



AVENG
Providing a better life

20
22

SUSTAINABILITY
REPORT

Navigating our 2022 Sustainability report

OVERVIEW

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Aveng's sustainability reporting outlines how the Group fulfils its purpose of "Providing a better life". During 2022, we implemented our values-aligned environmental, social and governance (ESG) framework. This has enabled us to integrate and improve the work we do in managing our ESG risks and opportunities.

OUR PERFORMANCE INDICATORS AND APPROACH

- 12 Key performance indicators and approach

Our key performance indicators provide a baseline against which we can measure and improve our performance and continuously strengthen our sustainability reporting.

ASSURANCE

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Independent assurance was obtained on the following selected safety, health and environment (SHE) indicators: direct carbon dioxide emissions – scope 1 (from combustion of diesel procured); direct carbon dioxide – scope 2 emissions (from purchased electricity); total recordable injury frequency rate (TRIFR); lost-time injury frequency rate (LTIFR); number of confirmed and paid cases related to noise-induced hearing loss (NIHL).

PERFORMANCE OVERVIEW

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This section provides information on our environmental and social impacts and the investments we make to support sustainable development and contribute to positive ESG outcomes. We also describe the investments we make to enhance the wellbeing of our employees, contribute to inclusion and diversity across our operations and support vulnerable communities.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements about Aveng's anticipated performance, operations, and prospects. Although these statements represent our future expectations and judgements, these are subject to risks and uncertainties that could adversely impact our business and financial performance. Undue reliance should not be placed on opinions, forecasts, or data. Forward-looking statements apply to the date on which they are made. Aveng does not undertake any obligation to publicly update or revise any of its opinions or forward-looking statements, whether to reflect new data, future events, or circumstances.

2022

WELCOME TO THE AVENG 2022 SUSTAINABILITY REPORT

This report forms part of our integrated and ESG reporting and is supplemented by our integrated report, annual financial statements and our shareholder information which can all be found at www.aveng.co.za.

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**.

Feedback

Please share your feedback and opinions on our report by emailing info@avenggroup.com



About this report

We report on Aveng’s environmental and social impacts and our actions to support sustainable development and contribute to positive ESG outcomes.

Aveng is committed to creating and preserving value, and preventing the erosion of value for its many stakeholders. We apply the principle of materiality to determine the content of our reporting and define materiality as matters that substantially affect the Group’s ability to create and sustain value over the short, medium and long term.

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

Scope and boundary

The report covers the Group’s operations with the exception of small operations in Zambia, Zimbabwe and Mauritius during the period 1 July 2021 to 30 June 2022. Material events that occurred between 1 July 2022 and the publication date are included. The content is based on the reporting requirements listed below, the information needs of our stakeholders and our material matters.  Material matters, page 18.  Materiality, Aveng integrated report www.aveng.co.za



Reporting frameworks

The report’s preparation and content are guided by the principles and requirements of the IFRS Foundation’s Integrated Reporting Framework, 2021 (<IR> Framework)¹, the King Code of Governance Principles for SA (King IV™)², the Listings Requirements of the JSE Limited (JSE), 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.


Governance

The Board is ultimately responsible for sustainability reporting. Assisted by the safety, health and environmental committee and the social, ethics and transformation committee, the Board reviews quarterly reports prepared by the operations on performance against key performance indicators (KPIs) and implementation of preventative or corrective measures.

Approval of the integrated report

The report’s content was prepared and reviewed by several internal stakeholders. The Board, assisted by its audit, risk and other board committees, assessed the report and believes that it presents a balanced account of Aveng’s sustainability performance. The sustainability report was approved by the Board on 27 October 2022 and signed on its behalf by:

Assurance

Independent assurance was obtained from KPMG on selected safety, health and environment indicators which are indicated with  in the report. 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.

 Independent assurance report.

PA Hourquebie
Non-executive Chairman

SJ Flanagan
Chief Executive Officer

AH Macartney
Chief Financial Officer

M Hermanus
Lead independent non-executive director

M Kilbride
Independent non-executive director

B Modise
Independent non-executive director

B Meyer
Independent non-executive director

B Swanepoel
Independent non-executive director

¹ Previously the International Integrating Reporting Council’s Integrated Reporting Framework, 2021.

² The King IV Report on Corporate Governance™. The copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

Message from chair

Aveng improved its performance against key environmental, social and governance indicators and implemented a new ESG strategy and approach aligned with its values to further strengthen its sustainability management, measurement and reporting.



May Hermanus

*Lead independent non-executive director
Chair of social, ethics and transformation committee,
Chair of safety, health and environment committee*

2022

Performance

- No fatalities
- Sustained improvement in all key SHE performance indicators
- New ESG strategy and approach
- Level 4 BBBEE contributor status

Future focus

- Maintain continuous improvement trend against baseline data
- Extend ESG learnings to other projects
- Collaborate with mining customers to improve ESG performance and progress energy transition

Overview

Aveng experienced a period of significant internal change during its recovery and turnaround strategy, compounded by challenging conditions in the external operating environments of our companies. Our operations in Southeast Asia continued to navigate COVID-19 restrictions for much of the year and our South African operations experienced civil unrest in Kwa-Zulu Natal, extreme weather and flooding, a steel industry strike, power outages and semi-conductor shortages. All of our operations now face the unfolding economic consequences of the war in Ukraine which is contributing to higher prices and disrupting project schedules.

Despite these challenges, Aveng made further progress towards achieving financial sustainability and ensuring that the businesses it sold as part of the non-core disposal programme remained viable going concerns for their employees and the new owners. The strategic transition of our core operations from turnaround to profitability enabled us to turn our full attention to their long-term growth.

Assessing the effectiveness and relevance of our sustainability measures

Several factors prompted deep introspection within Aveng's Board, its committees and executive management. These include the health and humanitarian impacts of COVID-19 and the undeniable, often catastrophic consequences of global warming, coupled with increasing scrutiny of the way companies respond to these challenges. We worked with external experts to assess whether our operations are responding adequately to ESG risks and opportunities and whether our sustainability measures are meaningful to our operations.

For some time, there has been a sense that culture is the key, and that it links to issues of ethics and practice. Aveng's culture commitments preceded our ESG discussion and, therefore, our ESG approach was framed within the Group's commitment to values, ethical practice and the culture we want.



Message from chair continued

Implementing a new values-based sustainability framework

The development and implementation of the Group's ESG framework is aligned to Aveng's core values of Safety and Care, Honesty and Integrity, Customer Focus, Working Together and Performance Excellence. During 2022, we implemented the framework throughout the Group, adapting it to the unique circumstances of each operation, with baseline targets and plans to achieve the targets over a predetermined period.

Our ESG practices are governed by policies, internal controls and external assurance, which are overseen by the Board, the safety, health and environmental committee, the social, ethics and transformation committee, and other board committees. ESG forms 10% of key performance indicators that are linked to management's remuneration which demonstrates our firm commitment.

As Aveng emerges from the aftermath of COVID-19 and moves ahead with its growth strategy, the Group is living its purpose of providing a better life by strengthening its financial resilience, demonstrating improved ESG practices and continuing to develop and support its employees.

I am pleased to report that McConnell Dowell, Moolmans and Trident Steel all achieved improvements in their primary safety, health and environment (SHE) performance indicators, maintaining a long-term improvement trend. These improvements, reported on throughout this sustainability report, are largely attributable to:

- Sound project selection and implementation;
- Disciplined compliance with SHE management systems and local regulatory requirements;
- Steady integration of the Group's new ESG framework;
- Management visibility and employee engagement at project sites;
- More rigorous use of leading indicators as early alerts to risk;
- Increased monitoring and reporting of hazards encountered at project sites; and
- Ensuring that lessons learnt from incidents inform future behaviour and practices.

Becoming more purposeful in our duty of care towards our employees and communities

Our operations developed a more cohesive approach to social risks and opportunities, understanding the needs and expectations of our stakeholders in different geographic and projects environments, and ensuring that there is stability and fairness in our duty of care towards our employees and our communities.

We focused on attracting and retaining experienced, competent and diverse people across our operations. The Group's extensive learning and development programmes, including graduate development, leadership and operational development, study bursaries, learnerships and apprentices, resumed post COVID-19 to support the growth agenda.

COVID-19 restrictions heightened our awareness of social and environmental impacts, including the living standards of many of our employees. Conditions of employment at project sites and living conditions were reviewed as a step towards improving the living and working conditions of employees at remote work sites. Our employee wellness programme paid close attention to the physical and mental wellbeing of our employees.

Significantly, there are signs of important internal shifts in Aveng's culture, where employees feel part of a work community in which they can communicate with each other, share information and raise and address concerns. This is contributing to more openness to matters of safety and inclusiveness and helping us to understand that when diversity in our work environments is reflected in our operations we strengthen our long-term sustainability.

Our projects create jobs, improve social infrastructure and endeavour to leave communities better off. Our mining operations collaborate with their customers to ensure their practices contribute to sustainable energy transitions over time. We invest in the development of small to medium enterprises and indigenous communities through our supply chains, and actively increase the number of women we employ or the women-owned small businesses we support. We train and employ people with disabilities, and our social investment programmes focus on improving education and supporting vulnerable communities.

During the extreme incidents of civil unrest and flooding in KwaZulu-Natal, as part of the local community, Trident Steel supported its employees, their families and surrounding communities, even as it struggled to restore its own operations. These efforts strengthened internal and external trust in the business.

As we integrate our enhanced approach to ESG management and reporting, we will continue to strengthen our responses to risk and opportunity in order to achieve our sustainability commitments and keep improving the lives of our stakeholders.



May Hermanus

Providing a better life

We align our values and sustainability goals with our purpose of providing a better life to improve economic, social and environmental outcomes for our stakeholders. Good governance underpins our ability to create sustainable value.

