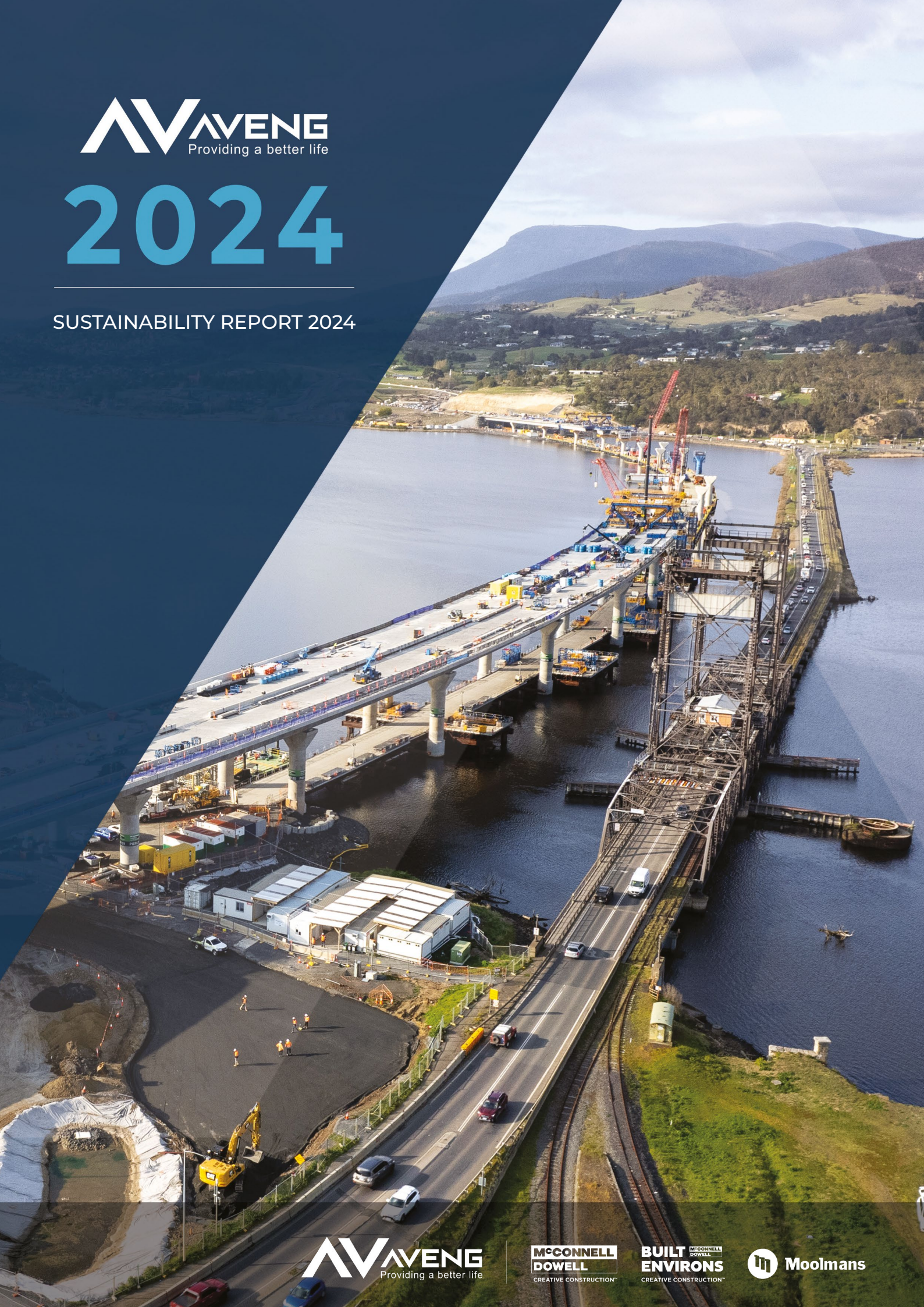




2024

SUSTAINABILITY REPORT 2024



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Aveng's sustainability report outlines how the Group fulfils its purpose of providing a better life. By providing information on our environmental and social impacts, the sustainability report enables stakeholders to assess our ability to create and protect value.

Our 2024 integrated report, available at www.aveng.co.za provides additional information on our financial performance and the investments we make to support sustainable development and contribute to positive environmental, social and governance (ESG) outcomes.

OVERVIEW

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The overview demonstrates how we govern sustainability matters and align our values and strategy with our purpose to improve ESG outcomes for our stakeholders.

Aveng recognises material matters that have the potential to substantially impact our performance or ability to create sustainable stakeholder value over the longer term. These inform our strategy to create two independent and separate entities:

- McConnell Dowell (including Built Environs): a leading engineering-led construction and building contractor delivering infrastructure across a diverse range of end markets; and
- Moolmans, a tier 1 contract mining business operating in sub-Saharan Africa.

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This section provides information on our environmental and social impacts and our actions to support sustainable development and contribute to positive ESG outcomes.

We also describe our actions to enhance the wellbeing of our employees, contribute to diversity, equity and inclusion and support vulnerable communities.

Forward-looking statements

Certain statements in this document are forward-looking statements. These include, but are not limited to, statements about the Group's operations, financial conditions, earnings and growth prospects. They are based on the best estimates and information of Aveng at the time of writing. They are nonetheless subject to significant uncertainties and contingencies, many of which are beyond the Group's control. Unanticipated events may occur, and actual future events may differ materially from current expectations due to changes in the Group's operating environments.

Navigate this report



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



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



Feedback

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



WELCOME TO THE AVENG 2024 SUSTAINABILITY REPORT

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

We are an international engineering-led contractor with three strong brands focused on *Infrastructure, Building and Mining* in selected markets.

“Aveng has been repositioned and recapitalised following a **resilient return** to profitability and cash generation in the current year.

Our management epicentre has shifted to Australia, while our governance and control remain in South Africa where we are listed on the JSE. Our leadership transition and organisational change are complete.

Our strategic journey now enters a new phase.

We have determined a new strategic direction that will enable our two operating businesses, McConnell Dowell and Moolmans, to achieve their **long-term growth potential** and ensure that the value of their assets is fully recognised. This will assist each business to independently access appropriate pools of capital to better support their investment requirements.

As we navigate this exciting future together, we remain committed to delivering value and positive outcomes for our stakeholders.”

Scott Cummins, Group CEO



OUR 2024 SUSTAINABILITY 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 for its 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 during the period 1 July 2023 to 30 June 2024 (FY24). Material events that occurred between 1 July 2024 and the publication date are included. The Moolmans Kolomela Mine site in the Northern Cape, South Africa, was out of scope for FY24 as the contract ended in FY23. The content is based on the reporting principles and requirements listed below, the information needs of our stakeholders and our material matters.

Reporting frameworks

Key reporting frameworks applied

Integrated Reporting Framework, 2021 (<IR> Framework)

King Report on Corporate Governance™ for South Africa (King IV)¹

JSE Limited (JSE) Listings Requirements

Board Governance Framework

Aveng ESG, safety, health and environment (SHE), people management and diversity and inclusion policies and frameworks

Global Reporting Initiative (GRI)

Greenhouse Gas (GHG) protocol


Broad-based black economic empowerment (BBBEE) codes of good practice

¹ 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.

Governance

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

Assurance

Independent assurance was obtained from KPMG on certain 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 issued by the International Auditing and Assurance Standards Board.



Independent assurance report.

Approval of the sustainability report

The report's content was prepared and reviewed by several internal stakeholders. The Board, assisted by its 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 8 November 2024 and signed on its behalf by:



PA Hourquebie
Independent non-executive chair



S Cummins
Chief executive officer



AH Macartney
Group finance director and chief financial officer



B Modise
Lead independent non-executive director

REVIEW OF THE SET AND SHE COMMITTEE CHAIRS



DAVID NOKO
Chair of the social, ethics and transformation (SET) committee



NICHOLAS BOWEN
Chair of the safety, health and environment (SHE) committee

2024 performance	Future focus
<ul style="list-style-type: none"> – Zero fatalities – Zero reportable environmental incidents – Deepening ESG learnings and applications – Level 1 BBBEE contributor status in South Africa 	<ul style="list-style-type: none"> – Identifying and adequately mitigating or eliminating safety and health risks – Reviewing and improving the environmental data collection process – Overseeing the Group’s purpose, values and culture – Embedding the commitment to delivery in the organisational culture

Aveng achieved the majority of its environmental, social and governance goals in 2024. The Board focused on ensuring that the systems and practices underpinning ESG performance remain effective and adequately aligned with the Group’s leadership and strategic transition.

Like most businesses, Aveng’s operations conduct their activities and seek sustainable growth in complex and uncertain operating environments. The consequences of the COVID-19 pandemic and the impacts of global geopolitical conflicts continue to influence economies and heighten the cost and complexity of business.

In recent years, the Aveng Group has been significantly restructured and has now returned to a path of profitable growth under a revitalised leadership team. Our infrastructure and building activities in Australia, New Zealand and Southeast Asia and our mining activities in South Africa manage risks and capitalise on opportunities that are unique to their markets. They also navigate sweeping changes in the spheres of technology and regulation, and they are directly impacted by competition, labour market disruption and climate change.

The industries in which we operate have profound impacts on society – and these impacts shape our response to environmental and social risks. While our operations enhance society and create economic value, they are located within communities and natural environments that require unique responses to ensure that the Group fulfils its duty of care, not only to its own employees, but also to other relevant stakeholders. In many instances, our environmental and social risks are governed by clients and contracts, and we manage these collaboratively.

Implementing the ESG framework

We are both relatively new to our roles on the Aveng Board but deeply immersed in the industries the Group serves. Having taken the baton from May Hermanus, who retired as chair of the SET and SHE committees in July 2023, we oversee well-established environmental, occupational health and safety practices that are governed by policies, internal controls and limited external assurance of certain KPIs.

The ESG framework that was launched during FY23 enabled the Group to establish baseline performance indicators relevant to its operations against which we measure, monitor and report on our sustainability performance each year. This remains a work in progress and we will continue to review and improve our data collection process in 2025.

