

Sustainability Report

Emeco’s Commitment to Sustainability

This is Emeco’s global sustainability report covering the financial year ending 30 June 2016. Throughout FY16 Emeco has continued to maintain a strong commitment to our people, systems, environment and the community. Although market conditions have been challenging, Emeco remains committed to maintaining strong compliance to sustainability, improving global efficiencies and encouraging employees to develop their skills and be actively involved in improving the business in FY17.

Report boundary

This report covers Emeco’s global operations. References to Emeco in this report cover all of Emeco’s operations, except where explicitly stated.

Our stakeholders

Emeco’s key stakeholder groups are listed below in table 1, together with how Emeco engages with stakeholders and primary topics and concerns. Where appropriate, these topics are addressed throughout the report.

Table 1: Stakeholder engagement

Shareholder Group	How we engage	Topics and concerns
Shareholders	Investor relations meetings, annual financial performance reporting, quarterly operational updates, annual general meeting, annual meetings with proxy advisory firms and corporate governance meetings.	<ul style="list-style-type: none"> • Company performance • Value creation • Financial and non-financial risk mitigation • Capital management • Corporate governance
Customers	Face to face through tender responses, business development and site managers. Multi-level relationship engagement process with our customers.	<ul style="list-style-type: none"> • Safety • Hire terms and conditions • Equipment supply • Equipment performance • Workforce supply
Employees	In person, Emeco’s intranet, regional newsletters, inductions, performance management process, in-house training, community engagement activities, and safety meetings.	<ul style="list-style-type: none"> • Job security • Safety • Communication • Training and development • Work prioritisation • Workplace satisfaction and desired values • Company performance
Suppliers	Supply related enquiries, tender and/or quote responses. Emeco continues ongoing relationship management with suppliers.	<ul style="list-style-type: none"> • Supply chain opportunities and/or issues • Contractual coverage • Payment terms and conditions

Material Sustainability Risk

Emeco identifies and manages material exposures to economic, environmental and social sustainability risks in accordance with its Enterprise Risk Management framework.

Economic

Emeco's material economic risks are outlined in the Annual Report, which is available at www.emecogroup.com.

Environmental

Emeco identifies waste management as a material environmental risk. Emeco's Environmental Management Policy outlines Emeco's commitment to ensuring legislative compliance and the implementation of proactive environmental initiatives to minimise waste within our facilities. A copy of the Environmental Management Policy is available at www.emecogroup.com.

Social

Emeco identifies safety threats to the workforce and community as a material social risk. All significant risks that could result in serious injury or fatality have been identified and categorised into 16 focus areas that are managed by Emeco's Core Risk Control Protocols (CRCPs). These protocols are supported by Emeco's Lifesaving Rules.

People

Health and safety

At Emeco we recognise that our people are key to Emeco's success and therefore the safety of our people is a priority. Emeco's focus for FY16 was the continued development of robust systems and processes to support the operational needs of the business and ensure safe working conditions for our people.

FY16 saw the continued development and implementation of the resources required to support the CRCPs within each of the operating regions. A series of e-learning modules relating to Emeco's 16 CRCPs were also developed and implemented to ensure workers are aware of and can comply with Emeco standards and expectations.

Safety performance

Table 2: FY16 safety performance measures by region

Region	TRIFR ¹	LTIFR	DIFR	MTIFR
Australia	5.8	1.9	1.9	1.9
Canada	0.0	0.0	0.0	0.0
Chile	11.8	0.0	0.0	11.8
Emeco Group	5.6	1.1	1.1	3.3

¹ Total Recordable Injury Frequency Rate: a combination of Fatalities, Lost Time Injury, Disabling Injury and Medically Treated Injury. The Frequency Rate (FR) is the number of injuries/illness for required indicator multiplied by million hours worked divided by total exposure hours.

Table 3: 5 year LTIFR performance

LTIFR	FY16	FY15	FY14	FY13	FY12
Emeco Group	1.1	1.9	0.9	3.5	1.7

Table 4: 5 year TRIFR performance

TRIFR	FY16	FY15	FY14	FY13	FY12
Emeco Group	5.6	7.5	7.1	10.6	17.4

Emeco remains focused on promoting positive safety behaviours through training and ongoing use of lead indicators. Lead indicators such as hazard and near miss reporting, workplace inspections, audits and safe act observations remain a key driver of system improvement throughout the year. Emeco continues to identify these as key learning areas so high safety performance can be maintained and risk minimised.

Lost Time Injury Frequency Rate (**LTIFR**) across the Group, reduced from 1.9 in FY15 to 1.1 in FY16, and the Total Recordable Injury Frequency Rate (**TRIFR**) decreased from 7.5 in FY15 to 5.6 in FY16.