Our purpose

Providing a better life for our stakeholders

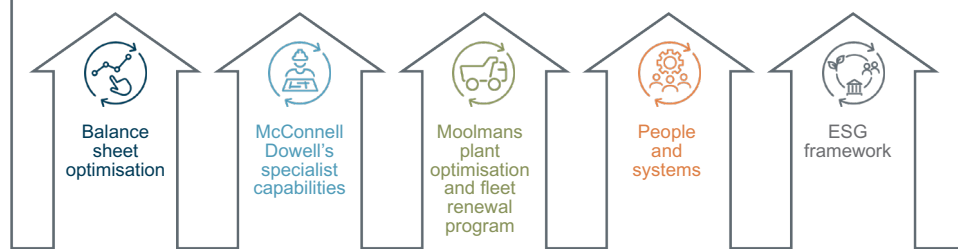
- Customers
- Employees
- Subcontractors and other suppliers
- Communities
- Shareholders and financial institutions
- Government and regulators
- Trade unions

Our strategy

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.




Our growth levers

Aveng identified five levers as the drivers of future growth. The core operations renewed their strategies within the context of these levers.



Our values-aligned ESG framework

During 2022, Aveng formalised its values-aligned ESG framework and performance indicators. This has enabled us to integrate and improve the work we do in managing, measuring and reporting on our environmental and social impacts and successes.

Our values	ENVIRONMENT 	SOCIAL 	GOVERNANCE 
	Carbon and our environment	Our community and our people	Conduct and compliance
Safety and 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 and 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 (including tax) transparency and compliance
Customer focus We build relationships by collaborating and delivering on our promises with excellence.	Climate change Engineering and 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 and pollution Reducing waste, diverting waste from landfill and increasing recycling. Identify and remediate sources of pollution	People and development Diversity and inclusion. Learning and development commitment to all employees	Ethical conduct All business performed in accordance with the Code of Conduct and verified by annual pledge

Providing a better life continued

Living our values

Our communities and our people



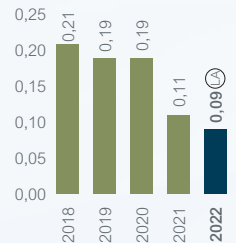
>one million

LTI free hours on J108 Mass Rapid Transport project in Singapore

zero

fatalities or material environmental incidents

Lost-time injury frequency rate (LTIFR)

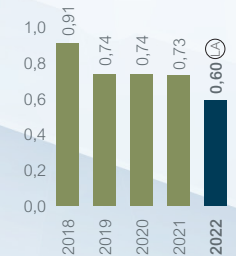


Our projects create jobs and improve social infrastructure and safety. We also contribute directly to the communities we work in. In 2022, we invested R2,3 million in projects to improve education and support vulnerable communities.

Constant improvement in key safety indicators

1,6 million LTI free hours at Trident Steel operations

Total recordable injury frequency rate (TRIFR)

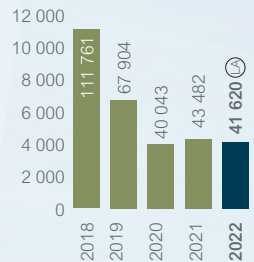


Diversity and inclusion

Level 4 BBBEE contributor

R2,11 billion paid to black-owned suppliers, of which **R1,55 billion** went to black women-owned suppliers

Total carbon emissions (tCO₂e)



Learning and development **R52 million** spent at Moolmans

19 755 hours training for McConnell Dowell employees

^(A) These items were subject to a limited assurance engagement by KPMG.



Small business development

We invested in black, SME and women-owned South African businesses, including a start-up company and two small businesses that transport our steel.



Women in mining

We improved our work policies to create safer work environments for a growing number of women in our South African mining projects.

Empowering people with disabilities

We formed partnerships to employ and train people with disabilities in our operations in Australia, including 25 000 hours of work done by 20 people on the Echuca Moama bridge project.



Our carbon and our environment

Customer focus



Award-winning projects



Our Mordialloc Freeway project won the Excellence in Environmental Outcomes Award at the 2021 Infrastructure Sustainability Council Awards. The project implemented several world-first sustainability initiatives, creating Australia's greenest freeway with 30 million water bottles used in the noise walls and 97% of construction waste diverted from landfill.

Our economy and our sustainability

Performance excellence

Normalised earnings for the year¹
R204 million

2021 | R66 million

¹ Normalised earnings refer to performance excluding the effects of specific non-recurring items associated with the capital restructure of the Group, IFRS 5 adjustments and adjustments for non-core assets.

External debt
R481 million

2021 | R879 million

Gross profit margin
8,1%

2021 | 7,6%

Group revenue
R26,2 billion

2021 | R25,7 billion

Net cash
R1,1 billion

2021 | R1,1 billion

Cash generation
R612 million

2021 | R1,5 billion

Operating earnings
R576 million

2021 | R536 million

Work in hand
R30,8 billion

2021 | R25,3 billion

New work won
R27,9 billion

2021 | R25,4 billion

Our material matters

Aveng defines materiality as matters that materially affect the Group's ability to create and sustain value, and prevent value erosion, over the short, medium and long term.

We determine and assess material matters regularly by proactively assessing trends in the changing business environment and responding to unforeseen developments. Our material matters inform our strategy, thereby enabling the Group to create value.

Our top material matters for 2022 were derived from our risk and opportunity management process, stakeholder engagement and external environment reviews.

Material matter	Our treatment in 2022
<p>Execution of enterprise strategy, including ESG plan</p> <p>Stakeholders impacted: Clients, subcontractors and other suppliers, shareholders and financial institutions, employees, communities</p>	<ul style="list-style-type: none"> • Specialists engaged to manage legal and regulatory requirements of a potential primary listing offshore • Proven track record in strategy implementation • Leading and lagging ESG indicators within acceptable tolerances • Several safety and culture reviews conducted and action plans implemented
<p>Cash flow management</p> <p>Stakeholders impacted: Clients, subcontractors and other suppliers, shareholders and financial institutions</p>	<ul style="list-style-type: none"> • Rigorous monitoring of cash management • Intensive monitoring of underperforming projects to minimise margin erosion • South African external debt settled from proceeds of non-core disposals • Potential offshore listing to fund future growth
<p>Building an attractive investment case</p> <p>Stakeholders impacted: Shareholders and financial institutions; clients, subcontractors and other suppliers</p>	<ul style="list-style-type: none"> • Focused on achieving core operations' growth and profitability targets • Additional capacity sourced to drive ESG strategy • Completed non-core disposal programme
<p>Human capital challenges</p> <p>Stakeholders impacted: Employees, clients, subcontractors and other suppliers</p>	<ul style="list-style-type: none"> • Several actions implemented to mitigate skills shortages, including incentivisation to drive targeted behaviour, performance and talent retention • Succession plans developed for key executive roles • Focus on securing appropriate candidates for all key project management roles • Specialist advisors appointed to navigate regulatory environments in different jurisdictions
<p>Cyber vulnerabilities</p> <p>Stakeholders impacted: Employees, clients, subcontractors and other suppliers</p>	<ul style="list-style-type: none"> • Invested in cyber security threat prevention, detection and response • Updated security incident response procedures • Conducting monthly user awareness training • Enforcing multi-factor authentication
<p>Unforeseen Safety, Health, Environmental incident/s impacting business</p> <p>Stakeholders impacted: Employees, clients, subcontractors and other suppliers; government and regulators</p>	<ul style="list-style-type: none"> • ESG strategy and roadmap finalised and approved by core operations • Leading and lagging ESG indicators within acceptable tolerances • Several safety and culture reviews conducted and action plans implemented
<p>Operational Performance</p> <p>Stakeholders impacted: Shareholders and financial institutions; clients, subcontractors and other suppliers</p>	<ul style="list-style-type: none"> • All but one of Moolmans' projects were profitable at year-end, with specific interventions in place to address underperformance on one project • 85% of McConnell Dowell's projects were at or above tender margins and three projects were loss-making at year-end • Intensive interventions to address underperformance and minimise margin erosion
<p>Price escalations</p> <p>Stakeholders impacted: Clients, subcontractors and other suppliers</p>	<ul style="list-style-type: none"> • Cost and inventory management • Hedging of imported materials prices • Analysis and management of procurement lead times • Strategic client engagement
<p>IT systems and infrastructure</p> <p>Stakeholders impacted: Employees, clients, subcontractors and other suppliers</p>	<ul style="list-style-type: none"> • Replacing redundant systems across all platforms • Adequate back-up and recovery systems in place • Major interventions underway at core operations • Migration to cloud computing reduces reliance on outdated systems and infrastructure
<p>Legal, regulatory or compliance-related matters</p> <p>Stakeholders impacted: Employees, clients, subcontractors and other suppliers; government and regulators</p>	<ul style="list-style-type: none"> • Outstanding legacy claims and other contractual matters managed by project management office (PMO) and legal advisors • Risk provisions to protect against future liabilities are regularly reviewed • PMO achieved significant reduction in South African bond exposure

Our stakeholder engagement


Aveng has a diverse range of stakeholders who have an interest in our business. Our operations may impact them positively or negatively. By engaging constructively with our stakeholders, we can create lasting value together.

Aveng identifies its main stakeholders and engages openly and continuously with them through various formal and informal methods. Aveng has a stakeholder engagement plan and report-back process that enables the corporate office and operations to identify and respond to their material stakeholders. Our stakeholder engagement processes identify areas of concern and seek mutually beneficial sustainable outcomes.

