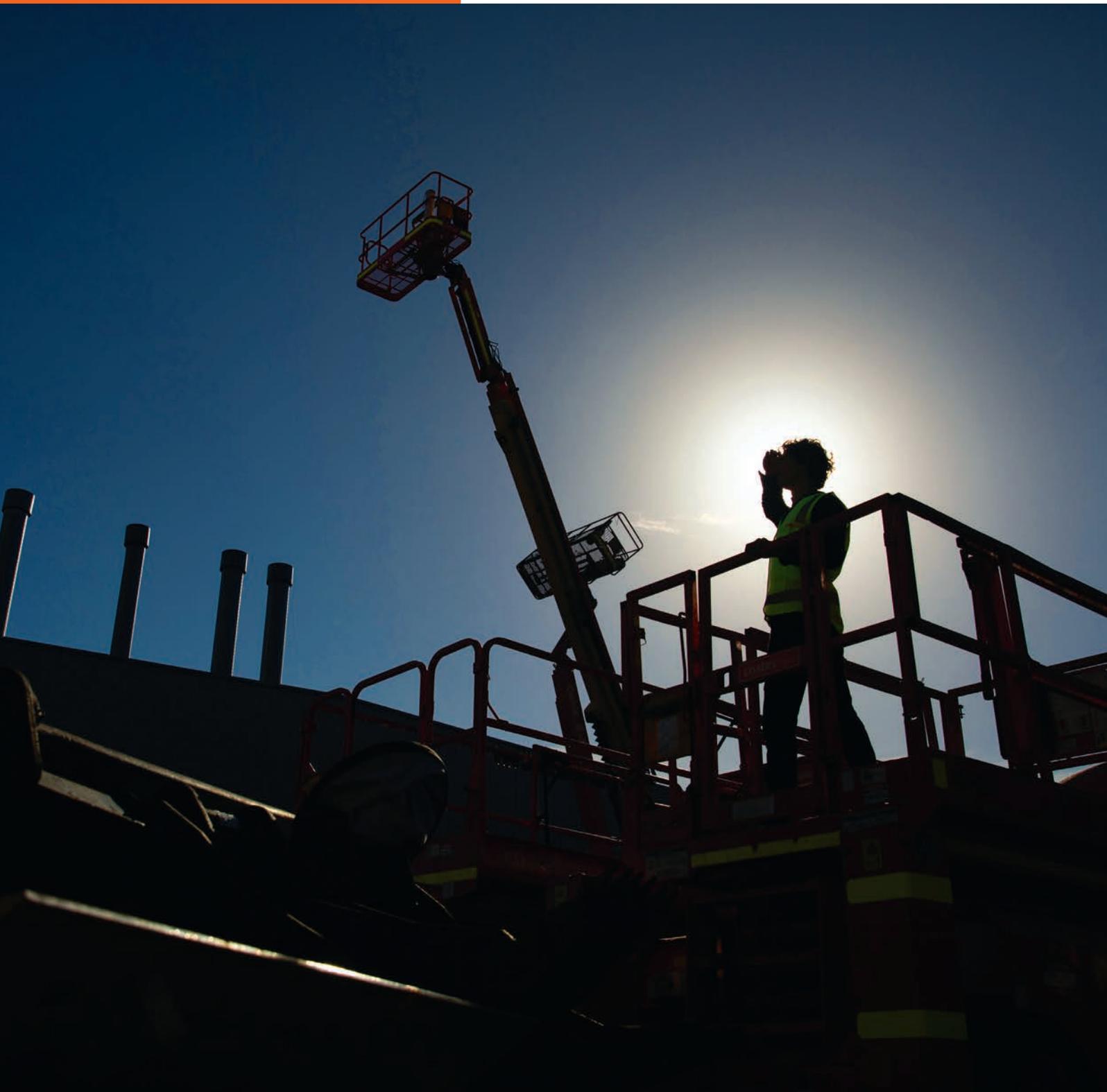


Coates

Equipped for anything

Towards
sustainability,
the smart way.

Safe, smart and sustainable
equipment solutions.



At Coates, our vision is to be the market leader in safe, smart and sustainable equipment solutions. We will achieve this through our Team25 business strategy which will guide our growth and transformation for the next few years, and beyond. An important part of our vision and strategy is our approach to sustainability.

As a responsible organisation we must proactively respond to the global and industry trends that are impacting us all today, and into the future. In 2021, we conducted extensive internal engagement, external research, consultation with customers and benchmarking against industry peers, both locally and globally, to identify the sustainability issues that are most material to our business and stakeholders. This helped us to set clear aspirations and commitments critical to our business such as reducing our carbon footprint, promoting safer and more sustainable ways of doing business, leveraging new technologies, enabling a future workforce and adapting to market disruptions.

Coates' sustainability plan titled "Towards sustainability, the smart way" speaks to Coates being on a journey to deliver on our people, planet and profit responsibilities. In conjunction with Seven Group Holdings, we have committed to achieving net zero greenhouse gas emissions by 2040 which supports the Paris Agreement to limit global warming to below 2, preferably to 1.5 degrees Celsius. To ensure we get there, we have set interim Group targets of a 30 per cent emissions reduction from 2020 levels by 2026 and 50 per cent by 2030. Our implementation of this plan includes reporting annually on our sustainability aspirations, actions and outcomes in alignment with the GRI (Global Reporting Initiative) framework and Task Force on Climate-Related Financial Disclosures (TCFD).

Our approach to sustainability aims for business growth, customer enhancements, as well as positive society-wide benefits. Our efforts are underpinned by a transition to renewable energy sources, and a circular model that builds economic, natural, and social capital for all stakeholders through minimising resource use, enhancing performance and designing for reuse and recyclability. Our plan leverages what we already do well and stretches us into new areas of focus to become a more sustainable organisation for our people, customers, communities, shareholders and investors.

Through this important work, we aspire to strengthen the resilience of our people, our customers, and our planet by playing our part in the circular economy. By driving eco-efficiency and resilience in our business and equipment solutions, we will contribute to a sustainable economy that keeps products and materials in use, designs out waste and pollution, and helps regenerate the natural environment.

Thank you to our teams for their significant contribution to this plan and the enthusiasm to make a positive difference for our people and planet. We are all excited to be on this journey.



Murray Vitlich
CEO
Coates

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Coates employees inspecting a solar hybrid power generator before customer site deployment

Our Story

Coates is Australia’s leading equipment hire and solutions provider. With a national footprint of over 150 branches, more than one million pieces of equipment and almost 2,000 highly skilled employees, Coates plays an essential role in helping key sectors of the Australian economy to operate and thrive – including construction, engineering, mining and resources, infrastructure, manufacturing, agriculture and major events. With a rich history dating back to 1885 when the company was founded to support Victoria’s growing gold-rush cities, Coates has grown and evolved from being a pure provider of equipment to a provider of services and equipment solutions for almost 19,000 customers, from single individuals and small trades to Australia’s largest companies.



