



Building a better Australia

A group of people, including several women in high-visibility yellow vests and blue hard hats, and one man in an orange high-visibility shirt and white hard hat, are walking through an industrial facility. The background shows large white storage silos and complex metal structures under a clear blue sky.

Adbri is building a better Australia with its locally manufactured cement, lime, concrete, aggregates, industrial minerals and masonry products.

Our purpose

Building a better Australia

Building a better Australia is what we do at Adbri, it's how we contribute socially and economically as a company, and as individuals.

Acknowledgment of Country

We acknowledge the Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the lands and waters of Australia. We recognise their continuing custodianship of Country and culture and pay respect to their Elders past, present and emerging.



Adbri has been an industry pioneer in Australia since 1882.

We're committed to our continued contribution to a safe, healthy and sustainable future for Australians, our communities and the environment. By focusing on our goals of engaged people and communities, and a sustainable and responsible business, we are helping build a better Australia.

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Scope/About this Report

Adbri Limited (the Company) reports on controlled entities as held at year ended 31 December 2023. This report was published on 27 February 2024. Joint ventures included in this Sustainability Report are Burrell Mining Services and Batesford Quarry, all other joint ventures are excluded. This differs to Adbri's financial statements, which includes the B&A Sands Pty Ltd, Independent Cement and Lime Pty Ltd, Sunstate Cement Ltd, Mawsons Group and Aalborg Portland Malaysia Sdn. Bhd joint ventures.

Greenhouse gas emissions, electricity, process waste, alternative fuel data and water usage are reported as at 30 June 2023, consistent with regulatory reporting requirements where applicable, unless otherwise stated.

All financial data is reported in Australian dollars.

References to 'Adbri', 'the Company', 'we' and 'our' are to Adbri Limited, and, except where the context otherwise requires, Adbri Limited's subsidiaries.

Any restatements are noted in the Report.

Disclaimer

Disclaimer is available on [page 32](#).

Message from the Chair of the Safety, Health, Environment and Sustainability Committee



“In 2023 we introduced our 10 E-ssential Rules, focused on environmental stewardship, which guide our employees to minimise impact to the environment in our everyday work. The E-ssential Rules are an important step change in raising awareness and empowering our people to manage environmental risks, and are supported by standards that focus on our six significant environmental aspects.”

I'm pleased to share the positive sustainability progress achieved by Adbri during 2023, in this year's Sustainability Report. This report highlights Adbri's achievements, as well as addressing both the opportunities and the challenges ahead of us as we continue to ensure our operations are safe, environmentally responsible, efficient and profitable.

As always, the safety of our people remains of utmost importance at Adbri. I am pleased to report an improvement in safety across the organisation, with our total recordable injury frequency rate (TRIFR) reducing 10% over the 12 months to 7.1. Importantly, we have seen a significant decrease in severity of injuries in 2023 compared to previous years.

These outcomes reflect the focus of leadership on the safety of our people, with a significant improvement in our lead indicator measures such as visible leadership walks and critical control verifications. We are also continuing to focus our efforts on psychological wellbeing and contractor engagement, with a revitalisation of our Take 5 program across all worksites.

In 2023 we introduced our 10 E-ssential Rules, focused on environmental stewardship, which guide our employees to minimise impact to the environment in our everyday work. The E-ssential Rules are an important step change in raising awareness and empowering our people to manage environmental risks, and are supported by standards that focus on our six significant environmental aspects.

We also made positive steps to embed operational decarbonisation into our broader business strategy. This moves us further towards our goal of net zero emissions by 2050. In 2023, we saw a reduction in Scope 1 emissions by 6% and Scope 2 emissions by 28% compared to the prior year, and our energy intensity across our cement and lime production continuing to reduce in line with our commitments.

We successfully trialled and obtained approval to increase the use of refuse derived fuel (RDF), an alternative fuel to replace natural gas, at our Birkenhead cement facility. Increasing RDF usage can further reduce greenhouse gas emissions and divert refuse from landfill each year.

We've recently branded our range of lower carbon products, Futurecrete® and EvoCem™. These products use supplementary cementitious materials to reduce the embodied carbon, while meeting performance requirements, as we actively encourage customers and governments to adopt new lower carbon products in their projects and society more broadly.

The Safeguard Mechanism Reforms saw us collaborate with government and other parties on the proposed changes. Due to our decarbonisation efforts across our operations, we do not anticipate a material impact to earnings based on the 1 July 2023 legislation. We also made a submission to the Carbon Leakage Review, supporting a carbon border adjustment mechanism (CBAM) for clinker, cement and lime.

We remain committed to our sustainability improvement journey, confident in our belief that a sustainable business is a successful business.

Of course, our progress this year relied on the unwavering commitment of our people, and I thank them for their efforts. To our customers, shareholders, suppliers and partners, I also say thank you for your continued support.

Together we are building a better and more sustainable Australia.

Michael Wright
Chair of Safety, Health, Environment and Sustainability Committee

At a glance

Our strategic pillars

Safety

- We put safety first
- We care about each other's wellbeing
- We live by our Life Saving Rules
- Work Safe, Home Safe

Customer Focus

- We deliver on our promises
- We are agile in meeting our customers' needs
- We build long-term partnerships that add value
- We act with integrity

Inclusivity

- We work together
- We embrace differences
- We respect and listen to each other
- We empower our people

Sustainable Growth

- We create value for our investors and our communities
- We contribute to a sustainable future
- We learn and innovate
- We invest in our people

Sustainability highlights

10% improvement
in TRIFR

8% decrease
in total Scope 1 and Scope 2 GHG emissions

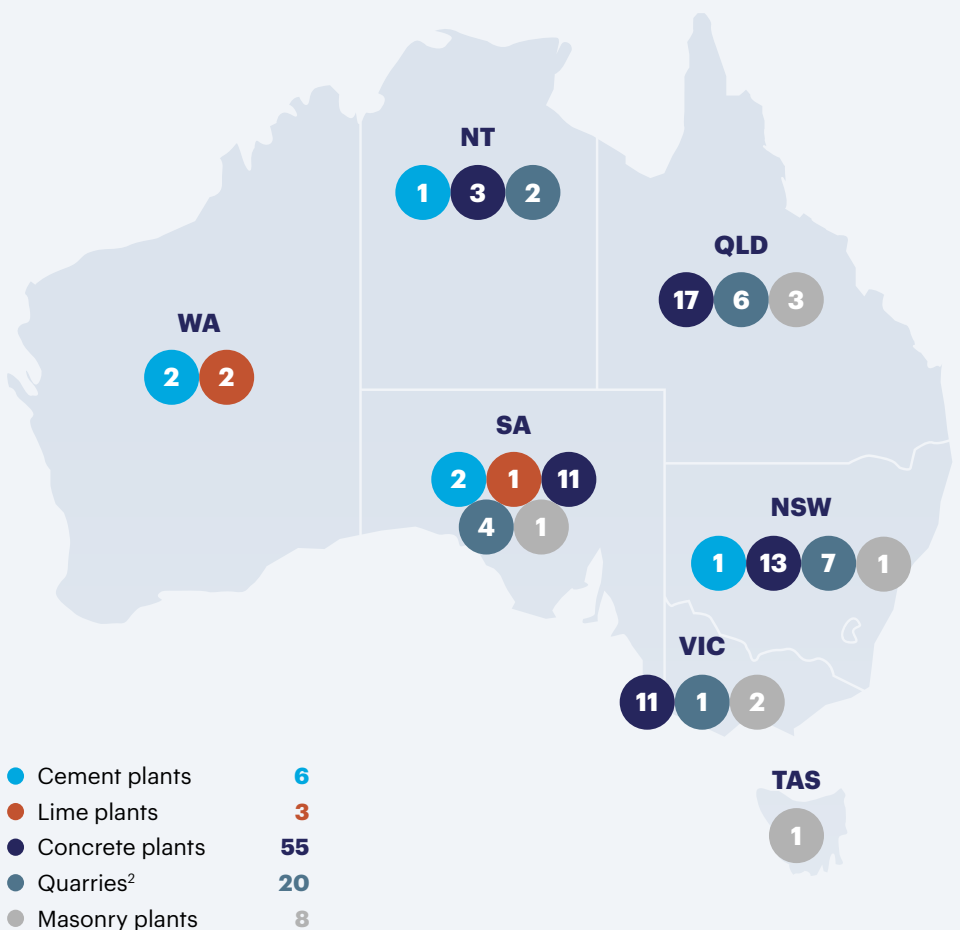
3% increase
in female employees

10 E-ssential
Rules launched

\$3m spent
with First Nations suppliers

53% improvement
in LTIFR

Fully-owned operations¹ by geography



1. Operated in CY2023 reporting year.
2. Excludes tenements that exclusively supply internal cement and lime operations.

Our approach to sustainability

Adbri's approach to sustainability is built on strong relationships with our people, customers, suppliers, partners, shareholders and the communities where we operate, as we aim for continuous, company-wide improvements along our entire value chain.

We identify the most material sustainability topics relevant to our business and stakeholders and then focus our efforts and activities on these areas.

These areas are set out on [page 6](#).

Our Sustainability Framework

Adbri's Sustainability Framework sets out our priority areas, including two overarching goals, related focus areas and five-year targets. This approach enables us to be transparent about our efforts and progress.


Our first overarching goal '**Engaged people and communities**' drives our focus on healthy, safe and engaged people and making a positive contribution to communities.

Our second overarching goal '**Sustainable and responsible business**' focuses our efforts on reducing adverse environmental impacts and responding to climate change.



In 2024, we will update our Sustainability Framework to drive further improvements in sustainability performance.



Goal 1: Engaged people and communities

Focus area	5-year targets	Progress (against 2019 baseline)	Sustainable Development Goals alignment and commitments
 <p>Healthy, safe and engaged people</p>	<p>10% reduction in TRIFR every year</p>	<p>2023: 71 (10% reduction from 2022)</p> <p>Overall: Year-on-year reduction achieved two out of four years since baseline</p>	<p>3 Good health and wellbeing</p> <p>8 Decent work and economic growth</p> <p>5 Gender equality</p> <p>Enhance Adbri’s diverse and inclusive culture.</p> <p>Protect our people from harm through our commitment to ‘Work Safe, Home Safe’.</p> <p>Promote mental health and wellbeing.</p> <p>Respect and support the rights of our employees.</p>
	<p>Innovate Reconciliation Action Plan (RAP) approved</p>	<p>2023: Innovate RAP launched in November 2023</p>	
	<p>30% female Non-executive Directors</p>	<p>2023: 43%</p> <p>Overall: 13% above target</p>	
	<p>20% female employees</p>	<p>2023: 19%</p> <p>Overall: 4% increase against baseline</p>	
 <p>Positive contribution to communities</p>	<p>Maintain regular external communications</p>	<p>Ongoing communication activities</p>	<p>8 Decent work and economic growth</p> <p>Make a positive contribution to the communities where we operate, through maintaining economic vitality and sustainable growth.</p> <p>Mitigate the risk of modern slavery in our supply chain.</p> <p>Measure the economic value Adbri generates.</p>
	<p>Community investment aligned with community engagement strategy</p>	<p>2023: \$164,658 investment</p>	

Goal 2: Sustainable and responsible business

Focus area	5-year targets	Progress (against 2019 baseline)	Sustainable Development Goals alignment and commitments
 <p>Reduce adverse environmental impacts</p>	<p>25% reduction in process waste¹ to landfill</p>	<p>FY23: 5% increase from FY22</p> <p>Overall: 32% reduction against baseline</p>	<p>9 Industry, innovation and infrastructure</p> <p>12 Responsible consumption and production</p> <p>Introduce efficiencies into our processes to reduce our impact on the environment from production and our final products.</p>
 <p>Responding to climate change</p>	<p>7% GHG emissions reduction</p>	<p>FY23: 8% reduction from FY22</p> <p>Overall: 19% reduction against baseline</p>	<p>9 Industry, innovation and infrastructure</p> <p>12 Responsible consumption and production</p> <p>13 Climate action</p> <p>Develop and invest in product quality and research low carbon technologies to build sustainable and resilient products and manufacturing processes.</p> <p>Collaborate to develop technology solutions.</p> <p>Promote sustainable choices for consumers.</p> <p>Introduce efficiencies into our processes to reduce our impact on the environment from production and our final products.</p> <p>Take action to reduce GHG emissions for a low carbon future by improving our production processes, building resilience, setting ambitious targets, investing in emerging technologies and ensuring our stakeholders are engaged.</p>
	<p>50% kiln fuel to be sourced from alternative fuel in South Australia</p>	<p>FY23: 35% (2% decrease from FY22)</p> <p>Overall: 12% above baseline</p>	
	<p>24% supplementary cementitious materials as a proportion of total cementitious product sales</p>	<p>2023: 23%</p> <p>Overall: 2% increase against baseline</p>	

● On target
 ● Partially achieved
 ● Behind target

1. Process waste includes cement kiln dust (CKD), lime kiln dust (LKD) and off-specification kiln materials, produced at our major lime and clinker production sites.