<p>Customers</p>	<p>How we engage</p> <ul style="list-style-type: none"> • Formal and informal engagements and meetings • Project reviews • SHEQ specifications
<p>Material stakeholder interests</p> <ul style="list-style-type: none"> • Project performance • Strategy to carbon zero • Investment in safety technology 	<p>Key conversations and our response</p> <p>Carbon neutral policy. Aveng has made good progress in developing a 2050 carbon zero roadmap.</p> <p>Actions to limit injuries in high-risk areas. The Group is investing in new technologies to assist its project teams, such as wearable sensors to prevent plant/people interaction. We are also increasing our focus on leading indicators such as fatigue management.</p>
<p>Employees</p> <p>AUSTRALASIA Overhead 424 Project staff 1 354 Waged 711</p> <p>SOUTHERN AFRICA AND OTHER Salaried 847 Waged 1 875</p>	<p>How we engage</p> <ul style="list-style-type: none"> • Formal employee engagement and information sharing sessions • Informal employee engagement sessions • Internal learning and development sessions • Visible felt leadership • Toolbox talks and shift briefing sessions • Formal engagement sessions with organised labour • Employee engagement surveys • Employee workplace forums
<p>Material stakeholder interests</p> <ul style="list-style-type: none"> • Work life balance, including remote working • ESG commitment • Keeping pace with rising costs • COVID-19 • More communication on business updates and safety. • Culture and values alignment • Project performance • Strategy to carbon zero • Investment in safety technology 	<p>Key conversations and our response</p> <p>Remote working. Aveng promotes a healthy work/life balance through its health campaigns. We have a flexible work policy but encourage employees to work from the office or official place of work unless there is a compelling reason for remote working.</p> <p>ESG approach. Aveng has developed an ESG framework and baseline targets, with plans to achieve the targets over a given period. ESG forms 10% of management’s remuneration which illustrates the Group’s commitment.</p> <p>Competitive remuneration. Aveng strives to provide competitive salaries or wages that are of a living standard.</p>
<p>Subcontractors and other suppliers</p>	<p>How we engage</p> <ul style="list-style-type: none"> • Supplier meetings • Supplier and contractor audits
<p>Material stakeholder interests</p> <ul style="list-style-type: none"> • Passing down of the head contract conditions • Contract compliance • Contract negotiations 	<p>Key conversations and our response</p> <p>Contract compliance. We provide constant education to assist our subcontractors to meet the conditions of head contracts.</p> <p>Conduct. All subcontractors are required to comply with the Group’s Code of Conduct and its approaches to the fair treatment and upholding of the human rights of employees and communities.</p>
<p>Communities</p>	<p>How we engage</p> <ul style="list-style-type: none"> • Community forum meetings
<p>Material stakeholder interests</p> <ul style="list-style-type: none"> • The impact of projects on health and jobs • Contributing to the local economy • Corporate Social Investment 	<p>Key conversations and our response</p> <p>Community support. Aveng focuses on increasing its procurement from previously disadvantaged or indigenous communities. As part of this process, the Group complies with project-specific social and local procurement targets set by our customers.</p> <p>Empowerment. In South Africa we comply with BBBEE requirements and the mining charter. In both community support and empowerment we strive to go above and beyond compliance.</p>

Our stakeholder engagement continued

Shareholders and financial institutions	How we engage <ul style="list-style-type: none"> • Results presentations to market and SENS • One-on-one meetings • Investor conferences and calls
Material stakeholder interests <ul style="list-style-type: none"> • Profitability and liquidity • Future growth strategy • ESG policy 	Key conversations and our response <p>Debt repayment. Aveng has met all debt repayment commitments.</p> <p>Profitability. Improving operational performance is a strategic imperative. Progressive improvement in operational performance is contributing to improved profitability.</p> <p>Delivering value to shareholders: Aveng's strategy is based on achieving sustainable long-term growth. As its core operations accelerate growth, Aveng's approach is to reinvest in the operations and settle the outstanding legacy claims.</p>
Government and regulators	How we engage <ul style="list-style-type: none"> • Results presentations to market and SENS • One-on-one meetings • Investor conferences and calls
Material stakeholder interests <ul style="list-style-type: none"> • Compliance reporting • Engagement 	Key conversations and our response <p>Compliance. Aveng complies with Health, Safety and Environmental regulations. The Group is tax compliant. We fulfil the requirements of industry charters.</p> <p>Engagement. The Group engages with regulators case-by-case and participates in industry engagements on matters concerning the sectors in which it operates.</p>
Unions	How we engage <ul style="list-style-type: none"> • Engagement via formal union leadership structures • Onsite formal and informal engagement meetings • Workplace Forum meetings
Material stakeholder interests <ul style="list-style-type: none"> • Salary and wage negotiations • Conditions of employment • Project performance and structuring • Responsible disposal of non-core assets • Matters of mutual interest 	Key conversations and our response <p>Salary and wage negotiations: Aveng always negotiates in good faith and endeavours to pay market related salaries/wages that are of a living standard.</p> <p>Disposal of non-core assets: Where possible, the Group has disposed of all businesses as going concerns, thus ensuring that our people continue to be employed after the sales process.</p>






Our vision is to work in line with our 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 our premises or project sites.




Our performance indicators and approach

Our key performance indicators – ESG baseline metrics and FY23 targets

MCCONNELL DOWELL

	FY22 base	FY2023 KPIs	Comments
 Environment Carbon and Our Environment	16,15 tCO ₂ e/\$m*	5% reduction in carbon intensity from FY2022 business unit baselines	We plan to automate carbon reporting and calculations during FY2023
	Not measured	>95% completion of mandatory employee environmental training	Online environmental training modules established for mandatory completion by employees within 60 days of start date
	Not measured	Climate change risk or ESG proposition considered in all tenders	Complete a climate change/ESG review for each bid and include a bid pack
	2 initiatives	Average of two initiatives per project to improve resources efficiency	Active initiatives to include renewable energy and potable water efficiency
 Social Our Community and People	70% and 34%	>90% of construction and >50% of office waste diverted from landfill where available	All offices and projects to implement organic waste recycling
	Yes	Reconciliation Action Plan (RAP) work to 'Elevate' level. 100% New Zealand projects and offices involved Mana Whenua	RAP accreditation as Elevate by December 2023. Mana Whenua captured in CMO
	85%	100% Safety Capacity Index (SCI) KPIs met and reporting implemented by all business units	SCI reporting to be automated during FY2023
	100%	>90% of client social procurement spending targets met or exceeded	Social procurement spending to include local supply chain
	Not measured	One corporate social responsibility (CSR) initiative per project	One CSR initiative per project in support of the local community
	Not measured	100% compliance with Modern Slavery policy	95% completion of mandatory training and no breach notifications received
 Governance Conduct and compliance	Not measured	95% cultural training completed	>95% completion of mandatory training by all employees
	100%	100% MMS compliance audits completed as per audit schedule	No major non-conformances from audits
	100%	100% of business units' financial accounts and tax audits completed / lodged on time	No major non-conformances from audits
	89%	>95% completion of Annual Code of Business Conduct pledge	>95% completion of mandatory training by all employees
	Not measured	100% of mandatory ESG training by SLT-1 and above	Mandatory ESG training established and delivered to SLT-1 and above

MOOLMANS

	FY22 base	FY2023 KPIs	Comments
 Environment Carbon and Our Environment	1,13 L/BCM	5% reduction in diesel consumption rate from FY2022 business unit baselines	Implement energy and greenhouse gas emission opportunities at Tshipi project during FY2023
	100% (generic induction training)	>95% completion of targeted environmental training in addition to standard mandatory training	Module and schedule ready for implementation of training to applicable employees
	Not measured	Develop the criteria for reporting of critical potential environmental hazards to the number of actual serious incidents	Limited reporting of potential hazards. Currently reporting actual serious incidents.
	2 initiatives	Two environmental initiatives during FY2023	Currently using storm water and ground water from the pit for dust suppression
 Social Our Community and People	41%	>50% of total waste diverted from landfill	2 waste recycling initiatives to be implemented at Tshipi and Klipspruit projects
	0,11 LTIFR; 0,43 TRIFR	5% improvement on FY2022 baseline for LTIFR and TRIFR	Analysis done through leading indicators (HPIFR, near misses, inspections and visible felt leadership (VFL) engagements)
	Achieved	Enterprise development spending related to level 2 BBBEE commitments	R1,3 million incubated for allocation in the Northern Cape (beneficiary to be identified)
	Achieved	Socio-economic development spending related to level 2 BBBEE commitments	Identify initiatives aligned to Collective Value Creation intervention
	Not measured	People and culture turnaround intervention	Implementation plan with Symotree
	Not measured	95% of supervisory level employees trained in gender, diversity and inclusion	Harassment in the Workplace policy developed. Develop and implement a gender, diversity and inclusion module
 Governance Conduct and compliance	100%	No material breach in compliance with regulations and laws. Any non-compliance to be flagged through the organisation's governance structures.	Compliance with all regulations and laws in the jurisdictions within which we operate
	Framework developed	Identify and manage key risks with a reduction in material risks	ERM framework established and to be cascaded throughout the business
	Not measured	Code of Business Conduct pledge signed by all employees	Code of Business Conduct in place and all employees to sign a compliance pledge
	Achieved	ESG related matters discussed at all Moolmans board meetings	ESG is a standing agenda item at all Moolmans board meetings
	Not measured	Mandatory ESG training for EXCO -1	Develop content and implement training

Our approach to sustainability reporting

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 recognised as necessary for the wellbeing of current and future generations. The Group ensures compliance with safety, health, environment and quality (SHEQ) 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, environment and quality policy