Founded in **1885**



150 branches
Nation-wide



2,000 employees



19,000 customers

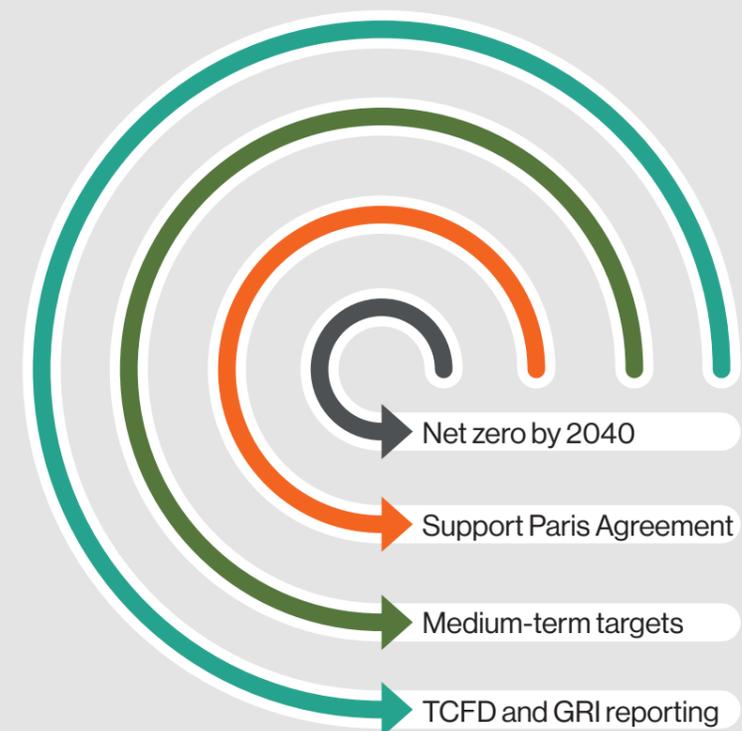
Our Group Commitment



In 2021, Seven Group Holdings (SGH) announced the evolution of its approach to sustainability. The announcement builds on their history of community contributions, an emphasis on re-use and recycling of capital equipment, and a strong focus on workplace safety.

As part of this commitment, SGH’s two major operating businesses, Coates and Westrac, aim to achieve net zero emissions by 2040. The Group reports on its sustainability efforts under the globally accepted GRI framework and makes climate-related disclosures in line with the TCFD (Task Force on Climate-Related Financial Disclosures).

The Group’s approach is built on a recognition of the science of climate change and a commitment to the Paris Agreement’s goal of limiting global temperature rise to less than 2 degrees Celsius above pre-industrial levels. As a result, SGH has developed an emissions reduction roadmap for the Group to achieve this target.



Our Plan

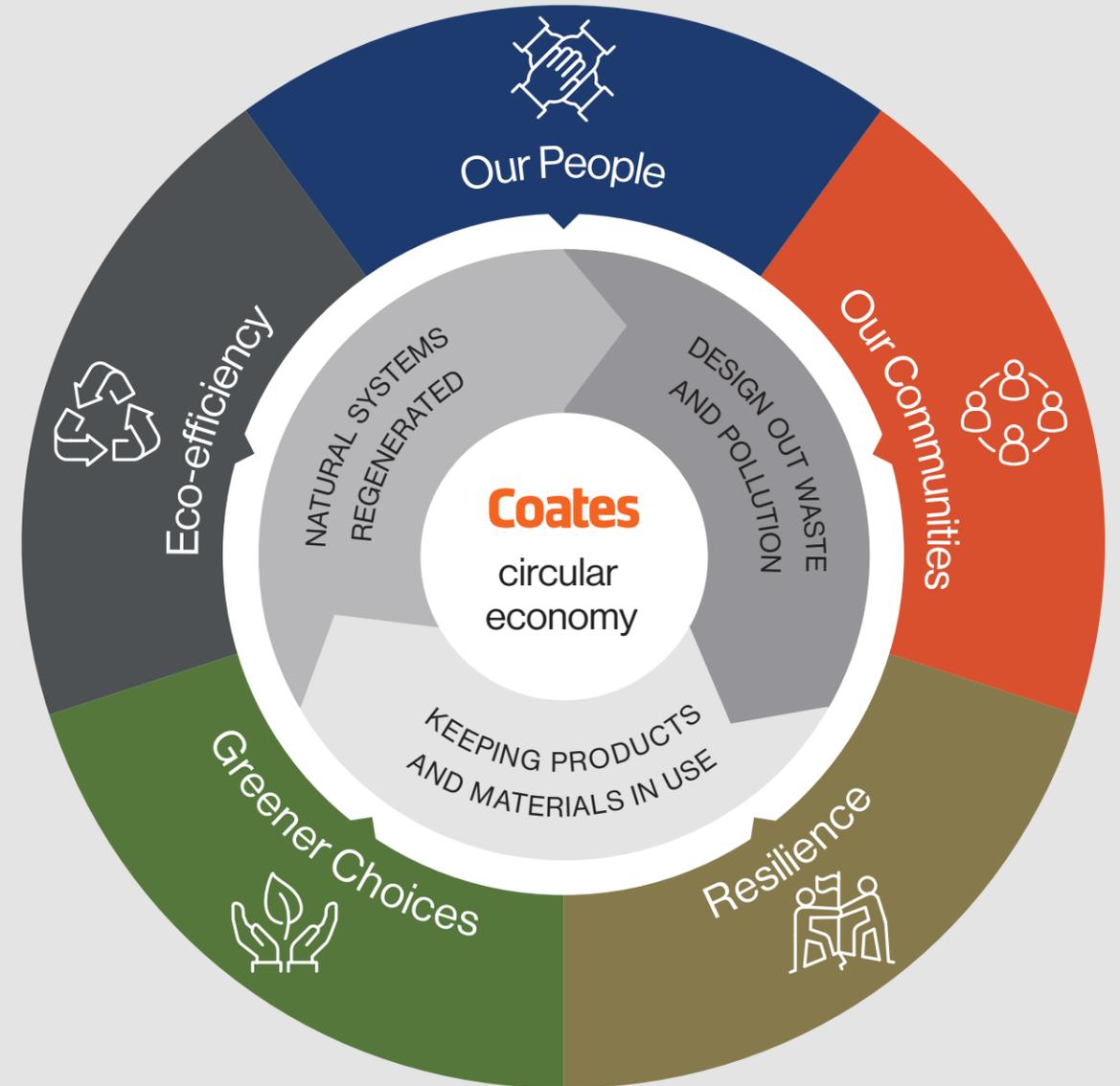
Coates' Sustainability Plan recognises that sustainability is a key aspect of our current and future success. Our plan leverages what we already do well and stretches us into new areas of focus to meet customer and stakeholder expectations, enhance our brand and reputation, and support our vision to *be the market leader in safe, smart and sustainable equipment solutions.*

This document titled, "Towards sustainability, the smart way," speaks to Coates being on a journey to deliver on our people, planet and profit responsibilities. We are excited to embrace our commitments to make a positive difference to our people, customers, shareholders, investors and the communities in which we operate.



