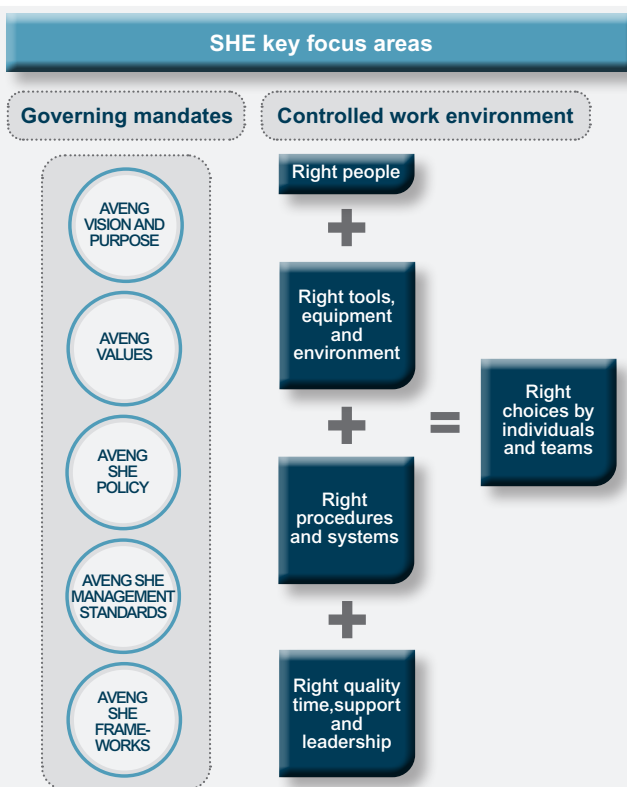
SHE roadmap

The SHE roadmap underpins SHE management and focuses on improving performance and encouraging responsible behaviour and accountability across the Group.

The SHE roadmap identifies appropriate controls to manage associated risks. The main drivers of safe, controlled work environments have been identified as:

- Right work environment
- Right people
- Right tools and equipment
- Right procedures and systems
- Right quality time, support and leadership

The SHE roadmap outlines the steps required to achieve the best outcomes for activities associated with these drivers, including the practical monitoring and evaluation of the effectiveness of the controls.



OUR SAFETY, HEALTH AND ENVIRONMENT APPROACH CONTINUED

SHE pillars

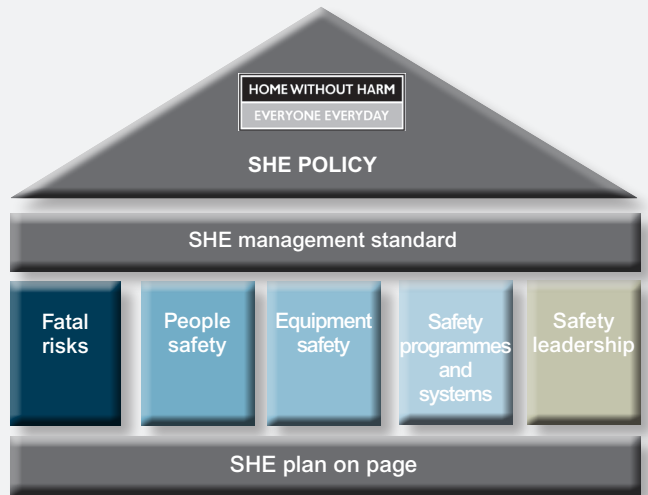
The SHE pillars set the minimum non-negotiable requirements for each operation to contribute to a culture of safety and care.

Safety pillars

Fatal risks – This pillar requires the reporting and review of fatalities and significant incidents to develop comprehensive protocols to prevent recurrence.

People safety – Aveng’s goal of “Home Without Harm Everyone Every Day” should be demonstrated in the way business is conducted and leadership takes accountability for safety.

Equipment safety – In an industry sector that requires the use of equipment at project sites, Aveng mitigates the risks to operators and other employees by implementing measures to ensure that equipment is suitable for the work carried out.



Safety programmes and systems – This pillar requires a systematic approach to safety management, including organisational structures, accountabilities, policies and procedures, with the intent to control risks and prevent incidents.

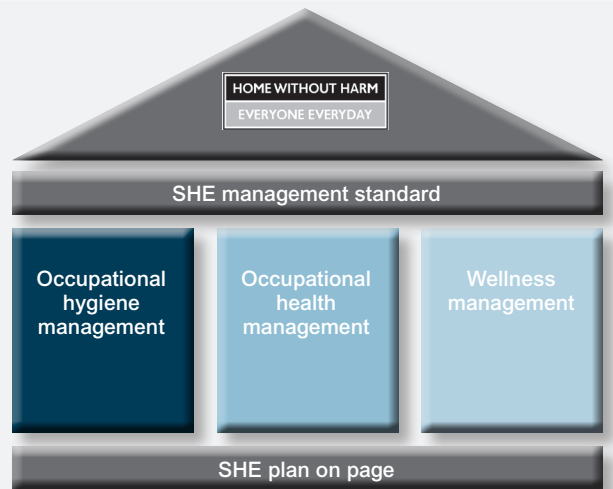
Safety leadership – Clear and visible safety leadership is a key contributor to a safe work culture. It is incumbent on Aveng management as leaders to model and reinforce the highest standards of safety management and risk control.

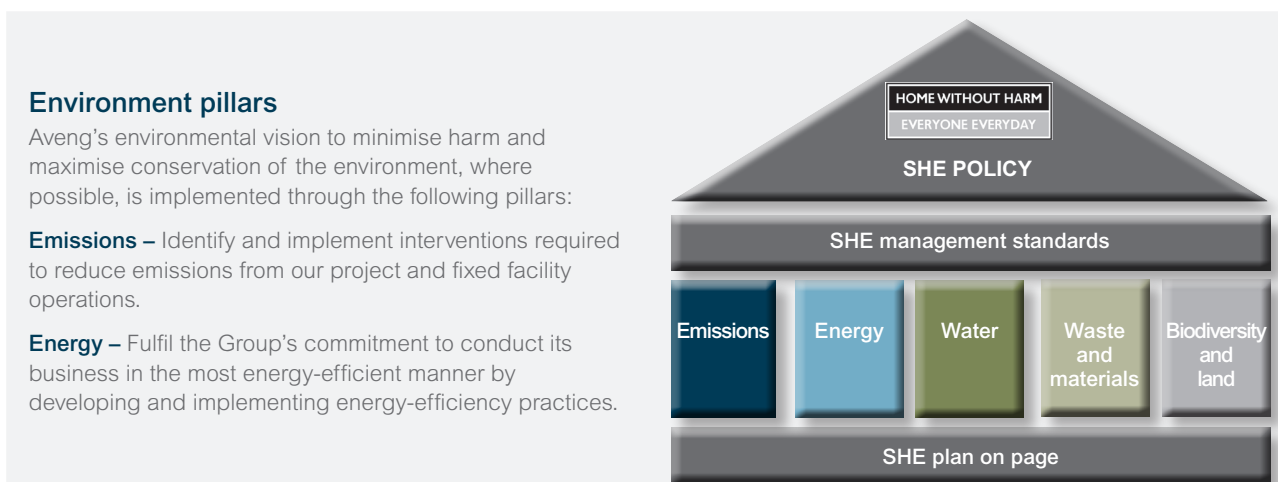
Health pillars

Occupational hygiene management – This pillar requires the assessment of risk associated with occupational hygiene and the implementation of reduction plans.

Occupational health management – This ensures that Aveng has a risk-based medical surveillance (RBMS) programme and incorporates the appropriate emergency response, record-keeping and service provider management.

Wellness management – Wellness management ensures that Aveng has functional programmes to manage employee assistance, fatigue, communicable disease, incapacity and disability.





Environment pillars

Aveng’s environmental vision to minimise harm and maximise conservation of the environment, where possible, is implemented through the following pillars:

Emissions – Identify and implement interventions required to reduce emissions from our project and fixed facility operations.

Energy – Fulfil the Group’s commitment to conduct its business in the most energy-efficient manner by developing and implementing energy-efficiency practices.

Water – Consider and develop water management initiatives, such as recycling and preservation, where possible.

Waste and material – Develop material procurement, use and waste management initiatives in line with applicable legislation and best practices.

Biodiversity and land – Develop biodiversity management initiatives in line with applicable environmental laws, to identify and manage potential environmental risks, with appropriate action plans to mitigate the exposure.

SHE risk-based approach

Operating groups conduct hazard identification and risk assessments and use the outcomes to implement preventive measures to create safe workplaces for employees, visitors, suppliers and contractors. Operating groups continuously manage and monitor material risks and test the effectiveness of controls.

Measuring our performance with rating tools

Infrastructure sustainability rating tool

McConnell Dowell has adopted the Infrastructure Sustainability Council of Australia’s (ISCA’s) infrastructure sustainability rating tool to review and evaluate progress in implementing best practice sustainability principles in projects. Projects that participate in the rating process include Regency Road to Pym Street, Aviation Road and Wyndham Vale, Mordialloc Freeway, Echuca Moama Bridge and Cranbourne Line Upgrade.

GreenStar rating tool

McConnell Dowell’s Level Crossing Removal programme of works, including Wyndham Vale Stabling Amenities Building and North Williamson Station, achieved selected credits under the Green Council of Australia’s GreenStar rating tool.

SHE definitions

Controlled activities: Activities that may include fatalities, significant incidents, or lost-time injuries (LTIs) where Aveng can set SHE standards and systems, and directly supervise and enforce their application.

Monitored activities: Activities where Aveng can influence SHE standards but not directly supervise or enforce their application. Monitored activities include all operations other than controlled activities in which Aveng is involved. Incidents arising from monitored activities are, where possible, reported and investigated in accordance with Aveng requirements but are not directly included in Aveng SHE performance measures.

Uncontrolled activities: If an activity is not controlled or monitored, it is an uncontrolled activity. Aveng does not set or influence SHE standards and systems, and does not supervise SHE performance at operations during uncontrolled activities. Uncontrolled incidents may be reported, an investigation conducted as per actual or potential significance and the lessons learned from the incident shared as part of a learning culture within the organisation.