There were no fatalities recorded across Emeco operations for FY16.

Employee Development

Emeco's people remain top priority and, irrespective of the challenging market conditions, Emeco has continued to support its people in their work and personal lives. Throughout the number of business changes, Emeco has provided third party employee assistance which is readily available to all individuals and their extended families.

Emeco continues to invest in training and development of its people to enable them to fulfil role requirements and expand necessary skills for personal development. Emeco invests in the development of leaders of all levels in the business through the Frontline First and Building Leaders programs.

People data

Emeco's workforce composition was heavily influenced by the current market conditions. Both the Australian and Canadian workforce saw significant changes as the business was right-sized to reflect Emeco's current operating conditions.

Table 5: Employees by region and contract

Region	Total number of employees FY16						FY15
	Full time (perm)	Part time ² (perm)	Full time (fixed term)	Part time (fixed term)	Casual	Total	Total
Australia	154	4	4	0	3	165	217
Canada	64	0	0	0	0	64	96
Chile	25	0	0	0	0	25	23
Total	243	4	4	0	3	254	336

² Part-time covers those working less than 38 hours week.

Table 6: Group workforce by job classification, gender and age

Job classification ³	Total	Gender		Age			
		Female	Male	< 30 yrs	31-40 yrs	41-50 yrs	51+ yrs
CEO	1	0	1	0	0	1	0
Key Management Personnel	2	1	1	0	1	1	0
Other Executives / General Managers	13	3	10	0	5	7	1
Senior Managers	1	0	1	0	0	0	1
Other Managers	20	3	17	0	11	4	5
Professionals	31	6	25	12	10	7	2
Technicians and trade	110	1	109	37	37	20	16
Community & Personal Service	0	0	0	0	0	0	0
Clerical & Administrative	26	20	6	12	4	4	6
Sales	8	1	7	1	1	2	4
Machinery operators & drivers	25	2	23	9	5	3	8
Labourers	17	2	15	4	5	4	4
Other	0	0	0	0	0	0	0
Graduate	0	0	0	0	0	0	0
Apprentice	0	0	0	0	0	0	0
Total	254	39	215	75	79	53	47

Diversity

Operating across Australia, Canada and Chile, Emeco's businesses are geographically and culturally diverse. Within this geographic diversity, Emeco is focused on developing a workforce which reflects the diversity of the broader communities in which it operates.

Emeco is committed to the following measurable objectives to achieve workplace diversity:

- Recruiting a qualified diverse workforce
- Retaining a qualified diverse workforce
- Developing diverse leaders
- Promoting an inclusive diverse workforce
- Eliminating gender pay gap

Progress against the diversity objective during FY16, include:

- An increase in the participation of women panel members in the recruitment process
- Overall female workforce representation remained stable in FY16 with women representing 15% of our workforce, the same as at 30 June 2015. Women hold 19% of management positions
- More than 80% of new employees in Australia and Chile participated in diversity awareness training

³ Role classifications are defined in accordance with WGEA standardised occupational categories. Workforce composition data as at 30 June 2016.

- Review of gender pay equity and action to taken to address any gaps

WGEA Report

In accordance with the requirements of the *Workplace Gender Equality Act 2012 (Cth)*, Emeco's 2015-2016 Workplace Gender Equality Agency report was submitted in May 2016. The public report and notice of compliance letter are available in the sustainability section of our website: www.emecogroup.com/view/sustainability/people-diversity.

Environment

Emeco acknowledges its responsibility to minimise impacts on the environment arising from its business activities. Emeco is committed to achieving excellence in the environmental management of all Emeco's business activities and conducting those activities in a socially responsible manner that respects the environment.

In FY16 Emeco continued its focus on managing processes to reduce its impact on the environment. Activities included using dust suppression products to reduce dust exposure, hydrocarbon management and taking a proactive approach to minimising the risk of spills.

There were no significant environmental incidents reported by any Emeco operations in FY16.

Energy and greenhouse gas emissions

Emeco provides safe, reliable and well maintained earthmoving equipment solutions for mining across Australia, Canada and Chile. Due to the nature of Emeco's business, Emeco's customers continue to have sole responsibility for reporting emissions associated with the use of Emeco equipment.

Emeco's Australian operations fall below the current emissions reporting thresholds set by the Australian Government's National Greenhouse and Energy Reporting legislation and Energy Efficiency Opportunities legislation. As such, Emeco is not required to report greenhouse gas emissions or energy usage under the aforementioned legislation.