Underpinning these practices is the ongoing journey to embed a values-based enabling culture, integrate our systems, ensure that our human capital is adequately engaged and equipped to implement the Group’s strategy, and deepen stakeholder relationships.

Our commitment to sustainable practices is demonstrated by several case studies throughout this report.

Performance overview

Environmental

During the year under review, the Group made good progress against a range of environmental measures. We have embraced the circular economy, renewed local ecologies, reconnected habitats and lowered energy use across our projects in line with our carbon reduction roadmap. Our operations set energy, water and waste reduction targets at project level and we are committed to making our environmental footprint as small as possible.

Achieving the ambitious carbon reduction target of net zero (operationally) by 2030 is constrained by some external factors beyond our control. For example, our *Infrastructure* and *Building* segments, which account for 91% of the Group’s revenue, have difficulty procuring the advanced alternative fuels and commercial scale electric or hydrogen-powered plant needed to reduce carbon intensity in construction. We continue to work with suppliers and develop innovative solutions to reduce our carbon footprint over time.

Social

The Group achieved its primary goal of zero fatalities but delivered mixed results in the other key safety performance indicators. McConnell Dowell’s project activity increased during the reporting period, resulting in more new employees and the use of subcontractors. While McConnell Dowell has a sound safety culture, it takes time to instil the culture in new employees and subcontractors. During this period, we experienced an increase in lost-time injuries and accidents in general which worsened the lost-time injury frequency rate (LTIFR)*. Although the LTIFR was impacted, none of the accidents resulted in permanent disability. We maintained positive trends in our reporting and learning culture and our site visits indicate high levels of commitment among project management and employees to safer work environments. We accept that health and safety management is a constant journey and we can never lose our focus on it. In this regard, the committees are focusing on reducing the risks that lead to high-potential incidents, working to improve clarity in health and safety documentation, and working with subcontractors to improve incident management.

* LTIFR – the ratio between the number of lost-time injuries and man hours.
TRIFR – the ratio between total recordable injuries and man hours.

2024 has been a year of change for our people as the Group has undergone a significant leadership transition and an organisational redesign that sets us on a path to a new future.

Our people management focused on ensuring that our talent recruitment, development and succession programmes meet the needs of growing businesses, while continuing to embed a high performance culture across the organisation. We were encouraged by the findings of an employee satisfaction survey that employee alignment and engagement improved among the majority of our employees and was ranked in the top 10% of Australia’s general industry category.

We remain mindful of the need to retain talent in complex and competitive labour markets. In this regard, we continue to offer an employee value proposition that is competitive and fair, while the Board ensures that our executive remuneration is clearly aligned to the achievement of strategic targets and the fulfilment of shareholders’ expectations.

The Group’s social spending prioritises the development of small to medium enterprises and indigenous communities through our supply chains, and we focus on education, employment and support for vulnerable communities.

Acknowledgement

We would like to acknowledge the role of May Hermanus in guiding the Group’s sustainability journey during a turbulent period, and setting the future direction for both committees.

As non-executive directors, we are grateful to the many individuals and teams across the Group’s operating segments who interact with our committees, implement our decisions and demonstrate the Group’s commitment to conducting its operations and activities in a responsible and ethical manner.

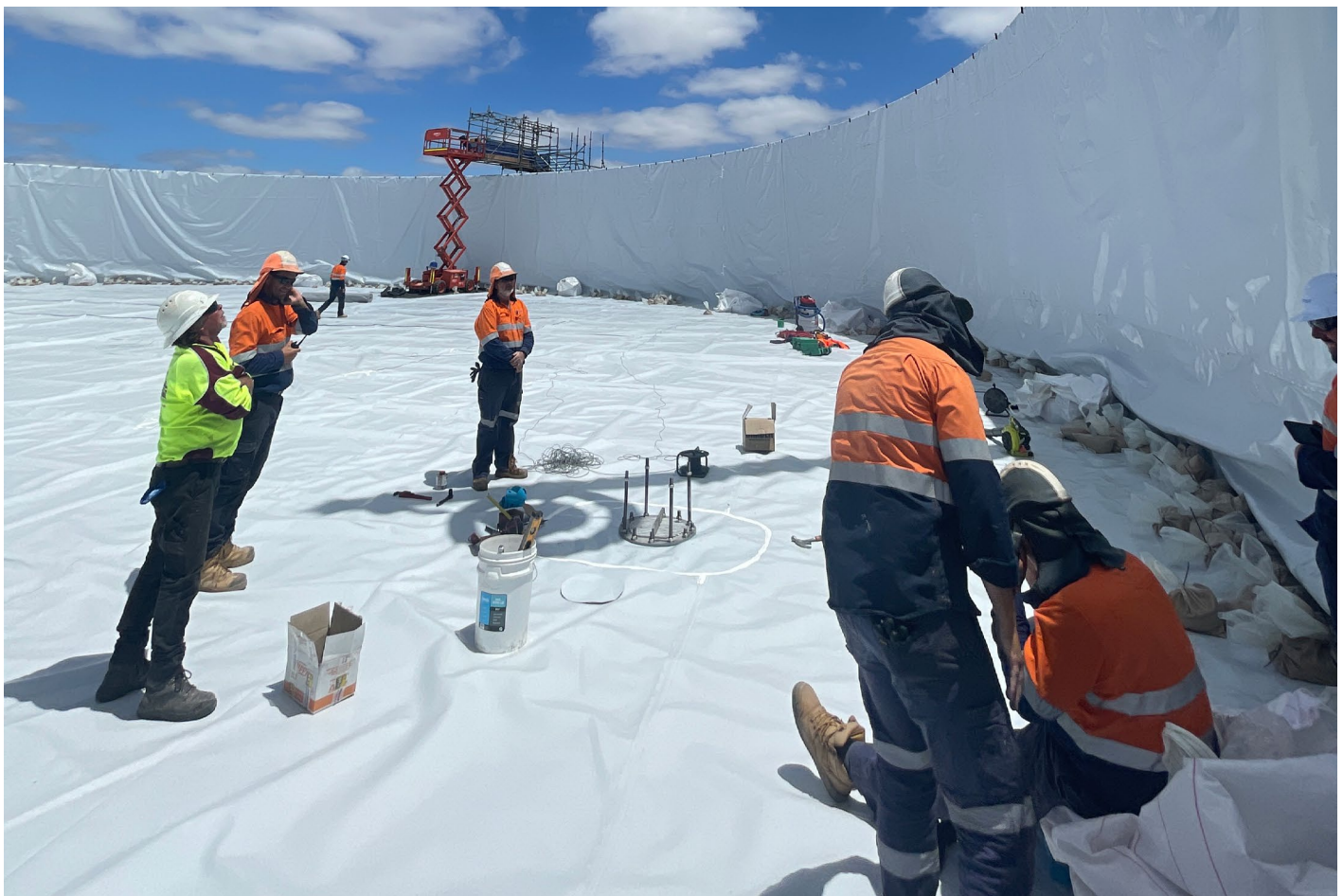
We appreciate the support we receive from our colleagues on the Board – and look forward to continuing our journey toward a sustainable future for the Group and its stakeholders.

Nick Bowen

Chair of the safety, health and environment committee

David Noko

Chair of the social, ethics and transformation committee



SA Water Framework project by McConnell Dowell, a long-term partnership with SA Water in South Australia.

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 strategic review	
<p>Aveng conducted a detailed review of the Group’s corporate strategy to enhance stakeholder value and optimise shareholder value. The review concluded that Aveng’s operating businesses, McConnell Dowell and Moolmans, have distinctly different business characteristics and value propositions and should pursue independent and separate operating and growth strategies. Aveng therefore intends to pursue, through a combination of transactions, the creation of two independent and separate entities:</p> <ul style="list-style-type: none"> – McConnell Dowell (including Built Environs): a leading engineering-led construction and building contractor delivering infrastructure across a diverse range of end markets; and – Moolmans, a tier 1 contract mining business operating in sub-Saharan Africa. 	<p>The Board is mindful of its commitments to all stakeholders through this process and intends to support and enhance the prospects of both entities for the benefit of all stakeholders, including clients, suppliers and employees, by enabling the two entities to access appropriate capital to pursue their separate strategies. In the case of McConnell Dowell, this will involve exploring a potential listing on the Australian Securities Exchange (ASX) and JSE. In the case of Moolmans, this will involve exploring alternative ownership options and potentially introducing BBBEE capital.</p>

Our values-aligned ESG framework

Aveng’s values-aligned ESG framework (below) enables the Group to implement its purpose. It governs our approach to managing our ESG and financial impacts and outcomes. The performances of McConnell Dowell, Built Environs and Moolmans are measured against ESG KPIs that are linked to the short-term incentives of management. Certain environmental and social KPIs are independently assured annually.

	 Environment	 Social	 Governance
Our values	Carbon and our environment	Our community and our people	Our conduct and compliance
Safety and care <i>Home Without Harm Everyone Every Day.</i> The health, safety and wellbeing of our people, the community and the environment are 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.	Environmental 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 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 Reduce waste, divert waste from landfill and promote 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.