SAFETY AND HEALTH





SAFETY AND HEALTH

The safety and health of our employees, contractors and other stakeholders at our workplaces is fundamental to the effective management and sustainability of our business. The Group identifies safety and health risks in its projects and work processes, and implements measures to reduce these risks and achieve continuous improvement in safety and health outcomes.

Safety and health management is conducted in compliance with Aveng's values, its SHE policy and applicable regulations.



Our safety, health and environment approach

Aveng operates in diverse and challenging environments and employs a large workforce. Many of its project sites involve a range of employees, subcontractors and other service providers who are not directly controlled by Aveng. This complexity requires a strong safety culture and disciplined processes to achieve the consistency in our expectations and approach that enables us to better manage and minimise safety and health risks.

Aveng remained committed to its responsibility for the safety and wellbeing of its employees and other stakeholders and the continuity of its business operations during 2021, despite the ongoing health and economic risks of COVID-19. This commitment was backed by the implementation of non-negotiable safety rules across the core and remaining non-core businesses and disciplined compliance with the Group's COVID-19 standard operating procedures (SOPs).

Living our values

We give effect to our commitment to the **safety and care** of our people and the communities we work in by taking reasonable and practical steps to minimise direct or indirect potential for harm. Health remains a core enabler of the safety culture embedded across the workplace. Our employee wellness programmes and external providers of comprehensive preventive care and counselling services support our approach to health management. It is the consistent leadership engagement with employees, collaboration and accountability for safety and health across our operations that enables our journey towards achieving our vision of "Home Without Harm Everyone Every Day".

Stakeholder engagement

Aveng identifies its main health and safety-related stakeholders and engages openly and continuously with them through various formal and informal methods. Our key safety and health stakeholders are employees, clients, subcontractors and other suppliers and regulators.

The Group's stakeholder engagement processes identify areas of concern and seek mutually beneficial sustainable outcomes. Safety and health are important elements of contractual arrangements for projects and require routine engagement with clients, employees and the communities we operate in. The Group engages directly with regulators, industry associations and clients on matters that have a direct impact on our operations.

Stakeholders	Stakeholder engagement	Key matters
Customers	<ul style="list-style-type: none"> • Meetings • SHEQ specifications 	<ul style="list-style-type: none"> • Quality, reliable service • Governance and compliance • Customer-specific requirements to facilitate work • Inherent risks associated with customer sites • COVID-19 response
Employees	<ul style="list-style-type: none"> • Employee topic discussions or meetings • Management information sessions • Mobile communication • Risk assessments 	<ul style="list-style-type: none"> • Safe, healthy and secure work environment • Customer focus • Safety culture and safety mindset • Shared safety values • Identification and mitigation of risks for all tasks • COVID-19 response
Subcontractors and other suppliers	<ul style="list-style-type: none"> • Supplier meetings • Supplier and contractor audits 	<ul style="list-style-type: none"> • Governance and compliance • SHE safety standards • Compliance monitoring • Supply chain sustainability • Mutual benefit and business continuity • Principal contractor management on customer sites
Shareholders and financial institutions	<ul style="list-style-type: none"> • Quarterly Board meetings • Monthly site reviews 	<ul style="list-style-type: none"> • SHE performance • Regulatory compliance
Communities	<ul style="list-style-type: none"> • Community meetings 	<ul style="list-style-type: none"> • Safety and health impacts • Environmental impacts • Responsible corporate citizenship • Community development and communication
Government and regulators	<ul style="list-style-type: none"> • Compliance with relevant regulations and requirements • Educational seminars • Case-by-case engagement 	<ul style="list-style-type: none"> • Environmental protection • Safety and health compliance • Adoption of COVID-19 protocols • Regulatory compliance • Legal liability expertise and training

Important conversations with key stakeholders in 2021

- Employee engagement and safety culture surveys across Moolmans operations with next steps and action plans to address shortfalls.
- Representation at industry body meetings relating to COVID-19 response and vaccination.
- Reviews with suppliers and service providers to improve quality of service.
- Meetings with industry peers and unions to share lessons, industry safety challenges and proactive industry safety focus areas.

SAFETY AND HEALTH CONTINUED

2021 safety performance

This safety and health report includes a performance overview of the core businesses and the non-core businesses that have not yet been disposed of. The report excludes non-financial data on joint venture projects.

Aveng's safety indicators were influenced by a 16% decrease in working hours. While McConnell Dowell's working hours increased by 39% in line with its increased project activity, this was offset by lower working hours at the South African operations due to a combination of project completion at Moolmans, restructuring at Trident Steel and the disposal of non-core manufacturing businesses. COVID-19 remained a factor but was less disruptive than in 2020. Despite these challenges, the Group's key safety indicators remained stable.

Performance area	2021 target	2021	2020	2019	2018	2017
Lives lost under Aveng supervision	0	1	0	2	1	2
LTIFR	0,18	0,14 ^(LA)	0,19	0,20	0,21	0,30
TRIFR	0,82	0,74 ^(LA)	0,74	0,75	0,91	1,10
All-injury frequency rate (AIFR)	3,28	2,55	2,35	2,11	2,43	3,28
Safety leadership visits by senior management	445	416	512	1 038	1 412	928

^(LA) This item was the subject of limited assurance engagement performed by EY.

 Independent assurance

Loss of life

Regretfully, Aveng failed to achieve its goal of zero fatalities. In the 2020 integrated report, we reported the tragic loss of one of our employees as a result of the slope failure incident at Gamsberg on 17 November 2020. The mine owner continues to work with us to recover the remaining employee involved in the incident. We continue to provide counselling and support to the families and all our employees affected by this terrible event.

The Group continued to achieve incremental improvements in all other key SHE indicators during 2021. This was largely attributable to:

- disciplined compliance with SHE management systems and local regulatory requirements;
- management visibility and employee engagement on project sites;
- increased identification, monitoring and reporting of hazards;
- safety culture assessments conducted on certain Moolmans sites to better understand the safety mindset and identify opportunities for improvement; and
- ensuring that lessons learnt would inform future behaviour and practices.

Key performance indicators – LTIFR and TRIFR

The Group's LTIFR improved to 0,14^(LA) (2020: 0,19) and outperformed the improvement target of 0,18, with 53% of injuries occurring at the core operations. The improvement was largely due to the strong focus by the core businesses and the remaining non-core businesses on reducing the risk of severe or disabling injuries. A 4,7million reduction in man-hours also contributed to the reduction in the number of injuries recorded.

Aveng's TRIFR of 0,74^(LA) (2020: 0,74) outperformed the target of 0,82, reflecting the positive impact of a reduction in the number of injuries. 19% of recorded injuries were LTIs.

The Group demonstrated its resilience in reporting at-risk conditions and behaviours (near misses), with 51 816 near misses reported, of which 94% were addressed (2020: 16 999; 97% addressed). McConnell Dowell was responsible for 87% of the recorded cases as a result of increased work activity.

Leadership visits conducted by managing directors and their direct reports amounted to 4 365 visits, representing 253% of planned visits (2020: 2 123; 97%).

Moolmans safety performance

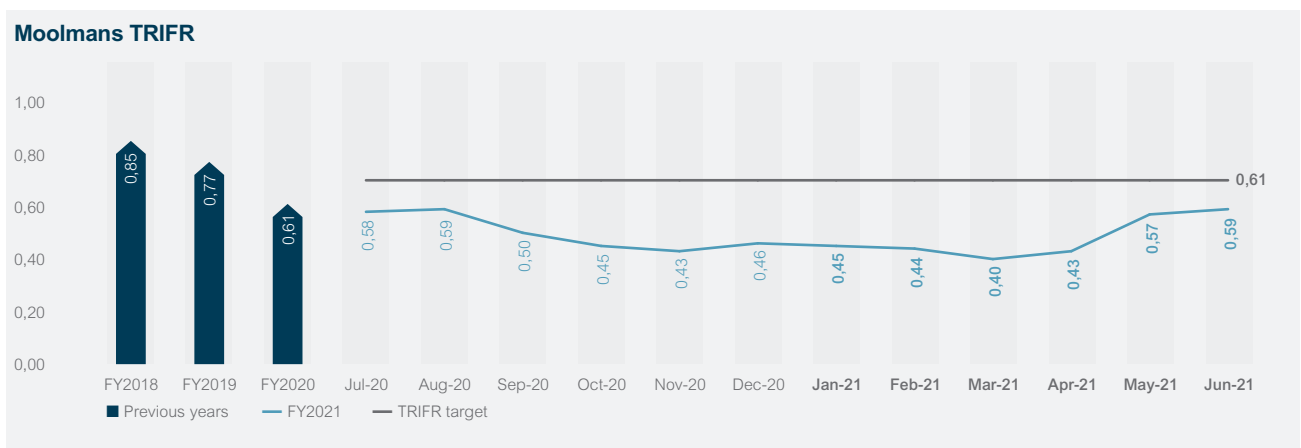
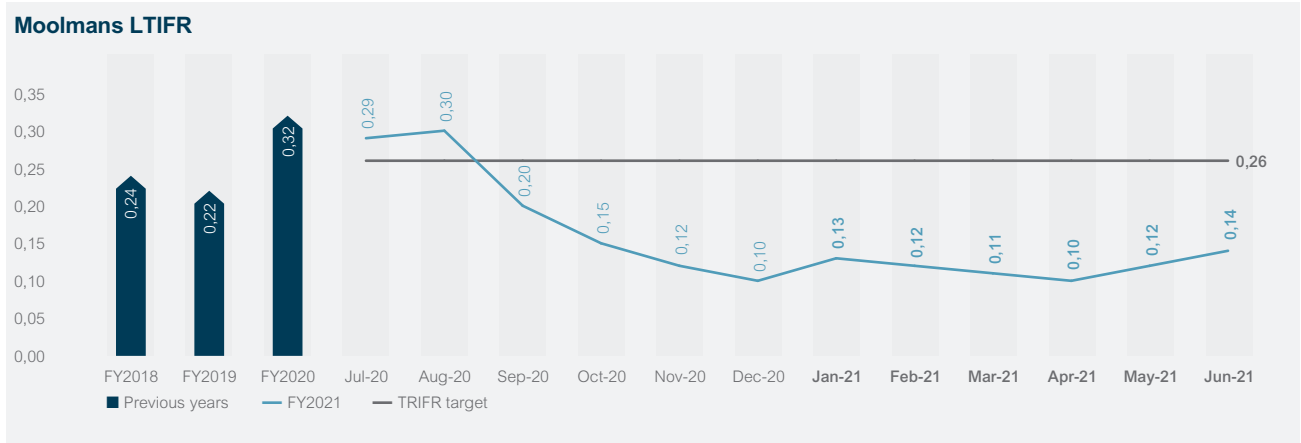
Employee safety and wellbeing is fundamental to Moolmans' reputation as an employer of choice and we continue to implement targeted measures to improve safety performance. Our respect for and upliftment of the communities that host our operations, together with our responsible stewardship of the natural environment, are the cornerstones of Moolmans' culture.