Employees at a Coates branch

Coates sustainability framework includes five key pillars; Our People, Our Communities, Resilience, Greener Choices and Eco-efficiency.



The Circular Economy concept underpins Coates' plan

The circular economy underpins Coates' Sustainability Plan and is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems. Coates is a natural participant in the circular economy because our hire and solutions business model is inherently circular. By providing temporary equipment solutions for businesses they avoid costly capital outlay and reduce overall equipment purchases or manufacture. The way that we enact the circular economy principles means we can extract maximum value from our fleet and equipment, reduce negative impacts, optimise longevity and efficiency through repair and maintenance, and encourage recyclability and reuse at the end of life.



Our Governance

To achieve our sustainability goals, we recognise that governance must be embedded in our day-to-day operations.

We have developed and implemented plans, policies, processes and tools required to integrate sustainability into how we do business at Coates. During FY23, we implemented a sustainable procurement program which incorporates human rights, social procurement, and environmental impacts. We have established a Sustainability Committee to ensure a collaborative approach across the business in achieving our sustainability initiatives. We are also progressing work to better understand our sustainability impacts and footprint in order to set appropriate actions and goals, many of which are included in this plan. We are committed to transparently reporting on our progress which is disclosed in SGH's annual sustainability report.

Equipment at a Coates branch

Our Goals

To have a real impact on the world, we need to not only change the way we think and act, but also inspire others to act as well. At Coates, we have established the foundations of our sustainability practices and processes and will continue to monitor progress and measure our impact to achieve net zero greenhouse gas emissions by 2040. We will continue to identify and implement governance approaches and processes that support our sustainability actions and embed these initiatives throughout our operations to drive operational excellence and efficiency. There are challenges ahead, but by taking meaningful steps forward, together, our goals are achievable.

Our People



1. Provide a safe and inclusive workplace, developing our people to be their best.
2. Inspire our people to make a positive difference through sustainable practices.
3. Promote our sustainability profile to attract and retain diverse talent.

Our Communities



4. Provide a helping hand when communities need us.
5. Enhance our social licence to operate, including through the Coates Foundation.
6. Leave positive legacies wherever we operate.

Resilience



7. Become a trusted brand in natural disaster management and recovery.
8. Enable resilience within our business.
9. Help customers build resilience through equipment, services and partnerships.

Eco-efficiency



10. Reduce our waste sent to landfill.
11. Enhance energy efficiency and maximise use of renewable energy in our operations.
12. Enhance water management through compliance, efficiency and recycling.

Greener choices



13. Provide customers with more sustainable equipment solutions.
14. Establish circular systems plans for all major products.
15. Leverage IoT/Telemetry to reduce carbon footprint.

Learn more about our 15 goals across the 5 priority areas on the following pages.



Our People



“To win in the marketplace, we must first win in the workplace.”

- ① Provide a safe and inclusive workplace, developing our people to be their best
- ② Inspire our people to make a positive difference through sustainable practices
- ③ Promote our sustainability profile to attract and retain diverse talent



Coates team members on site at Karratha

① Provide a safe and inclusive workplace, developing our people to be their best

At Coates, our company value of Care Deeply means we strive to create workplaces where everyone feels safe and welcome. We are committed to ensuring safety is our priority which includes physical safety as well as individual health and wellbeing and we empower and develop our people to make positive safety decisions every day. Importantly, a culture of inclusivity matters to us. We know that people, organisations and communities are at their best when everyone feels included, can bring their true selves to work, and can openly share their different perspectives as they work together. By leveraging the experience and ideas of our people and embracing different viewpoints, we gain a better understanding of our diverse customer base, which ultimately enables greater innovation. Our aspiration is to be an employer of choice across all categories of employment, known for fairness, empathy, development and contribution.

Our action

Health and Safety

Improvement in our safety performance continues with the primary focus on our operational safety excellence journey. Following the successful implementation of Coates online safety reporting and management system Safety Hub in FY22, Coates is further investing in our Safety Hub system, exploring the delivery of new modules as well as enhancements of existing modules.

Our focus is on Risk Management, Inspections, Maintenance and Compliance controls, Transport Risk Management and Corrective Action Controls.

Safety Hub creates efficiencies for our teams to focus on positive safety behaviours and encourages team members to look after all aspects of their mental and physical health to ensure they go home safely, every day.

We continue to expand our safety and wellness strategy. Since FY21 we have delivered an internal flu vaccination program with Spartan Health, a First Nations supplier, as well as a national awareness campaign for R U OK? Day. In the last year we have completed a full review of our HSEQ policies and procedures focused on streamlining and standardising documents to improve effectiveness and compliance. As part of improved safety training, we released an enhanced load restraint guide for truck drivers including load restraint protocols, to promote and embed safe processes across our network of machinery and with our transport partners.

Risk Management Framework

Coates has enhanced the HSEQ Risk Management Framework by developing Critical Risks as a new and vital addition to our HSEQ management system. The aim of Critical Risks is to clearly identify those areas of risk that have the potential to seriously injure or kill Coates workers (employee or contractors) and therefore must be appropriately eliminated or controlled. Coates Critical Risks is further supported with an associated Hazard Control Procedure. The procedure details the task, methods and responsibilities associated with a work process designed to mitigate risks associated with specific Health & Safety hazards relevant to Coates business activities.

This is supported by our refreshed Life Saving Commitments that personalise what we each need to do to stay safe in our work.



Cultural Transformation

We are committed to continually improving our culture underpinned by the company values; Care Deeply, Customer Focused, Be our Best and One Team. In FY23 Coates finalised the delivery of its organisational transformation through 'The Hire Road' program, in partnership with the Interchange group. The program reached over 2000 team members and contributed to aligning our people to our values, providing a platform to breakdown business silos and help employees understand how they connect and impact customer outcomes in their roles. In addition to The Hire Road, Coates developed and rolled out national and Business Unit employee engagement action plans to improve employee engagement. The implementation of these action plans has resulted in significant improvement in employee engagement and continued high participation.



Diversity and Inclusion

Coates refreshed its Diversity and Inclusion agenda, with a stronger focus on increasing the overall female representation in the business, females in leadership roles, increasing the First Nations representation and other diversity groups.

Coates continues to progress well towards its goal of 25% female participation by 2025, with participation in both leadership roles and overall workforce well over 21%.