 Independent assurance report, Aveng 2024 sustainability report, www.aveng.co.za

Improving ESG outcomes for all stakeholders

Environmental		
<p>Minimising carbon footprint, water use and waste</p> <p>Zero material environmental incidents</p>	<ul style="list-style-type: none"> Activating the circular economy by introducing more waste materials into our projects Reducing greenhouse gas emissions by incorporating supplementary cementitious materials into concrete slab for non-structural applications Easing traffic congestion, improving safety and introducing stormwater retention tanks, solar energy and rooftop gardens at our transport infrastructure projects Increasing water availability by reusing mine-affected water Expanding our environmentally friendly vehicle fleet and investing in smart, powerful hybrid generators 	<p>Awards</p> <p>Australasian Railway Association's 2024 Sustainability Excellence Award for the Mount Derrimut Road Level Crossing Removal</p>
Social		
<p>Zero fatalities</p> <p>The Aveng Group's LTIFR deteriorated due to growth in project activity and a related increase in the number of people working on some McConnell Dowell sites. At Moolmans, an increase in lost-time injuries (LTIs) and lower work hours impacted the LTIFR. We are instilling our sound safety culture in all new employees and subcontractors.</p>	<ul style="list-style-type: none"> Group lost-time injury frequency rate (LTIFR): 0.18 (2023: 0.10) 📈 Group total recordable injury frequency rate (TRIFR): 0.72 (2023: 0.73) 📈* 17 832 "Safe Talk" proactive safety interventions 	<p>Achievements</p> <p>McConnell Dowell's J108 project team in Singapore won the WSH SHARP Award at the 2024 Workplace Safety and Health Council Awards</p>
<p>Employee engagement across our Infrastructure and Building segments ranks in industry top 10% (2023 all-staff survey)</p> <p>Increased focus on talent succession management</p>	<ul style="list-style-type: none"> 80% of senior leaders completed a leadership development programme in the past three years 149 internships, learnerships and apprenticeships across Moolmans for historically disadvantaged groups Key leadership appointments of women in Southeast Asia and Australia A\$44 million in client social procurement spend in Australia R763 million spent with black-owned suppliers in South Africa 	<p>Three million LTI-free man hours at the J108 project</p> <p>Kathleen Kelly won the Women in Industry Safety Advocacy Award for her work on the New Bridgewater Bridge project</p>
Governance		
<p>Ethical and effective leadership</p> <p>Robust risk management oversight</p>	<ul style="list-style-type: none"> New Board appointments contribute to skills diversity Successful leadership and subsidiary Board transitions Risk management improvements strengthen project execution throughout tender and project lifecycles 	<p>Robust tender risk governance contributing to improved financial performance</p> <p>New CEO-sponsored diversity, equity and inclusion framework established</p>

* Group LTIFR and TRIFR measured per 200 000 man hours.

 The Group's ESG KPI definitions are available at: <https://aveng.co.za/pdf/investor-relations/annual-reports/2024/sustainability-supplementary-2024.pdf>

Financial performance

<p>↑ Revenue</p> <p>A\$3.1 billion (R37.5 billion) 2023 A\$2.4 billion¹ (R28.9 billion)</p>	<p>↑ Headline earnings</p> <p>A\$38.0 million (R466 million) 2023 A\$77.7 million loss (R950 million loss)</p>	<p>↑ Operating earnings / (loss)²</p> <p>A\$34.5 million (R424 million) 2023 A\$86.8 million loss¹ (R1.1 billion loss)</p>	<p>↔ Work in hand</p> <p>A\$3.1 billion (R37.2 billion) with higher embedded margins 2023 A\$4.2 billion (R52.2 billion)</p>
<p>↑ Gross profit margin</p> <p>5.7% 2023 1.6%¹ (5.9% (excluding BLNG)³)</p>	<p>↑ Headline earnings per share</p> <p>A\$29.6 cents (364 cents (Rand)) 2023 \$61.6 cents loss (753 cents (Rand))</p>	<p>↑ Net cash</p> <p>A\$173.7 million (R2.1 billion) 2023 A\$108.4 million (R1.4 billion)</p>	<p>Leadership transition and organisational structural change complete.</p> <p>Strategic review concluded with intention to pursue two separate and independent operating and growth strategies.</p>

¹ Prior year revenue and operating earnings from continuing operations exclude Trident Steel.

² Operating earnings / (loss) before capital items.

³ Non-IFRS measure. Information adjusted to exclude the impact of BLNG in the prior year. The information has been prepared for illustrative purposes only and has not been reviewed or reported on by a reporting accountant.

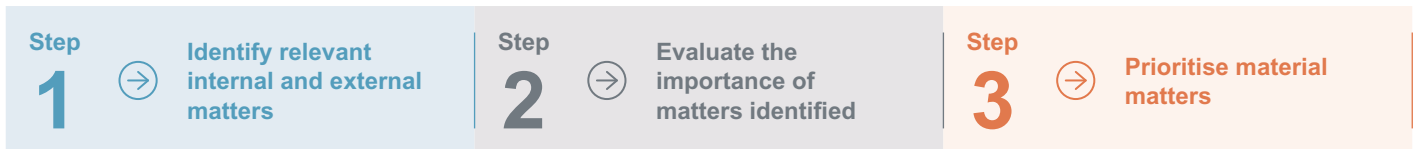
All figures have been restated due to the change in the presentation currency from ZAR to A\$.

MATERIAL MATTERS

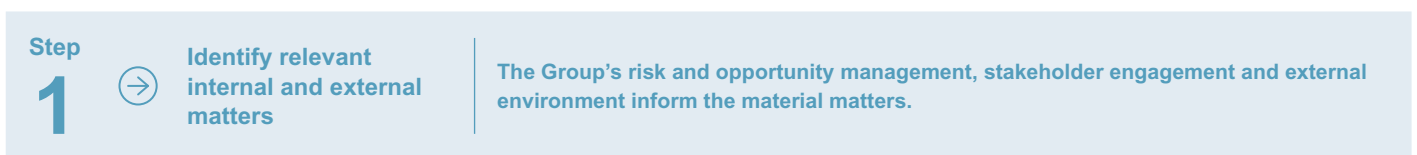
Aveng defines materiality as matters that materially affect the Group’s ability to create and sustain value over the short, medium and long term.

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 three-stage material matters determination process is guided by the Group’s enterprise risk management framework and stakeholder engagement in line with the guidance contained in the <IR> Framework.



Auckland Airport East Airfield Building Relocation project delivered by McConnell Dowell and Built Environs in joint venture.



Enterprise risk and opportunity management

Aveng’s risk and opportunity management process aims to achieve an appropriate balance between realising opportunities for gain, while minimising adverse impacts.

The Board, assisted by the risk committee, is responsible for the governance and effective oversight of risk and opportunity management. A Group risk register comprising material risks escalated from the business unit risk registers and external risks affecting the Group, is updated quarterly and reported to the Board and the risk committee.

The Group’s risk profile reflects its exposure to potential losses or adverse events that may affect the achievement of strategic objectives.

This assessment is based on a combination of quantitative and qualitative indicators such as financial performance, regulatory compliance, operational performance, stakeholder feedback and the external operating environment.

The Group has set a desired risk appetite which is “moderate” at the residual risk level (after applying treatment and control actions). Risk appetite is assessed annually or as the Group’s risk-bearing capacity changes.

The global risk environment deteriorated during 2024, placing additional constraints on the Group’s operations. The possible impact of these and the Group’s response to them are summarised in the 2024 macro-economic risks table on the following page.

Risk and opportunity management framework

Lines of defence

Aveng adopts a Four Lines of Defence model to bridge the gap between risk management and assurance functions. These lines include the audit, risk, investment and tender risk Board committees, internal audit, and assurance provided by external audit, who oversee and assure the Group's risk and opportunity management.

External environment

Changes in the Group's business or project environments are continuously reviewed.

2024 macro-economic risks		
Macro-economic risk*	Trend	Impact on Aveng and our response
<p>Global economic slowdown Geopolitical tensions have contributed to a decline in market liquidity, higher inflation and higher interest rates which have worsened the global economic downturn. The risk of stagflation – a period of low growth and high inflation – signals a prolonged economic downturn and debt distress.</p>	↔	<p>A delay in the award of infrastructure and mining projects is likely to reduce our 2025 revenues, while a more competitive environment impacts our margins and cash flows.</p> <p>We are responding by maintaining cost discipline, reassessing our opportunity pipeline and reprioritising tender expenditure.</p>
<p>Cybersecurity and data breaches The acceleration of digital adoption and dependency has increased vulnerability to cyber-attacks.</p>	↑	<p>Data breaches disrupt operations and threaten financial performance and reputation.</p> <p>We established a Group cybersecurity steering committee to align and prioritise our investments in cyber threat prevention, detection and response.</p> <p>We have prioritised the integration and extension of cybersecurity tools and practices across the Group.</p>
<p>Disruption of supply chains for critical resources Many supply chains have become inefficient or dysfunctional as a consequence of geopolitical events. This impacts businesses and prolongs the global economic downturn.</p>	↔	<p>Supply chain disruption results in cost increases, project delays and difficulty obtaining certain resources, resulting in overstocking to mitigate potential shortages.</p> <p>We assess cost escalation and factor it into tenders. Commercial recourse is sought for shipping delays. We are improving our procurement capability and capacity to support our operations.</p>
<p>Climate change resilience Worsening environmental degradation and a shift in focus to other short-term risks has increased concerns about the ability to contain climate change. Countries or organisations that continue to rely on carbon-intensive energy sources risk losing competitive advantage (higher carbon cost, lower resilience, lagging behind technology advances and limited leverage in trade agreements).</p>	↔	<p>These matters affect our ability to deliver on our ESG strategy and achieve targeted milestones.</p> <p>Our ESG framework is well established and we continue to implement our ESG strategy. We pursue opportunities in the renewable energy, coastal defence and water sectors.</p>
<p>Infectious diseases and other health-related risks COVID-19 and other health-related matters heightened the risk of pandemic diseases and a deterioration in mental health as significant global threats.</p>	↔	<p>Health risks impact employee wellbeing and related health and safety systems and processes.</p> <p>We implement a well-defined safety, health and environment strategy, and provide independent professional employee wellbeing support, to manage these impacts. Commercial recourse for pandemics is included in tenders.</p>
<p>Escalating geopolitical tensions Geopolitical fragmentation is heightening the risk of multi-domain conflicts, creating global divergence, geopolitical and geoeconomic tensions. This complicates the approach to common global challenges, notably climate change due to regional convergence at the expense of global integration.</p>	↑	<p>We operate in an increasingly complex business environment, with supply chain disruption, cost escalation and project delays.</p> <p>We conduct dynamic reviews of our strategies and business plans in response to the changing external environment. We pursue opportunities in the defence sector.</p>

* World Economic Forum Global Risk Report 2024.

STAKEHOLDER ENGAGEMENT

▶ We have a diverse range of stakeholders with an interest in our operations. By engaging constructively with our stakeholders, we can address their legitimate needs and concerns and create lasting value together.

Aveng identifies its main stakeholders and engages 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 outcomes.