Safety

The overall trend in Moolmans' safety performance improved with five LTIs reported, resulting in a decline in the LTIFR to 0,14 (2020: 0,32) against a target of 0,26.

Moolmans reported 21 total recordable injuries and an improved frequency rate of 0,59 (2020: 0,61) against a target of 0,70.

These efforts are, however, overshadowed by the loss of life incident at Gamsberg South Pit. Recovery efforts are underway to locate and recover the remaining employee involved in this incident.



SAFETY AND HEALTH CONTINUED

Among the measures Moolmans implements to create safer working environments are:

- continuous senior leadership engagement with employees on site to minimise the occurrence of safety incidents;
- higher levels of awareness among employees of risk controls in all mining and maintenance activities;
- sharing of lessons learnt from incident investigations; and
- safety culture assessments.

Safety culture assessments

During 2021, Moolmans conducted safety culture assessments at several site operations to better understand the safety mindset at these operations and identify opportunities for improvement. The process included the use of questionnaires, interviews, focus groups and workshops to gather both qualitative and quantitative data. Action plans were developed and are being implemented to address the findings of the reviews.



Moolmans' SHEQ integrated management system (IMS) combines the management of safety, health and wellness, environmental and quality management within a single platform. Moolmans has ISO 14001:2015, ISO 9001:2015 and OHSACT 18001:2007 accreditations.

Safety highlights

Several mining projects recorded significant safety milestones, including:

- Kolomela: 1 583 LTI-free days
- Sishen: 1 355 LTI-free days
- Union Mine: 1 147 LTI-free days

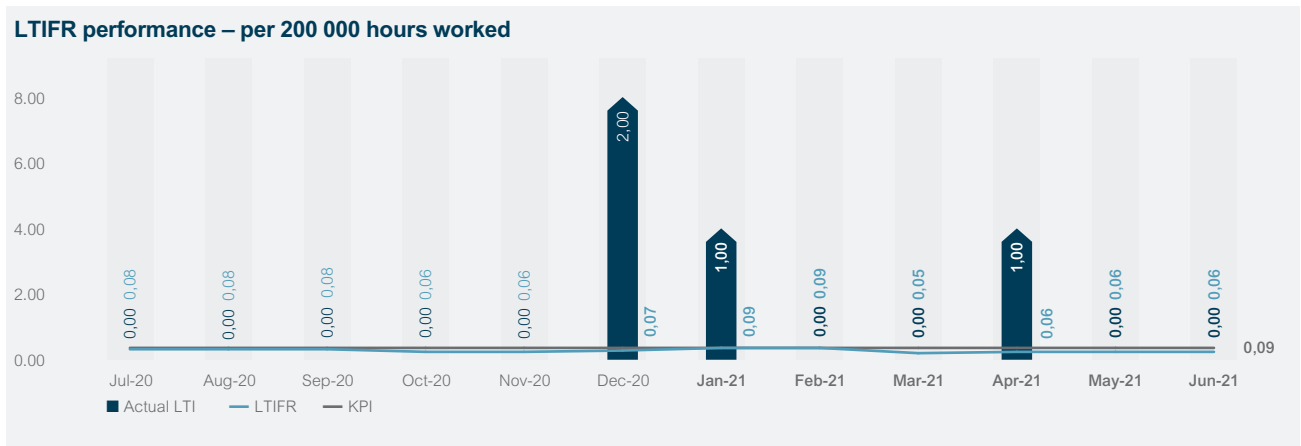
McConnell Dowell safety performance

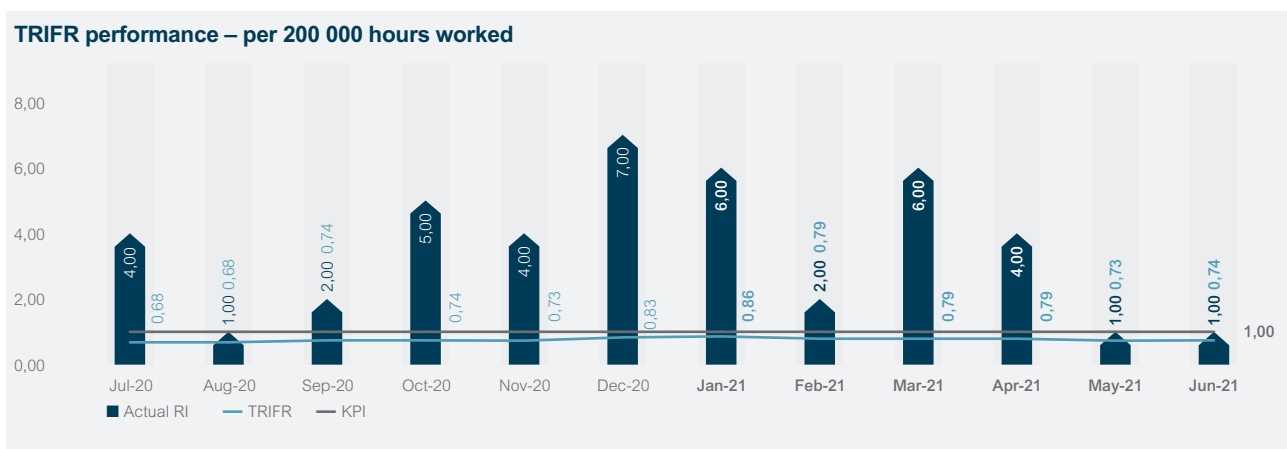
McConnell Dowell continued to drive safety initiatives focused on reducing the risk of severe or disabling injuries. The impact of these initiatives also contributed to lower incident frequency.

Safety

McConnell Dowell recorded four LTIs, which resulted in a LTIFR of 0,06 (2020: 0,11) against a target of 0,09.

The improvement in the TRIFR to 0,74 against a target of 1,0 was largely due to a reduction in incident frequency.





McConnell Dowell's ratio of potential harm risks reported to the number of actual incidents (PH/AI) has increased to 248,79 (2020: 182,55) as all business units conduct hazard reporting and find better ways to manage safety on work sites.

A successful upgrade to the new ISO 45001 health and safety standard was achieved during the year, and internal and external auditing continues to show good compliance with safety systems.

Several projects were recognised for excellence in safety performance

- Lyttelton Tunnel Deluge – Winner of Health and Safety Award, CCNZ Contractor of the Year Award
- Tuas Water Reclamation Plant – Safety and Health Award, Safety and Health Recognition Programme (SHARP)
- Workplace Safety and Health (WSH) Awards 2020 – Silver Award, Singapore



Trident Steel safety performance

Trident Steel reported a LTIFR of 0,25 (2020: 0,21) against an improvement target of 0,18 and a TRIFR of 0,99 (2020: 1,45) against a target of 0,72.

Manufacturing safety performance

Aveng Manufacturing reported six LTIs across its business units, resulting in a LTIFR of 0,57 (2020: 0,63) against a target of 0,35 and a TRIFR of 1,04 (2020: 0,98) against a target of 1,4.

Safety initiatives

Group operations implemented specific initiatives to strengthen safety culture and achieve continuous improvement in safety performance. In addition to the safety culture assessments at Moolmans, the operations focused on:

- Visible felt leadership – focusing on employee engagement, lessons learnt and closing out findings
- Subcontractor management
- Adherence to life-saving rules
- Self-audits and improved close-out rates
- Fatigue management.

Improving safety and care with visible felt leadership

Operational management teams continued to implement their respective visible felt leadership (VFL) programmes with employees on project sites.

VFL programmes encourage employees to raise safety issues openly and freely, and allow leaders to support and coach employees on better ways to work safely. VFL is critical to our value of safety and care in that it:

- Shows that leaders are committed to safety
- Identifies where people take risks
- Sets expectations
- Allows leaders and employees to recognise good safety behaviour and discuss consequences of unsafe behaviour.

Moolmans' VFL programme requires members of its executive committee (Exco) and site managers to perform targeted VFL engagements on a selected theme. This approach strengthens employees' focus on monthly themes based on incident trends.

SAFETY AND HEALTH CONTINUED

It enables management to discuss potential hazards with employees and ensure that they understand the impact of an incident on people and the business. This helps employees to identify and implement measures to reduce safety risk.

Enhancing the effectiveness of incident investigation and lessons learnt

The increased focus on visible leadership engagement includes the close-out of incident investigation findings and the implementation of lessons learnt from incidents. The application of the risk-based approach requires operations to review their SHE material risks and the effectiveness of controls.

2021 health performance

Aveng continues to improve its approach to health in line with its duty of care. The Group seeks to ensure that sound, practical standards of health and wellness behaviour and performance are adopted and achieved across its operations and activities. The Group aspires to zero harm and takes reasonable and practical steps to avoid or minimise harm to people when there is a direct or indirect potential for harm to their health.

Aveng recognises the importance of protecting employees, contractors and other stakeholders and managing all occupational illnesses. The Group identifies health risks associated with its work processes and implements and monitors measures to manage these risks. Occupational health service providers engaged to assist the Group create a proactive medical surveillance that complies with legal requirements and the Group's SHE standards.

Our objectives are to:

- Protect our employees, contractors and stakeholders from health-related work hazards
- Adapt work and the work environment through the correct placement of personnel based on inherent job requirements
- Contribute towards the physical and mental adjustment and social wellbeing of employees, contractors and other stakeholders
- Mitigate occupational hazards, incidents and occupational health-related diseases with early identification
- Provide a support function for employees and their families, where reasonably practicable.