Materiality

Our materiality assessment identifies the most material sustainability topics relevant to our business and stakeholders. These are used to frame the content of this Sustainability Report, Sustainability Framework and focus areas.

Our materiality process

In 2023, in line with the Global Reporting Initiative (GRI) materiality requirements, we updated our material topics. This process involved undertaking peer benchmarking, assessment of global trends, internal stakeholder interviews and integrating 2022 external stakeholder interviews to determine our most material topics.

Internal stakeholders from a wide range of areas across the business were engaged to understand how Adbri's activities positively or negatively impact externally on communities, the environment, and the economy, as well as how our people and business are impacted by external factors. A materiality threshold was then applied to identified topics with topics below the threshold still acknowledged internally as areas to be managed.

Our Executive Leadership Team (ELT) reviewed, gave feedback on, and validated the material topics, which were then endorsed by the Adbri Board for publishing within this report.

In 2024, we plan to again engage with external stakeholders, in line with our commitment to engage external stakeholders in the materiality process every two years.

Our material topics

The most important material topics to Adbri, as listed below, inform the breadth and content of this Sustainability Report, and our future Sustainability Framework. As recommended by the GRI, each material topic is addressed either in this Sustainability Report, or in our Annual Report, including our management approach for each topic.

Whilst many of the material topics from 2022 have carried over to 2023, there have been some notable changes.

Importantly, the decarbonisation, and physical and transition risks of climate change aspects that were included in last year's *Climate response and decarbonisation* topic have now been separated into three separate areas, acknowledging the increased material importance of each: *Greenhouse gas emissions reduction*, *Climate resilience* and *Government policy*.

In addition, the importance of engagement with our communities and Indigenous relations has been called out as a separate material topic this year.

Adbri's material sustainability topics

Environmental	Social	Governance	Economic
<ul style="list-style-type: none"> - Greenhouse gas emissions reduction - Sustainable products - Waste management and circular economy - Climate resilience - Responsible water use - Energy management - Air quality - Biodiversity and land management 	<ul style="list-style-type: none"> - Workforce health, safety and wellbeing - Community and Indigenous relations - Culture, engagement and development - Stakeholder expectations - Workforce diversity and inclusion - Sustainable supply chain - Workplace relations 	<ul style="list-style-type: none"> - Business ethics and conduct - Cyber and data security 	<ul style="list-style-type: none"> - Communications and brand awareness - Government Policy - Economic performance and contribution

Governance

Adbri is committed to being a responsible corporate citizen and actively seeks to contribute to the wellbeing of shareholders, customers, the economy and the community. To this end, Adbri has in place governance structures to assist in the oversight of environmental, social and governance (ESG) issues.

The performance and effectiveness of the Board, and each sub-committee of the Board, is reviewed annually with improvements made where required. All Board Committees have oversight or input into aspects of sustainability and ESG and, where possible and relevant, incorporate or consider sustainability criteria into decision making, including strategic direction, change and risk management, and investment decisions.

<p>Highest governance body</p>	<p>Adbri Board The Adbri Board is responsible for overseeing the operations and performance of the Company, in addition to ensuring Adbri operates in line with its core values. The Adbri Board oversees the Company’s response to climate change, including goal and target setting, strategy, investment decisions, risk management and performance against our commitments. The Board considers climate change, health, safety, environment and sustainability to be skill areas in the Board Skills Matrix that are of significant importance to the Company. These areas are monitored and factored into decision-making, where possible and relevant, by the highest governance body in the organisation.</p>	
<p>Board oversight</p>	<p>Safety, Health, Environment and Sustainability (SHES) Committee Supports the Board on matters relating to community engagement, corporate social responsibility and sustainability, and monitoring and overseeing the effectiveness of Adbri’s practices concerning work health and safety and impact on the environment. Progress towards health and safety, environment and climate targets are monitored by the SHES Committee on a quarterly basis.</p>	<p>Audit, Risk and Compliance (ARC) Committee Supports the Board with the oversight of sustainability and climate-related risk management and financial disclosures, new and emerging non-financial risks, with the Board retaining overall accountability for Adbri’s risk profile. The Company’s key risks are reviewed on a quarterly basis by the ARC Committee.</p>
<p><i>More detail on the roles, responsibilities, composition, and membership of each committee can be found in Adbri’s Corporate Governance Statement on our website.</i></p>		
<p>Board oversight</p>	<p>People & Culture Committee Supports the Board in relation to the achievement of Adbri’s ESG priorities by ensuring that its work is aligned with its values.</p>	<p>Nomination & Governance Committee Supports the Board in relation to nomination and governance matters. It regularly assesses the Board Skills Matrix. ESG expertise is a key skill the Committee considers in assessing the appropriate mix of skills represented on the Board.</p>
<p>Management oversight</p>	<p>Executive Leadership Team CEO and Executive Leadership Team (ELT): Day-to-day responsibility for managing material sustainability risks and opportunities, and Net Zero Emissions roadmap management and implementation, sits with Adbri’s CEO. The ELT considers sustainability as both a risk and an opportunity, with the Board setting personal key performance indicators on key SHES areas to drive accountability for achieving Adbri’s ESG related goals. Chief Sustainability & Innovation Officer: In 2023, Adbri appointed a new ELT role accountable for driving Adbri’s climate and sustainability strategies, policies, and sustainability and climate goals across the Group. Chief People Officer: Accountable for driving Adbri’s HSE and HR leadership, policies and targets across the Group.</p>	
<p>Coordination and implementation</p>	<p>Group Functions and Business Units HSE, People & Culture and Climate & Sustainability teams: Support management in implementing HSE, people and decarbonisation and initiatives across the business, collaborating with several working groups to achieve key outcomes. The teams are responsible for proposing and implementing HSE, people, and climate and sustainability related strategies, policies and goals; advising on risks and opportunities; and monitoring KPIs and reporting to management. Operations, Technical, Finance, and Commercial functions and teams: HSE, people, sustainability and climate related scopes are an integral consideration across every aspect of the business.</p>	

Risk

Adbri's Risk Management Policy, framework and control systems provide a mechanism for management to actively identify and manage both financial and non-financial risks to Adbri's businesses, including new and emerging risks. Adbri's risk management principles, systems and processes include:

Risk Appetite Statement	Sets out our appetite to pursue opportunities aligned with strategy or, alternatively, cease activities that may be inconsistent with objectives.
Risk Management Policy and framework	Sets out responsibilities for risk management and the process for identifying, monitoring and managing strategic and operational risk plans, controls and performance and for reporting on them to the ELT and the ARC Committee.
Strategic Risk Register	Sets out climate change and ESG issues as material risks.
Integrated health, safety and environment management system (HSEMS)	Provides standards and a framework for achieving objectives.
Policies	Including Diversity and Inclusion Policy, Health, Safety and Environmental Policy, Anti-bribery and Corruption Policy, Modern Slavery and Speak Up (Whistleblower) Policy. All key policies are available on the Adbri website .
Training and development	Training requirements to achieve our health, safety, environment, people and culture objectives have been determined for job roles throughout the business. Adbri's Learning Management System, iLearn, is the central platform for training and competency assignments and completions.
Internal audit program	A risk-based approach to evaluate business activities and performance with audit results reported to the Board for information and monitoring. KPMG has been engaged by Adbri to execute the internal audit program.

An external, independent auditor was also engaged separately to conduct limited assurance on our FY23 National Greenhouse and Energy Reporting (NGER) submission, with the results published in the *Responding to climate change* section of this report. The limited assurance engagement was undertaken in accordance with ASAE 3000.

Further to the internal audit program, Deloitte Touche Tohmatsu is engaged as Adbri's external auditor and is responsible for assuring the Company's financial statements. More details can be found in Adbri's Corporate Governance Statement. We also undertake an internal verification process on unaudited reports, such as this Sustainability Report.

Corporate overview

Material topics

Business ethics and conduct

The Adbri Board is committed to conducting business ethically and in accordance with the highest standards of corporate governance. Adbri's [Corporate Governance Statement](#) provides an outline of the main corporate governance practices in place during the past financial year.

Our people are guided by our [Code of Conduct](#), which outlines what constitutes responsible business conduct at Adbri.

In addition, Adbri's [Speak Up Policy](#) provides support to employees wanting to raise concerns about potential business misconduct, helping to promote a 'safe to speak up' culture where all our people feel supported and encouraged to come forward with any concerns. The policy provides guidance on how to speak up, including details of an external, anonymous and confidential 'Whistleblowers' hotline service, and outlines protections a discloser will receive and how Adbri will respond to reports of potential misconduct.

Economic performance and contribution

Adbri's *Sustainable Growth* pillar guides our investment in people, communities and economy. Our products help build the homes and infrastructure that are essential for a thriving and growing nation.

Protecting Adbri's economic vitality by being a low-cost, lower carbon producer is integral to delivering on our sustainability and wider business strategy. We invest in research and partnerships to support our future operational plans, while developing sustainable products that meet consumer demands. We pursue an agenda of sustainable growth and transformation through a combination of organic growth, acquisitions, joint ventures and greenfield projects.

2023 snapshot

Adbri reports a strong full year 2023 result with underlying¹ EBITDA of \$311.0 million in 2023, an increase of 30.9% on the prior year. Demand for product continues to be strong across key markets, with pricing and cost discipline supporting the improved earnings. Capital management remains a priority, as we position the Company for the future.

Further detail is available in our 2023 Annual Report and Tax Transparency Report.

1. Excludes property (profit)/expenses and significant items.

Communication and brand awareness

We strive to be transparent in sharing our sustainability strategy and ESG progress with our employees, contractors and external stakeholders including investors, customers and partners.

Internally, we communicate regularly with our employees throughout the year via toolbox meetings, company-wide emails, dedicated Teams channels, a collaboration platform (Viva Engage) and our regular employee online town halls. Our contractors also participate in toolbox meetings and other onsite briefing forums.

Externally, we share our sustainability progress through our Sustainability Report, investor presentations, ASX announcements and shareholder meetings. Our key operational sites also use a range of engagement techniques to keep the local community informed on operational and environmental improvement projects. Adbri also regularly shares social content on LinkedIn to build brand awareness.

2023 snapshot 📸

Aligning our SA brands

In August, we rebranded our five South Australian brands – Adelaide Brighton Cement, Direct Mix Concrete, Southern Quarries, Penrice Quarries and Adbri Masonry – to Adbri Cement, Adbri Concrete, Adbri Quarries, and Adbri Masonry. This common brand provides greater brand awareness for our South Australian stakeholders, making it easier for them to recognise who we are and what we do.