<p>CLIENTS</p> <p>As contractors, we engage regularly with our clients through formal and informal discussions and meetings at all stages of project lifecycles.</p>	<p>Material stakeholder conversations and our response</p> <p>Project performance McConnell Dowell, Built Environs and Moolmans engage actively with clients to address areas of concern and work in partnership with clients to achieve mutually beneficial outcomes.</p> <p>Strategy to carbon zero The carbon zero roadmap has been developed and implemented in McConnell Dowell.</p>
<p>EMPLOYEES</p> <p>We engage routinely with our employees through formal and informal information sharing and leadership engagement sessions, and we assess employee culture and engagement through employee surveys.</p>	<p>Material stakeholder conversations and our response</p> <p>Employee value proposition Aveng strives to provide competitive salaries or wages. People management systems are in place to embed Aveng values and enhance talent recruitment, development and retention.</p> <p>Aveng encourages employees to work from the office or official place of work unless there is a compelling reason for remote working.</p> <p>Safety and health management Aveng implements systems and processes to identify and reduce safety and health risks, including regular leadership engagement with employees on work sites, campaigns to embed a safety culture and wellness programmes and external providers of employee wellness services. To limit injuries in high-risk areas, we supply technology-based safety equipment, such as wearable sensors to prevent plant/people interaction. We focus on leading indicators such as fatigue and working at heights.</p> <p>Sustainability commitment Aveng’s ESG framework governs its approach to managing environmental, social, governance and financial impacts and outcomes. ESG forms 10% of management’s remuneration.</p>
<p>SUBCONTRACTORS AND OTHER SUPPLIERS</p> <p>We engage with our subcontractors and other suppliers through supplier meetings and supplier and contractor audits.</p>	<p>Material stakeholder conversations and our response</p> <p>Contract negotiations, compliance and fair treatment We work with all subcontractors to ensure compliance with the Group’s Code of Conduct and safety and health standards. Furthermore, we ensure fair treatment of subcontractors and uphold the human rights of employees and communities.</p>
<p>COMMUNITIES</p> <p>We engage with communities informally and formally through community forum meetings.</p>	<p>Material stakeholder conversations and our response</p> <p>Project impacts on community health and the environment Aveng complies with local safety, health and environment requirements and maintains relationships with local communities to manage and mitigate project impacts.</p> <p>Contribution to local economies Aveng complies with project specific social and local procurement targets set by clients and invests in education and other projects to support vulnerable communities. The Group implements innovative solutions to address environmental challenges.</p>

<p>SHAREHOLDERS AND FINANCIAL INSTITUTIONS</p> <p>We engage with shareholders and the institutions that provide finance for our operations through results presentations, the stock exchange news service (SENS), one-on-one meetings and investor conferences and calls.</p>	<p>Material stakeholder conversations and our response</p> <p>Profitability and liquidity Our risk governance and oversight processes monitor, manage or mitigate risks that threaten financial performance, while our strategy enables the operations to capitalise on available opportunities. We continuously strengthen and mature our management of tenders and project execution, including commercial risk and cash management, to achieve sound outcomes for our operations, our clients and our shareholders.</p> <p>Delivering value to shareholders Our strategy is based on achieving sustainable long-term growth. We are exploring several options to improve shareholder value by ensuring that the Group’s market value represents the value of its underlying operations.</p>
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<p>GOVERNMENT AND REGULATORS</p> <p>We engage with government and the relevant regulators case-by-case and participate in industry engagements on matters concerning the sectors in which we operate.</p>	<p>Material stakeholder conversations and our response</p> <p>Compliance and reporting Aveng complies with health, safety and environmental regulations. The Group is tax compliant. We fulfil the requirements of relevant industry charters.</p> <p>Engagement on matters of importance to our sectors Aveng participates in industry discussions on matters concerning our operational sectors.</p>
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<p>TRADE UNIONS</p> <p>We engage with the relevant trade unions in the jurisdictions in which we operate through formal union leadership structures, onsite formal and informal engagement meetings and workplace forum meetings.</p>	<p>Material stakeholder conversations and our response</p> <p>Employee relations Aveng is committed to respecting fundamental labour rights and constructive employee relations. We align with core conventions of the International Labour Organisation and internationally accepted UN frameworks and comply with relevant local legislation in the countries where we operate. Our organisation respects the right to freedom of association and collective bargaining, supports trade union engagement, standards on working hours and the health and safety of employees.</p> <p>Despite difficult economic and trading conditions, Moolmans maintained a sound employee relations environment across South African operations, with limited work stoppages. Certain mining projects in South Africa required the restructuring of some operations, however, healthy engagement with employee representatives and other regulatory bodies ensured operational continuity.</p> <p>In Australia, sweeping changes to industrial relations legislation were implemented during the reporting period, with limited impact on productivity.</p> <p>Matters of mutual interest Aveng engages regularly with employees and unions to discuss matters of mutual interest, such as difficult economic conditions, compliance with applicable legislation or codes and adoption of best practices.</p>
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Step 2 Evaluate the importance of matters identified

Risks or opportunities specific to the operations are monitored and managed under eight categories, namely:



These are evaluated annually and assigned risk levels based on their potential impact on Aveng and likelihood of occurrence. Risk appetite and tolerance levels are established to achieve strategic outcomes and ensure that the Group’s business is conducted within predetermined risk thresholds.

STAKEHOLDER ENGAGEMENT CONTINUED

Step

3



Prioritise material matters

Our top material matters derived from our risk and opportunity management process, stakeholder engagement and external environment reviews are:

Material matter and residual risk rating	Our treatment and control actions in 2024
<p>Cash flow and liquidity management ↔●</p> <p>Aveng depends on a sound, sustainable balance sheet, with manageable levels of debt, to implement projects and fund its long-term sustainable growth strategy.</p> <p>Stakeholders impacted Clients; subcontractors and other suppliers; shareholders and financial institutions</p>	<ul style="list-style-type: none"> Improved profitability, strong cash generation and debt repayment strengthened the balance sheet. Operating earnings before capital items of A\$34.5 million (2023: A\$86.8 million loss). Operating free cashflow of A\$97.9 million (2023: outflow of A\$62.7 million). Net cash balance of A\$173.7 million (2023: R108.4 million) after settling A\$23 million of term debt facility. Continued review and management of underperforming projects.
<p>McConnell Dowell operational performance ↔●</p> <p>Aveng's vision of being an international engineering-led contractor is premised on growth-oriented businesses that are profitable, cash generative, and capable of implementing projects in line with the Group's profit margin expectations.</p> <p>Stakeholders impacted Clients; shareholders and financial institutions; subcontractors and other suppliers</p>	<ul style="list-style-type: none"> Residual risk directly correlated to operational performance and reduces as project performance improves. Stronger risk governance and management through tender and project lifecycle contributing to margin improvement trend. Significant executive management attention applied to derisking underperforming projects. Strong performance by post-COVID projects supported by risk management interventions and easing of cost escalation pressures. Aligned to growing defence, energy, water, marine and resource sector opportunities. 96% of McConnell Dowell's projects profitable at year end. Gross margin: 6.0% (2023: 1.3%); operating earnings margin: 2.4% (2023: 2.5% loss).
<p>Moolmans operational performance ↔●</p> <p>Aveng's vision of being an international engineering-led contractor is premised on growth-oriented businesses that can execute projects in line with the Group's operating earnings expectations and are profitable and cash generating.</p> <p>Moolmans operates primarily in South Africa where the significant challenges its clients face relating to road and rail infrastructure, ports, electricity and logistics have a direct impact on its operations and work in hand.</p> <p>Stakeholders impacted Clients; shareholders and financial institutions; subcontractors and other suppliers</p>	<ul style="list-style-type: none"> New executive management implementing consolidation and reset of operational strategy. Equipment renewal and optimisation programme continues to improve fleet reliability and availability. Stronger risk governance and management through tender and project lifecycle. Significant executive and segment management attention applied to derisking underperforming projects. Pursuing opportunities to diversify the client, commodity and geographic focus in the SADC region. Gross margin: 5.8% (2023: 3.5%); operating earnings margin: 0.7% (2023: 4.0% loss).
<p>Work in hand – New risk ↑●</p> <p>Aveng's operations depend on strong current and future order books to sustain their businesses and achieve strategic goals.</p> <p>Securing the right projects that are aligned with strategic and financial targets, and limiting the cost of tendering, is challenging in an economically constrained and competitive operating environment. This is reflected in lower levels of work secured across the <i>Infrastructure</i> and <i>Mining</i> segments for 2025.</p> <p>Stakeholders impacted Employees; clients; subcontractors and other suppliers</p>	<ul style="list-style-type: none"> McConnell Dowell tendering activity focused on niche sectors where its operations have a competitive advantage to strengthen the project winning rate and mitigate unproductive tendering costs. Built Environs is aligned to projects in health, education and recreation sectors. Moolmans is targeting repeat work with existing clients to leverage client relationships and mitigate new client risk.
<p>Availability of operational human resources ↓●</p> <p>Effective project implementation is reliant on adequate availability of the right leadership or labour resources.</p> <p>In Australia, low unemployment and a competitive labour market impact the availability and cost of human resources. In South Africa, the remote nature of mining sites limits skills availability.</p> <p>Stakeholders impacted Employees; clients; subcontractors and other suppliers</p>	<ul style="list-style-type: none"> All new Aveng Group Exco appointees internally recruited. Several senior leadership appointments in the <i>Infrastructure</i> and <i>Mining</i> segments. Active internal and external recruitment underway for a small number of roles. Actions to mitigate skills shortages include training and incentivisation to drive targeted performance and talent retention.

Aveng lowered the risk rating of the following material matters reported in the 2023 integrated report because the risks reduced or were mitigated during the year. These remain in the Group's top material matters and are closely monitored by management:

Availability of operational resources related to cost inflation and supply chain disruption, IT infrastructure and cybersecurity, safety, health and environment compliance and incidents.

Legend

● Extremely high potential impact Risks addressed as a priority due to high exposure.	● Very high potential impact Risks that cause management concern and are actively managed and mitigated.	● High potential impact Risks that cause management concern and are actively managed and mitigated.	● Moderate potential impact Risks that require attention but are not an immediate cause for concern.	↔ Unchanged risk trend
				↓ Reducing risk trend
				↑ Increasing risk trend



Kidston pumped storage hydro project in Queensland, Australia, converted a disused gold mine into a pumped storage hydroelectric power generation facility.