Performance area	2021	2020	2019	2018	2017
Occupational health examinations	7 370	1 985	9 861	13 890	18 850
Ill-health profile (outcome of medical testing)	4,7	5,3 ¹	8,11	7,29	7,13
HIV counselling and testing (HCT)	1 349	566	2 136	4 062	2 588
NIHL	0 ^(LA)	0	1	25	8

¹ Number of employees who have restrictions and limitations compared to medical testing conducted. Benchmark of 30 previously identified to historic performance trend.

^(LA) This item was the subject of limited assurance engagement performed by EY.

Independent assurance

The Group's South African operations conducted 7 370 occupational health examinations (2020: 1 985). Moolmans accounted for most of the increase in testing after a slowdown in the prior year due to COVID-19 restrictions. Medical testing identified 5% of Aveng employees with occupational restrictions and limitations. The relevant occupational surveillance programmes are managed by the respective operations.

Occupational disease management

Managing potential NIHL remains an important element of health management in the South African operations. Each operation identifies key focus areas and manages monitoring and response plans in order to minimise the number of NIHL cases and, where necessary, mitigate further loss of hearing in identified workplace-related cases.

The risk of NIHL is addressed relative to the potential exposure in each operation. While several of our operations are managed by our customers' clinics, it remains an important focus area for Aveng to ensure that the Group manages its own employees' health data. Operations comply with all NIHL assessment requirements, outcomes and reporting protocols as per medical insurance compensation fund processes.

Communicable and non-communicable disease management

The management of communicable diseases such as malaria, HIV/Aids and tuberculosis, and non-communicable diseases such as hypertension and diabetes, remains a focus for Aveng's South African operations. The implementation of management programmes to proactively assist and identify communicable and non-communicable diseases is of particular importance to Aveng, given the range and uniqueness of the environmental and socio-economic conditions encountered in the locations in which the Group operates.

A total of 1 349 employees were tested, of whom 227 received HIV counselling in 2021 and 20 (2020: 4) tested positive, resulting in a prevalence rate of 1,4% (2020: 0,71%).

COVID-19 – protecting employees in the workplace
COVID-19 tracking – at 26 August 2021



Aveng continued to respond decisively to rolling waves of COVID-19 infection and evolving variants. The pandemic remained a factor across most of our operations and the Group maintained strict management protocols in workplaces and continued to provide support to employees and communities as we worked through the pandemic.

Several online support services are provided to employees and regular COVID-19 toolbox talks are held at the projects. Group operations implement COVID-19 response plans on all projects to ensure the highest-level responses to COVID-19 restrictions and protocols. A campaign was introduced to educate employees about vaccination programmes and Aveng engaged with certain customers to provide vaccinations on site.

Aveng supports the view of most governments around the world that the implementation of a vaccination programme is the route to a sustainable future and strongly recommends that everybody who medically can and has access to the vaccine should be vaccinated as soon as possible.

Aveng is monitoring the rollout of the vaccination process in its operating jurisdictions and where appropriate and in line with local protocols, is facilitating access to a vaccine for all its employees. To date, the Group has procured vaccines for staff and families in Southeast Asia. In South Africa, interventions are in place to facilitate the vaccination of employees at remote sites.

The Group has been deeply saddened by the loss of ten colleagues since the outbreak of COVID-19 in March 2020.

Providing relief to employees during COVID-19

Employee wellbeing is fundamental to employee satisfaction and productivity which, in turn, supports business sustainability. Aveng provides professional and independent support to South African employees through the ICAS employee wellness programme (EWP) to ensure that stressful conditions at work and at home are adequately managed and that employees are supported during challenging periods.

The EWP provided relief to employees during the turbulence of COVID-19 in 2021, as reflected in a 19,9% usage of ICAS services. The primary concerns raised by employees included mental health, trauma, personal relationships, personal development and organisational and managerial issues.

Aveng offers a range of wellness and support programmes to employees:

- WeCare and ICAS provide mental health support
- Oranges Toolkit addresses the rising concerns of employees and leaders
- Springfox Resilience provides resilience programmes to support and accelerate individual performance.

McConnell Dowell conducted a mental health and wellness study at the Mordialloc Bypass project in Melbourne in association with Swinburne University. The study obtained quantifiable results relating to an integrated approach to health and wellness.



ENVIRONMENT





ENVIRONMENT

Aveng recognises the interaction between its operations and the natural environment. The Group is committed to conducting its business responsibly in order to minimise its environmental impact and contribute to environmental protection and sustainability.

Our business operations implement systems and measures to identify, manage and respond effectively to foreseeable environmental risks and opportunities, in accordance with the ISO 14001 standard. By improving our environmental knowledge and awareness, we ensure that our operations comply with environmental regulations in their areas of operation and strive to continuously improve environmental management. Environmental management is conducted in compliance with Aveng’s values, its SHE policy and applicable regulations.

Our safety, health and environment approach

Environmental improvement initiatives implemented by the operations include information sharing and the application of lessons learnt in the management of environmental impact matters relevant to each operation. During 2021, the operations focused on improving environmental

awareness, implementing sustainability initiatives and training, and transitioning to ISO 14001:2015. Environmental awareness and training in environmental law and responsibilities is provided for senior managers and employees. This is conducted during both SHE induction and internal communications about relevant topics delivered through toolbox talks.

Living our values

We recognise the impact that our operations have on the natural environments we work in and we are aware of the growing interest and concern associated with climate change. We apply standard practices and take reasonable and practical steps in line with leading practice to achieve zero environmental harm or to minimise the direct or indirect potential for harm.

Stakeholder engagement

Aveng identifies its main environmental stakeholders and engages openly and continuously with them through various formal and informal methods. Our environmental stakeholders are employees, communities, regulators, customers, subcontractors, suppliers and investors.

Operational management engages regularly with employees at the Group’s workplaces and project sites. Environmental management is an important element of contractual arrangements for projects and routine engagements with clients. The Group complies with regulatory requirements and engages directly with regulators and clients on matters that have a direct impact on our operations.

Stakeholders	Stakeholder engagement	Key matters
Customers	<ul style="list-style-type: none"> • Meetings • SHEQ specifications 	<ul style="list-style-type: none"> • Effective environmental management
Employees	<ul style="list-style-type: none"> • Employee topic discussions or meetings • Management information sessions • Risk assessments 	<ul style="list-style-type: none"> • Safe workplaces that pose no risks to health and the environment • Continuous improvement in environmental awareness and responsible execution of operations • Identification and mitigation of environmental risks
Subcontractors and other suppliers	<ul style="list-style-type: none"> • Supplier meetings • Supplier and contractor audits 	<ul style="list-style-type: none"> • Compliance with environmental regulations • Supply chain sustainability • Mutual benefit and business continuity • Principal contractor management on customer sites
Shareholders and financial institutions	<ul style="list-style-type: none"> • Quarterly Board meetings • Monthly site reviews 	<ul style="list-style-type: none"> • Reputational damage if non-compliant • Negative investor sentiment
Communities	<ul style="list-style-type: none"> • Community meetings 	<ul style="list-style-type: none"> • Direct and indirect environmental impacts • Responsible corporate citizenship • Community development and communication
Government and regulators	<ul style="list-style-type: none"> • Compliance with relevant regulations and requirements • Case-by-case engagement 	<ul style="list-style-type: none"> • Environmental regulatory compliance • Legal liability expertise and training

Important conversations with key stakeholders in 2021

- Engagement with service providers to identify opportunities to improve waste management and educate communities on waste recycling in South Africa.
- Client interactions and workshops, to overcome barriers to the use of recycled products in infrastructure.
- Environmental alerts issued across the McConnell Dowell business units to reflect a new vegetation disturbance permit following unauthorised vegetation clearance incidents and separate alert to reflect spike in spill events and reinforce control measures.
- Continue to receive positive feedback from clients on McConnell Dowell’s proactive environmental and sustainability initiatives and awareness across projects.

2021 environmental performance

Major environmental incidents are defined as a work-related event or incident that results in irreversible environmental harm or damage to the environment. Risk and severity rating structures are applied as guidance to determine the significance of the incident.

One major environmental incident was recorded (2020: zero) at Trident Steel. A fire engulfed a disposal area opposite the Reatile building (which is leased out to a third party), destroying a scrap pallet and a larger stack of recycled pallets.

A total of 145 minor environmental incidents were reported (2020: 111). The nature of these environmental incidents in the South African operations are predominately hydrocarbon spillages consistent with the Group’s business scope and industry profile. Minor incidents recorded by McConnell Dowell operations include the impact of small fires and spillages on land and flora, and some surface water discharges as a result of cementation run-off.

Compliance notices and data

Aveng operations monitor environmental compliance requirements as part of the SHE management systems. The operations ensure that observations are addressed and recommendations received are implemented as part of continuous improvement.

Commitment to environmental stewardship and stakeholder engagement remained a key focus area for Aveng operations during the non-core disposal process and COVID-19 disruptions.

Performance area	2021	2020	2019	2018	2017
Major environmental incidents	1	0	0	0	0
Operations with ISO 14001 certification of Environmental Management Systems (by headcount) (%)	>90	>90	>90	>90	>90
Carbon emissions (tCO ₂ e) total	43 481 ^(LA)	40 043	67 904	111 761	99 632

^(LA) This item was the subject of limited assurance engagement performed by EY. Scope 1 and 2 emissions only.



The operations report near-miss and minor environmental incidents to improve data collation and trends and to develop suitable control measures.

Carbon emissions (tCO₂e)

The emission of carbon in the form of carbon dioxide into the atmosphere is a contributor to global warming. Aveng monitors its carbon emission footprint to establish the amount of carbon dioxide its operations produce by burning fossil fuels. The table below reflects Aveng’s carbon emissions, calculated from the use of diesel and electricity, which are the Group’s main energy sources.

Performance area	2021	2020	2019	2018	2017
Direct carbon dioxide (CO ₂) – scope 1 (from combustion of diesel procured)	22 875 ^(LA)	14 303	33 780	70 838	56 571
Direct carbon dioxide (CO ₂) – scope 2 (from purchased electricity)	20 606 ^(LA)	25 740	34 124	40 923	43 061
Carbon emissions (tonnes) total scope 1 and 2 (tCO ₂ e)	43 481 ^(LA)	40 043	67 904	111 761	99 632

^(LA) This item was the subject of limited assurance engagement performed by EY. Scope 1 and 2 emissions only.