First Nations representation is ahead of target growing to over 2% against our goal of 2.5% by 2025. Coates remains focused on ensuring there is 0% gender pay gap for fixed annual remuneration by conducting bi-annual gender equity pay reviews. Following the introduction of the Coates Flexibility Policy, work has progressed especially in branches looking at a variety of rostering and flexibility options to improve work/life balance.



40 emerging female leaders have graduated from the LEAP program

40% of those participants will have secured a new role in the business





Coates Innovate RAP



Coates has made significant steps in advancing Indigenous inclusion. In FY23, we successfully

launched our second Reconciliation Action Plan – 'Innovate'. Our continued focus is on driving key outcomes for employment, education and community engagement and increasing the supplier spend with First Nations businesses, as well as increasing First Nations employee representation across the business. Coates celebrates National Reconciliation Week and NAIDOC week on an annual basis and has embedded a Cultural Protocols guide into the business. We host educational and informative sessions with employees around First Nations culture and history to provide team members with insight and understanding of our RAP journey.

We are also actively seeking and engaging more First Nations businesses to deliver services to Coates. Recently, we onboarded a new First Nations cleaning provider to service Coates nationally. Our authentic approach to reconciliation has resulted in Coates being awarded the NSW Aboriginal Participation in Construction (APIC) Policy, Partner of the year, by the NSW Indigenous Chamber of Commerce.

Targeting Aboriginal and Torres Strait Islander representation of:

- **10%** of apprentices
- **2.5%** total employees
- **5%** supplier tender engagement

② Inspire our people to make a positive difference through sustainable practices

We are committed to empowering our people to act on sustainability issues. We are building awareness and engagement around Coates' sustainability impacts and opportunities to drive operational excellence and efficiency. Our people have an important role to play in supporting not only our business, but also our customers and communities, in achieving their sustainability ambitions.

Our aim is to engage and inspire our people to make a positive difference in all areas of sustainability that extends into our sphere of influence - thousands of households and customer businesses. This is a privilege that we regard as a key opportunity in our transition.

Our action

As part of the implementation of this plan we have commenced internal training in eco-efficiency which is incorporated in our overall products training. We are also educating our people around 'Climate Literacy', to understand the urgency of the current challenges to the environment and discuss the WHY behind our decarbonisation efforts. Environmental data, including Coates' emissions from vehicles and electricity, is now available to everyone at Coates, and updated monthly. We have established environmental reporting KPIs to increase attention and identification of environmental impacts with all employees across Australia. An internal communication programs is in place to engage employees around current and upcoming sustainability initiatives. Externally, we have aligned ourselves with other leading organisations who are developing and motivated in sustainability performance through membership of the NSW Sustainability Advantage. We also actively partner with like-minded customers, who see sustainability as an integral component of the solutions they require and we can provide.

③ Promote our sustainability profile to attract and retain diverse talent

We understand that being a responsible and sustainable employer is an important attribute not only for our customers and investors but for our own people, those currently working for us, and those in the future. We want our sustainable

practices to be a key feature to attract and retain talent, especially helping us to attract youth into our workforce. Importantly, we believe our future business success is heavily reliant on how well we understand our customers – how well we adapt to new technologies – and how well we recruit, engage, develop and manage people with different backgrounds and thinking styles.

Our action

Our company values; Care Deeply, Customer Focused, Be our Best and One Team guide the way we work with each other, our customers and communities. Building our sustainability profile and improving our sustainability practices will help to attract and retain diverse talent, especially youth, while driving both employee engagement and retention. Our NRL and AFL (Coates Talent League & AFL/AFLW) sponsorship, allows us to reach a wider pool of candidates by providing job opportunities off the field and post sport. Our on-boarding process emphasizes our commitment to sustainable business practices. We implemented more flexible working arrangements across our branches and offices to accommodate work-life balance and reduce emissions from commuting. Our flagship Ingleburn office opened in March 2023, creating an operational benchmark in sustainability for Coates worksites with its solar panels, EV charging stations, sensor lighting, and waste management system. We report our social impact and sustainability profile through our annual sustainability reporting in conjunction with Seven Group Holdings.



Murray Vitlich, Chief Executive Officer at Coates with students at the Clontarf Endeavour Academy



Coates' flagship Ingleburn office

Our Communities



“We are passionate about being an engaged and constructive participant in the communities in which we operate.”

- ④ Provide a helping hand when communities need us
- ⑤ Enhance our social licence to operate, including through the Coates Foundation
- ⑥ Leave positive legacies wherever we operate



Coates Representative Meisha Maloney engaging with Clontarf students at an Employment Forum

④ Provide a helping hand when communities need us

Our team members are a critical part of our local communities. We are extremely proud of the role we play across Australia supporting not only our customers, but also providing a helping hand when communities need us. This includes leveraging our sponsorships to activate opportunities in regional communities through the NRL and Coates Talent League (AFL/AFLW), Newcastle Jets FC and Perth Glory FC and their Liberty A-League Women's teams, as well as Supercars, inclusive of their Indigenous Round in Darwin.

Our action

In FY21 we launched the Coates Foundation to provide strategy and structure to Coates' philanthropic work and our approach to "giving back" to the communities in which we operate.

In addition to Coates' existing partnership with the Clontarf Foundation, the Foundation's national charity partners are the Humpty Dumpty Foundation, which donates medical equipment donations for children in Paediatric Wards, Neonatal Units, Maternity and Emergency Departments in hospitals across Australia, Mission Australia, who assist Australians at risk of homelessness and TIACS – This Is A Conversation Starter, who provide free mental health support for tradies, truckies, rural and blue collar workers.

We also support R U OK? Day, our national day of action to remind everyone at Coates that every day is the day to ask, "Are you OK?", helping those struggling with life's ups and downs.

At a local level our North Business Unit supports TradeMutt, started by the co-founders of TIACS, wearing their brightly designed shirts on 'FunkyShirt Fridays', with YNWA (You'll Never Walk Alone) labelled on the right breastplate and TIACS across the back to create awareness and foster open and honest conversations around mental health in the workplace and suicide. In the South, we have partnered with Foodbank Victoria, Australia's largest food relief organisation, to assist vulnerable Australians with essential meals and groceries.

In the West, we continue to support Telethon, and Humpty Dumpty in the East, by donating hire equipment and participating in the Foundation's annual Balmoral Burn fundraiser.

In the year ahead, as communities face ongoing uncertainties due to the escalating cost of living, we will continue to focus on embedding local engagement to support communities with access to equipment and services and assistance through our Coates Foundation partnerships, and will implement an employee giving program so employees can make direct financial contributions to their charities of choice.

The Coates Foundation contributed more than **\$500,000** to local communities in 2022

Coates supports





Coates Team Members bagging up food at Foodbank's Tasmanian warehouse

⑤ Enhance our social licence to operate, including through the Coates Foundation

Our selected charity partners allow us to meaningfully contribute to positive social impact and engage our employees and support their own social responsibility efforts through workplace giving, as well as volunteering opportunities and activities. The Coates Foundation helps ensure that our social support is targeted, impactful and aligned with our company vision and values.