INDEPENDENT ASSURANCE REPORT

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

To the Directors of Aveng Limited

Report on Selected Key Performance Indicators

We have undertaken a limited assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the 2024 Sustainability Report of Aveng Limited ("Aveng") for the year ended 30 June 2024 ("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 can be accessed via the relevant website links included as footnotes on pages 7, 16, 17 and 32 of the Report (collectively "the Aveng reporting criteria".)

Selected KPIs	Scope of Coverage	Reported KPI
Total recordable injury frequency rate (TRIFR)	Aveng Limited (Group) – pages 7 and 32	0,72
Lost time injury frequency rate (LTIFR)		0,18
Noise induced hearing loss (NIHL)		0
Percentage Improvement on LTIFR on five-year average	Aveng Moolmans – page 17	118% deterioration
Percentage Improvement on TRIFR on five-year average		15% improvement
Diesel consumption rate		1.48 litres per bulk cubic metre
Completion of Targeted Environmental Training		96%
Existing and New Environmental Initiatives		2
Total waste diverted from landfill		70%
Enterprise development (ED) spending related to level 2 BBBEE commitments		R 0 incubated
Socio-economic development (SED) spending related to level 2 BBBEE commitments		R 1,12 million
Material Breach of Compliance in relation to regulations and laws		0
Mandatory ESG training for Exco -1 and above		100%
Completion of mandatory environmental training	McConnell Dowell – page 16	89.58%
Climate change and ESG proposition considered as part of Tender Gold review process		60%
Resource improvement initiatives per project		>2 on average
Level of accreditation of Reconciliation Action Plan		'Innovate' level
New Zealand projects involving mana whenua		100%
Client social procurement spend		3.52%
Corporate social responsibility initiatives per project		Average of one CSR initiative per project
Modern Slavery Policy training completed		100%
Cultural training completed		100%
McConnell Dowell management system (MMS) compliance audit completion as per audit schedule		94,8%
Business unit financial accounts and tax audits completed/lodged on time		100%
Completion of Annual Code of Business Conduct Pledge		98,8%
Mandatory ESG Training by SLT-1 and above		88%

Directors' Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with the Aveng 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.

Our Independence and Quality Management

We have complied with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

KPMG Inc. applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or 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, 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) 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; 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 Aveng reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected KPIs as set out in the Subject Matter paragraph above for the year ended 30 June 2024 are not prepared, in all material respects, in accordance with the Aveng reporting criteria.

Other matter

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's 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 the directors of Aveng, for our work, for this limited assurance report, or for the conclusion we have reached.

KPMG Inc.

Registered Auditor

Shaheed Osman
Chartered Accountant(SA)
Registered Auditor
Director

KPMG Crescent
85 Empire Road
Parktown
2193

Date: 8 November 2024

OUR ESG PERFORMANCE INDICATORS

The data collection process for certain environmental KPIs, including scope 1 and scope 2 carbon emissions, is under review and has therefore not been assured in 2024. The data collection process will be updated in 2025.



Environment | Carbon and our environment



2022 base	2023 performance	2024 targets	2024 performance	2025 targets
Not measured	>2 on average	>2 on average resource improvement initiative	>2 on average ^(LA)	>2 on average
Not measured	100%	100% of climate change and ESG propositions considered as part of the tender Gold review process	60% ^(LA)	100%
Not measured	82%	>95% completion of mandatory employee environmental training	89.58% ^(LA)	>95% completion of mandatory employee environmental training

Social | Our community and our people



2022 base	2023 performance	2024 targets	2024 performance	2025 targets
Yes	Reconciliation Action Plan (RAP) conditionally endorsed as moving to "Innovate" level	RAP work to "Innovate" level	RAP work to "Innovate" level ^(LA)	RAP work to "Elevate" level
Yes	Mana whenua 100%	100% New Zealand projects and offices involve mana whenua	100% New Zealand projects and offices involve mana whenua ^(LA)	100% New Zealand projects and offices involve mana whenua
100%	100% – equating to 3.5% average spend	>90% of client social procurement spending targets met or exceeded	3.52% ^(LA)	>90% of client social procurement spending targets met or exceeded
Not measured	Achieved	One corporate social responsibility (Average of one CSR) initiative per project	Average of one CSR initiative per project ^(LA)	Average of one CSR initiative per project
Not measured	97.6% completed and no breaches reported	>95% Modern Slavery training completed	100% ^(LA)	>95% Modern Slavery training completed
Not measured	0%	>95% cultural training completed	100% ^(LA)	>95% cultural training completed

Governance | Our conduct and compliance



2022 base	2023 performance	2024 targets	2024 performance	2025 targets
100%	87%	100% McConnell Dowell management system (MMS) compliance audits completed as per audit schedule	94.8% ^(LA)	100% MMS compliance audits completed as per audit schedule
100%	100%	100% of business units' financial accounts and tax audits completed/ lodged on time	100% ^(LA)	100% of business units' financial accounts and tax audits completed / lodged on time
89%	91.3%	>95% completion of annual code of business conduct pledge	98.8% ^(LA)	>95% completion of annual code of business conduct pledge
Not measured	95.2%	>95% of mandatory ESG training by SLT-1 and above	88% ^(LA)	>95% of mandatory ESG training by SLT-1 and above

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

McConnell Dowell's ESG KPI definitions are available at <https://dochub.com/m/shared-document/rachcuneen/Xv7zYW5RnIOaevV2A9egx/esg-framework-pdf?dt=zQF8gYLfv6dR7oR1dok7>



Environment | Carbon and our environment



2022 base	2023 performance	2024 targets	2024 performance	2025 targets
1.13 L/BCM	1.52 litres per bulk cubic metre (L/BCM)	5% reduction in diesel consumption rate from 2023 business unit baseline	1.48 L/BCM ^{LA}	5% reduction in diesel consumption rate from 2024 project site baselines*
100% (generic induction training)	94%	>95% completion of targeted environmental training	96% ^{LA}	>95% completion of targeted environmental training for new targeted personnel
Not measured	Criteria developed	Develop criteria for reporting critical potential environmental hazards to the number of actual serious incidents	Criteria developed in 2023. The process has since been embedded as part of operational controls which are verified in field as part of ISO 14001:2015 audits	
Two initiatives	One initiative achieved	Two environmental initiatives during 2024	Two initiatives achieved ^{LA}	95% Compliance to plan for two environmental initiatives for FY25
41%	63%	>50% of total waste diverted from landfill	70% ^{LA}	>50% total waste diverted from landfill

* Target revised from business unit level to project site level.

Social | Our community and our people



2022 base	2023 performance	2024 targets	2024 performance	2025 targets
LTIFR: 0.19 TRIFR: 0.59	LTIFR: 0.21 TRIFR: 0.21	10% improvement in LTIFR and TRIFR on five-year average Targets: LTIFR: 0.185 TRIFR: 0.474	LTIFR: 118% deterioration ^{LA} TRIFR: 15% improvement ^{LA} Actual LTIFR: 0.403 Actual TRIFR: 0.403	10% improvement in LTIFR and TRIFR on three-year average Targets: LTIFR: 0.220 TRIFR: 0.316
Achieved	R1.27 million incubated	Enterprise development (ED) spending related to level 2 BBBEE commitments	R0 incubated ^{LA} Actual spend of R959 000	ED spend (1% of NPAT)
Achieved	R730 000 incubated	Socio-economic development (SED) spending related to level 2 BBBEE commitments	Actual spend of R1.12 million ^{LA} on various community upliftment projects	SED spend (1% of NPAT)
Not measured	In progress	Implement a supervisory development intervention	105% trained relative to plan	Implementation of a supervisory development programme inclusive of gender, diversity and inclusion content for target site
Not measured	Not achieved	95% of supervisory-level employees and above trained in gender, diversity and inclusion	105% trained relative to plan	Gender, diversity and inclusion training for leadership team (middle management and above)

Governance | Our conduct and compliance

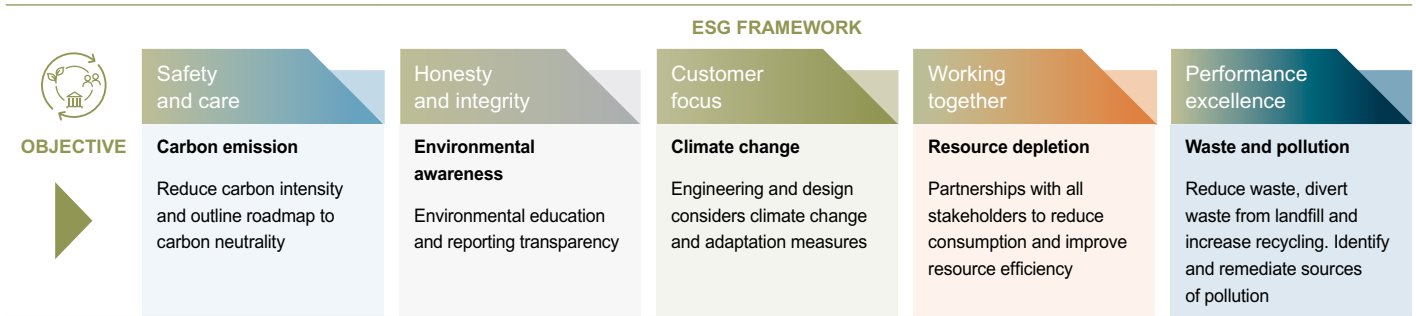


2022 base	2023 performance	2024 targets	2024 performance	2025 targets
100%	No material breaches identified	No material breach in compliance with regulations and laws. Non-compliance flagged through the organisation's governance structures	Zero material breaches identified ^{LA}	No material breach in compliance with regulations and laws. Non-compliance flagged through the organisation's governance structures
Framework developed	Achieved	Identify and manage key risks and opportunities in the business	Achieved – Key risks and opportunities managed	Identify and manage key risks and opportunities in the business
Not measured	53%	Code of Business Conduct pledge signed by all employees	52% partial achievement – achieved for all but one site, which was concluded outside reporting period	Code of Business Conduct pledge signed by all employees
Achieved	100%	ESG-related matters discussed at all quarterly Moolmans Board meetings	100%	ESG-related matters discussed at all quarterly Moolmans Board meetings
Not measured	92%	Mandatory ESG training for Exco-1 and above	100% ^{LA}	Mandatory ESG training for senior leadership team

^{LA} This item was subject to limited assurance engagement by KPMG.