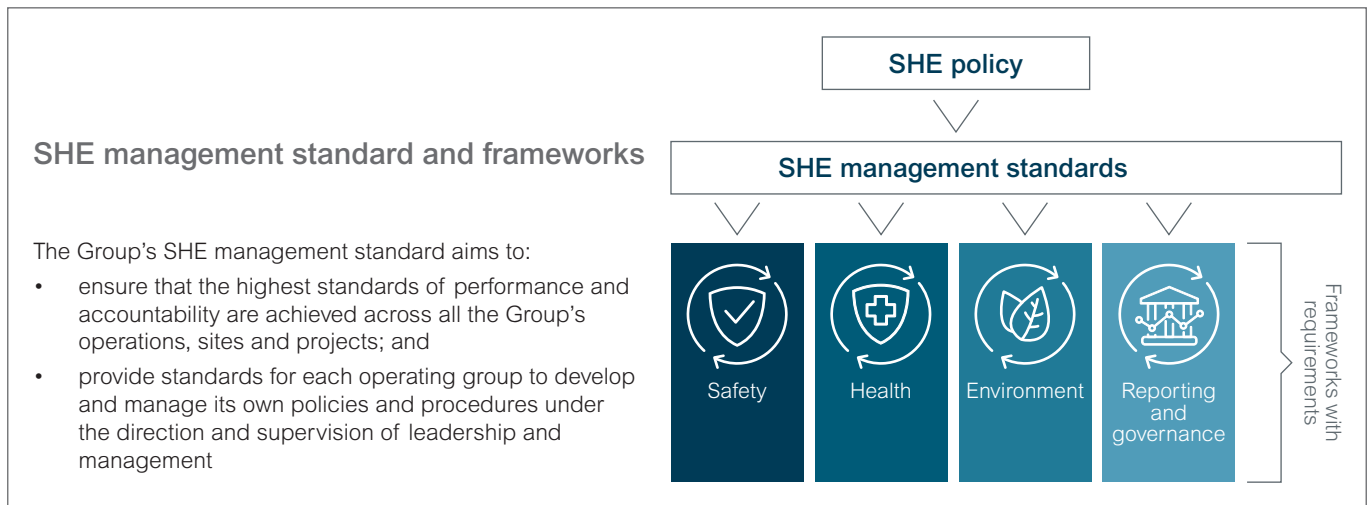
The SHEQ policy sets out the Group’s commitment to the “Home Without Harm Everyone Every Day” goal and enables Aveng operations to align their activities and strategies with the goal.

The policy states Aveng’s intent to act in the best interests of employees and all other stakeholders by:

- Continuously strengthening the SHEQ 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.

Safety, health, environment and quality management

All of the Group’s operations comply with applicable SHEQ regulations and are guided by a SHEQ management standard and frameworks derived from the SHEQ 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. To achieve continuous improvement in SHE and quality performance, the Group monitors and measures SHEQ KPIs.



Our sustainability pillars in FY22

Environment	Social	Governance
<ul style="list-style-type: none"> • Environmental stewardship <ul style="list-style-type: none"> – Carbon footprint – Identify and align responsible measures – Develop improvements initiatives by impact areas 	<ul style="list-style-type: none"> • Safety performance <ul style="list-style-type: none"> – Zero harm – Safety culture • People management <ul style="list-style-type: none"> – Leadership – Capability development – Rewards and recognition • Diversity and inclusion <ul style="list-style-type: none"> – Transformation and localisation • Health <ul style="list-style-type: none"> – Mental health – Work related illness • Community <ul style="list-style-type: none"> – Recognise our place in the wider community wellbeing – Contribute to community wellbeing 	<ul style="list-style-type: none"> • An ethical, responsible values-driven organisation <ul style="list-style-type: none"> – Compliance with laws, regulations and codes of best practice – Risk management and information technology security – Consideration of emerging norms and developments – Strategic direction

Quality

Independent assurance



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Independent Assurance Practitioner's Limited Assurance Report on Selected Key Performance Indicators

To the Directors of Aveng Limited

We have undertaken a limited assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the 2022 Sustainability Report of Aveng Limited ("Aveng") for the year ended 30 June 2022 ("the Report"). This engagement was conducted by a multidisciplinary team including health, safety, social, environmental and assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected KPIs, marked with a (LA) on the relevant pages in the Report. The selected KPIs described below have been prepared in accordance with Aveng's reporting criteria that accompanies the sustainability information on the relevant pages of the Report ("the accompanying Aveng reporting criteria").

Selected KPIs	Scope of coverage	Amount
Direct Carbon Dioxide Emissions – Scope 1 (from combustion of diesel procured)	Aveng Limited	26 455 tCO ₂ e
Direct Carbon Dioxide – Scope 2 Emissions (from purchased electricity)	Aveng Limited	15 165 tCO ₂ e
Total recordable injury frequency rate (TRIFR)	Aveng Limited	TRIFR – 0,6
Lost time injury frequency rate (LTIFR)	Aveng Limited	LTIFR – 0,09
Number of Confirmed and Paid Cases Related to Noise Induced Hearing Loss (NIHL)	Aveng Limited	NIHL – 0

Refer to supplementary data on www.aveng.co.za for the reporting criteria and definitions.

Directors' Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with the accompanying Aveng's reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIs and for ensuring that those criteria are publicly available to the Report users.

Inherent Limitations

Greenhouse gas 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.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

KPMG Inc. applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Auditor's Responsibility

Our responsibility is to express a limited assurance conclusion on the selected KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement 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 respect of the carbon emission assurance portion of our engagement in accordance with the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board. These Standards require that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability in the circumstances of Aveng's use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected KPIs;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the directors in the preparation of the selected KPIs; and
- Evaluated whether the selected KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at Aveng.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result 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 Aveng's selected KPIs have been prepared, in all material respects, in accordance with the accompanying Aveng reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected KPIs as set out in the Subject Matter paragraph above for the year ended 30 June 2022 are not prepared, in all material respects, in accordance with the accompanying Aveng reporting criteria.

Other matters

The selected KPIs reported in the sustainability report of Aveng for the year ended 30 June 2021, was audited by another auditor who expressed an unmodified conclusion on 12 October 2021.

The maintenance and integrity of the Aveng's website is the responsibility of Aveng management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on Aveng website.

Restriction of Liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected KPIs to the Directors of Aveng in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Aveng, for our work, for this report, or for the conclusion we have reached.

KPMG Inc.

FHC von Eckardstein
Director

27 October 2022

KPMG Incorporated, a South African company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

KPMG Incorporated is a Registered Auditor, in public practice, in terms of the Auditing Profession Act 26 of 2005. Registration number 1999/021543/21

Chairman: Prof W Nkuhlu
Chief Executive: I Sehoole
Directors: Full list on website

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown.

Our operations implement systems and measures to identify, manage and respond effectively to foreseeable environmental risks and opportunities, in accordance with the ISO 14001 standard.

Cook Islands solar power project



Our performance overview

Environment

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

Our 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 SHEQ policy and applicable regulations.

 Our approach to safety, health and environment management, www.aveng.com

2022 environmental performance


A major environmental incident is 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. No major environmental incidents were recorded (2021: One) during the year.

108 minor environmental incidents were reported (2021: 145). The nature of these environmental incidents in the South African operations is 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 SHEQ management systems. The operations ensure that observations are addressed, and recommendations implemented as part of continuous improvement.

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

Performance areas	2022	2021	2020
Major environmental incidents	0	1	0
Operations with ISO 14001 certification of Environmental Management Systems (by headcount) (%)	>90	>90	>90
Carbon emissions (tCO ₂ e) total	 41 620	43 481	40 043

 This item was subject to limited assurance engagement by KPMG. Scope 1 and 2 only.

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.

How we intervene to reduce emissions from our operations




Diesel consumption

- Conduct baseline emissions footprint, including an emissions source inventory
- Identify risks and opportunities related to our emissions
- Set objectives and targets for managing emissions
- Implement measures to manage and reduce risks to the business and local communities
- Regularly measure and monitor progress against the objectives and targets
- Periodically evaluate and report to the relevant authorities and associations (where applicable) on emission reductions
- Identify continuous improvement actions aligned to objectives and targets.

Energy

- Conduct energy efficiency assessments at fixed operations
- Identify energy-related risks and opportunities
- Implement measures to manage energy risks and act on identified opportunities
- Develop and implement energy efficiency programmes and good practices
- Regularly monitor progress made in the energy efficiency measures and programmes

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 areas	2022	2021	2020
Direct carbon dioxide emissions (CO ₂) – scope 1 (from combustion of diesel procured)	 26 455	22 875	14 303
Direct carbon dioxide emissions (CO ₂) – scope 2 (from purchased electricity)	 15 165	20 606	25 740
Carbon emissions (tonnes) total scope 1 and 2 (tCO ₂ e)	 41 620	43 481	40 043

 This item was subject to limited assurance engagement by KPMG. Scope 1 and 2 only.

South African operations – emission factors

- Scope 1: Department for Environment, Food and Rural Affairs (DEFRA) (2021) emission factors were used to calculate scope 1 emissions (2,6988)[Ⓜ]
- Scope 2: Eskom (2021) emission factors were used for purchased electricity (1,08)[Ⓜ]

[Ⓜ] This item was subject to limited assurance engagement by KPMG.

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
Western Australia	0,68
Tasmania	0,16
Northern Territory	0,57
New Zealand	0,10
Thailand	0,51
Singapore	0,44
Indonesia	0,73
Philippines	0,61
Samoa	0,66

Sources: National Greenhouse Gas Accounts factors August 2021 and NGER amendments, 2020 Detailed Guide Measuring Emissions: A guide for Organisations (Ministry of Environment, NZ) and IEA 2017 world dataset

Providing a better life

Lowering emissions with warm mix asphalt – Ovingham Level Crossing Removal Project



Our team on the Ovingham Level Crossing Removal Project in Adelaide expanded the use of Warm Mix Asphalt and combined it with Recycled Asphalt Pavement to drive down emissions. Asphalt is a major material used on road projects and replacing Hot Mix Asphalt (typically 175°C) with Warm Mix Asphalt (typically 140°C) is a generally accepted practice. However, current asphalt specifications only allow for placement when the surface temperature is above 20°C, thereby limiting its use.

To overcome this restriction, our team developed an alternative placement method allowing the Warm Mix Asphalt to be laid below 20°C. The first layer is the standard Hot Mix Asphalt and the following layers are Warm Mix Asphalt. Not stopping there, our team combined the use of Warm Mix Asphalt with a 10% Recycled Asphalt Pavement (RAP) content in the wearing and levelling courses, and a 30% RAP content in other layers.