ENVIRONMENT CONTINUED

South African operations – emission factors

- Scope 1: Department for Environment, Food and Rural Affairs (DEFRA) (2020) emission factors were used to calculate scope 1 emissions (2,70553)
- Scope 2: Eskom (2021) emission factors were used for purchased electricity (1,08)

McConnell Dowell – emission factors

- Scope 1: Australian National Greenhouse Accounts (2019) emission factors
- Scope 2: Greenhouse Gas Protocols
- Indirect (scope 2) emission factors for consumption of purchased electricity or loss of electricity from the grid

State or territory	Emission factor kg CO ₂ e / kWh
New South Wales and Australian Capital Territory	0,79
Victoria	0,96
Queensland	0,80
South Australia	0,35
South West Interconnected System (SWIS) in Western Australia	0,68
North Western Interconnected System (NWIS) in Western Australia	0,58
Darwin Katherine Interconnected System (DKIS) in the Northern Territory	0,54
Tasmania	0,16
Northern Territory	0,57

Sources: National Greenhouse and Energy Reporting (Measurement) Determination 2008 (Schedule 1) and Department of the Environment and Energy.

Operating group environmental performance

Aveng operations implemented initiatives to improve the efficiency of their energy and water usage in response to their carbon and water footprints.

Operation	Diesel emissions		Electricity emissions		Water purchased
	kℓ	tCO ₂ e	KWh	tCO ₂ e	kℓ
McConnell Dowell	8 102	21 800	5 700 504	2 992	71 353 289
Moolmans	22	60	685 661	740	8 254
Manufacturing	282	764	7 482 043	8 081	55 515
Trident Steel	93	250	8 084 099	8 731	22 387
Corporate	1	1	57 704	62	2 456
Group	8 500	22 875 ^(LA)	22 010 011	20 606 ^(LA)	71 441 901

^(LA) This item was the subject of limited assurance engagement performed by EY. Scope 1 and 2 emissions only.

Aveng consumed 8 500kℓ of diesel in 2021, a 60% year-on-year increase, which equated to 22 875 CO₂e^(LA) (2020: 14 303 tCO₂e). McConnell Dowell used 94% of the Group's total consumption, consistent with its industry profile and an increase in project activity. Moolmans recorded a reduction in diesel usage from 32kℓ in FY20 to 22kℓ.

Aveng consumed 22 010 011 KWh of electricity in 2021, a 16% year-on-year reduction, which equates to 20 606 tCO₂e^(LA) (2020: 25 740 tCO₂e). Trident Steel and Manufacturing were the highest consumers of electricity, followed by McConnell Dowell. All operations continued to explore efficiency measures and alternatives to conserve energy.

The total amount of water consumed by the Group was 71 441 901kℓ, a 35% year-on-year decrease. McConnell Dowell was the highest consumer of water; this was due primarily to the nature of three large linear infrastructure projects that required large quantities of water during earthworks to suppress dust and condition sub-grade materials. The bulk of work on these projects is complete. Aveng operations use mainly municipal water for a variety of activities, including dust suppression in the construction, mining and manufacturing operations.

Aveng operations implemented a range of initiatives to conserve energy and water and to reduce waste.



Strategy in action – Early contractor involvement

Aveng operations apply innovative thinking and practices to achieve positive environmental and sustainability outcomes on project sites, including:

- Implementation of the Construction Environmental Management Plan (CEMP) by McConnell Dowell
- Reusing materials
- Using cleaner, renewable energy solutions and sustainable materials
- Applying innovative engineering solutions.

The following initiatives demonstrate specific measures applied by Aveng operations to minimise their environmental impact through the efficient use of resources such as energy, water and construction materials.



Recycled composite sleepers – Wyndham Vale Stabling project

Low-profile concrete sleepers were substituted with recycled plastic composite Duratrack® sleepers for siding at the new train storage yard north of Wyndham Vale station. In a dedicated trial area, approximately four tonnes of plastic were recycled and saved from landfill. This reduced carbon emissions during manufacture and transport, and it will leave fully recyclable materials at the end of the asset's life.

Recycled plastic noise walls – Mordialloc Freeway project

The project manufactured 32 000m² of noise walls from 570 tonnes of plastic waste collected from households across Victoria, Australia. The plastic was recycled and made up 75% of the material used to manufacture the noise walls, which weigh less than half of



similar steel products. This enhanced installation while meeting traffic noise-reduction requirements. The manufacture of the noise walls also retained local jobs.

Maximising recycled content in asphalt for road projects

The Regency Road to Pym Street project has been verified by the Infrastructure Sustainability Council of Australia (ISCA) as the first project in South Australia to apply soft plastics in asphalt. The project applied the recycled plastics to an arterial road and worked with suppliers to use 100% recycled asphalt for a temporary carpark.

In another innovative development, McConnell Dowell used recycled glass in the road base. Approximately 8.5 tonnes of glass was used on site instead of being disposed as waste.

Reducing carbon footprint – Western Program Alliance



The Western Program Alliance (WPA) minimised diesel-powered mobile generators on site by installing mobile renewable generators that are recognised by the Clean Energy Council as an innovation in infrastructure development. The solution is connected to the grid and replaces grid electricity with 100% renewable energy. It is forecast to save 116 tonnes of carbon equivalents annually.

The WPA also uses solar-powered light stands at certain sites to replace noisy diesel-powered light towers, creating a better environment for surrounding communities.

With these innovations, the WPA expects to save 15 000 litres of diesel fuel and AUD20 000 in diesel and refuelling costs annually. This equating to 40 000kg of carbon dioxide.

Water wise

McConnell Dowell projects reduce potable water use by at least 20% and maximise non-potable water by using on-site rainwater run-off, treated contaminated groundwater and treated effluent for dust suppression.

SAFETY, HEALTH AND ENVIRONMENT KEY PERFORMANCE INDICATORS

Aveng monitors and measures KPIs to achieve continuous improvement in SHEQ performance. The core operations' SHE focus areas and KPIs for 2022 are set out in the following table:

McConnell Dowell		2022 target*
Safety (per 200 000 man-hours)	<ul style="list-style-type: none"> • LTIFR • TRIFR • PH/AI ratio¹ • All mandatory training completed within 14 days of employment • Minimum of one safety walk per project, per week, documented • Three task observations per week in the field by project staff (high-risk construction activity / inspections) 	<p>0,09</p> <p>1,0</p> <p><180</p>
Health	<ul style="list-style-type: none"> • >1 mental health initiative per project per year • Wellbeing framework implemented; at least 50% of projects/offices engaged 	
Environment	<ul style="list-style-type: none"> • >90% waste diverted from landfill • PE/AE¹ ratio 40:1 • Zero serious environmental incidents • 100% weekly environmental inspections completed 	
Quality	<ul style="list-style-type: none"> • 100% close-out of NCRs within three months of close-out date • 90% lot close-out within 35 days of physical work completion • 100% close-out of audit actions, rated moderate and above, within timeframes • 100% VMR actions closed out within timeframe 	

¹ PH/AI is the ratio of potential harm risks reported to the number of actual incidents.
PE/AE is the ratio of potential environmental risks reported to the number of actual incidents.
These are lead indicators to show whether hazards are reported before they become incidents.
* Subject to Board approval.

Moolmans		2022 target*
Safety (per 200 000 man-hours)	<ul style="list-style-type: none"> • LTIFR • TRIFR • Two PTOs per week by site personnel for high-risk work • Eight safety officer and supervisor inspections per week, documented • Two VFL engagements by Exco and site personnel per week • 100% compliance with mandatory training 	0,20 0,59
Health	<ul style="list-style-type: none"> • Valid medical certificate of fitness (Mine Health and Safety Act, section 13) for all existing and new employees • 100% compliance with chronic disease management programme for all employees with chronic diseases • 100% compliance with COVID-19 SOPs and protocols • Zero cases of employees diagnosed with NIHL (% shift from baseline on audiogram)² 	
Environment	<ul style="list-style-type: none"> • Volumes (kilolitres) of water used per month for mining activities (dust suppression, drilling) • Volumes (kilolitres) of diesel used per month • PE/AE ratio (develop baseline) • Safe disposal of general and hazardous waste to licensed sites (tonnes/month) • Four environmental inspections per week, documented • Zero level 3 – 5 environmental incidents³ 	
Quality	<ul style="list-style-type: none"> • Incident investigations to be conducted and concluded within seven days of occurrence • 100% close-out of audit actions rated moderate and above within timeframes • 100% close-out of significant findings from incidents and inspections within committed timeframes • Implementation of action plan derived from recent SHEQ review • Implementation of action plan from safety culture intervention • Develop fatigue monitoring standard for Moolmans 	

² NIHL is defined according to US Occupational Safety and Health Administration (OSHA) definitions: an age-corrected average hearing shift in either ear of greater than or equal to 10 dB at 2 000, 3 000 and 4 000 Hz when compared to baseline, coupled with a greater than or equal to 25 dB average hearing level in the same ear at 2 000, 3 000 and 4 000 Hz.

³ Level 3: Size or scale of impact is moderate, environment has moderate sensitivity to impact, containment, remediation – and/or clean-up of impact requires moderate intervention and time commitment.

Level 4: Size or scale of impact is high, environment has high sensitivity to impact, containment, remediation – and / or clean-up of impact requires high intervention and time commitment.

Level 5: Size or scale of impact is major, environment has major sensitivity to impact, containment, remediation – and/or clean-up of impact requires major intervention and time commitment.

* Subject to Board approval.

PEOPLE MANAGEMENT





PEOPLE MANAGEMENT

Aveng focused on attracting and retaining culturally aligned, experienced and competent people across its core operations. Stronger leadership teams and a committed employee base achieved further progress in embedding a high-performance culture, as reflected in the Group's performance in 2021.

Our approach to people management

As Aveng shifts to being an international infrastructure, resources and mining Group, our people management supports the strategy by further strengthening leadership teams, improving performance, standards and governance, and driving diversity and inclusion in the core businesses, Moolmans and McConnell Dowell. A further strategic imperative has been the responsible disposal of non-core businesses, the majority of which has been concluded.