Moolmans' ESG KPI definitions are available at <https://moolmans.com/wp-content/uploads/2024/11/ESG-KPI-Definitions.pdf>

ENVIRONMENT



We understand the impact our construction and mining operations can have on our natural ecologies and we constantly seek ways to minimise our footprint and restore and improve the natural environment and biodiversity around our works.

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

2024 environmental performance

No major environmental incidents were recorded during the year (2023: 0). 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.

130 minor environmental incidents were reported (2023: 166). The nature of these environmental incidents in the South African operations are predominately hydrocarbon spillages consistent with the Group’s business scope and industry profile. Minor incidents recorded by McConnell Dowell operations include spillages on land and flora, and some surface water discharges.

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	2024	2023	2022
Major environmental incidents	0	0	1
Operational with ISO 14001 certification of Environmental Management Systems (by headcount) (%)	>90	>90	>90

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
- 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

McConnell Dowell's carbon reduction plan aims to achieve operational net zero by 2030

McConnell Dowell is committed to reducing carbon intensity and has set KPIs for this since the introduction of the carbon reduction roadmap in 2022.

Constraints on reducing carbon intensity in the construction industry

The construction industry experiences significant difficulty procuring and distributing advanced alternative fuels, coupled with the lack of commercial scale electric and hydrogen-powered plant. These difficulties restrict the ability to reduce scope 1 emissions, which in turn impacts the achievement of the carbon intensity reduction KPI. McConnell Dowell continues to work with suppliers and develop in-house strategies to reduce the Company's carbon footprint in the long term.

ENVIRONMENT *CONTINUED*

Providing a better life

Reducing the construction carbon footprint

Our team on the **Eastland Port Wharf 7 upgrade project** in Gisborne, New Zealand, worked collaboratively with the client to redesign a new marine berth, with significant sustainability benefits. The project won the Innovation Award at the 2023 Construction Sector Beacon Awards.



Eliminated **85 000 tonnes** of hard fill, resulting in **2 833** fewer truck movements through the city and saving **933 470 litres** of diesel

Reduced steel use by **70%**; **3 695 tonnes** of second-hand steel were used and reused in the temporary works

Minimised port disruption and a drill and drive method to install piles **mitigated noise and vibration impacts** for the marine environment

Prioritised **local labour, suppliers and subcontractors** where possible

Saved **13 692 tonnes** of carbon-equivalent gases by going local and minimising materials used



Reducing greenhouse gases by incorporating supplementary cementitious materials into concrete slabs.

In Melbourne, our team on the **Webb Street Level Crossing Removal project** reduced greenhouse gas emissions by incorporating 80% supplementary cementitious materials (SCM) into their concrete slab, the highest SCM content in Victoria. Using SCM as an alternative to Portland cement in concrete production mitigates the carbon emissions from cement production. SCM is used for non-structural applications such as shared user paths and will be applied to the slab in the project's waste enclosure.

In another initiative to combat emissions and increase the use of recycled products, the project team replaced precast concrete retention tanks with a recycled plastic equivalent (poly-fabrics) in stormwater retention tanks installed under the new railway station carpark.

<p>Saved approximately 50% in materials supply and installation costs</p>	<p>Reduced greenhouse gas emissions from the product's embodied carbon, including the material, transport and installation</p>	<p>Introducing more waste material into projects, activating the circular economy</p>	<p>Substituting concrete with an alternative lower emission material</p>
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Expanding our green fleet to drive down carbon emissions



Our main plant yard in Melbourne continues to expand our environmentally friendly fleet. We recently invested in the smartest, most powerful compact hybrid generators in Australia. The 30kVA and 60kVA generators are being used across our projects in Australia, adding value for our clients and taking us another step forward on our carbon reduction journey.

ENVIRONMENT *CONTINUED*

Providing a better life

Sustainable transport infrastructure for the good of our clients, society and the environment

Our team on the **Deer Park Station upgrade project**, which we delivered in Melbourne as part of the Level Crossing Removal project, worked collaboratively to ease congestion, improve safety and care for the environment.



Solar bus shelters at the Deer Park Station in Melbourne generate renewable energy.

Solar bus shelters generate enough renewable energy to power 10 homes

125 000 pieces of recycled soft plastic used in construction materials instead of going to landfill

80% of construction waste processed with an industrial recycler for reuse

44% of the project is covered by vegetation including two rooftop gardens

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 clients 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 use and release
- Continuously measure and monitor progress 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.



Kamay Ferry Terminals project, New South Wales. The project was recently completed by McConnell Dowell.

ENVIRONMENT *CONTINUED*

Providing a better life

Increasing water availability by reusing mine-affected water

Most mining methods and dust suppression use significant amounts of water. The majority of Moolmans' operations in 2024 were in the Northern Cape Province in South Africa – an area of great water scarcity. As a contractor, Moolmans plays a key role in the management of water use in its operations.

The reuse of mine-affected water for our daily project activities, such as dust suppression, was one of our environmental initiatives for 2024. Our target sites used a collective 17 litres per bulk cubic metre (BCM) of material moved which was an improvement from the previous year's performance of 20 litres/BCM. The dewatering processes to remove water from the mine pits improve pit safety and productivity by increasing visibility on haul roads and improving accessibility to reserves. This also results in fewer liberated emissions.

The use of mine-affected water in preference to fresh water increases the availability of this scarce resource for use by surrounding communities and ecosystems.



Water reuse by Moolmans.

Biodiversity and land

Our operations collaborate with their clients 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

Protecting and restoring nature for the good of the environment and communities

McConnell Dowell volunteered 65 employee hours to help create a biodiversity corridor between Arrowtown and Lake Whakatipu in New Zealand. Of the 9 439 indigenous trees planted at the Slope Hill Recreation Reserve in support of the Whakatipu Reforestation Trust and Mana Tahuna, our team contributed to planting 7 000.

“We are proud to have community partners like McConnell Dowell who share our passion for preserving our natural beauty. Without the big machinery provided by McConnell Dowell, the trust would have taken longer to complete the works.”

Whakatipu Reforestation Trust’s operations manager.



McConnell Dowell’s Epping Road Upgrade project team built “bee hotels” at the nearby Wollert Secondary School.

Creating habitats for birds and mammals

We collaborated with researchers from the University of Melbourne to develop prosthetic tree hollows for birds and mammals. Using computer modelling and 3D-printed wood and mycelium, the root-like structures of mushrooms, the prosthetic tree hollows are designed to overcome challenges such as increasingly rare natural habitats and short-term nest boxes.

Protecting indigenous species on work sites

Native lizards living at Moa Point were carefully and humanely trapped and relocated to a new customised habitat, enabling McConnell Dowell and its joint venture partner HEB to work on the **Wellington Sludge Minimisation Facility** for Wellington City Council. The new habitats are pest-free and replanted with native trees and shrubs, with experimental vertical ecosystems to see if the lizards like high-rise living and will colonise them over time.

The **Epping Road** project team worked with about 50 year-seven students at Wollert Secondary School to build 10 “bee hotels” at the new college to encourage the growth of the bee population in Wollert. The college is next door to the main project site. The bee habitats will provide Victoria’s seven native bee species with places to rest, nest and breed during the cooler months.

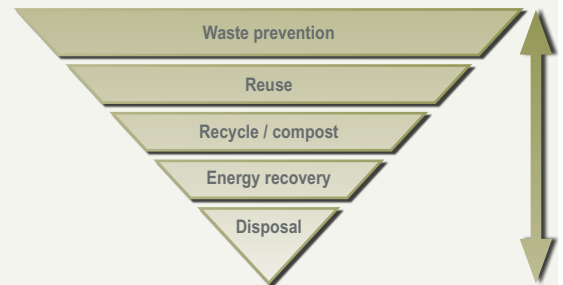
ENVIRONMENT *CONTINUED*

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, tyres and steel scrap.

How we intervene to ensure responsible management of waste and pollution

- Establish and maintain integrated material and waste management plans
- Quantify, record and report the amount of material used and waste generated
- Alongside clients, remediate land where contamination (new and historic) presents, or may present a significant risk of harm to the environment
- 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



The Queen Elizabeth Hospital stage 3 redevelopment, South Australia, Built Environs.

Providing a better life

Setting new standards for eco-friendly infrastructure development

In New Zealand, our team on the **Corban Reserve Stormwater upgrade project** created column forms from reusable plastic formwork systems (Geotubs), with multiple benefits for the contractor, clients and the community. Geotubs are lightweight and water resistant, with a modular design that makes them easy to install, and they are returned to the supplier for reuse after the project is completed.

Our team on the **Auckland Airfield Drainage project** installed 4.495 metres of HDPE piping made from recycled milk and cleaning bottles. By choosing 100% recycled pipes, the client set a new standard for eco-friendly infrastructure development.

In Victoria, Australia, our team on the **Narre Warren-Cranbourne Road Upgrade project** used about 8.5 tonnes of plastics to reinforce concrete for a shared walking and cycling path. Recycled plastic filaments across 1 680 cubic metres of concrete provides the same strength and integrity as steel, but is less costly and diverts plastics from landfill.



Recycled plastic used in a shared walking and cycling path in Australia.