Branding our lower carbon products

To align with our net zero action of creating new products, in July we launched Futurecrete®, our low carbon concrete. Futurecrete® is a national brand that provides a sustainable choice for our concrete customers. Futurecrete® concrete is manufactured using a minimum of 25% supplementary cementitious materials (SCMs) as cement replacement. The use of SCMs in concrete reduces embodied carbon, enhances concrete durability and can support the circular economy by repurposing industrial by-products. Futurecrete® was released to customers in South Australia and Queensland through targeted product launch events, with broader promotion to continue into 2024.

In November 2023, we also launched Adbri EvoCem™, an innovative lower carbon cement that provides equivalent performance to Type GP cement, but with the added benefit of reducing embodied carbon by up to 8%, a comparison verified in our Environmental Product Declarations (EPDs). EvoCem™ is a General Portland Limestone Cement (Type GL) pioneered by Adbri in Australia. The product release was supported through a series of customer engagement activities, including meetings with infrastructure owners, presentations at industry forums and targeted customer discussions. These engagements generated considerable interest and, along with broader go-to-market promotions planned for 2024, is expected to help accelerate the acceptance and uptake of this low carbon innovation.

Cyber and data security

Cyber security continues to be a significant risk to all organisations, whether they be private, public, government or non-government. Adbri’s cyber security priority is the protection of employee and customer data, and we are undertaking ongoing work in this space to stay ahead of the potential reputational and financial risks posed by cyber-related threats.

2023 snapshot 📸

Upskilling our people

A key focus for this year has been upskilling our people to help them avoid scams and phishing, both at work and in their personal lives. As one component of a multi-layered approach, Adbri has increased company-wide communication on cyber threats, delivering online cyber training packages, as well as conducting simulated phishing exercises to better inform and educate our people. We also have communicated with our customers on cyber security risks via broadcast emails.

Identifying areas for improvement

An internal Cyber Security Working Group has been formed to monitor and progress key initiatives to better protect the organisation. The working group is leading a gap analysis against ISO 27001 to further strengthen our cyber capabilities and establish an Information Security Management System (ISMS). The next stage will be the development of a multi-year cyber security strategy.



Healthy, safe & engaged people

At Adbri, we put safety first. We make it clear to our people we want them to 'Work Safe' so they can go 'Home Safe'. We strive to create a psychologically safe workplace where we care for each other and where mental health and wellbeing are equally as important as physical health.

We welcome people from all backgrounds at Adbri and our workplaces aim to reflect the diversity of the communities in which we operate. We believe a diverse workforce and an inclusive approach supports higher performance and provides a positive organisational culture where all our people feel they belong, are valued, and contribute meaningfully to building a better Australia.



Metrics and targets

Our TRIFR has improved since December last year to 7.1, equating to a 10% reduction. In addition, we have seen a positive trend in the number of high consequence events, with our lost time injury frequency rate (LTIFR) improving by 53%. We have also recorded further significant improvement in our lead indicators such as visible leadership walks and critical control verifications.

We continue to work to attract females into our business and in 2023 we have seen an overall increase from 16% to 19%. This increase can be attributed to our continued focus on recruitment and training programs, including the Adbri Driver Academy, promoting females into leadership roles, as well as traineeships and apprenticeships.

	2023	2022	2021	2020	2019
Fatality	0	0	0	0	0
Total recordable injury frequency rate (TRIFR)¹	7.1	7.9	6.3	5.6	10.6
TRIFR (Employee)¹	6.9	6.5	6.8	7.7	14.6
TRIFR (Contractor)¹	7.3	9.5	6.2	3.5	5.1
Lost time injury frequency rate¹	1.4	3.0	2.3	1.7	2.5
High potential incidents²	33	43	50	54	37
High potential incident frequency rate¹	5.6	8.2	9.6	10.9	7.4
HSE near misses³	417	425	529	486	874
HSE hazards	2,842	2,568	3,199	2,922	3,211
Critical control verifications in field	2,069	1,411	1,210	699	-
Visible leadership	2,283	1,137	611	218	217
Female Non-executive Directors⁴ %	43	50	43	50	43
Female senior executives⁵ %	22	17	29	25	22
Female senior managers % (direct reports to senior executives)	25	22	24	29	40
Female employees %	19	16	16	15	15

1. Excludes property (profit)/expenses and significant items.

Material topics

Workforce health, safety and wellbeing

Adbri’s Health, Safety and Environment (HSE) Policy outlines our overarching commitment to health, safety and the environment and our broad HSE objectives. Our HSE Policy is supported by our HSEMS, outlining the minimum expectations across all activities and operations managed by Adbri. The HSEMS also facilitates the identification of critical risk controls, the completion of HSE audits and inspections, and offers health assessments and fitness for work programs for our employees.

Our HSEMS is supported by a number of systems including Cintellate, our HSE software system, and its mobile enabled application, Roam, to collect and analyse data. This allows us to monitor and respond to real time trends and risk management obligations. We have processes in place to identify work-related hazards, including workplace inspections and audits, critical control verifications, visible leadership walks and toolboxes, with all employees and contractors encouraged to report hazards. All identified hazards are managed in accordance with the hierarchy of controls to eliminate or minimise the risk, supported by tools such as Job Hazard Analyses, Safe Work Method Statements and Take 5s. Where a hazard has not been safely controlled, our workers are instructed to stop the activity and escalate to management.

Across Adbri’s sites, we have identified six critical risks with the highest potential for serious injury. Each of these critical risks have critical risk controls that must be in place before work commences on any relevant activity. Supporting our critical risks and hazard management approach, Adbri has implemented 10 Life Saving Rules, that all our people are required to follow.

Incident management and investigation are an integral part of our health and safety risk management. Transparent and timely reporting and investigation of HSE incidents, with appropriate escalations and notifications, supports understanding and future management of risks to prevent similar incidents from occurring again. In 2023 Adelaide Brighton Cement Limited entered into an enforceable undertaking relating to our critical risk of falls from a height. Details can be found in the 2023 Annual Report.

Lead indicators, such as critical control verifications, hazard reports and near misses, are used to improve our injury prevention programs. Where an injury occurs, Adbri utilises an early intervention program that enables early intervention injury management and promotes recovery.

We consult with our workforce on health and safety matters, through our HSE Committees, Health and Safety Representatives, toolbox meetings and direct communications.

2023 snapshot 📷

Improving psychological health and safety

We support a new legislation on the management of psychological injuries and illnesses, and recognise the importance of psychologically safe workplaces. In 2023 we engaged with the entire Adbri workforce on the preparation of a psychological health and safety risk assessment to better understand the impact of psychosocial hazards at work, and to identify controls to eliminate or minimise the risks identified. The risk assessment results will form the basis of Adbri’s future psychological health and safety strategy, supported by programs and actions to shape our psychological health and safety culture, such as our Mental Health Champions program.

Managing exposure to dust

Another key priority for Adbri is our response to risks associated with exposure to harmful dusts, including Respirable Crystalline Silica (RCS). Adbri manages RCS risks through a program of personal and static monitoring. This enables us to understand any exposure risks, and to then identify and implement controls to eliminate or minimise the risk. Adbri’s RCS program is supported by training delivered to employees and contractors.

Focusing on contractor performance

In 2023, Adbri increased the focus on contractor safety through development of Adbri’s HSE Contractor Management Strategy. The strategy identifies actions to improve the way contractors are selected, onboarded and managed. It confirms our commitment to ensure the management of contractors at our operations delivers on our safety, health, wellbeing and environmental expectations.

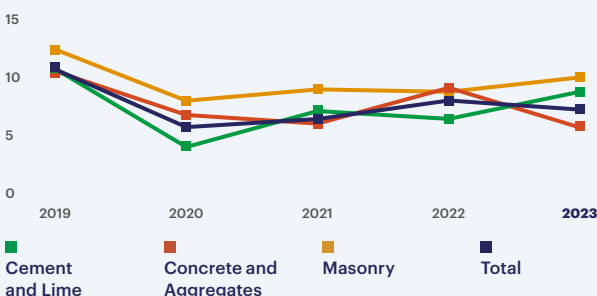
Continuing and improving audits, inspections and Take 5s

In 2023, our auditing program focused on HSEMS compliance, including hazard and incident management, emergency preparedness, and two risk areas relating to mobile plant and fixed plant.

During the period, we reinvigorated the use of Take 5s to ensure our people are identifying and assessing new or previously unidentified hazards and risks associated with their work or changing conditions, to further improve safety outcomes.

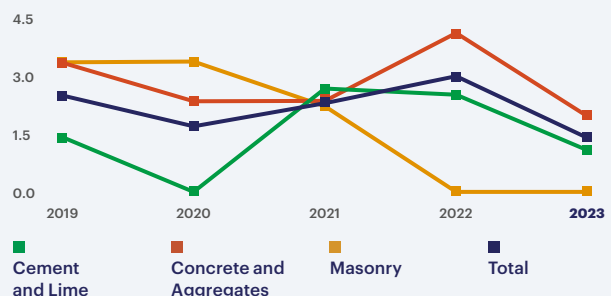
Total recordable injury frequency rate by division

Total recorded injuries per million hours worked



Lost time injury frequency rate by division

Total lost time injuries per million hours worked



Healthy, safe & engaged people continued

Culture, engagement and development

At Adbri we strive to create a positive workplace culture where all our people feel they belong, are valued and can contribute meaningfully.

Our *Inclusivity* pillar sets out our agenda to work together, embrace differences, respect and listen to each other, and empower our people.

Creating ways to have our people's views and opinions heard is an important component of our culture-building activities. We measure employee engagement through our regular 'pulse' surveys and bi-annual engagement surveys. We use the results of these surveys to further develop our employee engagement plans.

We focus on promoting and developing leaders, as well as engaging trainees and graduates to support those in the early years of their careers. Our development strategy incorporates vocational and job skills training, and career development discussions as part of the annual performance cycle.

Executive talent and succession updates and actions are reported to the People and Culture Board Committee annually. To ensure we have a robust pipeline of future executives, we maintain an assessment and development program with an annual cadence, including regular conversations at CEO and Board level.

Our development strategy incorporates vocational and job skills training, and career development discussions as part of the annual performance cycle.

2023 snapshot 📷

Increasing engagement

We conduct bi-annual engagement surveys and regular pulse surveys that focus on the key areas of: engagement, culture, direct management, meaningful work, and systems and process improvements, with positive improvements recorded across all areas in 2023.

Pleasingly, employee engagement is 8% higher in September 2023 from September 2022.

Developing our people

Our Frontline Leader program continued throughout 2023, with more than 85 participants over the term of the year, building the capability of current and future supervisor team members. We also conducted additional Safety Leadership training within the Concrete, Aggregates and Masonry businesses to build leadership commitment and capability in delivering our safety management framework consistently, every day.

Improving employee onboarding

As part of our progress in building a common culture across Adbri's operations, we launched our executive-led induction sessions in 2023 to enhance the onboarding of new employees. The first session was held in November providing an important opportunity for new starters to hear first-hand about Adbri's culture directly from our executives. These sessions complement our existing online induction training and will continue in 2024.



Workforce diversity and inclusion

At Adbri we strive to create a workplace where people from all backgrounds are treated fairly and have the opportunity to succeed, and every person feels comfortable to be themselves at work.

Our 2022–25 Diversity, Equity and Inclusion (DEI) Strategy is supported by Adbri’s Diversity and Inclusion Policy. The DEI is collectively owned and sponsored by the Board, CEO and Executive team, delivered by all Adbri leaders and lived by all Adbri employees. We also implemented and tracked measurable objectives for achieving gender diversity at all levels of our organisation. This year we tracked female participation and retention and invested in understanding the experience of our female workers in frontline leader and non-traditional roles and provided accommodations and support to enable a culture in which they can thrive.