Living our values

We endeavour to provide a better life for our employees by instilling a culture that promotes and recognises performance excellence. By developing and retaining committed and competent teams aligned to our values and strategic objectives, we enable a better future for our business and, in turn, for our people.

Key focus areas

During 2021 Aveng focused on building the HR capability within the core businesses. This was supported by key focus areas of people management, including:

- Entrenching a culture based on the Group's purpose, vision, values and behaviours, conducive to sustainable long-term business performance
- Strengthening and restructuring the core businesses and appointing individuals into key positions
- Continuing to strengthen executive teams with regular engagement and coaching
- Responsible disposal of remaining non-core businesses with a focus on saving jobs, transferring viable entities to new owners and supporting the emergence of black-owned companies
- Striving for diversity in localisation, gender and race
- Changing operational structure to drive accountability, responsiveness, customer focus and operational agility in all of our markets
- Continuing to leverage our agility to respond proactively to the challenges presented by COVID-19
- Supporting and investing in the communities within our areas of operation.



Remuneration report, 2021 integrated report
www.aveng.co.za

Stakeholder engagement

Aveng has identified its main people management stakeholders as employees, organised labour, managers and regulators. We engage continuously with them through various formal and informal methods, as detailed in the table below.

Stakeholder	Expectation	Impact on Aveng if not addressed	2021 actions
Employees Australasia: • Overhead: 403 • Project staff: 1 159 • Waged: 707 Southern Africa and other: • Salaried: 1 125 • Waged: 2 692	<ul style="list-style-type: none"> Alignment of employee behaviours and objectives with the organisational strategy, culture and values 	<ul style="list-style-type: none"> Sub-optimal performance and failure to meet targets Talent loss Labour disruption Misaligned organisation 	<ul style="list-style-type: none"> Restructuring and strengthening capability in core businesses Alignment of employee roles and responsibilities Driving performance in core businesses Fostering a culture with behaviours aligned to our values
Organised labour • NUM, NUMSA, UASA, AMCU and Solidarity (South Africa) • AWU and CFMEU (Australia)	<ul style="list-style-type: none"> Quality/consistency of engagement with unionised and non-unionised labour 	<ul style="list-style-type: none"> Tough labour relations environment Increased potential for discontent and disruptive actions 	<ul style="list-style-type: none"> Ongoing engagement with employees and organised labour Engagement with unions and representative bodies on wage increases and alignment of overtime and leave/fatigue management Managing and monitoring of COVID-19 impacts on productivity Engagement with representative bodies on downsizing certain business units and projects
Managers	<ul style="list-style-type: none"> Performance ownership and accountability Capable leaders at all levels of management Effective succession planning to ensure business continuity 	<ul style="list-style-type: none"> Sub-optimal business performance and failure to meet performance objectives 	<ul style="list-style-type: none"> Appointment of new leadership in key and critical positions Executing KPIs aligned to strategic objectives Cascading capability, succession, performance and talent reviews deeper into core businesses to optimise project performance Redefined short-term and long-term incentives
Labour regulatory bodies	<ul style="list-style-type: none"> Compliance with legislation 	<ul style="list-style-type: none"> Reputational and/or financial risk 	<ul style="list-style-type: none"> Ongoing reviews to ensure compliance with applicable legislation or codes

Important conversations with stakeholders

- Employees – business updates, performance target setting and awareness of Aveng COVID-19 protocols, including the importance of vaccination.
- Managers – regular operational reviews and engagement with various layers of management throughout Moolmans. Regular site visits by senior management on all project sites and visible felt leadership (VFL) conversations with employees on various business and other topics.
- Labour unions – regular engagement on daily operational issues and matters of mutual interest.
- Communities – regular interaction within the communities in which we operate regarding employment opportunities and socio-economic development support.

PEOPLE MANAGEMENT CONTINUED

Strengthening human capital

Building capability and embedding a performance culture across our businesses is a key strategic imperative for Aveng. This was further strengthened during 2021 with the appointment of experienced and capable individuals in key senior and operational leadership positions across both core businesses.

McConnell Dowell's performance is supported by strong and stable executive and senior leadership teams across its business units.

McConnell Dowell's Australian business continued to embed its new regional operating structure, with regional general managers in place in all four geographic regions and a national general manager for the rail division. Industry leader James Glastonbury joined McConnell Dowell early in the 2022 financial year as executive general manager of Engineering, Technology and Innovation.

Beyond the leadership appointments, McConnell Dowell focused on securing and retaining experienced bid and delivery personnel to support its growth strategy. In an Australian market where industry activity is close to record highs, the availability of skilled people continues to shrink. Proactive recruitment initiatives and retention strategies have been implemented to address the challenge, while upward pressure on labour costs remains a concern.

The Moolmans executive team was strengthened by the appointment of experienced, technically capable external and internal individuals.

New appointments further strengthening the Moolmans executive team through the appointment of an Operations and Business Development Executives and a number of middle management appointments within the operations and engineering functions across project sites to strengthen technical capability. These appointments, together with executive coaching interventions and employee retention stabilised the business and strengthened leadership direction. This contributed to the turnaround and ongoing improvement in Moolmans' performance. The business maintains its strong focus on the management of performance and project delivery in line with its strategic objective to become Africa's premier mining contractor.

Managing COVID-19

The impacts of COVID-19 infections and restrictions on our businesses and people differed according to their areas of operation. We maintained strict protocols and complied with local requirements to contain the spread of the virus as it evolved.

Aveng encouraged all eligible employees to get vaccinated. Where possible, the Group intervened to assist employees to register for vaccinations and partnered with customers to facilitate easier access to vaccines at some remote project sites.

Aveng recorded 864 confirmed COVID-19 cases and a 90% recovery rate. Unfortunately, we lost ten employees to the pandemic. We offer our condolences to every employee and family member who lost loved ones due to COVID-19.

Performance management

To improve performance in Aveng's core operations, performance management centred on the achievement of specific short-term and medium-term targets. Ongoing short-interval operational performance reviews ensure that the core businesses achieve their performance targets. This includes specific financial and non-financial targets and holding managers at all levels accountable for achieving agreed objectives.

Where required, this includes coaching and visible presence on operational sites by senior leadership, who give technical and strategic guidance and support.



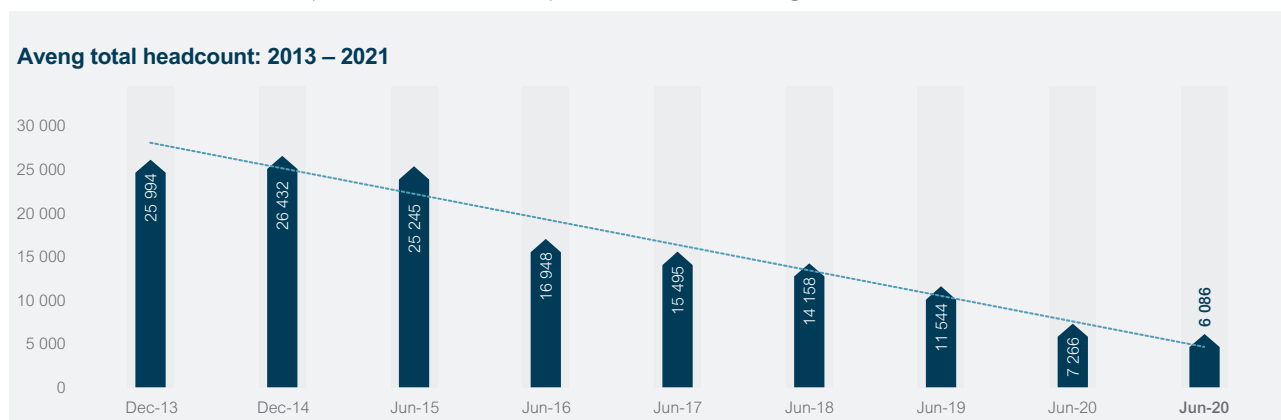
Remuneration report, 2021 integrated report www.aveng.co.za



Employee relations

Despite difficult economic and operating conditions, worsened by COVID-19 impacts, Aveng and its key stakeholders maintained a sound employee relations environment across South African operations, with limited (insignificant) work stoppages. The completion or ramp-up of certain Moolmans projects in South Africa necessitated the restructuring of some operations. However, healthy and robust engagement with employee representatives and other regulatory bodies ensured operational continuity.

The following graph shows the headcount reduction since December 2013 as Aveng implemented its strategy to dispose of non-core businesses and adapted its South African operations to deteriorating economic conditions.



Learning and development

Aveng is committed to employee advancement; hence, the Group invests in learning and development programmes and initiatives across its operations.

Core operations

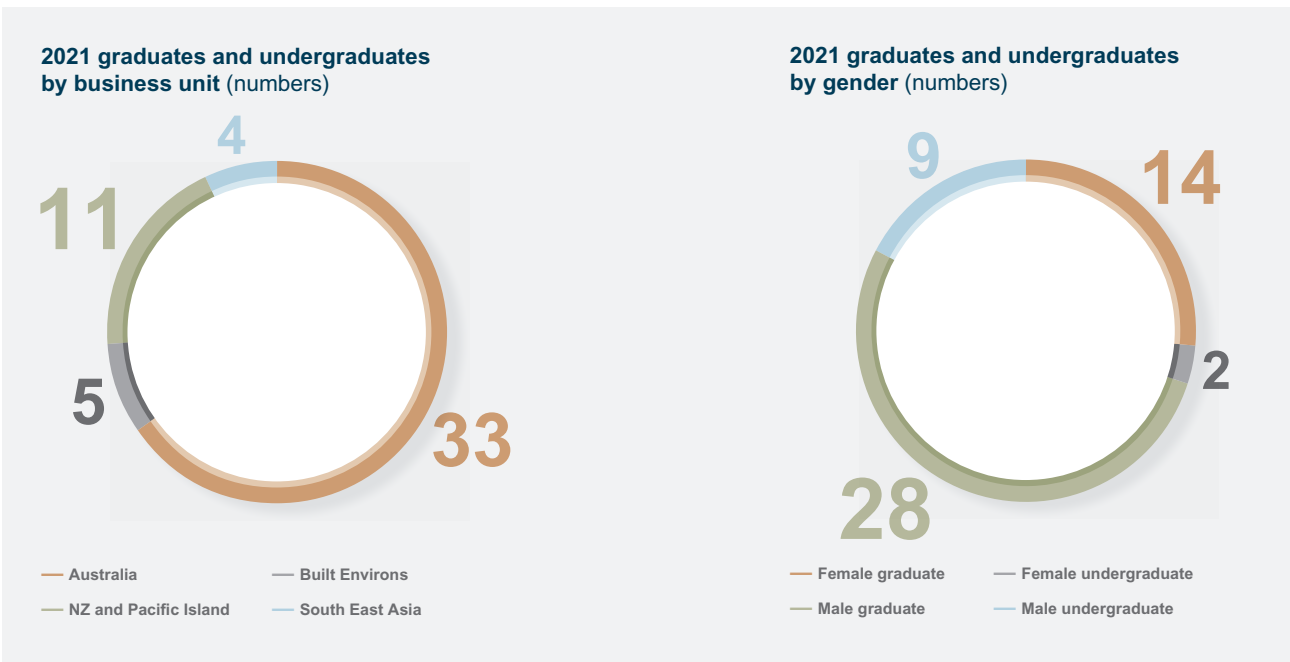
The interventions below summarise the training and development activities during this reporting period.