ENVIRONMENT *CONTINUED*

Providing a better life

Supporting a circular economy by optimising resource use and minimising waste

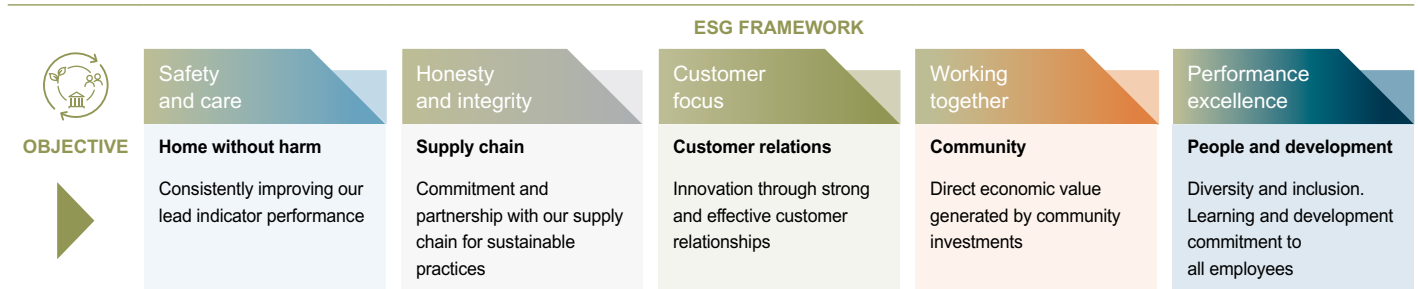
At Moolmans, we investigate processes and opportunities to optimise our resource use and minimise waste across all our processes, partnering with our clients where opportunities exist. This improves our sustainability and economic efficiency. Used oils are one of our largest recyclable waste streams and are reused as an energy source for other processes by other industries. Other recyclable waste streams include wood, scrap metals and contaminated soil which are treated on site for reuse.

We have consistently recycled more than half of our total waste over the past two years. Our aim for 2025 is to continue to focus on key projects with our clients to further implement our vision of a circular economy in which products and materials are kept in circulation through processes such as reuse, recycling and maintenance.



Waste recycling at Moolmans.


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 is a core enabler of the safety culture embedded across the workplace. Our employee wellness programmes, together with 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 are 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 toward achieving our vision of “Home Without Harm Everyone Every Day”.

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

2024 safety performance

McConnell Dowell

McConnell Dowell’s safety and health performance excludes non-financial data on joint venture projects.

Performance areas	2024 actual	2024 target	2023	2022	2021
Lives lost under Aveng supervision	0	0	0	0	1
LTIFR	0.60	0.225	0.31	0.09	0.14
TRIFR	3.81	3.0	4.21	0.60	0.74
All-injury frequency rate (AIFR)	15.27	17	2.91	2.67	2.55
Safety leadership visits by senior management	388	336	428	395	416

McConnell Dowell’s LTIFR and TRIFR are measured per million man hours.

McConnell Dowell’s LTIFR worsened against the prior year and the target for 2024. The TRIFR improved against the prior year but did not achieve the 2024 target. The decline in performance is attributed to increased project activity, resulting in more new employees and the use of subcontractors. While McConnell Dowell has a sound safety culture, it takes time to integrate the culture in new employees and subcontractors. During this period, we experienced an increase in lost-time injuries and accidents, none of which resulted in permanent disability.

Safety performance is receiving high-level attention from the Aveng Board and management, including a stronger focus on the risks that lead to high-potential incidents, working to improve clarity in the health and safety documentation and working with subcontractors to improve incident management.

SOCIAL CONTINUED

Moolmans

Performance areas – Moolmans	2024 actual	2024 target	2023	2022	2021
Lives lost under Aveng supervision	0	0	0	0	1
LTIFR	0.403	0.185	0.205	0.14	0.14
TRIFR	0.403	0.474	0.205	0.46	0.59
AIFR	1.06	1.11	1.10	0.92	1.33
Safety leadership visits by senior management	87	84	159	101	68

Moolmans' LTIFR and TRIFR are measured per 200 000 man hours.

Moolmans' LTIFR worsened against the prior year and the target for 2024. An increase in LTIs and lower work hours impacted the LTIFR. Interventions were implemented to address the increase in LTIs, including a focus on psychological safety, assessment of site conditions and high risk tasks. While the TRIFR worsened against the prior year, it improved relative to the target.

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. While we continue to see year-on-year improvement in the reporting culture, we expect reporting thresholds for total injuries, in particular first aid injuries, to continue improving as the reporting culture improves across our operations.

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 the risks that lead to high-potential incidents and identify causes and emerging trends before accidents occur. This enables us to 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 2 275 near misses reported (2023: 2 400).

We learn from our incidents and ISO audits by sharing key themes from investigations or audit outcomes, verifying controls across sites and reviewing our monitoring requirements. At Moolmans, we drive routine assessments and continuous improvement through scheduled internal audits which are conducted above our compliance inspections. For the year, 28 internal audits and 108 high-risk work inspections were conducted across our sites. The high-risk inspections were over and above our routine safety, health and environment inspections.

Safety initiatives

Recognising that improvements in safety culture and performance require more than robust safety management systems, the Group applies safety leadership approaches to embed a safety culture. These visibly demonstrate 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 KPI 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. At McConnell Dowell, 386 visits by managing directors and their direct reports represent 115% of planned visits.

Moolmans continuously conducts safety initiatives and participates in client interventions. A few notable initiatives include seasonal (Easter and Christmas) road safety interventions, Stop-for-Safety events across sites (psychological safety check-ins with teams and equipment and condition checks), and fatigue management initiatives. Safe behaviours and contributions are recognised across sites through various methods, including tokens of appreciation.

Providing a better life

Creating safer work environments

Moolmans conducted various initiatives throughout 2024 to manage and prevent incidents and improve safety performance. These included:

- The use of technology in heavy mining equipment to prevent incidents, including the Collision Avoidance (auto-braking) System (CAS) level 9
- Drive for improvement in system integration (HR, SHEQ and engineering)
- Improvement in safety systems through updated risk management processes and tools such as Isometrix
- Various campaigns to enhance safety awareness



Moolmans strives to create safe working environments.

SOCIAL CONTINUED

2024 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 toward the physical and mental adjustment and social wellbeing of employees, contractors and other stakeholders
- Mitigate occupational hazards, incidents and health-related diseases with early identification
- Provide a reasonable support function for employees and their families.

Performance areas	2024	2023	2022	2021
Occupational health examinations	2 944	3 392	4 036	4 717
Ill-health profile (outcome of medical testing) ¹	0	3	1	7
HIV counselling and testing (HCT)	730	2 333	956	1 154
Noise-induced hearing loss (NIHL) ²	0 ^{LA}	0	0	0

¹ Number of employees who have restrictions and limitations compared to medical testing conducted.

² The Group's ESG KPI definitions are available at: <https://aveng.co.za/pdf/investor-relations/annual-reports/2024/sustainability-supplementary-2024.pdf>

^{LA} This item was subject to limited assurance engagement by KPMG.

Occupational health

Aveng deploys a robust occupational health programme to manage the effects of work on the health of employees and manage employee health impacts on work. A thorough risk-based approach and an improved understanding of fitness to perform work, inform 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 and mining.

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 and on-site and 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. Moolmans' fitness for work examinations also comprise initial, periodic and exit medical assessments through client sites and in collaboration with appointed occupational medical practitioners. A total of 2 944 occupational health examinations were conducted during the year (2023: 3 392 tests), with only a handful of individuals declared unfit.

Noise-induced hearing loss

Managing potential 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 clients' 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.

McConnell Dowell reported zero qualifying cases (2023: 0). Moolmans reported zero cases which is consistent with previous years. There are ongoing monitoring processes to proactively screen for potential risks. Hygiene monitoring is undertaken by appointed client hygienists at all mine sites which involves monitoring for potential impacts of noise, dust and equipment ergonomics in the workplace.

Substance abuse management

We recognise that substance (drugs and alcohol) abuse affects the workplace, families and communities. Consequently, we enforce controls through Group disciplinary procedures to regulate employee misuse and abuse of substances alongside counselling provided through our employee wellbeing programme. McConnell Dowell performed 234 978 tests (2023: 144 200). Moolmans performed 840 drug tests and 5 256 alcohol tests (2023: 1 432 drug tests and 38 141 alcohol tests). In both businesses, a small, immaterial number of employees tested 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. 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 Lyra (previously ICAS) platform. Services to ensure that stress management, conflict resolution and communication concerns were supported during the year.

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. A total of 730 employees were tested, all of whom received HIV counselling (2023: 2 333). It is noted that positive cases are not disclosed. However, through these interventions we aim to assist employees in the proactive management of their own health.

Providing a better life

#YOUMATTER – Taking care of our people Wellness campaign at Gamsberg

Taking care of our people is a top priority, as reflected by our wellness campaign at Gamsberg. In a show of support, Moolmans painted two of its CAT 777 truck bodies, one pink for our “Mool-meisies” (“meisies” meaning women) and one blue for our “Mool-mans” (“mans” meaning men). Blue represents support of men’s health and pink represents support of women’s health. The wellness initiative included voluntary screenings for testicular, prostate and breast cancer, along with general health assessments for BMI, blood pressure, cholesterol, glucose and HIV testing. In total, 279 individuals underwent testing, including employees from Moolmans, Vedanta Zinc International and other contracted personnel.

Wellness campaign at Tshipi

Moolmans hosted a Wellness Campaign at our Tshipi operation in the Northern Cape, in collaboration with Tshipi e Ntle Manganese Mining, Liebherr Mining and AMC. The campaign was centred on mental wellness, carrying the powerful message #YOUMATTER.

With a workforce of over 1 400 client and business partners at this site, we provided comprehensive wellness services, including general health and cancer screenings, and fatigue and mental health assessments. To further highlight our commitment to mental health, Liebherr Mining honoured our partnership by painting a Liebherr 9150 Excavator green – a symbol of our dedication to mental wellbeing.



SOCIAL CONTINUED

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.

Our people management supports Aveng’s strategy by further strengthening leadership teams, improving performance, standards and governance, and driving diversity and inclusion in the Group.

A strategically aligned and engaged workforce

An employee satisfaction survey conducted during 2024 found that employee alignment and engagement in the Group’s *Infrastructure* and *Building* segments, which account for 91% of total revenue, had improved since the previous survey and was ranked in the top 10% of Australia’s general industry category.

Why our employees choose to work for us			
We prioritise career progression , whether it is conquering new horizons or transferring into a new business unit.	Our social investments offer employees the opportunity to leave a positive legacy for the communities we work with, socially, culturally and environmentally.	We actively celebrate diversity, equity, inclusion and individuality .	We value work / life balance because when our employees are at their best, our businesses can be at their best.