The DEI Strategy outlines the four main pillars that we are working towards:

- Diverse workforces
- Inclusive experiences
- Purpose-led organisation
- Authentic reconciliation

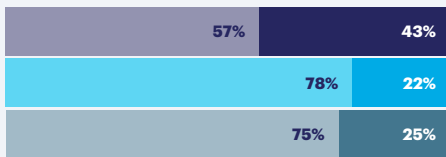
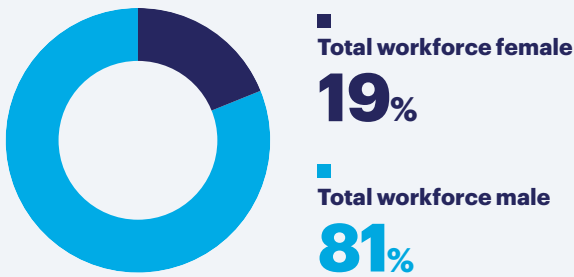
By implementing this strategy, we aim to:

- Attract and retain a diverse workforce representative of our communities.
- Create safe workplaces with positive employee experiences where all people feel they belong, are valued, and can contribute meaningfully to building a better Australia.
- Identify and close role level gender pay gaps through gender pay parity analysis and the annual remuneration review process.
- Educate and operate on Country with care and respect.
- Drive equity in all aspects of our organisation.
- Invest strongly in the communities in which we operate – we are loyally local, nationally growing.

We have two internal working groups that support the DEI Strategy: the Reconciliation Action Plan (RAP) Working Group and the Diversity and Inclusion Working Group.

Each year as part of our diversity objectives we report on non-Executive Director and general workforce gender targets, and our progress in achieving them as part of our Sustainability Framework (refer to [page 5](#) of this report). While no target has been set for executive gender representation, we do report on our progress each year. Additional information about our diversity progress under the *Workplace Gender Equity Act* (Cth), with our gender equity indicators, is also available publicly.

Gender diversity



- Board (Male)
- Board (Female)
- Senior executives (Male)
- Senior executives (Female)
- Senior managers (Male)
- Senior managers (Female)

Employment by geography



- South Australia **31%**
- Western Australia **13%**
- New South Wales **21%**
- Victoria **12%**
- Queensland **19%**
- Northern Territory **3%**
- Tasmania **1%**

Healthy, safe & engaged people continued

2023 snapshot 📷

Gaining greater insights through our diversity and inclusion survey

In 2023 we conducted a survey of 800 employees across 12 of our major operational sites. The survey was designed to provide leaders with a deeper understanding of the diversity of Adbri's workforce, and their inclusion experiences.

Overall, the survey found that Adbri employees believe we have inclusive workplaces and create inclusive experiences.

Our most recent Diversity and Inclusion survey found that at least four in every five people at Adbri agree that:

- They feel comfortable to be themselves at work.
- People from all backgrounds are treated fairly at Adbri.
- If they raised a diversity concern, their direct manager would respond positively.

Overall, the survey found that Adbri employees believe we have inclusive workplaces and create inclusive experiences.



Encouraging higher female representation across the workforce

In 2023, our People and Culture function introduced Listening Circles for female employees, with the aim of creating safe and respectful spaces where individuals can share their thoughts and experiences, while connecting with others in the Company in a meaningful way. The Listening Circles are facilitated by local 'D&I champions' at their worksites and are designed to encourage and promote greater female representation, especially in operational roles.

Supporting and developing early-stage career entrants

In 2023 the Adbri Graduate Program recruited ten new graduates who will commence their two-year programs with the Company in 2024. This program supports our focus on developing early-stage career entrants. Six out of the ten engineering graduates commencing the program identify as female.

In addition, Adbri sponsors a scholarship for an engineering student at the University of Adelaide in South Australia. This scholarship recipient participates in our summer vocational learning program to gain practical on-the-job learning experiences.

Accelerating diversity behind the wheel through our Driver Academy

Following its successful inaugural year in Victoria in 2022, Adbri's Driver Academy was expanded in 2023 to also include applicants from New South Wales and Queensland.

Initially created to address industry-wide driver shortages by encouraging applications from outside the typical candidate pool, Adbri's Driver Academy aims to attract and skill candidates with a safety mindset, culture fit and work ethic representative of the communities we operate in. It is particularly targeted at encouraging women to consider driving as a career opportunity.

From this year's intake and training, we now have an additional 15 drivers joining the Adbri team in Victoria, New South Wales and Queensland.

All successful candidates undertake a full induction, licensing, skilling and onboarding program as part of their traineeship.

Workplace relations

We believe in creating a relationship with our people based on fairness, mutual trust and co-operation. Our Code of Conduct and pillars underpin our recognition of key rights including non-discrimination and equal treatment, freedom of association, collective bargaining and labour rights.

Collective bargaining agreements cover 54% of our workforce. To ensure a fair outcome for our people and representatives, we follow guidance provided by the Fair Work Ombudsman, relating to enterprise agreements and bargaining. Our management team works hard to communicate with all our people; keeping them updated on business priorities and workplace relations activities.

We recognise that enhanced workplace relations stem from fair remuneration for the delivery of key performance outcomes. The governance of remuneration outcomes is a focus of the Board and the People & Culture Committee. Remuneration policies are regularly reviewed to ensure that remuneration for employees and Executive Key Management Personnel (KMP) continue to remain aligned to shareholder value. Our governance framework for determining Executive KMP and Non-executive Director remuneration is outlined in our Remuneration Report within the 2023 Annual Report.



Positive contribution to communities

Adbri is proud to be part of the communities we operate in. We recognise that we have a social licence to operate and continue to look for ways to strengthen our engagement and to build long-term relationships. We listen to the concerns of our communities and respond in a timely and transparent manner.

As we continue to build a better Australia, we also remain focused on building capability and capacity in our communities. We achieve this through creating local employment and supply opportunities and supporting a range of community initiatives aligned to our pillars of safety, customer focus, inclusivity and sustainable growth.

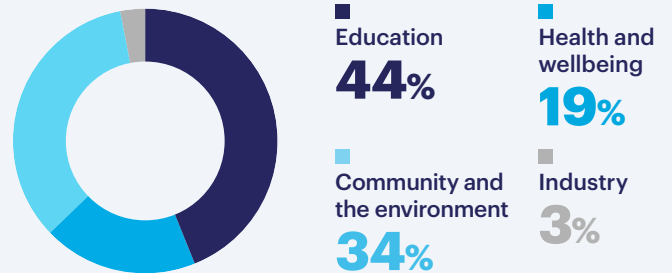


Supported the Stephen Michael Foundation 2023 Rising Leaders Camp to help at-risk and disengaged youth.

Metrics and targets

Our total community investment spend for 2023 was consistent with 2022 at \$164,658. With a targeted and systematic approach to sponsorship now in place, we do not anticipate that sponsorship will return to 2021 values. Instead, we will remain focused on sponsoring select initiatives that maximise community value and create opportunities for staff participation.

Community investment spend by focus area



	2023	2022	2021	2020	2019
Community investment	\$164,658	\$162,903	\$246,161	\$203,204	\$263,221

Material topics

Community and Indigenous relations

Adbri actively engages and invests in the communities in which we operate. Given the varying size of our operations, we adopt a scalable approach to community engagement.

For our large manufacturing sites, including Munster and Birkenhead, where there is potential for extensive interaction with the community, we have site-specific Community Engagement Plans to keep stakeholders informed and, where appropriate, consulted on operational matters. Adbri Cement, Cockburn Cement and Morgan Cement also operate dedicated community websites and have 24/7 community hotlines.

The bulk of our community investment is focused around our key operational sites of Munster and Birkenhead. All requests for sponsorship are considered on their merits and must align to Adbri’s pillars. Support ranges from in-kind through to financial contributions.

Positive and negative community feedback is logged into Adbri’s Cintellate system for investigation and resolution in a timely manner. Data from community feedback is analysed to identify opportunities for improvement, as well as being provided to the SHES Committee on a quarterly basis.

The RAP Working Group has made steady progress on our reconciliation journey in 2023, culminating in the launch of our Innovate RAP in November. Our Innovate RAP adopts a revised governance model designed to empower and drive more meaningful change. This will see our reconciliation efforts championed by our RAP Working Group Chair, supported by an independent Aboriginal advisor and four leaders who will drive progress across key focus areas. This core group will also be supported by Adbri’s Chief Operating Officers, with regular updates to the People & Culture Committee.

2023 snapshot

Working collaboratively with local communities

Our local communities continue to take a high level of interest in Adbri as we consult them on our day-to-day operations.

In South Australia, the Birkenhead Community Liaison Group (CLG), a key conduit with the local community, met quarterly to discuss our operations, use of alternative fuels and raw materials, and planned environmental improvement projects. In addition, the CLG recently hosted a drop-in session to encourage new community and business members.

In Western Australia, we continued to regularly engage with the community on operational matters, particularly on feed diversion trials in Kiln 6 at the Munster site. In November, we held community drop-in sessions to discuss the feed diversion trial outcomes. The results show a significant reduction in odour detection and intensity in the community when the feed diversion was operational. Cockburn Cement has written to the Department of Water and Environmental Regulation (DWER) seeking permission to use the feed diversion in summer 2023/24.

Investing in local communities

Over the year Adbri continued to support a number of initiatives within our local communities, focusing on sponsoring select programs that maximise community value, aligned to our pillars.

Safety	<ul style="list-style-type: none"> Financial sponsorship of sporting and community clubs located close to our operational facilities to encourage wellbeing, including: North Haven Football Club, Dongara Junior Netball Club, Port District Football Club, Portland Football Club, Port Adelaide Cricket Club, Sellicks Football Club, Brother Rugby League Club, Launceston City Football Club, Kalaya Children’s Centre, Le Fevre Kindergarten, Smithfield Plains Kindergarten, Coogee Jetty to Jetty Swim, Fort-to-Fort Remembrance Walk and Adelaide Kite Flyers Association.
Inclusivity	<ul style="list-style-type: none"> Financial support for two Aboriginal and Torres Strait Islander peoples high school students, the Aboriginal Law Society mentoring program, Curtin University – Moorditj Yorga mature age scholarship program and Aurora Foundation High School program. Support for Kwinana Industries Councils (KIC) iWomen program and community sporting programs that encouraging female participation. In-kind support to the Wyn Carr House project in WA that provides accommodation for women over the age of 55 years who are at risk of homelessness.
Sustainable Growth	<ul style="list-style-type: none"> Support of programs to encourage students to pursue science-based career options, including the KIC iSCIENCE project and provision of engineering scholarships. Ongoing support for the Coogee Community Garden and tree planting events. In-kind support for the creation of underwater garden beds in Cockburn Sounds aimed at improving the survival rates of transplanted seagrass.

Positive contribution to communities continued

Encouraging employees to volunteer and fundraise

All Adbri employees are entitled to one day of paid volunteering leave each year. Our people can use this day to volunteer within their local communities. For example, employees from our Adelaide office and Birkenhead operations volunteered at Foodbank, helping pack boxes of food for distribution around the state, while other employees used the time to donate blood and plasma via the Red Cross.

Many of our employees arrange fundraising for causes that are meaningful to them. Employees at Birkenhead participated in the 'One Foot Forward' challenge and organised a 'Small Change For Positive Change' morning tea, raising funds for the Black Dog Institute. At Austen Quarry in NSW, employees organised a morning tea to raise money for the Cancer Council.

Continuing our RAP journey

Our recently released Innovate RAP outlines our commitments over the next two-year period as we continue to progress reconciliation.

As a national company with sites across Australia, Adbri engages with Aboriginal and Torres Strait Islander peoples through our employees, our suppliers, our customers and our local communities. Supporting employment and upskilling, ensuring cultural safety in our workplaces and building commercial opportunities are all core to our reconciliation investment.

Approximately 3.5% of our employees identify as Aboriginal and/or Torres Strait Islander peoples. In addition, many of our sites are in regional Australia, close to Aboriginal and Torres Strait Islander people's communities, and have the potential to impact on Country. Consulting with local communities, engaging them in rehabilitation projects, and providing resources and infrastructure, enables Adbri to continue to build meaningful connections and to provide practical support and agency to local communities. Our vision is to strive to create actively inclusive, supportive, educated, culturally safe and engaging workplaces for Aboriginal and Torres Strait Islander peoples.