McConnell Dowell

With COVID-19 impacting travel in 2020 and 2021, some of the McConnell Dowell key development programmes were deferred and the focus shifted to planning the refinement and revision of scheduled programmes. McConnell Dowell is ensuring the quality of planned investment in individual development with triangulated line, talent and HR conversations. Critical organisational capability initiatives resumed in 2021, including the deployment of the Senior Leadership Programme and Sales Capability programmes, with the redesigned Operational Leadership programme scheduled to recommence in 2022.

The McConnell Dowell Leadership Capability Framework was established and incorporated into key people processes and initiatives, including the annual talent assessment criteria, and the learning outcomes of the Senior Leadership Programme.

PEOPLE MANAGEMENT CONTINUED



Graduate recruitment

McConnell Dowell’s Australian and New Zealand graduate programmes are well developed and respected within universities across the two countries. The 2022 graduate intakes have been secured, with mentoring, rotations and industry partnerships all part of both programmes. The 2021 Australian programme has been expanded to include graduates from the disciplines of engineering, health, safety, environment and quality, HR, finance and commercial.

The successful marketing of the Australian programme secured a 2021 nomination for McConnell Dowell as a finalist in the AAGE Graduate Recruitment Industry Awards for Most Popular Integrated Marketing Campaign – Private Sector.

Project-level initiatives such as the GEN44 programme at the WPA are achieving successful outcomes. GEN44 is designed to build a diverse pipeline of graduates ready for careers in rail. Through GEN44, the WPA will facilitate rail-focused internships targeting university students from the following cohorts: Aboriginal people, people living with a disability, refugee/asylum seekers and people from lower socio-economic backgrounds.

Moolmans

Training and development

Training, development and upskilling of employees remain key strategic imperatives for Moolmans. The business continues to invest in the development of core business skills across all functional areas. In addition to the internal Moolmans apprenticeship programme, the Company invested in a learnership programme for 28 women living with disabilities.

Moolmans is a participant in the government-led Youth Employment Service initiative (YES), through the appointment of 51 previously unemployed individuals to positions within the Company.

▲ Diversity and inclusion report, page 48



Looking ahead

2021 key focus areas	Desired outcomes and actions
Performance of core businesses	<ul style="list-style-type: none"> • Ensure employees achieve their objectives through ongoing performance management and specific leadership development programmes for key current and future leaders
Embedding Aveng values, vision and purpose	<ul style="list-style-type: none"> • Maintain focus on Aveng values • Entrench culture of high performance, accountability and teamwork cascaded to the lowest levels of the organisation
Leadership capability development	<ul style="list-style-type: none"> • Continue developing existing leaders through succession planning interventions and the renewal of senior and middle management leadership development programme
Retention of critical talent	<ul style="list-style-type: none"> • Ensure retention of critical talent in key positions • Maintain focus on improved business performance • Enhance incentivisation of employees
Implementing appropriate reward and recognition schemes	<ul style="list-style-type: none"> • Ensure employee engagement • Retain key and critical employees

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DIVERSITY AND INCLUSION





DIVERSITY AND INCLUSION

Diversity and inclusion across Aveng includes the transformation imperatives of our South African operations and a multi-country diversity and inclusivity programme across McConnell Dowell.

OUR APPROACH TO TRANSFORMATION IN SOUTH AFRICA

Aveng is committed to
transformation
beyond compliance

Aveng is a
level 3
BBBEE contributor

Aveng consistently reviews its transformation performance outcomes against the belief that transformation should not be measured by the achievement of targets on the scorecard, but rather by the greater economic and social impact that the Group can achieve, while leveraging the results for strategic advantage.

In line with its revised business strategy, Aveng continued to focus on its transformation objectives within the core businesses. In the non-core businesses, transformation was managed and tracked in line with a responsible strategy to dispose of non-core businesses as going concerns.

Aveng's commitment to transformation is premised on the notion that it is "the right thing to do". We remain resolute in our compliance with the spirit and intent of the principles of BBBEE.

Aveng currently measures its transformation progress against the BBBEE generic codes of good practice. Despite a tough economic climate and the COVID-19-related limitations on training and development interventions, we achieved a level 3 BBBEE certification.

Key focus areas

As the Group's core South African business, Moolmans drives the domestic diversity and inclusion imperatives. The key matters addressed during 2021 include:

- Increasing emphasis in core businesses on transformation objectives and implementation of localisation initiatives in the Group's areas of operation

- Developing employees to achieve their potential
- Nurturing relationships with key stakeholders, including local communities, suppliers, micro enterprises (EMEs) and qualifying small enterprises (QSEs)
- Increasing opportunities to enhance procurement spend with black-owned and black women-owned emerging businesses in line with our overall procurement strategy to leverage opportunities across South African operations, mainly within mining operations in the Northern Cape
- Striving towards the achievement of our employment equity objectives
- Embedding our values and driving a culture of inclusivity
- Implementing supplier and enterprise development initiatives with previously disadvantaged businesses within our areas of operation.

Transformation monitoring and progress

The ongoing monitoring and evaluation of Aveng's transformation strategy remains a core function of our internal workplace committees, governed by the Board's social, ethics and transformation committee. These committees ensure alignment with the Group's strategy, operational implementation, compliance requirements and long-term goals.

Despite challenging economic conditions, the Group continued to invest in:

- Appropriate training interventions to capacitate employees and strengthen a culture of learning and continuous improvement
- Upskilling and development of identified empowered suppliers to participate in Aveng's preferential procurement strategy
- Community development interventions in line with our socio-economic development strategy
- Participation in the government's YES campaign
- Providing learnership opportunities to previously disadvantaged individuals living with disabilities.

BBBEE

Aveng's disposal strategy and the need for the ongoing restructuring of our operations in deteriorating operating environments resulted in a decrease of 19 908 employees across all categories since December 2013. During this period Aveng has continued to focus on developing and growing key talent, partnering with preferred suppliers, investing in the communities in which we operate and disposing of non-core businesses to BEE entities. Despite the abovementioned challenges, the Group achieved a level 3 BBBEE rating. Further work is underway to ensure that this rating is improved within Moolmans.



BBBEE scorecard
www.aveng.co.za

Equity in the workplace

Aveng instils a culture of diversity and inclusion, where everyone is treated fairly, equally and without discrimination.

During the year under review, Aveng maintained its focus on the disposal of non-core assets, the majority of which were sold to black-empowered businesses.

Skills development

Aveng recognises that skills development is critical to diversity within our business and to developing a succession pipeline of talent. While Aveng complies with relevant training and skills development legislation, its investment in people goes beyond compliance.

A total amount of R66 570 234 was invested in training and development within Moolmans (2020: R75 528 400) and in excess of 20 249 hours (2020: 14 600 hours) of training was delivered to employees in McConnell Dowell.

External bursary programme

Moolmans provides funding to five external students studying towards Engineering degrees at recognised tertiary institutions. Of these students, three are African females and two are African males. The students are being funded to complete degrees in Mining Engineering and Mechanical Engineering. The bursary programme includes practical work experience at Moolmans operational sites.

Study assistance to employees

A total of 22 employees are receiving study assistance across Moolmans towards the attainment of qualifications in line with career paths and organisational skill requirements. Of these, 17 (77%) are historically disadvantaged South Africans (HDSA) and 10 (45%) are female. Further work is required in 2022 to implement specific programmes that will develop the managerial skills of middle managers and identified future talent.

Learnerships and apprenticeships

Moolmans has 269 apprentices on a formal apprenticeship programme. Of these, 241 (90%) are HDSA and 16 (6%) are female. Future apprenticeship intakes will focus on recruiting female learners onto the programme to support our women in mining initiative. Of the 77 apprentices who qualified in 2021, 36 (47%) were absorbed into artisan positions.

Adult-based education and training

Moolmans enables further education for its employees, focusing on those who do not have the minimum requirements to engage in further studies in line with a career path. Moolmans currently has eight employees who are being funded to complete their National Senior Certificate (Grade 12) qualifications. Of these, six (75%) are female HDSAs.



Strategy in action – Nurturing future talent

Over and above the current learning and development interventions, which are predominantly focused on growing technical talent, Moolmans has made a significant investment in the implementation of two additional non-technical development programmes. The two programmes focus on developing individuals and positioning them for future employment opportunities. The first initiative is a learnership programme aimed at enabling young women living with disabilities to upskill themselves for future employment opportunities. The second programme is predominantly aimed at providing employment for previously unemployed individuals in line with the government’s youth employment initiative. This programme has already identified potential engineers for consideration into long-term employment in Moolmans.



DIVERSITY AND INCLUSION CONTINUED

In 2021, Moolmans applied for grant subsidies from the Mining Qualifications Authority (MQA) for skills development programmes. To date, Moolmans has received R6 852 012 in grants for apprenticeships and learnerships.