This approach has led to a reduction in the overall emissions associated with asphalt use on the project. Based on this positive experience Warm Mix Asphalt has now been used on other McConnell Dowell projects.

“Thinking outside the box and providing outcomes that will benefit future generations.”

Michael Kipreou • 3rd+

Engineering Manager at McConnell Dowell

2w • [Ⓜ]

+ Follow



I am extremely proud and passionate to be working as part of the **McConnell Dowell** team and am fortunate to actively participate in creating a more sustainable future. It is without question that the construction industry is one that has an impact on the environment...but it doesn't have to. It is great that we get the opportunity to think outside the box and provide outcomes that will benefit our future generations.

Our performance overview continued

Energy

The efficient use of clean energy is of paramount importance to us, especially since our operations are primarily in regions using fossil fuels.

Operating Group performance

Operation	Diesel emissions		Electricity emissions	
	kℓ	tCO ₂ e	KWh	tCO ₂ e
McConnell Dowell	9 254	25 126	5 472 950	3 864
Moolmans	28	75	552 341	597
Manufacturing	162	438	2 646 794	2 859
Trident Steel	302	815	7 220 813	7 798
Corporate	*	1	43 621	47
Group	9 747	26 455 ^{LA}	15 936 519	15 165 ^{LA}

* Less than 1kℓ.

^{LA} This item was subject to limited assurance engagement by KPMG. Scope 1 and 2 only.

Aveng consumed 9 747kℓ of diesel in 2022, a 15% year-on-year increase, which equated to 26 455tCO₂e^{LA} (2021: 22 875 tCO₂e). McConnell Dowell used 95% of the Group's total consumption, consistent with its industry profile and an increase in project activity. Trident Steel's consumption increased by 247% to 302kℓ due to business disruptions, including loadshedding.

Aveng consumed 15 936 519KWh of electricity in 2022, a 28% year-on-year reduction, which equates to 15 165tCO₂e^{LA} (2021: 20 606 tCO₂e). The decrease is mainly due to the disposal of the manufacturing non-core assets which resulted in a reduction of 4 835 249KWh.

Providing a better life

Mobile renewable power generation – Western Program Alliance

Our project teams minimised the use of diesel-powered mobile generators for site power by adopting renewables in the form of a 'mobile renewable generator'.

The system is designed by leading edge Melbourne-based company Black Stump Technologies and was recently recognised by the Clean Energy Council as an innovation in infrastructure.

This solution is grid connected and directly replaces grid electricity with 100% renewable energy, forecast to save 116 tonnes of carbon equivalents per year.

Other renewable energy initiatives used by our projects include solar pedestrian traffic lights, biodiesel generators and small site safety sheds fitted with solar panels.



Resource depletion

Resource depletion occurs when renewable and non-renewable natural resources become scarce because they are consumed faster than they can recover. It can occur through water usage, fossil fuel consumption, mining of resources and deforestation.

We collaborate with our customers to implement plans that guide responsible use of scarce resources, coupled with innovation methods of replacing scarce resources. We also collaborate to find solutions for the protection of endangered trees and plants. Our resource depletion is monitored across water, biodiversity and land.

How we intervene to ensure responsible use of scarce resources

Water

- Determine water quality and quantity footprints for each operation
- Develop and integrate water management plans to optimise water uses and releases
- Continuously measure and monitor progress made on the implementation of integrated water management plans
- Set improved water efficiencies and optimisation targets

Biodiversity and land

- Identify invasive or alien species at fixed facilities and projects in accordance with the applicable environmental laws
- Assess potential risks and impacts our projects and operations may pose to sensitive, endangered or protected indigenous fauna, flora, habitats and ecosystems
- Develop action plans:
 - To protect sensitive, endangered or protected indigenous fauna, flora, habitats and ecosystems
 - To eradicate or control invasive or alien species
- Identify, assess, conserve, manage and monitor cultural and heritage aspects in accordance with applicable laws
- Continuously evaluate and monitor compliance with biodiversity action plans, conservation strategies and the eradication and control of invasive or alien species

Providing a better life

Effective water management – Tshipi mining operations

Water is a strategic natural resource for mining. South Africa is water-scarce and experiences the effects of climate change, particularly increased temperatures and rainfall variability. The International Council on Mining and Metals identified several risks to mining operations due to chronic changes in precipitation extremes and droughts. These include flooding, which results in increased run-off and erosion, and drought induced water shortages.

The Moolmans team at our Tshipi operations manage water supply to enable production and mitigate the impacts of dust

fallout on nearby communities. They have developed innovative dust suppression methods that significantly reduce the use of fresh water.

Benefits

- 45% water saving and reduced strain on freshwater resources
- 53% reduction in dust fall
- Fewer spray trips, resulting in less fuel consumption and lower carbon footprint, less vehicle maintenance, lower man-hours and safer operations
- Binding of small soil particles, resulting in reduced water run-off
- Less road maintenance



Using dirty water from the pit



Using water from pit dewatering



Pumping water from the pit into a storage dam, and then into water bowsers



Using a blend of emulsified co-polymers, ionic modifiers and an anionic surfactant to suppress dust on gravel roads

Operating Group performance

Operation	Water purchased (kℓ)		
	2022	2021	2020
McConnell Dowell	73 495 649	71 353 289	3 664 547
South Africa construction	–	–	105 629 033
Moolmans	6 362	8 254	8 992
Manufacturing	16 004	55 515	68 017
Trident Steel	23 655	22 387	47 791
Corporate	237	2 456	6 337
Group	73 541 907	71 441 901	109 424 717

Water consumption on our projects changes according to the type and number of active projects over the measured period.

Comparative numbers for Manufacturing and South Africa construction are affected by the sale of non-core operations, which accounts for significant reductions in consumption.

The total amount of water consumed by the Group increased by 3% to 73 541 907kℓ. McConnell Dowell was the highest consumer of water primarily due to large linear infrastructure projects that require large quantities of water during earthworks to suppress dust and condition sub-grade materials.

Aveng operations use mainly municipal water for a range of activities, including dust suppression in the construction, mining and manufacturing operations. Moolmans' consumption decreased due to a reduction in its mining projects and effective water management at mining operations during the year.

Our performance overview continued

Providing a better life

Smart water use – Kidston Pumped Storage Hydro project

Our team on the Kidston project in the Queensland outback has used 100% non-potable water for construction to date. The project involves the world first conversion of a disused gold mine into a pumped storage hydroelectric plant.

Over 25 megalitres of water for construction is sourced from a large onsite pit. The water is used for dust suppression, concrete batching, conditioning, and also as an input to the onsite water treatment plant, which produces the site's drinking water.



Harvesting rainwater

Trident Steel's Port Elizabeth and Prospecton branches are mitigating water shortages by installing JoJo water tanks on their sites.

To conserve water in severe drought conditions in the Eastern Cape, the Port Elizabeth branch installed 11 JoJo tanks with a capacity of 90kl. The Prospecton branch in KwaZulu-Natal installed one JoJo tank with a capacity of 5kl.

Both branches use the water in their ablution facilities, thereby reducing municipal water consumption.

Biodiversity and land

Our operations collaborate with their customers and partners to ensure the protection and conservation of biodiversity-rich ecosystems, threatened and protected species and the management and control of alien invader species.

Providing a better life

Providing new food sources for native fauna – Regency to Pym Project

The Regency to Pym Alliance developed a green corridor along the route of the road infrastructure project in South Australia by providing generous amounts of landscaping and trees for aesthetics, shading and ecological enhancements.



Protecting fauna through habitat reconnection – Echuca-Moama Bridge project

Our project team implemented a range of ecological initiatives to protect the impacted fauna surrounding the project site. Special crossing areas will minimise glider deaths due to road accidents and reduce the impact on ground predators.

Seeding and watering – Gamsberg

Moolmans partners with its clients to green the environments in which they operate.



A “whale of a time” with noise attenuation – Granite Island Causeway

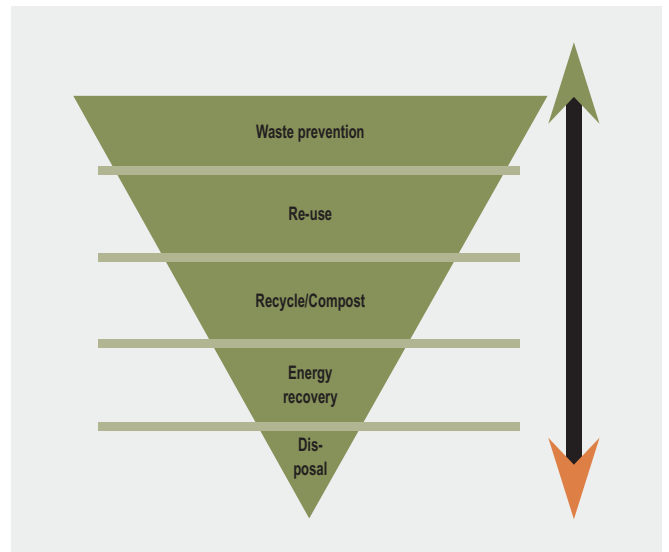
We designed and implemented a “shroud and bubble curtain” to stop marine piling noise from disturbing the Southern Right Whale and other marine fauna, such as the Australian sea lion and little penguins.

Waste and pollution

Aveng generates a wide range of waste streams. Much of the general waste comprises domestic and municipal waste and waste tyres, whereas hazardous waste mainly comprises used oil, grease, contaminated personal protective equipment (PPE), electronic waste, contaminated sludge and steel scrap.

