



EVZ LIMITED  
ENVIRONMENTAL, SOCIAL &  
GOVERNANCE REPORT

NOVEMBER 2024

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## 1. Introduction and Purpose

EVZ Group is committed to operating within a defined Environmental, Social and Governance Framework (ESG) that provides our investors, employees, and all other stakeholders with assurance that the Board and senior management are focused on leading an ethical and sustainable business. EVZ Group is committed to acting ethically and with integrity in all its business dealings and relationships.

EVZ has defined a framework that outlines EVZ Group’s commitment to managing and reporting our progress in improving our journey as an ESG knowledgeable enterprise. Our leadership is committed to the cause of continuous improvement in response to the ever-evolving business landscape.

## 2. ESG Framework

EVZ Limited uses an industry leading framework and reporting structure developed by the SASB Standards which has been tailored to suit our operating environment and our spread of industries in the Energy and Resources sector and the Building Products sector.

The SASB Standards connect business and investors to the financial impacts of sustainability, social responsibility, and governance in a consolidated easy to interpret framework. SASB Standards are industry based focusing on financially material impacts of sustainable performance. The outworking’s of implementation of the modified SASB framework is that the information is useful for decision makers and investors.

## 3. ESG Focus Areas

The areas EVZ has chosen as our focus are materially significant to the current and future enterprise value and are tabulated below.

Category	ESG Material Disclosure Topic	Standard of Measurement
Ecological Impact	<p><b>Environmental Impacts of Project Construction</b></p> <p>Infrastructure construction projects help improve economic and social development; however, they can also pose risks to the local environment and surrounding communities. Construction activities can disrupt local ecosystems through biodiversity impacts, emissions into the air, water discharges, natural resource consumption, waste generation, and the use of hazardous chemicals. Construction companies perform clearing, grading, and excavation activities and may generate harmful waste during project construction. Effectively assessing environmental impacts prior to construction may help mitigate unforeseen issues that can raise operational and capital costs. In some cases, environmental concerns and/or local community pushback can result in project delays and, in extreme cases, project cancellations, which may impact a company’s profitability and growth opportunities. A failure to comply with environmental regulations during construction can result in costly fines and remediation costs and can damage a company’s reputation. Environmental impact assessments can provide an understanding of a project’s potential environmental impacts and the mitigation activities that may be necessary before it begins. Likewise, proper management of environmental risks during project construction can reduce regulatory oversight and/or community pushback. By assessing environmental considerations up front, as well as continuing to evaluate them during project construction, engineering companies may be better prepared to mitigate the potential environmental issues and financial risks that may occur, while also establishing a competitive advantage for obtaining new contracts with prospective clients.</p>	<p>IF-EN-160a.1  IF-EN-160a.2  IF-EN-250a.1  IF-EN-250a.2</p>
Product Quality & Safety	<p><b>Product Integrity &amp; Safety</b></p> <p>Whether providing engineering, design, product supply, construction, or maintenance services, companies in this industry have a professional responsibility to ensure the safety and integrity of their work. Errors or inadequate quality in the project design phase and construction of buildings or infrastructure can cause significant personal injury, loss of property value, and economic harm. Companies that perform poorly on product integrity and safety can therefore face potentially high costs due to redesign and/or repair work and legal liabilities, as well as reputational damage that could hurt growth prospects. Moreover, when designing and constructing buildings or infrastructure, companies in the industry must increasingly contemplate potential climate change impacts, which may affect the integrity of projects and the safety of the public. Compliance with minimum</p>	<p>IF-EN-410a.1  IF-EN-410a.2</p>