Our action

Coates employees can donate their time, one workday per calendar year, to a national Coates Foundation partner or a local charity of choice.

During FY23 our team members volunteered at Mission Australia housing sites across the country doing maintenance and painting work, furniture assembly and gardening projects. Annually we also support the charity's Christmas Appeal donating non-perishable food items to make hampers, delivering them to Mission Australia locations nationally to be distributed to individuals and families in need. In addition, employee fundraising for the charity is matched by Coates.

Our South Business Unit packed a total of 33,246 meals for Foodbank Victoria that were distributed to over 450 charities. A total of 93 people have participated in the Coates Foundation volunteering program since its launch in September 2022, donating 550 hours to our charity partners.

⑥ Leave positive legacies wherever we operate

The legacies we leave are part of the ongoing foundations of our organisation. To honour those who came before us and those who will come after us, we are committed to leaving positive and lasting legacies in the communities in which we operate. Whether large or small, these legacies are designed to be long lasting and self-sustaining.

Our action

In FY21, Coates launched a three-year partnership between Coates and the Clontarf Foundation. This partnership supports 152 Clontarf Academies located where we co-exist, with more than 11,000 students enrolled in the program, which is designed to improve the education, discipline, life skills, self-esteem and employment opportunities of young Aboriginal and Torres Strait Islander men.

Coates is developing employment pathways within its business for Clontarf graduates, assisting them with functional skills such as resume writing and interviewing as well as hosting visits to Coates work sites. In FY23, Coates donated 52 laptops

to Clontarf students in Western Australia and Coates employees attended 100+ community engagements with local Clontarf Academies, participating in a range of informal, unstructured and social activities aimed at building long-term relationships with the students and their culture, as part of our RAP commitment. Since the commencement of the partnership in January 2021, Coates has employed 13 Clontarf graduates. Through the Coates Foundation we seek to build on this work to enhance our communities and leave legacies that last for generations to come. Last year, Coates helped Cecil Andrews College, in Western Australia, upgrade its Yarning Circle for Aboriginal and Torres Strait Island students at the school. The Yarning Circle is a safe space for students to congregate and share stories.

11,000+
Aboriginal and Torres Strait Islander students supported via Clontarf Academies



Coates Employee Adam Spink with Clontarf students at Cecil Andrews College upgraded Yarning circle

Resilience



“Helping our people, customers and communities prepare, recover and emerge stronger from unexpected challenges.”

- ⑦ Become a trusted brand in disaster management and recovery
- ⑧ Enable resilience within our business
- ⑨ Help customers build resilience through equipment, services and partnerships



Disaster Relief Australia volunteers on successful completion of excavator and skid-steer training at Coates' Brooklyn facility in Victoria

⑦ Become a trusted brand in disaster management and recovery

Coates is passionate about supporting communities in their greatest time of need. The social impact of natural disasters can be long lasting and financially devastating, so in times of adversity, you can trust Coates will be there.

Our action

Coates has the experience, equipment, resources and capabilities to support communities in the management and recovery of any natural disaster.

In 2022 Coates responded to devastating flooding across the East Coast as we did with the 2020 bushfires, by mobilising equipment, people and resources to assist people and communities in need. During the Lismore floods, over a 48 hour period, Coates erected a 500-bed camp for the Royal Fire Service (RFS) team, including bathrooms, laundries and toilets to support the recovery process.

Months earlier, we also supported Covid-impacted Indigenous communities in Wilcannia and Bourke with the establishment of isolation camps to help stop the rapid spread of the COVID-19 virus.

Coates is a trusted and reliable partner of the NSW RFS and throughout our 10-year partnership we have delivered critical infrastructure, project support and full, turn-key solutions for communities in distress.

We are proud of our emergency response to support local communities when unexpected natural disasters occur, and regularly contribute to community and charitable endeavours. More recently in February 2023, Coates set up base camp in Mudgee for 120 volunteer RFS firefighters, assisting with a large bushfire burning through terrain north of Bathurst. Within 24 hours of taking the call our team was on the ground installing equipment and connecting water, power and sewage. A day later the camp was up and running to house the firefighters for a number of weeks as they managed residual burning in the area



Coates arrives in Wilcannia



Coates assisting with the set up of Wilcannia's emergency COVID camp



⑧ Enable resilience within our business

Resilient and contributing teams mean thriving customers, business and communities. At Coates, we enable this through our Team25 growth and transformation strategy which strengthens the connections and relationships of our people and teams. We also believe that building resilience is about building our people's capability, ensuring they are supported, trained, developed and empowered to create a workplace where everyone can be their best during times of change, business disruption or natural disasters.



Our action

We continue to build resilience within our business to adapt, evolve and transform; socially, environmentally and economically. Coates' ongoing investment into our training and capability development for our employees means they are equipped to do their work and do it well, including safety training, technical and product training, sales and leadership capability. Our investment in our people is key to our social resilience.

Environmentally, we are building our climate change resilience by pursuing renewable energy opportunities and providing climate-related risk assessments. When our Lismore branch was flooded in 2022, our people had the capability to set up a temporary branch, within two days, to ensure they could assist the local community with its recovery. More recently, we facilitated branch discussions around Australia's new fire danger ratings and how climate risk impacts can affect our people and branch networks. These climate/physical risk assessments are now an integral guide to Coates' property strategy.

We are building employee engagement and awareness around environmental and sustainability issues, to establish a robust and enduring company commitment to sustainability outcomes. Economically, we are dedicated to our financial commitments and responsibilities to ensure business continuity and the long-term sustainability of Coates. By setting clear goals and key performance indicators for all our teams, we create alignment and strive for outstanding performance across our various disciplines.

⑨ Help customers build resilience through equipment, services and partnerships

We are proud to help customers build resilience by being responsive and solutions-orientated. This applies in natural disasters, the pandemic, economic uncertainty or the day-to-day challenges of operational work. Our trusted partnerships, equipment solutions and services help customers be equipped for anything and overcome any challenge.

Our action

We take a proactive approach in helping customers and emergency response volunteers to prepare for unexpected challenges through disaster relief training. Our three-day, skid-steer and excavator course is part of a national training initiative to give back to communities, equipping customers and volunteers with the skills and training needed to deal with increased natural disasters due to climate change. During the COVID-19 pandemic, we supported suppliers by reducing payment terms to help them maintain their cash flow which ensured their employees were protected against financial, social and other impacts of the crisis.

Looking ahead, we aim to create greater resilience, efficiencies, and value for customers when dealing with unexpected challenges.



Brisbane based Disaster Relief Australia volunteers equipped for anything after excavator and skid-steer assessment at a Coates training facility

Eco-efficiency



“We are committed to delivering more, while managing the environmental sustainability of our operations, including energy, waste, water and our impact on biodiversity.”