How we intervene to ensure responsible management of waste and pollution

- Establish and maintain integrated material and waste management plans
- Apply the waste hierarchy
- Quantify, record and report the amount of material used and waste generated
- Remediate land where contamination (new and historic) presents, or may present, a significant risk of harm to the environment
- Develop and plan an inventory of input materials for all projects and existing facilities
- Investigate, develop and implement good practices and programmes to minimise the consumption of natural resources
- Develop and promote green procurement practices
- Use a monitoring programme to assess waste and material use impacts and effectiveness



Waste generated and disposed

Performance areas (kt)	2022	2021
General waste	176 882	56 545
Hazardous waste	31 036	5 156
Total waste	207 919	61 701

The total amount of general and hazardous waste disposed of during 2022 increased significantly. The increase is largely attributed to McConnell Dowell in line with growing work in hand. General waste accounts for 85% of waste and hazardous materials account for 15%.

Our performance overview continued

Providing a better life

Recycling temporary works structures – Cranbourne Line Upgrade project

Temporary steel beams from the railway station constructed as part of the Cranbourne Line Upgrade were reused at the Old Geelong Road project.

During the design phase of the temporary works, our in-house engineers recognised that the steel beams could be reused to support a lift shaft at the Old Geelong Road project.

The use of recycled materials saved approximately 10 tonnes of new steel, lowered fabrication costs and reduced the overall construction programme.



Social

Safety and health

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 along with our appointed external providers of comprehensive preventive care and counselling services, support our approach to health management.

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. Consistent leadership engagement with employees, collaboration and accountability for safety and health enables our journey towards achieving our vision of “Home Without Harm Everyone Every Day”.

COVID-19 remained a threat across the Group’s operating regions during 2022 and Aveng maintained its commitment to the safety and wellbeing of its employees and other stakeholders, and the continuity of its business operations. This commitment was backed by the continued implementation of non-negotiable safety rules across all business units and disciplined compliance with the Group’s COVID-19 standard operating procedures.

+ Our approach to safety, health and environment management, www.aveng.com

Providing a better life

Congratulations to our project teams for achieving major safety milestones

1,6 million LTI free hours at Trident Steel operations

>one million LTI free hours on J108 Mass Rapid Transport project in Singapore

one million LTI free hours at Palembang City Sewerage project in Indonesia

Your achievements demonstrate our core value of Safety and Care and our commitment to “Home Without Harm Everyone Every Day.”



Our performance overview continued

2022 safety performance

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

Performance areas	2022 target	2022	2021	2020
Lives lost under Aveng supervision	0	0	1	0
Lost-time injury frequency rate (LTIFR)	0,18	0,09 ^(A)	0,14	0,19
Total recordable injury frequency rate (TRIFR)	0,82	0,60 ^(A)	0,74	0,74
All-injury frequency rate (AIFR)	3,24	2,67	2,55	2,35
Safety leadership visits by senior management	295	395	416	512

^(A) This item was subject to limited assurance engagement performed by KPMG.

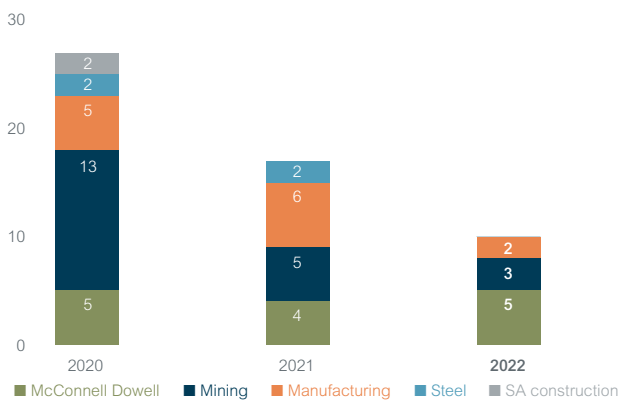
Following a slope failure at the Gamsberg mine in November 2020, Moolmans carried out extensive recovery operations. Sadly, in July 2022, we recovered the remains of our missing colleague, Christopher Whitlow. The Board and management extend our condolences to his family, friends and colleagues.

Key performance indicators – LTIFR, TRIFR and AIFR

The Group’s LTIFR and TRIFR improved significantly as result of an improved safety culture, backed by ongoing education and awareness campaigns across the Group.

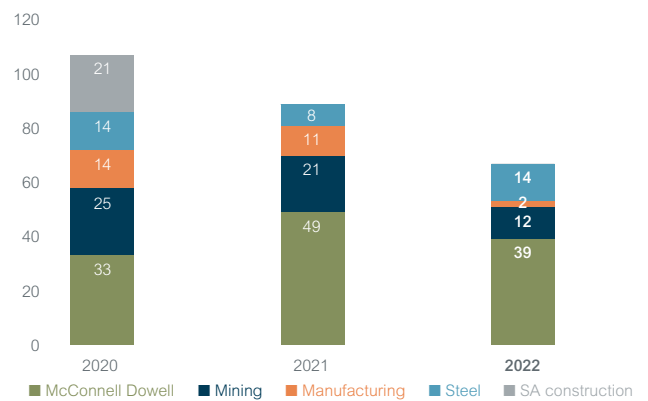
LTIFR improved to 0,09^(A) (target of 0,18)

Lost time injuries



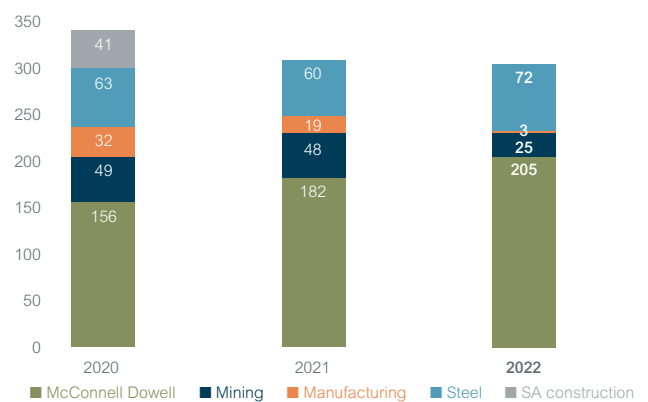
TRIFR improved to 0,60^(A) (target of 0,82)

Total recordable injuries



Recognising that trends in lost-time injuries are not an accurate reflection of safety performance, the Group reports on the more holistic AIFR indicator. The AIFR includes all types of injuries ranging from first aid to fatalities. The reporting culture improves year-on-year, we expect reporting thresholds for total injuries, in particular first aid injuries, to continue improving.

All injuries



Reporting and learning culture

Our near-miss programme is the foundation for a resilient reporting and learning culture. Near misses provide an opportunity to analyse incidents and identify causes and emerging trends before accidents occur, take corrective action and communicate emerging trends and lessons to embed a learning safety culture.

The Group demonstrated its resilience in reporting at-risk conditions and behaviours (near misses), with 50 745 near misses reported, of which 90% were addressed (2021: 51 816; 94% addressed). McConnell Dowell accounted for 89% of recorded cases.

Safety initiatives

Recognising that improvements in safety culture and safety performance require more than robust safety management systems, the Group adopted safety leadership approaches to embed a safety culture. These demonstrate visibly the commitment of senior management to show leadership and engage all employees and subcontractors in making safe working practices and behaviours the norm at all operations.

Visible safety leadership visits are a key performance indicator for managing directors who are expected to review significant incidents related to high-consequence activities as they occur and ensure that lessons learned are implemented within their operating groups.

3 911 visits by managing directors and their direct reports represent 287% of planned visits (2021: 4 365; 253%).

Providing a better life

Safety interventions in New Zealand and South Africa



New Zealand general manager completing a safety leadership visit at Barber Grove Project, Wellington.



Moolmans' managers conducting a safety leadership engagement at Tshipi mine, Northern Cape.

Embedding a safety culture

Moolmans intervened in response to an employee survey in 2021. Interventions focused on proactive identification of potential risks relating to fire, tyre care and maintenance, and included fatigue monitoring, change management (for trackless mobile machine operations and pit design) and increased equipment maintenance.

Several safety campaigns and safety leadership engagements were conducted to understand concerns, review risk reduction plans and reinforce preventative actions.



Our performance overview continued

2022 health performance

Aveng adopts sound, practical standards of health and wellness behaviour and performance across its operations and activities. The Group recognises the importance of protecting employees, contractors and other stakeholders and managing all occupational illnesses. We identify health risks associated with our work processes and implement and monitor measures to manage these risks.

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 reasonable support function for employees and their families.

Performance areas	2022	2021	2020
Occupational health examinations	5 565	7 370	1 985
Ill-health profile (outcome of medical testing) ¹	5,1	4,7	5,3
HIV counselling and testing (HCT)	962	1 349	566
NIHL	Ⓐ 0	0	0

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

Ⓐ This item was subject to limited assurance engagement performed by KPMG.

Occupational health

Aveng deploys a robust occupational health programme to manage the effects of work on the health of employees and to manage employee health impacts on work. A thorough risk-based approach and an improved understanding of fitness to perform work, informs the Group's occupational health profile. Our operations implement risk-based medical surveillance (RBMS) programmes to account for the inherently hazardous nature of work in construction, mining and manufacturing.

RBMS examinations comprise initial, periodic, exit and fitness to work (disability, incapacity, transfer) medical assessments, and go beyond statutory obligations to include comprehensive travel

risk assessments and executive medical examinations. These examinations are conducted at client sites (mining and engineering), on-site clinics (manufacturing and steel) and at mobile clinics (manufacturing and construction). Outcomes (fitness categories) from these medical surveillance examinations are closely monitored and interventions implemented to ensure employees are correctly placed.

Noise-induced hearing loss

Managing potential noise-induced hearing loss (NIHL) is an important element of health management at our operations. Each operation identifies key focus areas and manages monitoring and response plans 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.