Enterprise and supplier development

Aveng's strategy to link procurement practices with the Group's BBBEE goals and targets, including that of procuring within its geographic areas of operation, has borne fruit. The Group continues to make progress in developing its supplier base.

The Group's spend on black-owned suppliers totalled R2,0 billion (2020: R3,3 billion), of which R441 million (2020: R891 million) was spent on black women-owned suppliers. Aveng retained a high level of compliance with the codes of good practice, with increased focus on EMEs, QSEs and black-owned and black women-owned companies in all our procurement activities. As a result, the Group achieved maximum points across the four sub-group categories and in addition, Moolmans invested R5,2 million in the identification and appointment of a previously disadvantaged supplier and new entrant to assist with ancillary mining operations.

Key focus areas within the Group's enterprise and supplier development (ESD) strategy include:

- Increased due diligence of BBBEE requirements at all levels of


procurement activity, with ongoing monitoring and reporting

- Reduction in spending on poorly empowered or non-empowered suppliers
- Increased accountability for procurement throughout the Group
- Greater rigour in confirming black ownership status
- Ongoing entry into strategic supply contracts with empowered suppliers
- Increased focus on expenditure with suppliers based in rural and underdeveloped areas where we operate
- Specific initiatives with client organisations to increase localised spend profiles.

To maintain and grow long-term sustainability for emerging black-owned and black women-owned enterprises under the codes of good practice, Aveng will again embark on both enterprise and supplier development initiatives. Under the Construction Charter, only supplier development was measured and included the former as beneficiaries in its ESD programme. Aveng continues to conduct countrywide networking interventions to identify emerging businesses and facilitate access to the Group's procurement spend. As enterprise development initiatives improve the Group's preferential procurement performance, we will continue to conduct development programmes which identify rural-based companies, emerging entrepreneurs and start-ups, and prepare them to participate in our procurement activities.

Socio-economic development

Aveng contributes to targeted CSI initiatives within the communities in which its core operations operate.

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Diversity and inclusion in McConnell Dowell

Indigenous participation

McConnell Dowell Australia has developed external relationships with indigenous affairs consultants and recruitment and employment agencies to establish a pool of applicants who can be sourced, with consideration given to:

- Appropriate literacy and numeracy standards
- Work readiness initiatives
- Drug and alcohol services

Supporting Aboriginal business

McConnell Dowell supported indigenous subcontracting business AKO Earth to become certified as a 100% Aboriginal business and contracted the business to undertake rock-breaking works for the Echuca Moama Bridge project. The collaboration strengthened the project's First Nations cultural knowledge.

In Australia, a reconciliation action plan team strengthens local indigenous participation on projects across business units.

McConnell Dowell NAIDOC week celebrations were broadcast across all Australian sites in 2021 to celebrate the history, culture and achievements of Aboriginal and Torres Strait Islander peoples.

The Mordialloc project partnered with AbilityWorks, a social enterprise which finds employment for people who face barriers when seeking work. The project is committed to providing disadvantaged workers with opportunities to work by making suitable adjustments for employees with disabilities.

Celebrating indigenous stories through urban design

Several projects include indigenous design as part of the project design process.

This allows project teams to embed indigenous knowledge, culture and history, not as an add-on, but as an integral part of infrastructure solutions.

In New Zealand, local languages are celebrated across various weeks of the year, such as the Samoa/Tongan language week. The senior leadership team is undergoing Maori culture and language tuition to learn their Mihi (a Maori ceremonial greeting).



Disadvantaged employees

McConnell Dowell Australia supports the Out for Good programme, which brings together government, business and community organisations to support at-risk young people (aged 17 to 26) in the youth justice system through education and employment opportunities. Partnerships with Newport Rail Academy and YMCA Rebuild are working toward the same end, supporting ex-offenders re-entering the workforce.

McConnell Dowell Australia has registered with Working for Victoria, a government agency dedicated to finding employment for people from disadvantaged backgrounds who've been particularly affected by the COVID-19 pandemic. Partnerships have also been established with WDEA works, a government agency that secures long-term employment for staff from disadvantaged backgrounds. The agency provides employers with wage subsidies and tools to train job seekers and help them find employment.

The Mordialloc project partnered with AbilityWorks, a social enterprise that finds employment for people who face barriers when seeking work. The project is committed to providing disadvantaged workers with opportunities to work by making suitable adjustments for employees with disabilities.

The WPA project is currently engaged with the GROW programme – which introduces people from marginalised or disadvantaged backgrounds, including asylum seekers, refugees and Aboriginal and Torres Strait Islander people – for training and employment opportunities in the transport and construction industries. The participants are given job-ready training at entry level, which allows them the opportunity to partake in cadetships, apprenticeships and graduate roles.

The New Zealand operation has partnered with:

- Diversity Works New Zealand to establish new initiatives focused on diversity
- The Ministry of Social Development to offer opportunities to underprivileged members of society and upskill the local workforce.

DIVERSITY AND INCLUSION CONTINUED

Gender equality

Improved diversity, particularly gender diversity, continues to have a positive impact on the culture of the Aveng organisation, and is increasingly a focus of McConnell Dowell's and Moolmans' customers in their tender assessment and selection processes.

Key gender equality initiatives undertaken by the operating groups include:

- Addressing gender pay equity
- Workforce composition
- Accelerated development of women
- Broader initiatives in diversity and inclusion.

McConnell Dowell continues to participate in, and contribute to, the National Association of Women in Construction to increase the Company's presence and influence the wider construction industry through this forum. This is part of its overall strategy to increase female representation in the workforce.



Looking ahead

2021 key focus areas	Desired outcomes / actions
BBBEE contributor status	<ul style="list-style-type: none"> Continue improving Moolmans' performance against the codes of good practice by increasing the implementation of localised programmes and activities.
Gender and race equity	<ul style="list-style-type: none"> Recruit according to employment equity plans to achieve black and female representation targets in Moolmans Continue to advance gender representation through workplace transformation committees Increase and retain black and female employees in senior and technical roles Appoint women and local people into key senior roles in McConnell Dowell
Skills development	<ul style="list-style-type: none"> Focus on recruitment and skills development interventions in line with the Moolmans' employment equity plan Implement relevant mentorship and leadership programmes and technical training initiatives to close skills gaps identified through performance management and on-the-job assessments.
Enterprise and supplier development	<ul style="list-style-type: none"> Increase support for emerging suppliers in the Northern Cape Maintain the focus on developing black women-owned emerging enterprises and suppliers Work with client networks to increase access to procurement activities for black designated enterprises in South African mining business.
Socio-economic development	<ul style="list-style-type: none"> Engage regularly with internal and external stakeholders to identify new opportunities to develop businesses and individuals in our communities.
Localise and advance indigenous people; promote gender equality	<ul style="list-style-type: none"> Continue to advance indigenous people in McConnell Dowell operations in line with the diversity and inclusion strategy.

CORPORATE SOCIAL INVESTMENT





CORPORATE SOCIAL INVESTMENT

OUR APPROACH TO CORPORATE SOCIAL INVESTMENT

South African operations

Since its inception in 2005, the Aveng Community Investment Trust has actively fostered mathematics and science excellence among South African learners in poor communities and has focused on technical and non-technical skills development in the workplace.

In November 2019, a strategy was formulated to align Aveng's corporate social investment (CSI) initiatives to the Group's new business strategy. This shifted the focus of our CSI efforts to the core businesses, while we completed our commitments to the two-flagship maths and science school projects (LEAP school in Diepsloot, Gauteng and the Kutlwanong maths and science centre in Jane Furse, Limpopo).

Investing in local empowered service providers

In line with Moolmans' ESD strategy, the business invested R200 442 252 of its 2021 procurement expenditure with local empowered service providers, including financial support and development of two black-owned businesses to provide ancillary services at project sites.

Moolmans has identified several additional ESD opportunities and is exploring commercial arrangements in collaboration with customers and suppliers. Moolmans consulted with experts in enterprise and supplier development to assess options to create business opportunities within the areas in which we operate. A strategy was developed and potential suppliers identified that would ultimately create sustainable businesses through development within our current supply chain and grow future business partners within our operations. These include:

- Developing an empowered small emerging mining contractor in partnership with our customer at the Kolomela project
- Developing an empowered supplier to provide ancillary services, such as dust suppression at the Northern Cape projects.

Moolmans' active involvement in a number of socio-economic development projects within the communities in which it operates contributes to sound community relations. Interventions include an investment of R1,2 million, towards local community initiatives as detailed below.

Supporting local communities

Moolmans contributed towards the following community initiatives near its operations in the Northern Cape.

Initiative	Site	Summary
Partnering with the SA Mobility for the Blind Trust	Tshipi/Kuruman area	Sponsorship of a programme to run independence training for 12 blind/partially sighted community members
Gamagara Agricultural Project	Sishen	Hydroponic crop-farming initiative in the local community. Sponsorship of equipment needed to operate.
Mosaic Aftercare Centre	Deben, 20km from Kathu (Sishen project)	Improvement of school's facilities
Assisting various schools within the communities in which Moolmans operates	Northern Cape towns of Kathu, Postmasburg and Sishen	Improvement of rural school facilities through the donation of refurbished park homes for various uses

From 2021, Moolmans has focused on sustainability projects in the communities in which it operates.

McConnell Dowell social procurement and partnering programmes

Across McConnell there is an active portfolio of social procurement and partnering activities, driven largely by government customer requirements and targets in alliance projects and programmes.

While some initiatives are launched and delivered by the Group alone, many are done in partnership with the government body for the respective region. Some examples of activities across the business include:

- Participating in local programmes that provide opportunities for minority groups, including people from disadvantaged backgrounds and asylum seekers, to access professional qualifications to enhance their long-term employability.
- Securing labour hire through companies that are 100% Aborigine-owned, to provide a cross-section of candidates, both blue- and white-collar. The company was able to compete substantially to provide these services across our projects.
- Engaging local businesses owned by indigenous people and/or Maori and Pasifika people through tendering processes to maximise benefits for all stakeholders.
- Connecting with organisations that find employment for disadvantaged individuals to provide labour opportunities on our projects.
- Implementing various “Shop Local” campaigns that connect the workforce with locally offered goods and services. This includes promoting exclusive workforce discounts from participating traders in the local area.





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