During the year we created opportunities for our people to learn about Aboriginal and Torres Strait Islander people's culture, particularly during NAIDOC and Reconciliation Weeks. This included a cultural awareness webinar accessible to all staff, hosted by Evolve Communities. We also held Smoking Ceremonies and Welcome to Country at significant corporate and operational events through the year. We are committed to proactively inviting and welcoming Aboriginal and Torres Strait Islander peoples to our workplaces to share their knowledge.



The artwork featured in Adbri's Innovate RAP was designed by Tyrown Waigana, an Aboriginal and Torres Strait Islander multidisciplinary artist and graphic designer. The imagery signifies Adbri's commitment to understanding the rich connection that Aboriginal and Torres Strait Islander peoples have to Country, and our responsibility to forge meaningful connections between our worksites, communities and the Country on which we operate.

Sustainable supply chain

Adbri adopts a sustainable procurement approach to goods and services as part of building community capacity.

We take a risk-based approach to managing ethical sourcing that is largely based on geographic location and the types of goods or services provided. As a component of operating a sustainable business, and as a key inclusion in our Sustainability Framework under 'Positive contribution to communities', Adbri is committed to the elimination of modern slavery in our supply chains. Adbri condemns modern slavery in all its forms.

Relevant employees are required to complete online modern slavery training.

Our [Modern Slavery Statement](#), released annually, outlines the key steps we have taken over the previous 12 months.

2023 snapshot

Engaging Aboriginal and Torres Strait Islander peoples and suppliers in our supply chain

Since 2022 Adbri has significantly increased engagement with First Nations suppliers as we create opportunities within our supply chain. Pleasingly, in 2023 First Nation supplier spend exceeded \$3 million for the year; up 300% on the prior year.

Our partnership with Amaroo Mining and Civil is creating opportunities through the provision of agitator trucks to Hy-Tec for projects including the Tindal RAAF Base upgrade in Katherine, Northern Territory. Other contracts included working with First Nation managed services for labour hire, as well as supply in areas such as stationery, PPE, security, new vehicle purchases, electrical services, drinking water and logistics.

Progressing against modern slavery

In 2023, as part of our continuous improvement process, we reviewed and updated our Modern Slavery Policy. Key updates included commitments to training employees on how to identify red flags and report identified issues, and adding in reference to the Fair Call and the Adbri Speak Up Policy.

In 2023, we collaborated further with a number of our joint venture partners on modern slavery risk assessment. We will continue to meet with our joint venture partners to review and discuss modern slavery initiatives or challenges within our businesses. This is an important collective and collaborative approach.

Stakeholder expectations

Adbri engages with a broad range of stakeholders to understand their expectations and views. We adopt an open and inclusive approach and aim to respond to our stakeholders' changing needs. Our stakeholders include communities, customers, government (local, state, federal), regulators, joint venture partners, shareholders, financiers and insurers, suppliers, employees and contractors, education, academia, research bodies, industry groups, media and non-government organisations (NGOs).

Engagement with our employees and contractors is covered in the material topics in the 'Healthy, Safe and Engaged People' section of this report, and with our communities in the 'Community and Indigenous relations' material topic.

Investors and customers are also significant stakeholders, having a considerable impact on the success of the business.

We communicate regularly with our investors, banks, analysts and proxy advisors through results and ASX announcements, webcasts and events such as our Annual General Meeting and site visits. We also actively engage with investors and stakeholders on our approach to climate change. We have provided support to industry groups in the development of their own roadmaps, in particular to VDZ, a world-renowned research centre, for the development of the *Decarbonisation Pathways for the Australian Lime Sector* report, released in 2023.

Ensuring our customer needs are met is of paramount importance to Adbri. Our Sales teams facilitate and manage our customer relationships. On a day-to-day basis, customer interactions are recorded in fit-for-purpose Customer Relationship Management (CRM) software and an annual customer satisfaction survey is undertaken to facilitate formal feedback between Adbri and our customers.

2023 snapshot

Measuring and improving customer satisfaction in our annual survey

To help measure our performance against our Customer Focus pillar, we conduct an annual customer satisfaction survey assessing a range of topics including overall satisfaction, value, ease of doing business, sustainability and performance in key value areas (account management, products and quality, ordering process, delivery performance, credit and accounts).

In 2023, Adbri enjoyed an uplift in all key performance measures, including a customer satisfaction score (CSAT) of 74%, up from 70% in 2022.

Customer feedback from the survey is reviewed and the insights help drive improvements in customer experience while informing our approach to demonstrating our capability and full value to our customers.

Reduce adverse environmental impacts

As a sustainable and responsible business, Adbri has set objectives, aligned to our *Sustainable Growth* pillar, for responsible environmental stewardship.

We adopt a systematic, continuous improvement approach to managing risks and opportunities for reducing environmental impacts, to ensure that our operations contribute to a safe, healthy and sustainable future for the environment. Aspects of this systematic approach include:

- Engaging with Adbri's integrated HSEMS.
- Setting objectives within operational business planning.
- Providing guidance and training for significant environmental aspects.
- Utilising a systematic approach to check compliance with environmental obligations documents.
- Conducting site inspections and audits to review risks, measure the effectiveness of our controls and assess our compliance performance.
- Tracking, reporting and regularly communicating environmental performance with internal and external stakeholders.
- Reviewing performance for opportunities for improvement.

Our Obligation Management System and integrated HSEMS support the environmental commitments outlined in our HSE Policy. This policy outlines the responsibilities of employees and contractors, as well as our HSE objectives, including to avoid, reduce or control waste and pollutants to reduce adverse environmental impacts.

Cintellate is used for recording hazards, incidents and community interactions, as well as recording related corrective and preventative actions to improve performance. Where necessary, all notifications are provided in a timely manner to relevant regulators. We invest in continuous improvement, and collaborate with government and the wider industry on solutions to improve environmental performance.

Enhancing our standards and guidance through an Environmental Step Change Strategy

In 2023, we continued a review of the HSEMS, with a particular focus on enhancing standards and guidance for environmental risk and opportunity management. The review also included considering data and reporting systems to better inform decision making, identifying opportunities for improvement, and improving training and awareness.

As part of this, we identified our Significant Environmental Aspects and introduced guidance and training around these as focus areas, commencing with air and water quality. These aspects are also reflected in our 10 E-ssential Rules released during the year. The E-ssential Rules help raise awareness and empower staff and contractors to manage risks and opportunities in their everyday work.

To embed the E-ssential Rules into our operations, training modules were rolled out for operational managers and supervisors, and incorporated into toolbox talks to all operational staff. A brochure was also prepared for all staff, summarising the E-ssential Rules and providing guidance on how every employee can support improved environmental performance.

Development and rollout of the Environmental Step Change Strategy will continue in 2024 addressing land management, natural resources, waste management, and chemicals and fuels.



Metrics and targets

	2023	2022	2021	2020	2019
Process waste to landfill¹ (tonnes)	130,562	124,464	170,259	161,088	191,574
Process waste to landfill¹ (% reduction since 2019)	32	35	11	16	-
Mains potable water usage (MI)	1,239	1,335	1,091	1,206	1,327
Number of reportable environmental incidents¹	1	0	0	1	1
Number of fines in relation to environmental licences	0	0	0	1	1
Penalties	\$245,000²	Nil ²	Nil	\$15,000	\$15,000

1. An Environmental Incident that is a breach of Environmental legislation, permit, licence or other obligation that results in a non-trivial regulatory penalty.
2. On 1 December 2022, CCL was found guilty of six charges relating to unreasonable emission (odour) from our Munster operations. On 8 December 2023, an appeal court determined the fine at \$245,000 across all six charges. CCL regrets the interference which impacted nine residents over seven days in January to April 2019. CCL is giving significant attention, time and expense to:
 - Understand the feedback about odour in the community adjacent its operations;
 - Review its operations; and
 - Liaise with DWER about the feedback and its operations.



Material topics

Air quality

Air quality is one of Adbri's Significant Environmental Aspects, with a focus on responsibly managing emissions to atmosphere to reduce the risk of air pollution and nuisance impacts on the community. Emissions include dust, noise and vibration, odour, particulates and gas.

We aim to achieve this across our varied operations by:

- Identifying potential sources of emissions to atmosphere.
- Putting in place management controls to mitigate the risk of offsite emissions.
- Monitoring emissions where sites have higher risk settings, or as required by licence, including through stack testing, and dust, noise and blast monitoring, to assess compliance.
- Managing site operations to reduce the risk of generating uncontrolled emissions to atmosphere.
- Seeking operational improvements to mitigate or reduce the generation of emissions.

2023 snapshot 📷

Completed odour trials at Cockburn Cement Limited (CCL) operations – Munster

Cockburn Cement (CCL) has been working with the DWER to investigate and understand odour complaints in the Munster, Beeliar and Yangebup suburbs of the City of Cockburn.

Our extensive works and investigations over many years have found that odour can be generated in CCL's stacks when the raw material, shellsand, is heated between 400°C and 600°C. By modifying the process and exposing the shellsand to higher temperatures, earlier laboratory trials indicated it can destroy odour causing substances before they are emitted. This is referred to as the feed diversion solution.

After gaining approval from DWER in August 2021 to trial the solution, the trial commenced in May 2022 and concluded in April 2023.

The results of the feed diversion solution trials are positive and show a significant reduction in odour detection and intensity in the stack during the testing period. We are currently seeking approval from DWER to use the feed diversion solution on an ongoing basis.

Improving dust and noise management

During 2023, we continued implementation of our Environment Improvement Program at Birkenhead, including completion of an updated air emissions inventory and noise model to identify new dust and noise improvement opportunities.

Elsewhere, extensive dust controls across the lime kiln dust disposal area at Munster were extended and enhanced, and a new cement kiln dust disposal process at Blanchetown, South Australia was developed to reduce dust generation and improve landfill efficiency.

Reduce adverse environmental impacts continued

Waste management and circular economy

Waste management and natural resources efficiency are both part of Adbri's Significant Environmental Aspects, with a focus on conserving natural resources to improve our efficiency and support a circular economy. In addition, responsible handling of waste reduces pollution and increases sustainable outcomes.

We aim to achieve this by:

- Identifying the key waste generated by our sites.
- Seeking opportunities to reduce waste generation and apply circular economy principles.
- Separating waste streams to increase opportunities for recovery of suitable streams for reuse in our processes, or for recycling and beneficial reuse offsite, in preference to landfill disposal.
- Putting in place management controls to mitigate the risk of pollution and litter and to ensure the lawful handling of waste.
- Responsibly handling hazardous and prescribed waste.
- Creating innovative and sustainable outcomes by investing in research and development and utilising alternative raw materials and alternative fuels to realise climate and circular economy benefits and reduce natural resource consumption.

2023 snapshot 📷

Supporting a circular economy for packaging

During the year, Adbri joined the Australian Packaging Covenant Organisation (APCO). As a not-for-profit organisation responsible for managing the Australian Packaging Covenant, APCO helps lead the development of a circular economy for packaging in Australia. As a signatory to the Covenant, Adbri will be reporting on our action plans and progress annually, which will help us meet our regulatory requirements under the National Environment Protection (Used Packaging Materials) Measure 2011.

Responsible water use

Water quality management is one of Adbri's Significant Environmental Aspects, with a focus on controlling and responsibly managing water resources. We also ensure correct storage and handling of chemicals, fuels and other materials used at our sites to reduce the risk of pollution impacts on surface and groundwater.