- ⑩ Reduce waste to landfill
- ⑪ Enhance energy efficiency and maximise use of renewable energy in our operations
- ⑫ Enhance water management through compliance, efficiency and recycling



Coates Water Monitoring System

⑩ Reduce waste to landfill

It is increasingly important to consider our role in the circular economy, and Coates is proud of our role in the supply chain, to procure quality equipment, maintain and keep materials in use, reduce operational wastes and find alternates to landfill disposal at the end-of-life. We aim to be able to quantify the impact of this circularity with further work underway.

Our action

At Coates, we work up and down the supply chain to find solutions to 'volume wastes' within our business, and to equip our distributed branch network with the resources and capability to manage wastes legally and efficiently at site. We continue to work to reduce our waste disposal to landfill, with an established internal methodology for assessing waste volumes and reporting publicly. In FY24 we will establish company targets for waste reduction, and work on enhancing site application of waste management standards.

This year, we have implemented 'pod recycling' to make segregation simple and visual at the point of waste generation. By removing general waste bins, and developing branch standards for internal waste management, we set the standard for, and symbolise our approach to circularity and recycling with our teams.

This solution including organics, containers, paper and cardboard and other general office waste streams, will be implemented in our branches, pending availability of recycling destination streams in remote locations.

Coates proudly continues the circular management of traffic barrier recycling. During their lifecycle, Coates cleans, test and repairs damage, and at their end-of-life, most barriers find alternate use, and those that no longer serve a purpose, are recycled, and the material returned to our equipment manufacturer. To date, the amount of recycled content now exceeds 188 tonnes, and the recycled content in the barriers that Coates now procures, has increased five-fold to 25%.



FY22/23 Coates recycled

- 53** x mobile phones
- 268** x laptops
- 133** x desktops





11 Enhance energy efficiency and maximise use of renewable energy in our operations

At Coates, we are committed to achieving net zero emissions by 2040. Coates has developed a detailed energy roadmap and net-zero pathway, with prioritised emissions reductions initiatives, towards achieving 30 per cent emissions reduction by 2026 and 50 per cent by 2030. Energy use, emissions, and progress on reduction initiatives, is now conducted and reviewed routinely, within our business performance metrics.

Our action

As part of our net-zero pathway, completed with Sustainability Advantage in NSW, Coates is ambitiously retrofitting its branch network with rooftop solar, prioritizing sites with the largest grid reduction and emissions benefits. We are establishing 'net-zero' specifications for new facilities, and aiming to generate behind-the-grid renewable power at 30% of our sites by 2026 which will reduce our Scope 2 emissions by approximately 1,500 tonnes CO₂e- per annum. We continue to work on energy efficiency as the 'first fuel' of a clean energy transition, with measurement of our branch consumption available, and in FY24 targeting our highest-use sites for detailed energy-efficiency auditing.

We expect that demand for branch electricity will increase as electrification occurs with our Greener Choices asset fleet, as well as Coates vehicle electrification, so energy procurement is considering alternates to traditional grid supply to increase our resilience and reduce Scope 2 emissions further. Our emissions pathway shows significant reduction in scope two emissions into FY24 resulting from renewables and overall branch efficiency improvements.

Fuel used in light and heavy vehicle transport remains our primary source of emissions, and Coates is approaching strategically, the transition of its large and diverse vehicle fleet. Coates has conducted a vehicle transition study, to guide our first and following steps into zero-emission technology in our own vehicles. This information will be assimilated into our vehicle renewals with adoption of low or zero emissions vehicles becoming commonplace through this decade. Our first electric vehicles are now in use by Coates teams in NSW in 2023, taking advantage of site electric vehicle charging, powered by site green renewable power from sizeable rooftop solar installations. During this transition period, we will continue to cascade from old to new vehicles, continuing to increase fuel efficiency until we can transition to zero-emissions, fit-for-purpose technology in our heavy and utility vehicles. Equally, we will continue to work on transport efficiency through our own transport fleet, with route and efficiency planning and targets.

12 Enhance water management through compliance, efficiency and recycling

In FY22 Coates, for the first time, was able to report our water consumption from our operational branch network. In FY24 we will be in a more mature position to baseline these metrics and describe the branch infrastructure essential to recording these measurements. To attain more sustainable water outcomes, Coates is stepping up water compliance, efficiency, and recycling practices. In addition to our own site water management, Coates will continue to be a significant provider of water treatment and site dewatering services for our industrial, construction and mining customers, with full consideration of environmental planning and compliance requirements.

Our action

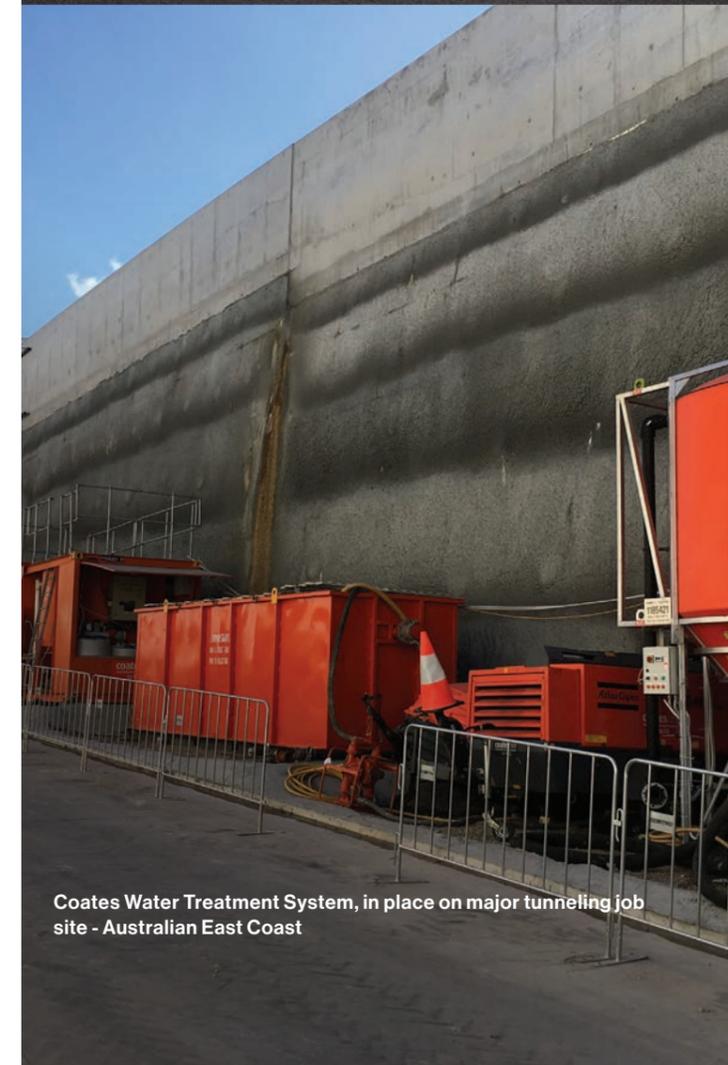
Sub-metering of prioritized, high use washbays, and development of efficiency targets, is set to create better compliance and water saving at Coates. Improved assessment processes and the development of resources and training for our branch network and people will also assist with our capability when it comes to enhanced water management. Furthermore, as Coates branches are upgraded, more effective and efficient washbay technology will be implemented to support our progress.



