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Company Announcements Office  
Australian Securities Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

## 2024 ANNUAL REPORT

Seven Group Holdings Limited (ASX: SVW) attaches the Annual Report for the year ended 30 June 2024.

This release has been authorised to be given to ASX by the Board of Seven Group Holdings Limited.

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**Seven Group Holdings Limited** is an Australian diversified operating group, with market leading businesses across industrial services, energy and media. In industrial services, SGH owns WesTrac, Boral and Coates. WesTrac is the sole authorised Caterpillar dealer in Western Australia, New South Wales and the Australian Capital Territory. Boral is Australia's largest and leading integrated construction materials business. Coates is Australia's largest industrial and general equipment hire business. In Energy, SGH has a 30.0% shareholding in Beach Energy, as well as interests in other energy assets in Australia and the United States. In Media, SGH has a 40.2% shareholding in Seven West Media, one of Australia's largest multiple platform media companies, including the Seven Network, 7plus and The West Australian.

**WesTrac**

**Coates**



**SGH | Energy**

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Annual Report  
2024



**SGH**

Disciplined Execution



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We delivered a strong result in FY24, achieved through disciplined execution and delivery from our Industrial Services businesses. Our 20% EBIT growth and 10-year earnings CAGR of 18% underscores both the strength of our business and the leadership of our people.”

**Ryan Stokes AO**  
Managing Director & CEO

## Contents

### Our Businesses

|    |                        |
|----|------------------------|
| 2  | Performance Highlights |
| 4  | Chairman's Letter      |
| 6  | MD & CEO's Letter      |
| 8  | Our Strategy           |
| 10 | Our Businesses         |
| 10 | WesTrac                |
| 12 | Boral                  |
| 14 | Coates                 |
| 16 | Energy                 |
| 18 | Media                  |

### Sustainability Report

|    |                |
|----|----------------|
| 20 | Sustainability |
| 33 | People         |
| 38 | Data Tables    |

### Performance Review

|    |                                |
|----|--------------------------------|
| 46 | Operating and Financial Review |
| 52 | Risk Factors                   |

### Directors' Report

|    |                                    |
|----|------------------------------------|
| 58 | Board of Directors                 |
| 60 | Executive Management               |
| 62 | Corporate Governance Overview      |
| 68 | Directors' Report                  |
| 71 | Remuneration Report                |
| 95 | Auditor's Independence Declaration |

### Financial Report

|     |                                          |
|-----|------------------------------------------|
| 97  | Primary Statements                       |
| 101 | Notes to the Financial Statements        |
| 159 | Consolidated Entity Disclosure Statement |
| 162 | Directors' Declaration                   |
| 163 | Independent Auditor's Report             |

### Other Information

|     |                         |
|-----|-------------------------|
| 168 | Shareholder Information |
| 169 | Investor Information    |
| 169 | Company Information     |
| BC  | Corporate Directory     |

## Performance highlights

Strong customer activity in FY24 supported SGH to deliver 10% revenue growth to \$10.6 billion, and 20% EBIT growth to \$1.4 billion.

Revenue (\$bn)

**\$10.6bn**  **10%**

EBIT (\$m)

**\$1,419.2m**  **20%**

Underlying EPS (\$)

**\$2.31**  **28%**

10-year EBIT CAGR

**18%**

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“

The FY24 results highlight SGH's ability to consistently deliver growth in varied market conditions, reflecting the core-plus nature of our business. The efficiency gains achieved through operating and cost disciplines, combined with strategic investments in our operations, systems and technology, were instrumental to delivering the strong result.”