We aim to achieve this by:

- Identifying water usage and wastewater generation at our sites.
- Implementing and regularly inspecting water quality controls, including appropriate drainage and containment design to prevent sediment and erosion and to mitigate the risk of pollution.
- Diverting and separating clean stormwater away from operational and materials stockpiles.
- Ensuring lawful handling of wastewater.
- Ensuring correct secure and banded storage and handling of chemicals and fuel and ensuring we are prepared for spill response.
- Monitoring water quality and compliance.
- Seeking to minimise potable water usage and increasing recycling and reuse opportunities.

2023 snapshot 📷

Building a strong culture of water efficiency

Cockburn Cement was recognised with the Industrial Platinum Business of the Year award in Watercorp's Waterwise Program in May 2023. The award recognises 'a strong culture of water efficiency' at Cockburn Cement's Munster operation, with annual water use reduced by 27.5 million litres since 2012. An artificial wetland recycles most processed water and captures stormwater, and regular monitoring and sub meters help make the most of our resources.

Biodiversity and land management

Land management is one of Adbri's Significant Environmental Aspects, with a focus on site management and development practices to protect land quality, including biodiversity and heritage, and responsibly managing legacy contamination.

We aim to achieve this by:

- Acknowledging our role as landowners for responsible environmental stewardship.
- Conducting surveys and identifying sensitive areas at our sites.
- Seeking to minimise ground disturbance.
- Developing controls and management plans to mitigate risks of adverse environmental impacts.
- Obtaining all relevant approvals related to land management activities.
- Actively protecting and enhancing biodiversity outcomes including through rehabilitation.

2023 snapshot 📷

Progressing rehabilitation at Batesford Quarry

In March 2023, we completed Stage 4 rehabilitation works at Batesford Quarry, Adbri's joint venture operation near Geelong. This was the last major stage to complete the ten plus year rehabilitation project at the quarry and represents 10% of the total rehabilitation works.

An additional 30,000 trees were planted in 2023, bringing the total to more than 100,000 trees over three years.

Our Batesford quarry also supports a decade-long program with the Victorian Peregrine Project involving annual monitoring and tagging of chicks nesting in limestone at the site. The Victorian Peregrine Project is a volunteer-based conservation initiative across Victoria combining field research, community engagement and education.

In support of the program, two new nest box sites were established at our Batesford operation to encourage the birds away from operational areas of the quarry. A pair of Peregrine Falcons (*Falco peregrinus*) have made good use of the nest boxes to provide a safe haven for their chicks in 2023 and 2022.

Responding to climate change

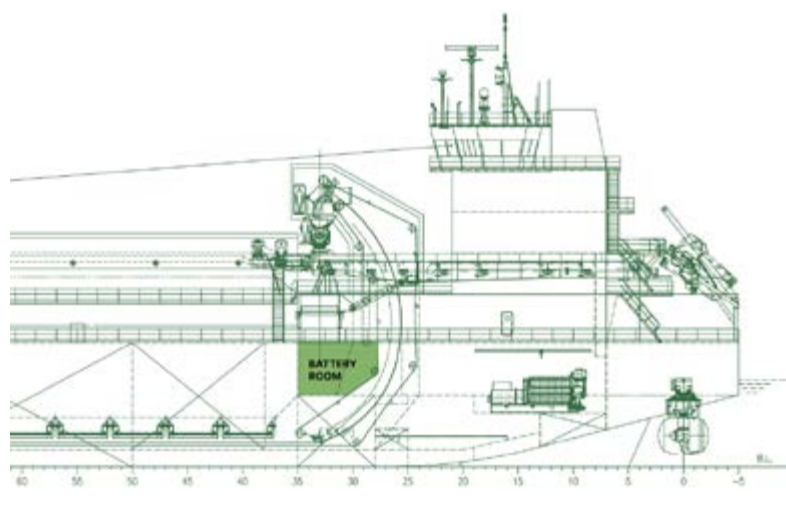
Adbri accepts the Intergovernmental Panel on Climate Change's evidence that warming of the planet is unequivocal, that human influence is the main driver and that physical impacts are unavoidable.

We believe the world must pursue the Paris Agreement goals with increased collective ambition to accelerate action in order to limit the impacts of climate change, and that business has a critical role to play in responding to scientific evidence and addressing the risks and uncertainties of climate change.

With cement, concrete and lime products having a critical role to play in the transition to a low carbon economy, we are committed to reducing our operational greenhouse gas emissions in line with our public targets as we transition to a low carbon future, evident in our material topics: greenhouse gas emissions reductions, sustainable products, government policy, climate resilience and energy management.

We are committed to producing lower carbon products for our customers to support their sustainability goals, and to partnering with others to develop technologies and solutions as we differentiate our business to increase market share and profitability. This will also require engaging with governments to adopt appropriate policies to support sustainable manufacturing in Australia, as well as working with experts to build our knowledge and enhance the resilience of our assets to adapt to the potential physical impacts of climate change.

More detail on our position on climate change can be found in our [Net Zero Emissions Roadmap](#).



Adbri has signed an agreement for a new limestone vessel in 2026 where electricity will replace about 25% of the vessel's diesel fuel. By 2031, we aim to achieve 100% electric power capability, further reducing Scope 1 emissions.

Metrics and targets

In FY23, Adbri's total operational Scope 1 and 2 GHG emissions decreased 8% compared to the previous year. This reduction was a result of a 6% decrease in Scope 1 emissions and a 28% reduction in Scope 2 emissions.

Scope 1 emissions reduced from FY22 levels as a result of decreased production at some of our cement and lime sites, alternative fuel use at Birkenhead and Angaston, and the phase out of coal as a kiln fuel at Munster.

The significant drop in Scope 2 emissions is a result of greater renewable generation contribution within the National Electricity Market and Western Australia's South West Interconnected System.

Total emissions Scope 1, 2 & 3 and energy consumption

	FY23	FY22	FY21	FY20	FY19
Scope 1 emissions (tCO ₂ -e)	1,798,170	1,922,718	2,092,331	2,125,121	2,156,481
Scope 2 emissions (tCO ₂ -e)	132,803	183,268	197,118	207,432	230,539
Scope 3 emissions (tCO ₂ -e) ¹	932,042	979,849	1,012,808	N/A	N/A
Total energy consumption (GJ)	12,829,762	13,523,765	14,175,950	14,286,867	14,782,120
Total operational GHG emissions (Scope 1 and 2)(tCO ₂ -e)	1,930,973	2,105,986	2,289,449	2,332,553	2,387,020

1. Our Scope 3 emissions calculation methodology remains the same as last reporting period. We are in the process of expanding our Scope 3 emissions calculation methodology to include more categories of Scope 3 emissions, in preparation for mandatory climate-related financial reporting in Australia.

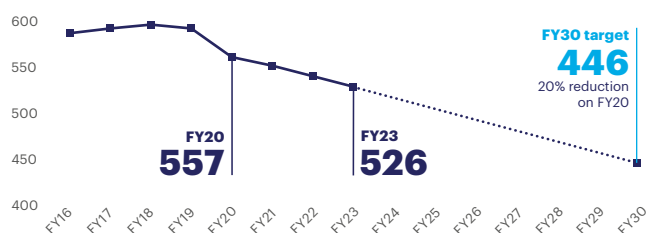
Responding to climate change continued

Adbri's Net Zero Emissions Roadmap targets and goals

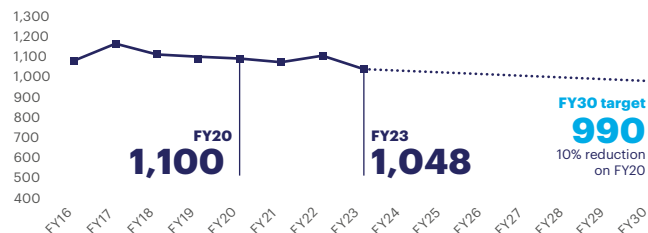
	Targets	Baseline	FY23 result	FY23 progress
Short-term 2024 targets	7% absolute reduction in operational emissions by FY24	FY19 2,387 ktCO₂-e	1,931 ktCO₂-e 19% below baseline	The use of alternative fuels, reducing coal use at Munster and Scope 2 emissions reduction via grid decarbonisation have all contributed to absolute emissions reduction. A further contributing factor has been a decrease in production of clinker and lime, reducing our Scope 1 emissions.
	50% kiln fuel to be sourced from alternative fuel in South Australia	FY19 23%	35% 15% remaining to reach FY24 target	Waste oil substitution increased at our Angaston operations, offset by a slight decrease in RDF usage at Birkenhead, compared to FY22. Adbri obtained approval for increased usage of RDF at Birkenhead with the SA EPA, to substitute more kiln fuel with alternative fuels. In addition, we have received approval for waste oil storage upgrades at Angaston so that we can seek approval for increased use of alternative fuels.
	24% supplementary cementitious materials (SCMs) as a proportion of final cementitious product	2019 21%	23% 1% remaining to reach 2024 target	Positive increase in SCM usage in 2023, including Type GL Cement trials undertaken in NT and WA, with regular consumption of Type GL in SA and NSW ongoing.
Medium-term 2030 targets	20% reduction in cement Scope 1 emissions intensity (kgCO₂-e net/tonne) by FY30	FY20 557 kgCO₂-e net/tonne	526 kgCO₂-e net/tonne 6% below baseline	Increased alternate fuel usage and SCM substitution (above) are critical to reduce cement net emissions intensity.
	10% reduction in lime Scope 1 emissions intensity (kgCO₂-e/tonne) by FY30	FY20 1,100 kgCO₂-e/tonne	1,048 kgCO₂-e/tonne 5% below baseline	The greatest influence on the reduction in lime Scope 1 emissions intensity is the reduction in coal use in the kilns at Munster, which was replaced with natural gas. Coal use has decreased from being 68% of the kiln fuel consumption in FY19 to 21% in FY23.
	100% zero emissions electricity supply by FY30¹	FY20 8%²	7% 93% remaining to reach FY30 target	Refined calculation methodology and data collection ¹ has enabled updated historical analysis of our zero-emissions electricity supply, reflected in an updated baseline value of 8%. Since FY20, we have seen a slight decrease in the per cent default delivered renewable electricity from the grid (RPP ³), which is influenced by government legislation. The reduction in renewable electricity percentage, coupled with a 6% reduction in electricity consumption over time, has caused our zero-emissions electricity supply to lower by 1%.

- Previously, the percentage was calculated as the proportion of our group electricity consumption offset by voluntary Large-scale Generation Certificates (LGCs). In recent months, Adbri has expanded this methodology to include the LGCs purchased because of our electricity consumption, assigned to us via the government nominated Large-scale Renewable Energy Target (LRET).
- Updated data collection and calculation methodology to determine amount of zero emissions electricity being consumed.
- RPP refers to the Renewable Power Percentage, published annually by the Clean Energy Regulator.