Substance abuse management

We recognise that substance (drugs and alcohol) abuse affects the workplace, families and communities, and consequently we enforce controls through Group disciplinary procedures to regulate employee misuse and abuse of alcohol and drugs alongside counselling provided through our employee wellbeing programme. 140 211 tests (2021: 237 694) were performed and a small, immaterial number of employees were confirmed positive. Employees who test positive repeatedly are referred to the employee wellbeing programme or to a service provider of choice for further support, rehabilitation and reintegration into the workplace.

Employee wellbeing programme

Employee wellbeing and the early identification and resolution of personal life stressors, such as stress and financial pressures, are key elements of the Aveng employee wellbeing programme (EWP). The programme assists employees and family members to restore themselves to their optimal functioning within an organisational and personal framework.

We continued to provide professional and independent support to employees through the ICAS platform and services to ensure that stress management, conflict resolution and communication concerns were supported during year.

Providing a better life

Industry Leading integrated approach to wellness

The Mordialloc Freeway project was selected to pilot WorkSafe Victoria's mental health improvement programme called "An Integrated Approach to Wellness". An industry first, the programme was designed to promote positive mental health and prevent mental illness.

Following an industry-wide survey that revealed excessive levels of depression, anxiety and stress in the Australian infrastructure construction industry, a consortium was formed to conduct further investigation. The consortium, including McConnell Dowell's Grant Fuller, used funding from WorkSafe Victoria's WorkWell Mental Health Improvement Fund to conduct the pilot programme.

The result was a 12-month facilitated programme undertaken on the Mordialloc Freeway Project. Benefits include:

- Between 34% and 60% improvement across five categories measured – work/life balance, burnout, depression, anxiety, and stress
- Industry-wide implementation of an integrated approach to wellness
- Changes to contract documents of our customer, Major Road Projects Victoria, which introduced measures to replicate the programme's results.

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 identify communicable and non-communicable diseases, and support employees affected by them, is important, given the range and uniqueness of the environmental and socio-economic conditions encountered in the Group's operating locations. 5 080 employees were tested, 962 of whom received HIV counselling and eight (2021: 20) tested positive, resulting in a prevalence rate of 0,1% (2021: 1,4%). Through these interventions we also aim to assist employees in the proactive management of their own health.

Managing COVID-19

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.

Our performance overview continued

Providing a better life

Building capacity through effective communication

The power of communication

Aveng recognises the importance of making its safety, health and wellness strategy accessible to its demographically diverse workforce and management. Over the last two years, communication tools such as posters have been distributed at operating sites to convey high-priority topics in safety, health and wellness. These materials translate complex and technical issues, such as lessons learned from health and safety incidents, into easy-to-understand formats.



“The Oranges Toolkit webinars have had a major impact on all of our employees who took part. They were interactive, the content was relevant and based on the latest science, plus we had an engaging playbook – all these factors helped to set the webinars apart from any others that we had run. Whilst we were all taking part remotely, the webinars made us feel that we were all together – the positivity, care and support was resonating from our screens!”

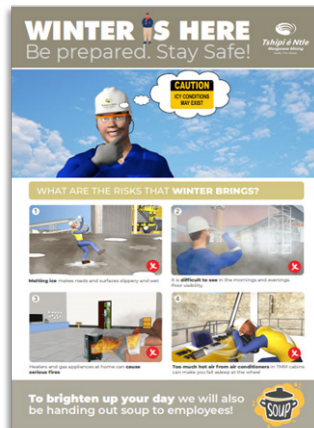
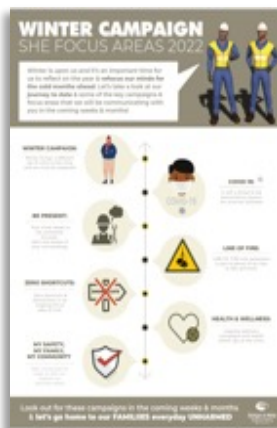
Samantha Johnson
Executive General Manager (HSEQ), McConnell Dowell Corporation

**oranges
toolkit**

Resilience and agility at work



Moolmans safety campaigns



People management

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.

As Aveng transitions into 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.

Employee testimonials

Nicolette Bulseco

Site Engineer at McConnell Dowell

"I chose McConnell Dowell because of the opportunity for professional growth and the potential to work on large-scale, multidisciplinary projects, nationally and internationally. McConnell Dowell is committed to developing their graduates to becoming well-balanced engineers. Since starting, I have received continuous support from everybody, and with professional development programmes such as the Engineers Australia Graduate Programme and the mentoring programme, us graduates are lucky to have such a strong supporting system".

Marcus Mogale

Graduate Mining Engineer at Moolmans

"As a BSc (Hons) Mining Engineering graduate and after three years of unemployment, Moolmans gave me an opportunity to join the company through the YES programme. During the 12-month programme, Moolmans was supportive, inclusive, accommodative, and always willing to lend a helping hand. After completing the programme, Moolmans appointed me as a Graduate Mining Engineer in July 2022. Moolmans helped me develop as a Mining Engineer, tailoring a graduate programme for me. I am now working on my blasting ticket at one of our sites in the Northern Cape. I look forward to more growth and to becoming impactful in the company".

2022 performance

Focus areas	Progress
<p>Performance of core business Ensure employees achieve their objectives through ongoing performance management and specific leadership development programmes for key current and future leaders.</p>	<ul style="list-style-type: none"> • Ongoing executive group and individual coaching • Executive team alignment in terms of functional accountabilities • Operational performance reviews • Performance contracts and KPIs in place for all site-based management
<p>Embedding Aveng values, vision and purpose Maintain focus on Aveng values. Entrench culture of high performance, accountability and teamwork cascaded to the lowest levels of the organisation.</p>	<ul style="list-style-type: none"> • Performance, culture and values strategy setting • Culture and engagement survey with employees across all sites • Community engagement • Safety mindset surveys conducted across operational sites
<p>Leadership capability development Continue developing existing leaders through succession planning, interventions and the renewal of senior and middle management leadership development programme.</p>	<ul style="list-style-type: none"> • Senior, middle and supervisory development programmes aligned to mission critical roles • Various training and development programmes: <ul style="list-style-type: none"> – Apprenticeship programme to develop future artisan requirements – Graduate development programme – Community operator development programme – Women in Mining programme – Operator development programme
<p>Retention of critical talent, including Reward and Recognition schemes Ensure retention of critical talent in key positions. Maintain focus on improved business performance. Enhance incentivisation of employees.</p>	<ul style="list-style-type: none"> • Individuals developed for future roles in the organisation • Short-term and long-term incentive programmes • Performance and target setting with individual development plans • A revised site-based bonus scheme implemented • Review of site-based employees' conditions of employment • Wage employee increases above minimum agreed Council rates • A review of wage employee living conditions

Our performance overview continued

Strengthening human capital

Building capability and embedding a performance culture across our businesses is a key strategic imperative. This was further strengthened during 2022 with the appointment of experienced and capable individuals in key senior and operational leadership positions across both core businesses.

Executive and operational management appointments in our mining operations

The appointment of experienced executives in the engineering, commercial and estimating disciplines strengthened Moolmans' executive team. Ongoing executive coaching enhanced executives' personal and technical capability.

Given the importance of building capability at project sites, Moolmans' Tshipi project was enhanced by the appointment of an operations executive to lead the project. Further leadership enhancements include the appointment of experienced technical and non-technical skills, to increase engineering, production and human resources capability.

There was significant investment and focus on the development of operator and first line supervisory level skills. Interventions include the sourcing of female apprentices and operators in line with Moolmans' Women in Mining strategy and supervisory development programmes.

Conditions of employment on project sites and living conditions were reviewed as a step towards improving the living and working conditions of employees at remote work sites.

Stable leadership enhanced by key new appointments

McConnell Dowell's strong leadership was further enhanced by several key leadership appointments. In Australia, these included the appointment of an experienced female employee as national pre-contracts manager and a new general manager with a strong local network and reputation for the growing New South Wales region. Several new local senior leaders were appointed for the Southeast Asian business and sourcing is underway for the position of Managing Director of Southeast Asia. The leadership teams in New Zealand and Pacific Islands and Built Environs remained unchanged, highlighting the stability of the growing businesses.

Addressing the recruitment needs of a growing business

Resourcing in all geographic markets is under significant pressure as record-breaking levels of construction activity, along with the challenges of immigration and mobility during the COVID-19 pandemic, and general talent and skills shortages, combine to create an imbalance in demand and supply. A recruitment process outsource model is being implemented in Australia to address the needs of the future business and an international campaign is underway to attract talent. Internal resource sharing between business units has relieved some pressure on critical roles without productivity loss and created opportunities for staff in locations such as Indonesia and the Philippines to continue building their careers in New Zealand, Australia and the Pacific Islands.

These resourcing pressures make talent retention more important than ever. The turnover of our top talented employees has stabilised, with analysis of internal turnover data highlighting the importance of achievement, advancement, and growth in retaining high performers.

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 restructuring of some operations. However, healthy and robust engagement with employee representatives and other regulatory bodies ensured operational continuity.

Learning and development

Aveng is committed to employee advancement and invests in learning and development programmes and initiatives across its operations. The interventions below summarise the training and development activities during this reporting period.

Developing talent at McConnell Dowell

Investment in learning and development remains a primary focus as the business seeks to maintain and grow its position as an "employer of choice" and develop its current and future talent pipeline at every level, in line with its strategic growth ambitions.

To this end, McConnell Dowell partners with Australia's top-ranked business school, The University of Melbourne – Melbourne Business School, to deliver an integrated development programme geared to develop leadership capabilities in an intensive learning experience. The programme incorporates the three key domains of leadership – leading oneself, leading others and leading an organisation – along with more technical aspects of running a business such as improving financial and commercial acumen and risk management.

The inaugural Senior Leadership Programme (SLP) was successfully delivered during the 2022 financial year. The second SLP cohort is now underway and due for completion in November 2022.

An Operational Leadership Programme targeting emerging leaders in project management team roles will launch during the 2023 financial year with an intensive five-day programme.