	<p>applicable codes and standards may not be sufficient for maintaining and growing reputational value (or even mitigating legal liabilities) in certain circumstances, especially if the frequency and severity of climate-change-related events increases as expected. Meeting or exceeding new industry standards for quality and establishing internal control procedures to address potential design issues, including those resulting from climate risks, are practices that can help companies reduce these risks.</p>	
<p><b>Employee Health &amp; Safety</b></p>	<p><b>Workforce Health &amp; Safety</b></p> <p>Construction, maintenance and repair services, and other on-site activities require substantial input of manual labour. Injury rates in the Engineering &amp; Construction Services industry are high compared with other industries because of the workforce’s exposure to powered haulage and heavy machinery accidents, fall accidents, exposure to hazardous chemicals, and other unique and potentially dangerous situations. Additionally, temporary workers may be at a higher risk due to lack of training or industry experience. Failing to protect worker health and safety can result in fines and penalties; serious incidents can lead to acute, one-time extraordinary expenses and contingent liabilities from legal and/or regulatory actions. In addition, health and safety incidents can result in project delays and downtime that raise project costs and lower profitability. Companies that seek to properly train both permanent and temporary employees and build a strong safety culture could reduce their risk profile while potentially gaining a competitive advantage in new project bids and proposals because of strong workforce health and safety track records.</p>	<p>IF-EN-320a.1</p>
<p><b>Product Design &amp; Lifecycle Management</b></p>	<p><b>Lifecycle Impacts of Social &amp; Economic Infrastructure</b></p> <p>Infrastructure projects are among the largest users of natural resources in the economy; during construction, these materials include iron and steel products, cement, concrete, water, insulation, among others. Once completed, and during their daily use, these projects often consume significant amounts of resources in the form of energy and water. Therefore, the sourcing of construction materials and the everyday use of buildings and infrastructure can contribute to direct and indirect greenhouse gas (GHG) emissions, global and/or local resource constraints, water stress, and negative human health outcomes. Client and regulatory pressures to develop a sustainable built environment are contributing to the growth of markets intended to reduce the lifecycle impacts of infrastructure projects. In response, various international sustainable building and infrastructure certification schemes have been developed to assess, among other aspects, a project’s use-phase energy and water efficiency, impacts on human health, and the use of sustainable construction and building materials. As a result, multiple opportunities are being created for industries in the value chain from suppliers that can provide such materials, to companies in the Engineering &amp; Construction Services industry that can provide sustainability-oriented project design, consulting, and construction services. Such services can provide a competitive advantage and revenue growth opportunities as client demand for economically advantageous sustainable projects increases and related regulations evolve. Companies unable to effectively integrate such considerations into their services may stand to lose market share in the long term.</p> <p><b>Climate Impacts of Business Mix</b></p> <p>The Engineering &amp; Construction Services industry works with clients that are exposed to potentially disruptive climate regulation as well as those that play a role in addressing climate change. Some types of construction projects are significant contributors toward climate change due to the greenhouse gases (GHGs) emitted during their use phase. Projects that are likely to contribute to global GHG emissions include those in the oil and gas space and other extractives industries, as well as large buildings. While some infrastructure projects, such as renewable energy projects, are designed to reduce GHG emissions, many types of projects present trade-offs. Mass transit systems, for example, may be direct contributors of GHG emissions while lowering net emissions once the benefits offered by the system are factored in. Several companies in the industry generate a substantial share of revenues and profits from clients in carbon-intensive industries and whose future capital expenditures may be at risk due to evolving climate regulations. Downside risks may manifest through project delays, cancellations, and diminished long-term revenue growth opportunities. On the other hand, companies that specialize in infrastructure projects that contribute to GHG mitigation could develop competitive advantages as they continue to focus on these growing markets. As the industry and its customers continue to operate within an uncertain business environment and face increasing environmental and regulatory requirements, assessing, and communicating the risks and opportunities stemming from climate change that are embedded in a company's backlog and future business prospects can be helpful for investors in assessing the overall impact of climate change on the business.</p>	<p>IF-EN-410a.1 IF-EN-410a.2</p> <p>IF-EN-410b.1 IF-EN-410b.2 IF-EN-410b.3</p>

Business Leadership	<p><b>Business Ethics</b></p> <p>Companies in the industry face risks associated with bribery, corruption, and anti-competitive practices. This is due to several factors, including the global operations of many companies, the need to manage multiple local agents and subcontractors, the complexity of project financing and project permitting, the magnitude of the contracts involved in infrastructure projects, and the competitive process necessary to secure contracts with private and public entities. Ethical breaches can result in investigations by authorities, as well as large fines, settlement costs, and damaged reputations. Such breaches may include violations of anti-bribery laws, such as paying government officials in order to gain project contracts. They may also include unethical bidding practices, such as complementary bidding (e.g., submitting an artificially high or otherwise unacceptable bid for a contract that a bidder does not intend to win) and bid-pooling (e.g., coordinating to split contracts and assure each bidder is awarded a certain amount of work). Moreover, companies with poor track records can be barred from working on future projects, resulting in lost revenue. Developing an ethical culture through employee training, effective governance structures, and internal controls is critical for companies to mitigate risks associated with business ethics</p>	IF-EN-510a.1
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Table 2: ESG Disclosure Matters