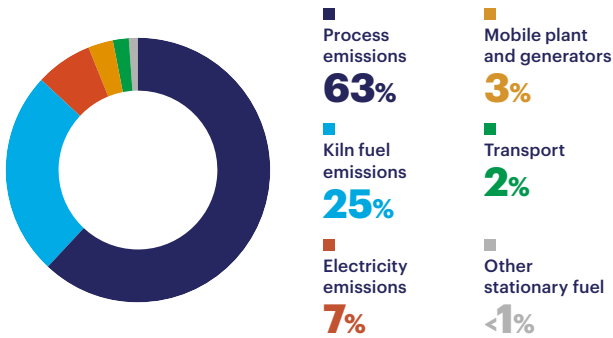
Cement emissions intensity historical performance and target commitment (kgCO₂-e net/tonne)



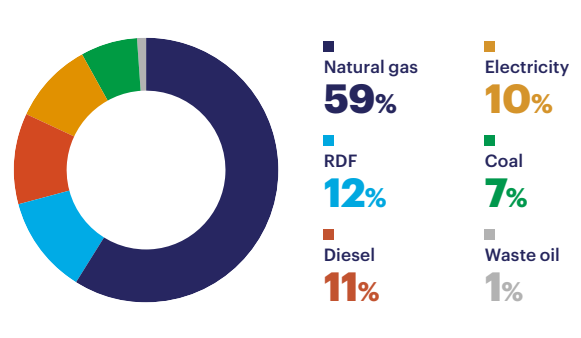
Lime emissions intensity historical performance and target commitment (kgCO₂-e/tonne)



FY23 Operational GHG emissions (Scope 1 + Scope 2) by source

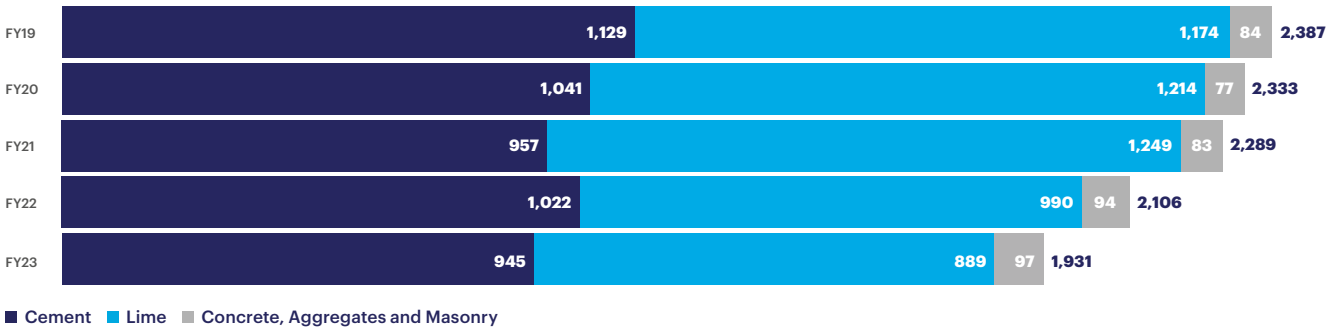


FY23 Energy consumption by source



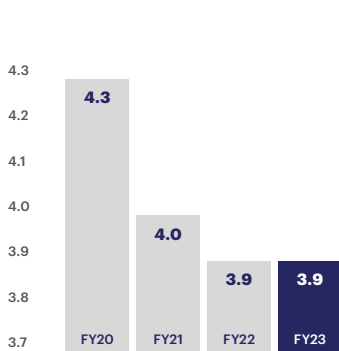
GHG emissions by product Scope 1 + Scope 2

kt CO₂e



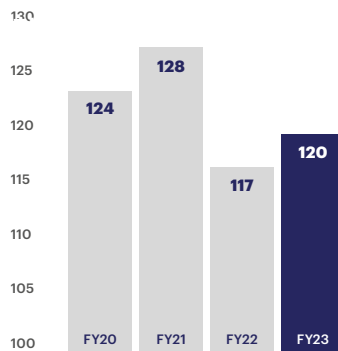
Thermal efficiency

GJ/t clinker



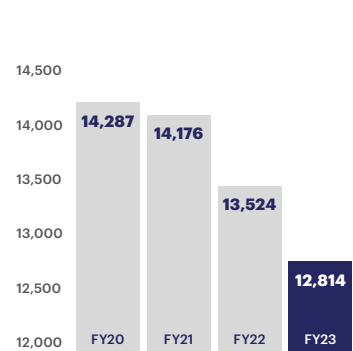
Electrical intensity¹

kWh/t cement



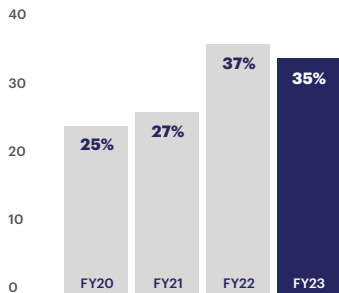
Reduced energy consumption

GJ ('000)



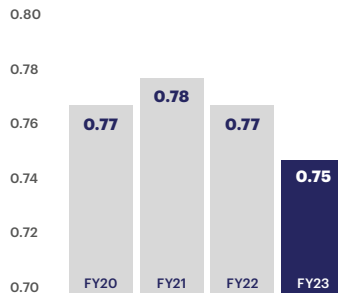
Alternative fuel use in South Australia¹

%



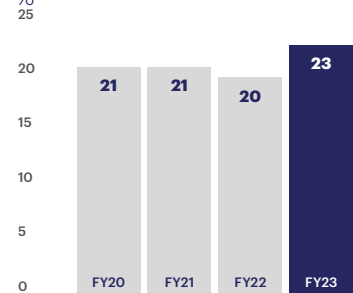
Clinker to cement ratio

%



Supplementary cementitious material of total cementitious material sold

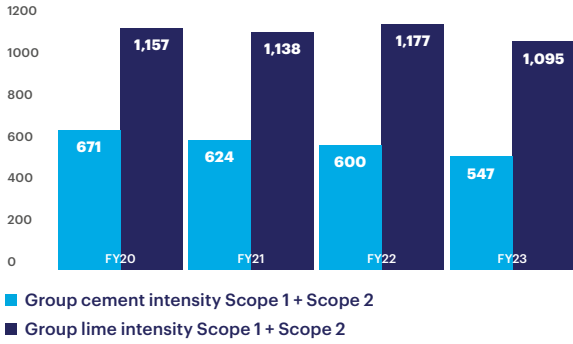
%



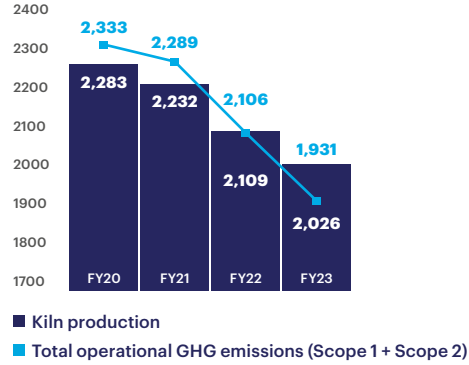
1. Due to refinement of calculation methodology and data collection in 2023, current and previous data has been updated to ensure appropriate comparability for progress reporting.

Responding to climate change continued

Gross emissions intensity by product Scope 1 & Scope 2¹
kg GHG/t



Operational GHG emissions (Scope 1 + Scope 2)
'000 t



Material topics

Greenhouse gas emissions reductions

Adbri operates two emissions-intensive, trade-exposed and hard-to-abate processes – the integrated manufacture of clinker and the production of lime. Unavoidable, chemically liberated carbon dioxide from the high-temperature processing of limestone accounts for approximately 63% of Adbri’s Scope 1 and Scope 2 GHG emissions. There is currently no complete substitute for limestone in this process.

As acknowledged by the Science Based Targets Initiative (SBTi), the pace of decarbonisation for the cement industry is likely to be slower than other industries, however we are committed to and focused on partnering with innovators in this space.

In the short to medium term, we are committed on focusing on using conventional approaches to abate our energy-related emissions, while we work in collaboration with key partners to demonstrate the viability of emerging technologies to reduce our process emissions.

Our long-term 2050 goal is heavily dependent on the commercialisation of breakthrough technologies to reduce Scope 1 emissions. While we are committed to investing in the development of these essential breakthrough technologies, we acknowledge there may be impediments to their adoption in our operations that impact our ability to meet our goal.

Our commitment to decarbonise our operations and products is reinforced by our absolute emissions and emissions intensity targets. These have been publicly shared and are reported on annually. In addition, we link Executive remuneration and incentives to emissions reduction targets to further demonstrate our commitment to our net zero emissions goal. For example, the 2023 Short Term Incentive target was for a 5% reduction in absolute greenhouse gas emissions, which was achieved. More details on Executive remuneration incentives can be found in the Remuneration Report within the 2023 Annual Report.











We are continually maturing our capital allocation processes to ensure climate-related risks and opportunities are adequately and consistently considered. In the future, this will include guidance on application of an internal shadow carbon price.

1. Due to refinement of calculation methodology and data collection in 2023, current and previous data has been updated to ensure appropriate comparability for progress reporting.




2023 snapshot

Heading towards net zero emissions

In 2023 we made progress towards our goal of net zero emissions by 2050 by advancing our three action areas of: reduce emissions, create new products, and collaborate.

		2023 Progress	
Reduce emissions	Cement	 Process and energy efficiency improvements	<ul style="list-style-type: none"> - Increasing the maximum allowable RDF rate has been approved by the EPA, diverting an additional 80,000 tonnes of refuse from landfill each year and a reduction of greenhouse gas emissions by a further approximately 13,000 tonnes annually. - Installation of a new, more efficient kiln burner, resulting in a 5% clinker gas consumption benefit, while supporting up to 100% substitution of natural gas with RDF in the calciner. - Launched EvoCem™ Type GL Cement to increase SCM usage and reduce overall cement net intensity. We accelerated the internal use of Type GL cement within our NSW and SA premix concrete business and successfully completed field trails of GL cement conducted in NT, WA and Vic. We have developed a significant and compelling database of GL test data within concrete and have been actively using this to influence change within Australian Standards, both of which are critical levers to mass adoption. - Signed an agreement for a new limestone vessel where electricity will replace about 25% of diesel fuel when it commences operations in 2026.
		 Increase decarbonated raw feed	
		 Increase alternative fuels	
		 Increase the use of SCMs	
		 Diesel reduction and replacement	
	Lime	 Process and energy efficiency improvements	- Continued to progress the Calix Prefeasibility Study to understand the ability and commercial viability of using Calix's calciner process to produce low emission quicklime on an Adbri site.
		 Explore options for alternative fuels	- Continuing to investigate potential alternative kiln fuels, including biofuel, to reduce emissions and promote circular economy.
		 Fuel switching	- Phasing out coal use as a kiln fuel at Munster, providing a positive impact on reducing the emissions intensity of lime production.
	Concrete, Aggregate and Masonry	 Process and energy efficiency improvements	- Further swap out of existing masonry gas fired kilns with continuous curing systems has been completed in Queensland and Victoria, reducing gas consumption by 60% compared to the previous gas fired curing systems.
		 Diesel reduction and replacement	<ul style="list-style-type: none"> - Modernising fleet to reduce emissions intensity through increased capacity and engine efficiencies. - HYDI Hydrogen on Demand Truck Trial, an optimisation initiative, resulting in less carbon emissions. The trial was paused during 2023, however recommenced at the end of the year with results and commerciality to be assessed. - Entered into a partnership with Janus Electric to develop battery-electric retrofit options for prime movers, with Janus converting the first of Adbri's existing prime movers into an electric vehicle in 2023. Converting existing vehicles significantly reduces the need for capital investment. The electric technology utilises exchangeable batteries to power heavy vehicles, with the batteries powered by renewable energy sources such as solar or wind. The resulting electric trucks emit zero tailpipe emissions, reducing air pollution and improving air quality. - Optimisation of quarry fleet and machinery scheduling to reduce fuel consumption has seen positive results during trials.