Solar panels on Berkley Vale Branch



Solar hybrid lighting



Coates Water Treatment System, in place on major tunneling job site - Australian East Coast

Greener Choices



“Safe, smart and sustainable equipment solutions.”

- ⑬ Provide customers with more sustainable equipment solutions
- ⑭ Establish circular systems plans for all major products
- ⑮ Leverage IoT/Telemetry to reduce carbon footprint



Coates supported a major upgrade at Mt Piper Power Station in 2020, with an on-site tool store that improved tool time efficiency by 80 per cent

⑬ Provide customers with more sustainable equipment solutions

Our customers are increasingly looking to Coates for solutions that support the sustainability objectives of their projects and organisations. Our long-term commitment to energy efficiency and our uptake of emerging and innovative technologies makes us well placed to deliver.

We are excited to be a provider of choice for efficient and more sustainable equipment solutions, supporting tangible sustainability outcomes across industries.

Our action

In FY23 we launched our ‘Greener Choices’ catalogue to provide customers with a range of smarter equipment choices and solutions with benefits such as reduced energy use, lower emissions and reduced noise impacts on site.

Coates Greener Choices range offers customers opportunities to reduce emissions, improve efficiencies and commit to best practice environmental sustainability standards.

We recognise that the criteria for inclusion in our Greener Choices range will continue to evolve as the industry advances and new technologies emerge.

Today, our Greener Choices categories are:

- Battery Electric
- Solar
- Hybrid
- Low pollutant engines
 - USA Tier 4 Final / EU Stage 4
 - EU Stage V

Our portable buildings offering for on-site accommodation is also continually evolving to optimise efficiency and improve environmental performance. Coates participated in the development of the Responsible Construction Leadership Group (RCLG) sustainability requirements to ensure our site accommodation is a greener choice for our customers.

Another Greener Choice initiative Coates has implemented, to assist our customers reduce their emissions, is the introduction of bio diesel into vehicles and equipment, with approved blends of up to 7 per cent in all diesel engine fleet and up to 20 per cent in a select range of equipment and exploring the use of bio-degradable hydraulic oil in construction equipment fleet. Coates Greener Choices also offer energy efficient appliances and LED lighting.

To ensure that our Greener Choices range keeps growing, we are asking our supply chain to provide detailed information on product sustainability attributes, including recycled content materials and recyclability, modularity/multifunctionality, extended service intervals, battery type and biodiesel compatibility. This data helps to inform the scope and boundaries of the Coates Greener Choices range over time.

Zero emissions
Battery Electric

Zero emissions
Solar

Low emissions
Hybrid

Low pollutants
Tier / Stage 4 & 5



14 Establish circular systems plans for all major products

At Coates, we understand the leadership role we have in promoting circular economy thinking because of the inherently circular nature of our equipment hire and business solutions model. Working with our supply chain, we will continue to look to reduce waste and pollution in the procurement, design and operation of our equipment, keep products and materials in use, and ultimately to regenerate natural systems.

We know that this is a major commitment and will require true collaboration. We are committed to partnering with manufacturers, customers and other key partners to identify opportunities to design for sustainability, optimise use and enhance 'end of life' management.

Our action

We have developed 'Circular Systems' plans for each of our major product categories. Working across three phases 'Design and manufacture' 'Use' and 'End of life', these plans guide us in pursuing sustainability outcomes across our full equipment portfolio.

In the 'Design and Manufacture' stage, we are working with our supply chain to reduce energy use and emissions, optimise materials efficiency, and reduce waste through improved design for disassembly and recycling.

In the 'Use' phase, we are leveraging our equipment hire and solutions model, as well as our internal expertise, to maintain a strong focus on shared usage, repair and maintenance, and reuse. Shared usage enables customers to access Coates equipment instead of buying their own which leads to a more frequent and efficient use of equipment. This will be increasingly supported by our internal monitoring and telemetry services, enabling robust tracking of equipment usage and optimisation.

At 'End of life', we will continue to identify opportunities for salvage and reuse of equipment parts, as well as recycling of components where they can no longer be reused so as to reduce the demand for non-renewable resources.

Looking forward, Coates will continue to work with customers and suppliers to ensure we are making a meaningful contribution to the circular economy.

The basis of our commitment to circularity is illustrated in the table:



Recycled cable in skip from our Kingston Branch demonstrating 'End of life' material harvesting not disposal

Phase		Aspect	Action/Objective	
REGENERATE NATURAL SYSTEMS	DESIGN AND MANUFACTURE Eliminate waste and pollution	Energy consumption and GHG emissions	REDUCE energy consumption in manufacture and operation	INFLUENCE
			SWITCH to renewable energy sources	
		Water consumption	REDUCE water consumption in manufacture and operation	
			SWITCH to recycled and/or sustainable water sources	
		Materials use	REDUCE and optimise materials use in design and manufacture	
			SWITCH to recycled content, readily available and non-toxic materials	
	USE Keep products in use	Fuel Sources and Repairability	REDUCE oil and component replacement by extending service intervals	
			SWITCH to bio-fuels, alternate fuel sources and bio-degradable oils	
		Waste	DESIGN for reuse	
			DESIGN for recyclability <ul style="list-style-type: none"> • Design for disassembly • Enable materials salvage and recycling 	
END OF LIFE Keep materials in use	Shared Usage	Promote shared usage to improve efficient use of equipment	LEAD	
	Monitoring	Track usage, operating efficiencies and optimisation		
	Repair and maintenance	Maintain equipment to high standards to prolong equipment life without compromising performance or reliability		
		Reuse	Refurbish, recondition and resell	
		Repurpose, recycle and recover	Extract equipment parts for use in alternative products Disassemble and extract materials from plant and equipment for recycling	
ADAPT AND EVOLVE				
Monitor and assess emerging technologies, trends and expectations to support continuous improvement				



15 Leverage IoT/Telemetry to reduce carbon footprint

Real time data capture and analysis is a vital tool in our efforts to improve efficiencies and service across our fleet. We recognise the benefits that can be delivered to our customers through real-time access to performance and utilisation data, as well as fuel consumption of equipment on their sites. We will continue to expand our telemetry offerings, including identifying opportunities for this technology to support emissions reductions.