2024 performance

An efficient structure with effective leadership

Building capability and embedding a performance culture across our businesses are a key strategic imperative. We strengthened this further during 2024 with the completion of our leadership transition and organisational change which created a more streamlined and efficient organisation.

Our new organisational structure consolidates the previous South African and Australian corporate layers and is located in Australia, close to the majority of our operations. With all key functions represented at executive level, we are able to leverage collective expertise over the entire Group and to integrate our operational standards and governance.

Stable leadership enhanced by key new appointments

The introduction of the new Aveng executive leadership team resulted in the appointment of seven new executives, all internally appointed by the McConnell Dowell executive, and several senior leadership appointments to an Aveng scope.

The *Infrastructure*, *Building* and *Mining* segments ended the year with an almost full complement of senior leaders, with only a handful of roles under active internal and external recruitment. Critical appointments in the year included:

- the managing director and the general manager of health, safety, environment and sustainability in the Australian leadership team
- the managing director, HR executive, commercial executive and operations executive of the Moolmans senior leadership team
- the general management positions of finance, commercial, engineering and HR in the Southeast Asian senior leadership team
- the general manager of Commercial within the New Zealand and Pacific Islands senior leadership team
- the appointments of Group finance manager, Group commercial and legal manager, Group health, safety and environment manager and the Group technical director – Ports and Coastal within the corporate leadership team of Aveng

The Built Environs senior leadership team remains stable, highlighting the success of this growing and performing business.

Key leadership appointments of women increased their representation across our operations. We continue to localise the Southeast Asia leadership team, with 71% being Southeast Asian.

Women account for 43% of our Southeast senior leadership team, 30% of our Australia senior leadership team and 33% of our corporate functional leaders.

Employee relations

We are committed to respecting fundamental labour rights and constructive employee relations. We align with core conventions of the International Labour Organisation and internationally accepted UN frameworks and comply with relevant local legislation in the countries where we operate. Our organisation respects the right to freedom of association and collective bargaining, and supports trade union engagement, standards on working hours and the health and safety of employees.

Despite difficult economic and operating conditions, Aveng and its key stakeholders maintained a sound employee relations environment across South African operations, with limited work stoppages. Certain mining projects in South Africa necessitated the restructuring of some operations, however, healthy engagement with employee representatives and other regulatory bodies ensured operational continuity.

In Australia, sweeping changes to industrial relations legislation were implemented during the reporting period, with limited impact on productivity.

Learning and development

Aveng fulfils its commitment to employee advancement by investing in learning and development programmes and initiatives across its operations. The following interventions 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.

McConnell Dowell’s partnership with Australia’s top-ranked business school, The University of Melbourne – Melbourne Business School, continues to flourish. Learners participating in two separate but integrated development programmes develop leadership capabilities in an intensive learning experience. The Senior Leadership Programme (SLP) 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 strategic thinking, building high-performing teams and risk management. During 2024, 20 individuals participated in the SLP. The Operational Leadership Programme targets emerging leaders in project management team roles. A further 65 emerging leaders completed the five-day residential programme (2023: 65), with several alumni promoted to senior leadership.

Over 80% of senior leaders have completed a leadership development programme in the last three years.

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; open leadership programmes with industry-leading institutions and organisations; internal and external technical development courses; and mentoring – all captured in individual and accelerated individual development plans.

Graduate programmes are now in place across McConnell Dowell with proactive university and industry engagement securing bright minds for annual intakes. Over 50 graduates participated in formal graduate programmes in 2024.

A comprehensive technical and leadership capability framework has been developed and deployed to support the self-evaluation and manager evaluation of capability across all areas of the business. Outcomes of these evaluations drive individual development planning and action, and provide a macro-lens of capability and proficiency across the organisation to drive strategic workforce planning.

Delivering skills and talent development at Moolmans

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

Moolmans invested R23.2 million in training and development (2023: R35.7 million). We provided 149 internships, learnerships and apprenticeships across our operations. All participants are from historically disadvantaged groups, and 27% are women.

External bursary programme

Moolmans provides funding for nine external students studying toward Engineering degrees at recognised tertiary institutions. Of these students, two are African females and seven 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

25 employees are receiving study assistance across Moolmans toward the attainment of qualifications in line with career paths and organisational skills requirements. Of these, 22 (63%) are historically disadvantaged South Africans (HDSA) and 13 (52%) are female.

Apprenticeships

Moolmans has 124 HDSA apprentices on a formal apprenticeship programme which is managed and run internally by Moolmans as an accredited apprenticeship training school. Of these, 33 (27%) are female.

SOCIAL CONTINUED

Diversity, equity and inclusion

Providing a better life

Creating opportunities for learners to develop a career in mining

Moolmans has 22 HDSA learners in a formal learnership programme, five (23%) of whom are female. The programme focuses predominantly on a rock-breaking learnership to attain a blasting certificate and provides avenues for learners to secure positions at mining pit operations. Other formal learnership programmes include internship or graduate development programmes registered with the Mining Qualifications Authority, a Sector Education and Training Authority (SETA).

Diversity, equity and inclusion (DEI) across Aveng is governed by mandatory transformation obligations applicable to our South African operations, and a multi-country DEI programme pioneered by McConnell Dowell through the creation of communities of practice in the DEI, and broader social outcomes areas. A CEO-sponsored Aveng DEI framework was established in 2024 to guide our DEI practices.

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. We remain resolute in our compliance with the spirit and intent of the principles of BBBEE.

Moolmans, Aveng's South Africa-based operation, achieved level 1 BBBEE contributor status as a result of the:

- Appointment of two HDSA Executive Directors which increased the management control score
- Absorption of 73% of apprentices who qualified in 2023, attracting an extra point that resulted in level 1 compliance

2024 performance

Enterprise and supplier development

Aveng links its procurement practices with the Group's BBBEE goals and targets, including that of procuring within its geographic areas of operation.

▶ The Group's spend on black-owned suppliers totalled R763 million (2023: R1.04 billion), of which R612 million (2023: R575 million) was procured from black women-owned suppliers.

Moolmans invested R959 000 in ED initiatives. Key focus areas of the Group's enterprise and supplier development (ESD) strategy include:

- Increased due diligence of BBBEE requirements at all levels of procurement activity, with ongoing monitoring and reporting
- Aligning ESD shortlisting with procurement throughout the Group
- Ongoing entry into strategic supply contracts with empowered suppliers where technically feasible
- Increased relationships with suppliers based in rural and underdeveloped areas where we operate to assess the service offerings
- Aligning and identifying specific initiatives with client organisations to be ring-fenced where possible in order to increase localised spend profiles

▶ McConnell Dowell invested A\$44 million in its social procurement programme, collaborating with social enterprises and established long-term partnerships with First Nations businesses across our operating regions.



Moolmans employees expressing their support for gender diversity in mining.

Providing a better life

Women in mining

The Women in Mining (WiM) initiative seeks to enhance the representation and development of women in the mining industry. Representation in South Africa (WiMSA) is underpinned by measures such as updating gender, diversity and inclusion policies, breaking barriers around unconscious bias to transform our mining culture and building an inclusive physical environment that includes PPE for women. Moolmans supports WiMSA and uses several platforms to promote women's contribution to mining.

In support of our commitment to creating a more supportive and equitable work environment, we updated our standard operating procedures to better accommodate the needs of women, including those who are pregnant. Aligned with these efforts, we introduced new PPE shirts featuring WiM branding and are preparing custom-fitted trousers for female employees.



Custom-fitted gear for women in mining.

Tumi Smith and Jonandi Venter represented Moolmans at Women in Mining Summit.

Supporting diversity, equity and inclusion

2024 saw the development and evolution of several employee networks representing a spectrum of diversity from LGBTQ+ under the Hi Vis network, gender in the Gender Equality Network (GEN) and Maori and Pasifika under the respective networks across New Zealand and the Pacific Islands. Achievements across these networks include changes to the parental leave policy from a geography and inclusivity lens, domestic and family violence response planning and celebration of cultural and linguistic diversity.



McConnell Dowell's Women in Non-Traditional Roles programme supports women in the industry.

SOCIAL CONTINUED

Corporate social investment

The social initiatives of our *Infrastructure* and *Building* operations support community groups around their projects and are tailored to meet the needs and circumstances of communities we serve.

Providing a better life

Our **Women in Non-traditional Roles** (WINTR) programme provides aspiring women in New South Wales (NSW) with valuable hands-on experience and accredited industry qualifications in roles traditionally held by men. The programme is run out of the NSW office in collaboration with the NSW government, and helped us achieve our goal of 25% women employees in NSW. 50% of the first cohort represented women from culturally and linguistically diverse backgrounds, creating a richer, more diverse work environment.

The New Bridgewater Bridge team initiated a **hands-on education outreach** programme to introduce primary and secondary school children to construction as a future career choice. Our team in the Aura and Harmony Programme on the Sunshine Coast of Queensland did a presentation to children at a nearby school on water and wastewater treatment processes.

As the primary sponsor of the Melbourne University Civil and Structural Society, McConnell Dowell is able to network with students to offer insight into the experience of being a graduate in the construction industry.

As part of our Epping Road upgrade, the nearby Wollert Secondary College students can enjoy a 34 square metre **sensory garden**, with plants chosen to stimulate all five senses. Project team members volunteered their services, alongside 25 student gardening club members to construct the garden.

Our Healesville-Koo Wee Rup Upgrade project team donated a new fridge and freezer to **Sammy's Community Pantry** in Pakenham, Victoria. The facility is a food bank that provides free tinned, packaged and frozen food to community members in need.

Our mining operations contributed R1.12 million (2023: R730 000) toward investment in the Namaqualand region of the Northern Cape, where we operate.

Providing a better life

Investing in the future of our communities' children

At Boesmanland High School we upgraded electrical wiring to improve the safety and utility of school facilities. The new wiring provides a more reliable electrical system in support of the school's educational needs.

"We deeply appreciate the time and effort your team invested in this project. Your commitment to excellence and attention to detail have not gone unnoticed, and we are truly grateful for your contribution to our school community. Thank you once again for your outstanding service. We look forward to the possibility of working with Moolmans on future projects."

Boesmanland School Principal

The Pella Primary School received 400 tables and 400 chairs for their classrooms, replacing old furniture that was in poor condition.