These leadership programmes are underpinned by various other development pillars, including individual coaching and team development initiatives at the executive committee and business unit leadership team levels, project manager forums, internal and external technical development courses, and mentoring, all captured in individual and accelerated individual development plans.

Graduate programmes are now in place in all four business units with proactive university and industry engagement securing bright minds for annual intakes. Future developments of this programme include international rotations once immigration and mobility pressures ease.

Delivering skills and talent development at Moolmans

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

Moolmans invested R52 million in training and development.

External bursary programme

Moolmans provides funding for six external students studying towards Engineering degrees at recognised tertiary institutions. Of these students, three are African females and three are African males. The students are 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

Thirty employees are receiving study assistance across Moolmans towards the attainment of qualifications in line with career paths and organisational skills requirements. Of these,

24 (80%) are historically disadvantaged South Africans (HDSA) and 15 (50%) are female. Further work is required in 2023 to implement specific programmes that will develop the managerial skills of middle managers and identified future talent.

Apprenticeships

Moolmans has 121 apprentices on a formal apprenticeship programme which is managed and run internally by Moolmans as an accredited apprenticeship training school. Of these, 116 (96%) are HDSA and 25 (21%) are female. Of the 94 apprentices who qualified in 2022, 35 (37%) were absorbed into artisan positions.

Employee training experience



Phindiwe Mkula,
Learner Apprentice at the Northern Cape Training School

“Our experience at Moolmans has been great so far. I am grateful for this opportunity as it prepares us for a new work environment. Now that we have completed phase one of our training, we are looking forward to spending time on site, proving ourselves and gaining more experience and skills. As women, we are also grateful and appreciative of being treated equally.”

Learnerships

Moolmans has 50 learners completing a formal learnership programme. Of these, 46 (92%) are HDSA and 34 (68%) are female. The programmes mainly comprise a rock breaking learnership to obtain a blasting certificate which then provides opportunities for learners to be appointed into positions at mining pit operations. Other formal learnership programmes include NQF level 3 to 5 learnerships in management and business administration, labour relations, project management and supply chain.

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. Moolmans is currently providing financial support to enable eight employees to complete their National Senior Certificate (Grade 12) qualifications. Of these, six (75%) are female HDSA individuals.

Our performance overview continued

Diversity and inclusion

Diversity and inclusion across Aveng include the mandatory transformation obligations applicable to our South African operations, and a multi-country diversity and inclusivity programme pioneered by McConnell Dowell.

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. As Aveng's core South Africa-based operation, Moolmans is the key contributor to Aveng's BBBEE strategy. Moolmans achieved level 2 BBBEE contributor status, as a result of improvements in its enterprise supplier development and socio-economic development activities. The responsible disposal of non-core businesses as going concerns to black owners was aligned to our transformation objectives.

2022 performance

Focus areas	Progress
<p>BBBEE contributor status Continue improving Moolmans' BBBEE performance by increasing the implementation of localised programmes and activities.</p>	<ul style="list-style-type: none"> Achieved a level 2 BBBEE rating
<p>Gender and race equity 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.</p>	<ul style="list-style-type: none"> 14 female apprentices appointed to be developed as future earthmoving equipment mechanics and auto electricians 54 female trainees identified from the communities in which we operate and trained as dump truck operators Development of women in technical and non-technical positions as future leaders 50 leaners (100% HDSA, 68% female) received development opportunities as part of a Moolmans Youth Employment Initiative; Moolmans employed a graduate mining engineer from the programme 28 leaners participated in a learnership programme for people living with disabilities (100% HDSA, 100% female)
<p>Enterprise and supplier development 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.</p>	<ul style="list-style-type: none"> R3,5 million invested in supplier development initiatives R1,7 million invested in enterprise development initiative R108 million invested in black designated group procurement spend
<p>Socio-economic development Engage regularly with internal and external stakeholders to identify new opportunities to develop businesses and individuals in our communities.</p>	<ul style="list-style-type: none"> R1,2 million invested in socio-economic initiatives in the Phola community near Moolmans' Klipspruit project, to enhance and improve three local schools Phola community contractors engaged for school renovations
<p>Localise and advance indigenous people and promote gender equality Continue to advance indigenous people in McConnell Dowell operations in line with the diversity and inclusion strategy.</p>	<ul style="list-style-type: none"> Worked with NPOs to provide long-term employment opportunities for refugees and disadvantaged youth, and to support veterans to transition from defence forces Improved employment outcomes for Aboriginal and Torres Strait Islander people through the Australian Reconciliation Action Plan Implemented a digital rollout of Te reo Maori (Maori language) to upskill teams in its use in internal and external interactions

Providing a better life

Female community operator training programme – Gamsberg Mine



Our performance overview continued

Promoting gender diversity



Meet Hannah Yap. Hannah is our Environmental and Sustainability Graduate on the early design phase of the **ARTC – Inland Rail** Beveridge to Albury (B2A) Inland Rail project. The B2A Inland Rail project team reached an important milestone this week. Our project target of 17% female participation was not only met, but completely knocked out of the park with the B2A Inland Rail team now delivering over 45% (that's 10 out of 22 staff just to be clear).

Great leadership you ask? Yes. Great recruiting? Yes. But more importantly, we have fantastically talented women working hard and smashing it in construction.

“On the B2A Inland Rail project, I am witness to women of all sorts driving the helm: women in engineering, women in leadership, women as strong mothers, women as role models, women who are deservingly respected and accomplished. I am here to tell you that this matters, representation matters, in the workplace and beyond that. It allows women like me to have confidence that a space can truly be created for change and there is a proper chance of shaking up the systemic (and personal) status quo.”
Hannah Yap

#creative construction #mcconnell dowel #inlandrail.



Women in mining



Olivia Jackals
Learner Operator at Tshipi mine

“Moolmans gives opportunities to women in mining and allows women to learn and showcase their capabilities. This opportunity to complete an operator programme enables me, and other women, to be successful and competent operators and to gain experience to become employable in future.”

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 R2,11 billion (2021: R2 billion), of which R1,55 billion (2021: R441 million) was spent on black women-owned suppliers. Aveng retained a high level of compliance with the BBBEE codes of good practice, with increased focus on exempted micro-enterprises (EMEs), qualifying small enterprises (QSEs) and black-owned and black women-owned companies in all our procurement activities.

Trident Steel – contributing to enterprise and supplier development

Trident Steel contributed R2,8 million to two transport companies to assist with steel transport in our Gauteng operations. The funds will be used to purchase trucks and trailers to assist with the increased volumes as a result of the recently awarded Ford Motor Company (SA) contract.

Trident Steel also contributed R1,45 million to Sylktech, a start-up company that manufactures fibre reinforced plastics. Sylktech's product range will complement its existing steel grating manufacturing process.



A continued key focus area within the Group's enterprise and supplier development (ESD) strategy includes:

- 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 enterprise development initiatives during 2023.

Diversity and inclusion at McConnell Dowell

Consistent with our Purpose of Providing a Better Life, the McConnell Dowell business has continued its strong focus on broader social outcome objectives, including its focus on diversity and inclusion. In Australia and New Zealand particularly, customers are highly supportive of such initiatives and often set benchmarks and targets for contractors to meet.

Recent successes include working with specialist not-for-profit organisations to provide long term employment opportunities for recently arrived refugees and disadvantaged youth; providing

opportunities for veterans to transition out of the defence forces into a new career; and partnering with the Department of Justice to provide meaningful employment opportunities for young people leaving the justice system.

Increasing indigenous representation

Through its Australian Reconciliation Action Plan, McConnell Dowell continued its focus on improving employment outcomes for Aboriginal and Torres Strait Islander people, including enhanced recruitment, retention and professional development initiatives and programmes.

For example, an Indigenous Supervisor programme, launched by the Western Program Alliance, was implemented to increase both indigenous employment and the diversity of industry supervisors. Features of the programme include enrolment in a Certificate III in Civil Construction course, and participation in an industry recognised Indigenous mentorship programme run by First Nations training specialists Nerdu Badji Education. The business also continued its partnership with GROW, providing Aboriginal and Torres Strait Islander people with training and employment opportunities in the transport and construction industries.

In New Zealand, the 2021 formation of a local Diversity and Inclusion committee has led to the roll-out of several important initiatives across the business including the ongoing development of their Maori strategy since 2020. Recent evolutions of the strategy include a digital rollout of Te reo Maori (Maori language) to upskill the teams in their use of Te reo in internal and external interactions, and the celebration of the Maori public holiday, Matariki.

Our performance overview continued

Corporate social investment

MOOLMANS

Moolmans, contributed R1,2 million towards investment in community projects within the Phola community surrounding its Klipspruit project. The projects include the upgrading of three schools:

- Isibonelo Early Child Development centre
- Mabande Comprehensive School
- Hlangu Phala Primary School

Moolmans employed community-based contractors to upgrade the schools.

Hlangu Phala Primary School

Before



After



Isibonelo Early Childhood Development centre

Before



During



After



Mabande Comprehensive School

Before



After



Trident Steel

Trident Steel invested R1,05 million in two socio-economic development initiatives in the Eastern Cape.

Aaron Gqadu Primary School

Trident Steel and other local businesses were approached by the Masinyusane Development non-profit organisation to contribute to the upliftment of the Aaron Gqadu Primary School in Gqeberha.

Our donation of R60 000 towards the project contributed to the painting of 10 classrooms, installation of electricity and fixing of all windows.



Cowan High School

Trident Steel sponsored 203 Lenovo M8 8-inch tablets to Grade 11 learners to the value of R991 056 on 23 June 2022. These devices are supplied with 2GB monthly data, access to personalised learner-driven content and security – all resources that a learner would need to reach their full potential in a dedicated and safe place.



Trident Steel Eastern Cape senior management hand over of tablets to Cowan High School in Port Elizabeth.

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