#### 4. Measurement & Results

EVZ has measured each of the performance areas over the FY24 year to record the outcomes displayed below. It is envisaged that as the process of measurement matures the enterprise will improve our reporting accuracy and in turn make steps to improve our business culture and strategy.

##### A. Environmental Impacts of Project Construction

###### Category Progress



Our work involves enhancing and upgrading the worlds energy and built infrastructure. How we impact the environment that surround our works is crucial to our success and the long-term success of our customers, which is why we engage our teams in preparing and acting in accordance with our environmental management plans. We have improvements to make at operations level to reduce the level of defect expense due to non-compliance with our approved work method statements. Corrective actions are in place which will derive the benefits we are seeking.

Measurement Metric	Code	Result
Number of incidents of non-compliance with environmental permits, standards, and regulations	IF-EN-160a.1	zero
Discussion of processes to assess and manage environmental risks associated with project design and construction	IF-EN-160a.2	> 50
Amount of defect and safety-related rework costs	IF-EN-250a.1	< \$250k
Total amount of monetary losses because of legal proceedings associated with defect and safety-related incidents.	IF-EN-250a.2	\$0

## B. Workforce Health & Safety

### Category Progress



Protecting the safety and health and well-being is one of our true, deep cultural values. We seek to improve, continually with positive reinforcement and strict compliance with our procedures to gain higher levels of safety on our sites and in our workshops.

Measurement Metric	Code	Score
Total Recordable Incident Rate (TRIR) and Lost Time Injury Rate (LTI) for all direct employees and contract employees.	IF-EN-320a.1	1.36

## C. Product Integrity & Safety

### Category Progress



Water and energy conservation speak to the heart of our businesses at TSF Power, Syfon Systems and Tank Industries. We are a leading part of the industry that pursues energy and water conservation and management to improve the impact civilisation has on the environment. We are in the infancy in data collection that quantifies the true impact of our works.

Measurement Metric	Code	Result
Number of commissioned projects certified to a third-party multi-attribute sustainability standard seeking such certification	IF-EN-410a.1	> 10
Discussion of process to incorporate operational phase energy and water efficiency considerations into project planning and design.	IF-EN-410a.2	> 25

### D. Climate Impacts of Business Mix

#### Category Progress



Our businesses work on both sides of the climate change and environmental conservation transition. We create, manage and improve the storage and logistics of managing hydrocarbons used by industry to power modern civilisation. We also engineer the management and reuse of renewable gases that would otherwise be left to naturally deplete the ozone layer. We are also deeply invested in managing the conservation, storage and reuse of water in both the urban environment and in large industry.

Measurement Metric	Code	Result
Amount of backlog for hydrocarbon related projects	IF-EN-410b.1	\$35M
Amount of backlog for renewable energy projects and water efficiency projects	IF-EN-410b.1	\$27M
Amount of backlog cancellations associated with hydrocarbon-related projects	IF-EN-410b.2	\$0
Amount of backlog for non-energy projects associated with climate change mitigation.	IF-EN-410b.3	\$14M

### E. Business Ethics

#### Category Progress



As a listed business in Australia we hold and live ethics as a key corporate and cultural value. There are no exceptions to the strict boundaries of compliance at the highest level.

Measurement Metric	Code	Score
Number of active projects in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index <sup>3</sup>	IF-EN-510a.1	zero

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## 5. Reporting

The reporting process will occur annually for release in November to coincide with our Annual General Meeting.

## 6. Version Control

Version	Date Amended / Released	Amendments
1.0	20 October 2024	Draft
2.0	25 October 2024	Published Edition



**EVZ**  
LIMITED