EVZ LIMITED
ENVIRONMENTAL, SOCIAL & GOVERNANCE FRAMEWORK

MAY 2023

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Environment, Social and Governance Framework

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.

This framework outlines EVZ Group's commitment to complying with the requirements our ESG framework ensuring all our business leaders contribute to the cause of continuous improvement in response to the ever-evolving business landscape.

Anyone working on EVZ Group's behalf, including employees, contractors or suppliers must familiarise themselves and comply with this policy and code of conduct.

2. ESG Framework Derivation

EVZ has developed a modified form of the industry leading SASB Standards ESG framework tailored to suit our operating environment and 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 presentation of the EVZ Limited ESG Annual Report displaying the measured results will be useful for decision makers and investors.

3. ESG Issues for Consideration

EVZ utilises the SASB Framework to consider all issues relevant to our business and to identify which of the wider scope of issues are materially relevant to current and future enterprise value.

The issues selected to be disclosed for measurement and reported annually are highlighted in the table overleaf as **blue text.**

Environment	Social Capital	Human Capital	Business Model & Innovation	Leadership & Governance
GHG Emissions	Human Rights & Community Relations	Labour Practices	**Product Design & Lifecycle Management**	**Business Ethics**
Air Quality	Customer Privacy	**Employee Health & Safety**	Business Model Resilience	Competitive Behaviour
Energy Management	Data Security	Employee Engagement, Diversity & Inclusion	Supply Chain Management	Management of the Legal & Regulatory Environment
Water & Wastewater Management	Access & Affordability		Materials Sourcing & Efficiency	Critical Incident Risk Management
Waste & Hazardous Materials	**Product Quality & Safety**		**Climate Impacts of the Business Mix**	Systemic Risk Management
Ecological Impacts	Customer Welfare			
	Selling Practices & Product Labelling			

Table 1: ESG Matters for Consideration

4. Disclosure Topics

The disclosed topics that are materially significant to the current and future enterprise value are tabulated and described more fully below.

Category	ESG Material Disclosure Topic	Standard of Measurement
Ecological Impact	**Environmental Impacts of Project Construction** 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.	IF-EN-160a.1 IF-EN-160a.2 IF-EN-250a.1 IF-EN-250a.2
Product Quality & Safety	**Product Integrity & Safety** 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	IF-EN-410a.1 IF-EN-410a.2

Category	ESG Material Disclosure Topic	Standard of Measurement
	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 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.	
Employee Health & Safety	Workforce Health & Safety Construction, maintenance and repair services, and other on-site activities require substantial input of manual labour. Injury rates in the Engineering & 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.	IF-EN-320a.1
Product Design & Lifecycle Management	Lifecycle Impacts of Social & Economic Infrastructure 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	IF-EN-410a.1 IF-EN-410a.2

Category	ESG Material Disclosure Topic	Standard of Measurement
	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 & 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. **Climate Impacts of Business Mix** The Engineering & 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.	IF-EN-410b.1 IF-EN-410b.2 IF-EN-410b.3

Category	ESG Material Disclosure Topic	Standard of Measurement
Business Leadership	**Business Ethics** EVZ Limited promotes integrity, ethical conduct, and accountability in all aspects of our business. We rely on the support of our commercial partners and suppliers to deliver value to our clients. Our commercial partners and suppliers can expect EVZ employees to behave ethically and comply with the Code of Conduct. EVZ also expects high standards of behaviour from firms and individuals that do business with us. Companies with global operations may face risks associated with bribery, corruption, and anti-competitive practices. This is due to several factors including the magnitude of the contracts involved in infrastructure projects, and the competitive processes necessary to secure contracts with private and public entities. Ethical negotiation practices to avoid corrupt practices are promoted in EVZ to ensure we maintain an ethical culture through employee training, effective governance structures, and internal controls is critical to mitigate risks associated with business ethics.	IF-EN-510a.1

Table 2: ESG Disclosure Matters

5. Measurement

EVZ will measure each of these topics annually and disclose the results in our Annual ESG Report, the first edition will be available in November 2024.

Topic	Measurement Metric	Measurement	Units	Code
Environmental Impacts of Project Construction	Number of incidents of non-compliance with environmental permits, standards, and regulations	Quantitative	Number	IF-EN-160a.1
	Discussion of processes to assess and manage environmental risks associated with project design and construction	Discussion and Analysis	n/a	IF-EN-160a.2
	Amount of defect- and safety-related rework costs	Quantitative	Reporting currency	IF-EN-250a.1
	Total amount of monetary losses because of legal proceedings associated with defect and safety-related incidents.	Quantitative	Reporting currency	IF-EN-250a.2

Topic	Measurement Metric	Measurement	Units	Code
Product integrity & Safety	Number of commissioned projects certified to a third-party multi-attribute sustainability standard and active projects seeking such certification	Quantitative	Number	IF-EN-410a.1
	Discussion of process to incorporate operational phase energy and water efficiency considerations into project planning and design.	Discussion and Analysis	n/a	IF-EN-410a.2
Workforce Health & Safety	Total Recordable Incident Rate (TRIR) and Lost Time Injury Rate (LTI) for all direct employees and contract employees.	Quantitative	Rate	IF-EN-320a.1
Climate Impacts of Business Mix	Amount of backlog for hydrocarbon related projects, renewable energy projects and water efficiency projects.	Quantitative	Reporting currency	IF-EN-410b.1
	Amount of backlog cancellations associated with hydrocarbon-related projects	Quantitative	Reporting currency	IF-EN-410b.2
	Amount of backlog for non-energy projects associated with climate change mitigation	Quantitative	Reporting currency	IF-EN-410b.3
Business Ethics	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	Number, Reporting currency	IF-EN-510a.1

Table 3: ESG Measurement Topics.

6. Reporting

The reporting process will be integrated into our business processes during FY24 for compilation and audit prior to their annual release commencing in November 2024.

7. Version Control

Version	Date Amended / Released	Amendments
1.0	1 May 2023	Draft Version
1.1	4 May 2023	Minor edits
1.2	8 May 2023	Final version


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