Our action

Working with industry partners, Coates developed an IoT-enabled telemetry solution that is capable of being retrofitted to all of our machines. Our telemetry retrofit project that began in 2018 is enabling customers to understand their hire equipment profile, and to make data-driven hire decisions.

Our systems track location and utilisation, and the resulting data is allowing our customers to make smarter hiring choices, reduce waste and utilise equipment more efficiently.

Importantly, Coates has worked to create a universal system, which supports data from Coates telemetry devices as well as other manufacturers' devices, meaning that customers can easily access all of their telemetry data in one place.

Ready access to this data not only offers short-term benefits but can provide valuable inputs into the estimating process for future projects, by offering insights into actual plant hire, distribution and usage.

Coates is investigating how we may further use this data to support energy efficiency and greenhouse gas emissions reductions. Real-time monitoring of plant hours allows customers to more accurately understand fuel demand and consumption across their site. We will also continue to explore how our IoT data can help to minimise and reduce fuel burn on future projects, a key requirement of many sustainability programs and frameworks.



Coates' bespoke retrofit IoT devices are new to market devices and were developed to allow Coates to retrofit existing fleet not equipped with a factory device much more quickly and at a much lower installed cost than was possible with off the shelf devices

Our partners

We are committed to making a positive difference every day and recognise this cannot be achieved without the collaboration and support of some of our key partners. Thank you to our partners for their ongoing support.



NSW Indigenous Chamber of Commerce – APIC Partnership

Coates is a formal "Aboriginal Participation in Construction (APIC)" Partner of the NSW Indigenous Chamber of Commerce Incorporated (NSWICC). The NSWICC works with Coates as a Consultant and Advisor to our RAP Goals as they relate to the increased procurement of products and services from majority owned and controlled Aboriginal businesses and the recruitment of Aboriginal people across our NSW Operations.

The Coates Executive and Operations teams works with the organisation to leverage our success as a contractor on NSW Government Infrastructure and other Projects to enable increased Employment and Supply opportunities for Aboriginal people with our Company directly and indirectly through our Clients and Suppliers. The NSWICC and Coates relationship is aligned to the NSW Government's OCHRE Strategy and Aboriginal Procurement Policy (APP) objectives.



Kinaway Chamber of Commerce

Kinaway Chamber of Commerce and Coates' partnership is based on shared visions and goals. Kinaway recognises Coates' ongoing commitment to reconciliation and its collaborations with Aboriginal and Torres Strait Islander Chambers of Commerce nationally and now with a larger focus in Victoria. Coates recognise that it's part of a community that has existed for over 60,000 years and it is committed to developing respectful relationships and creating meaningful opportunities with Aboriginal and Torres Strait Islander peoples. Kinaway support our aim to increase employee participation and continue to support local Aboriginal and Torres Strait Islander businesses through the procurement of goods and services. Kinaway have partnered with Coates to assist in reaching their employment and procurement goals and mission.



Spartan First

Spartan Health support Coates pre-employment medical checks. Spartan Health's mission is to empower indigenous communities. They provide a unique opportunity for clients to secure a world-class service and meet their RAP targets by utilising an Indigenous provider that specialises in occupational health.



Clontarf Foundation

Coates have signed a three-year national partnership with the Clontarf Foundation. The Clontarf Foundation is a national not-for-profit organisation that exists to improve the education, discipline, self-esteem, life skills and employment prospects of young Aboriginal and Torres Strait Islander men, and by doing so, equip them to participate more meaningfully in society. Coates national partnership with the Clontarf Foundation will support 152 Clontarf Academies located in many communities across the country where both Clontarf and Coates co-exist.



Balarinji

Coates has been working with Balarinji, an Aboriginal creative agency, to inspire our RAP and to commission Melbourne-based Aboriginal artist Jade Kennedy to help connect Coates Victorian heritage to Country through the creation of bespoke Aboriginal artwork. Balarinji is a Sydney-based, Aboriginal-owned strategy and design agency founded on authentic engagement with Aboriginal people, culture, art, stories and identity. Their ethos is to deepen the understanding of Aboriginal Australia for major projects nationally.



Noongar Chamber of Commerce and Industry

Our partnership with the Noongar Chamber of Commerce and Industry (NCCI) demonstrates that Coates is serious about encouraging greater Aboriginal participation in the wider economy. We share a purpose to promote the capacity and capabilities of the NCCI people in Western Australia and to service the contracting opportunities the group sees coming out of government and business sectors on a regular basis. The organisation knows an Aboriginal owned business is, 100 times more likely to employ Aboriginal staff than a non-Aboriginal owned business. NCCI also knows addressing levels of disadvantage lies in education, employment and economic participation. Coates is working with the NCCI to increase the economic contribution of Aboriginal businesses in WA.



Steve's Transportables Group

Steve's Transportables Group provide transportable buildings to Coates. They have been operating as a successful independent business in Perth and Karratha since 2014 supplying new and refurbished second hand buildings throughout Western Australia and South Australia. They pride themselves on offering a trusted team of engineers, project managers, supervisors, suppliers and tradesman having over 20 years of transportable building construction experience.



Borger Crane Hire & Rigging Services Pty Limited

Borger Crane Hire and Rigging Services is an indigenous, family-owned company that has been operating for 40 years and supplying cranes to the ever widening construction industry of New South Wales, including Coates. From general crane hire work, short and long term, major and minor projects, continued maintenance, major and minor infrastructure, mining, wind and fossil fuel energy power projects. Borger Cranes are a major indigenous provider for the construction industry.



Kulbardi

Coates has partnered with Kulbardi, Australia's largest Indigenous-owned holistic workplace supplier, providing us with products such as stationery, kitchen and janitorial items, printed stationery or merchandise, corporate or safety workwear, and workplace furnishings. Kulbardi also carries Bibbulmun a range of workplace supplies which gives back to Indigenous Australia.



KILLARA Services

KILLARA Services is one of the fastest emerging Indigenous businesses in Australia, leading the way in creating sustainable employment opportunities for Indigenous Australians within the Cleaning & Soft Services Industry, with 45% of their 350 employees identifying as Aboriginal or Torres Strait Islander. KILLARA Services deliver cleaning services to Coates branches and sites nationally using Industry leading innovation and cutting edge robotic technology. We are proud to have partnered with this business whose Indigenous engagement outcomes are the best in the entire Facilities Industry.

Aboriginal Resource Group Pty Limited

ARG is an Aboriginal owned social business with strong connections to civil construction, mining and agriculture industries in regional NSW. ARG connects industry leaders including Coates, with young Indigenous talent and ensure young Aboriginal people are ready for the workforce.



For more information
please contact:
Rodney Houlston
Group Manager – HSEQ
& Sustainability

Coates

Equipped for anything

Coates employees from Engineering Solutions team

[coates.com.au](https://www.coates.com.au)