Responding to climate change continued

			2023 Progress
Reduce emissions	Electricity	 Process and energy efficiency improvements	<ul style="list-style-type: none"> Updated methodology for calculating zero emissions electricity to more accurately reflect our baseline and progress.
		 Zero emissions electricity	<ul style="list-style-type: none"> As part of our ongoing investment into rooftop solar, we installed an additional 80kW in 2023, taking our installed capacity of rooftop solar to a total of 1.1MW.
	Breakthrough technologies	 Breakthrough technologies	<ul style="list-style-type: none"> Completed preliminary studies into a large-scale carbon capture facility for Dongara and a pilot scale facility for Munster. We will continue to assess collaboration opportunities and progress feasibility investigations. Monitoring carbon utilisation technology and commenced engagement to better understand this technology.
Create new products	Lower carbon products	<ul style="list-style-type: none"> Develop new SCMs Innovate and develop lower carbon products Launch Environmental Product Declarations (EDPs) to inform choice Create product awareness to grow market demand 	<ul style="list-style-type: none"> Released Environmental Product Declarations (EPDs), that are independently verified to ISO 14025 and the best practice standard EN 15804, and are registered with EPD Australasia. Launched a new lower carbon concrete range, Futurecrete®. The product range uses up to 65% supplementary cementitious materials to reduce the embodied carbon in concrete, backed up by our newly released EPDs. Launched a low carbon Type GL cement, EvoCem™. The product provides equivalent performance to Type GP cement, with up to 8% less embodied carbon, as confirmed in our independently verified EPDs.
	Building design and construction	<ul style="list-style-type: none"> Support efficient and innovative building design and construction Recycle concrete 	
Collaborate	Key partners	<ul style="list-style-type: none"> Work together across our processes to reduce emissions and create new products with customers, suppliers, joint venture partners, technology developers, research organisations, industry associations, governments, and standard setting authorities 	<p>Partnerships with technology developers, industry associations and government, including:</p> <ul style="list-style-type: none"> CIF Smartcrete recarbonation investigation/project HILT CRC, SmartCrete and MECLA <p>Research collaboration with University of Adelaide on two projects completed by Chemical Engineering students: <i>Mineral Carbonation Using CO₂ Captured From The Birkenhead Cement Plant</i> and <i>Methanol Production Using CO₂ Captured From The Birkenhead Cement Plant</i>.</p>



Sustainable products

Adbri began innovating our products for sustainability over 15 years ago, using cement substitutes in our mixes. Through rigorous testing and product development, we developed a range of lower carbon products, including Futurecrete® and EvoCem™, which reduce the embodied carbon in cement and concrete to provide our customers with more sustainable choices.

We are proud that our Birkenhead Type GP cement is the lowest embodied carbon Type GP cement verified in Australia.

Adbri has a well-established supplementary cementitious materials (SCM) strategy, involving the use of existing materials such as fly ash and slag, while also focused on developing new and emerging SCMs. Our SCM usage is on track to meet our 2024 target.

SCM usage is largely influenced by seasonal effects, with increased capacity for usage during warmer weather periods when setting times are reduced.

2023 snapshot 📷

Providing customers with transparent product credentials

As part of our ongoing commitment to developing low carbon products, in 2023 we released a series of standalone Environmental Product Declarations (EPDs) for our lime, pre-mixed concrete and masonry products, to complement our Cement EPD released in 2022. These EPDs provide our customers with independently verified life cycle analysis (LCA) data (including embodied carbon), conducted in accordance with ISO14025 and EN15804, allowing them to confidently make informed sustainability decisions involving the use of our products.

In addition to our standalone EPDs, we have also attained independent verification for cement, pre-mixed concrete and masonry LCA calculators. These calculators allow Adbri to provide bespoke EPDs for our customers and their projects.

Providing a lower carbon cement choice with EvoCem™

During 2023 we launched Adbri EvoCem™, a lower carbon cement which is AS3972 compliant and provides equivalent performance to Type GP cement. EvoCem™ is a General Limestone cement (Type GL) which has been pioneered in Australia by Adbri. EvoCem™ reduces embodied carbon by up to 8% compared to General Purpose (Type GP) cement, as verified in our Cement EPD.

Through rigorous field trials and testing, we've placed over 300,000m³ of concrete containing EvoCem™ in New South Wales, South Australia and Northern Territory, across a broad range of concrete strength grades and applications. The roll out of EvoCem™ across Adbri's broader manufacturing network is continuing, with trials successfully started in Victoria and Western Australia.

Launching our Futurecrete® low carbon concrete range

In 2023 we launched Futurecrete®, our national low carbon concrete range. Futurecrete® concrete meets the performance requirements of AS1379 and AS3600 and is suitable for use in a wide range of concrete applications.

Futurecrete® lowers the embodied carbon of concrete by incorporating supplementary cementitious materials (SCMs) as a cement replacement. The use of SCMs also contributes to concrete durability and supports the circular economy through the recycling of industrial by-products, including fly ash and slag. To be considered a Futurecrete® low carbon concrete, the mix must contain a minimum of 25% SCMs. To enable more significant carbon reductions, our Futurecrete® Ultra range uses over 41% SCMs in the mix as cement replacement, further reducing embodied carbon of the mix. Our Futurecrete® and Futurecrete® Ultra products are supported by our independently verified Concrete EPDs.



Adbri was engaged by Fulton Hogan to help reduce the embodied carbon of the Yarra Tram Track Renewal Project in Victoria. By utilising our Futurecrete® range and creating a bespoke cement mix of 25% cement replacement, this resulted in a reduction of up to 270,000 kg CO₂ equivalent per year of supply, compared to conventional concrete with no cement replacement.¹

1. Comparison between Hy-Tec's Victorian Futurecrete® 50MPa concrete and the AusLCI 50MPa concrete with no cement substitution.

Responding to climate change continued

Government policy

Throughout 2023, we welcomed direct engagement with the government on issues and proposed legislation that impacts our industries, including the Safeguard Mechanism reforms and Carbon Leakage Review, as well as decarbonisation and innovation funding programs.

We look forward to continuing to work with the Federal Government on their Carbon Leakage Review including clinker, cement and lime, and to working with State and Federal Governments on practical measures to reduce emissions, such as by allowing the lower embodied carbon, Type GL cement in Government funded infrastructure projects.

Adbri has also engaged with the Australian Treasury's consultation on proposed mandatory climate-related financial disclosures, by providing feedback via industry associations. We welcome the Australian Accounting Standards Board's intention to introduce the new Australian Sustainability Reporting Standards.

As one of the three domestic producers of clinker and lime, Adbri is a member of the Cement Industry Federation (CIF) and Cement Concrete & Aggregates Australia (CCAA). We are also continuing members of HILT CRC, SmartCrete CRC, MECLA, and Concrete Masonry Association of Australia (CMAA). As a proactive industry member, we may not always agree with the climate-related policy positions taken by industry associations, but we are committed to continuing collaboration, and advocating for strong climate action. If relevant, where we aren't aligned with an industry association's views, we proactively engage directly with government on the matter.

2023 snapshot 📷

Working together on the Safeguard Mechanism

Adbri supports the need for Australia to decarbonise and the ambition of the Safeguard Mechanism reforms. We recognise we cannot advance climate change action without government policy that creates the right framework for change.

Over the course of 2023, we have actively engaged with Government throughout the Safeguard Mechanism reforms consultation period to:

- Gain recognition of the importance of domestic cement and lime manufacturing and previous decarbonisation progress.
- Maintain targeted consideration for trade exposed, hard-to-abate manufacturing sectors.
- Support \$400 million in additional targeted funding for industries providing critical inputs to clean energy industries (including cement and lime) to support the radical innovation required to decarbonise our industry.

The Government's recognition of the strategic importance of Adbri's operations, as well as the challenges facing hard-to-abate sectors, will be vital as Australia transitions to a low carbon economy.

Climate resilience

Adbri's climate change risk assessments are aligned with the Taskforce for Climate-related Financial Disclosures (TCFD) approach and include an analysis of both transitional and physical risks. Physical climate change impacts and the need to adapt to a changing climate, is a material risk to Adbri.

Our assessment of the potential impacts to our operations against a variety of scenarios, and across multiple time horizons, is ongoing. With mandatory Australian climate-related financial reporting standards proposed for introduction in 2024, Adbri will look to expand on these disclosures in due course.

The market, policy, reputational and technology risks associated with the transition to a low carbon economy are also considered material risks to the business. The scenario analyses undertaken in 2020 and 2022 continue to inform our strategy and business planning, which will be reviewed with regulatory updates as Australia moves towards mandatory climate-related financial reporting.

Energy management

Adbri's operations use various forms of energy to produce and transport our products to customers, including kiln fuels, fuel for vehicles, and electricity from the grid or generated behind the meter at our operations.

Across the business, we are focused on efficient use and consumption of fuels and energy, whether it be diesel use in trucks or electricity used for cement milling.

Security of energy supply is particularly important for our kilns, where fuel sources such as natural gas and RDF are vital for producing clinker and quicklime. We measure and track our energy consumption to assess our progress against FY24 and FY30 targets.

2023 snapshot 📷

Increasing renewable energy capacity

At our Hy-Tec concrete operations in Alexandria, six kilometres south of Sydney's CBD, we installed another 80kW solar photovoltaic system, increasing the total installed capacity at the site to 179kW. Overall, our installed solar capacity across our Concrete, Aggregates and Masonry sites is over 1.1MW.

During 2023, we progressed investigation of behind-the-meter solutions at our key sites.

Improving energy efficiency

Over the last 18 months, Adbri Masonry has been undertaking an energy efficiency initiative to swap out existing masonry gas fired kilns with continuous curing systems. The curing systems offer consistent temperature and humidity throughout the chamber, speeding up the curing process and reducing gas consumption by 60% compared to the previous gas fired curing systems.

Building a better Australia... and a better Adbri

We approach 2024 with the belief that a sustainable business is a successful business.

The health and safety of our people remain our highest priority, as we expand our programs beyond physical safety to include psychological wellbeing.

The decarbonisation of our operations, and broader industry, will continue to see us collaborate with innovators and governments to support the transition to a low carbon economy, while remaining focused on reducing what we can, now.

In 2024, on the expiry of our current framework, we will review our Sustainability Framework to set new near-term targets.

Feedback

Adbri welcomes all feedback on the 2023 Sustainability Report. If you have any questions or comments, please email info@adbri.com.au. For more information about specific topics, see the Adbri website at www.adbri.com.au.



Disclaimer

This Sustainability Report has been prepared as part of Adbri Limited's annual reporting materials for the purpose of providing investors in Adbri Limited with general information regarding the Company's performance and plans for the future with respect to sustainability. The information included in this Sustainability Report and the Net Zero Emissions (NZE) Roadmap released by the Company to the Australian Securities Exchange on 2 May 2022 (Roadmap) is not investment or financial product advice. Before making an investment decision, you should seek appropriate financial advice, which may take into account your particular investment needs, objectives and financial circumstances. Past performance is no guarantee of future performance.

This Sustainability Report, as well as the Roadmap which is referred to and aspects of which are contained in this Sustainability Report, contain forward-looking statements and statements of opinion. These may include statements regarding climate change, transition scenarios, external enablers (including technology commercialisation, policy support, market support for lower carbon products, raw materials availability and energy availability), actions of third parties, as well as our goals, targets and plans in relation to sustainability (including health and safety, people and culture, community, the environment and climate change). Such statements may be identified by the use of terminology including, but not limited to, 'intend', 'aim', 'ambition', 'aspiration', 'goal', 'target', 'project', 'see', 'anticipate', 'estimate', 'plan', 'objective', 'believe', 'expect', 'commit', 'may', 'should', 'need', 'must', 'will', 'would', 'continue', 'forecast', 'guidance', 'trend' or similar words.

Unless specified otherwise, any such statements speak only at the date of this Sustainability Report or the Roadmap. Readers are cautioned not to place undue reliance on such statements, particularly in light of the long-time horizon which this Sustainability Report and the Roadmap discuss and the inherent uncertainty in possible policy, market and technological developments in the future.

No representation or warranty is made regarding the accuracy, completeness or reliability of the forward-looking statements or opinion, or the assumptions on which either is based. All such information is, by its nature, subject to significant uncertainties outside of the control of the Company, and actual results, circumstances and developments may differ materially from those expressed or implied in this Sustainability Report or the Roadmap. There are also limitations with respect to scenario analysis, and it is difficult to predict which, if any, of the scenarios might eventuate.

Scenario analysis is not an indication of probable outcomes and relies on assumptions that may or may not prove to be correct or eventuate. Except as required by applicable laws or regulations, the Company does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events.

To the maximum extent permitted by law, the Company and its officers do not accept any liability for any loss arising from the use of the information contained in this Sustainability Report or the Roadmap.

Unless otherwise stated, the emissions data contained in this Sustainability Report or the Roadmap is reported as 30 June, consistent with regulatory reporting requirements. The Company's financial year ends on 31 December.

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