Ryan Stokes AO –  
Managing Director & CEO

| Five year results \$m                                         | 2024            | 2023    | 2022    | 2021    | 2020    |
|---------------------------------------------------------------|-----------------|---------|---------|---------|---------|
| <b>Revenue</b>                                                | <b>10,605.2</b> | 9,626.5 | 8,965.7 | 4,838.7 | 4,562.6 |
| <b>Underlying results<sup>(a)</sup></b>                       |                 |         |         |         |         |
| EBITDA                                                        | <b>1,929.9</b>  | 1,688.5 | 1,465.0 | 1,052.4 | 1,001.2 |
| EBIT                                                          | <b>1,419.2</b>  | 1,186.5 | 987.1   | 792.1   | 737.9   |
| Profit before tax                                             | <b>1,125.7</b>  | 903.1   | 733.5   | 634.2   | 587.8   |
| Underlying EPS (\$)                                           | <b>2.31</b>     | 1.80    | 1.52    | 1.46    | 1.39    |
| <b>Statutory results</b>                                      |                 |         |         |         |         |
| Profit before tax                                             | <b>765.8</b>    | 855.3   | 773.5   | 762.7   | 231.1   |
| Profit after tax                                              | <b>522.1</b>    | 646.5   | 607.4   | 634.6   | 117.5   |
| Reported EPS (\$)                                             | <b>1.26</b>     | 1.64    | 1.54    | 1.84    | 0.34    |
| Operating cash flow per share <sup>(b)</sup> (\$)             | <b>2.19</b>     | 3.29    | 1.41    | 1.81    | 1.59    |
| Free cash flow per share <sup>(c)</sup> (\$)                  | <b>0.47</b>     | 1.73    | (0.28)  | 1.31    | 0.83    |
| Full year fully franked ordinary dividend paid per share (\$) | <b>0.46</b>     | 0.46    | 0.46    | 0.44    | 0.42    |

(a) Underlying results comprise statutory results adjusted for significant items and are separately disclosed in Note 3: Significant items of the Financial Report to assist users in understanding the financial performance of SGH. Underlying results are reconciled to statutory performance on page 46. They are a non-IFRS measure and have not been audited or reviewed.

(b) Operating cash flow per share is calculated by dividing the operating cash flow of SGH by the weighted average number of ordinary shares outstanding during the year.

(c) Free cash flow per share is operating cash flow less net capital expenditure, divided by the weighted average number of ordinary shares outstanding during the year.

## Chairman's Letter

On behalf of the Board, I am pleased to present to you the FY24 Annual Report for Seven Group Holdings (SGH). SGH has delivered an exceptional year both strategically, with the acquisition of 100% of Boral, and financially, delivering 20% earnings growth.



Terry Davis  
Chairman

Dear Shareholders,

On behalf of the Board, I am pleased to present to you the FY24 Annual Report for Seven Group Holdings (SGH). SGH has delivered an exceptional year both strategically, with the acquisition of 100% of Boral, and financially, delivering 20% earnings growth.

The successful acquisition of Boral underscores a decade of evolution for SGH, transitioning from a small-cap investment holding company to one of the largest diversified operating companies on the ASX. We now have a focused portfolio featuring some of the leading industrial businesses in Australia.

Through that journey, SGH has increased its market capitalisation from \$2bn to over \$15bn and joined the S&P ASX100 and MSCI Global Indices, driven by the disciplined execution of our operating model and capital allocation framework. We deploy both with absolute discipline, and as a Board, we see this as an effective approach to support growth, drive results, and ensure our businesses are delivering on their potential.

### Operating Model and Capital Allocation

When looking at our operating model and capital allocation framework, there are five core principles that guide our decisions. First, our investments must generate long-term value for stakeholders. To ensure this, all potential investments undergo rigorous financial testing to make sure they meet our long-term investment requirements.

Second, we are committed to ensuring our businesses perform better under SGH ownership than they would independently. Our operating model ensures we focus on our businesses' performance as measured against best-in-class practice and our peers, and we expect to outperform.

Third, any investment SGH makes should align with our strengths and support our market leadership or competitive advantage. The company has a strong track record with industrial services businesses and the Australian market, making these areas our primary focus for growth.

Fourth, all investments must align with our core demand themes of mining production, infrastructure and construction, and gas to support the energy transition. Our targeted investment into these sectors has been a key factor in supporting our sustained performance against varying market conditions, and all three sectors maintain a positive outlook.

Finally, all our investments must align with SGH's capital management strategy, which is centred on optimising capital structure, beneficial use of leverage, preserving agility, and ensuring our ability to pay a stable and growing dividend over time.

The combination of these allocation principles and our operating model has underpinned a decade of outperformance, and delivery of 25%, 61% and 9% FY24 EBIT growth at WesTrac, Boral, and Coates respectively.

### Core Sector Outlooks

In WesTrac's largest exposure of mining production, Australian commodity export volumes grew 4% in FY24 and are expected to continue growing into FY25 and beyond. The growth outlook for key bulk commodity exposures supports our positive outlook for services and fleet replacement activity. There is also over \$77bn of committed resources projects in WA and NSW that underpin our positive capital sales outlook.

In infrastructure and construction, the primary exposure for Boral and Coates, the \$1.7t seven-year project pipeline is robust and replenishing. While there have been air pockets in customer activity in FY24 due to project commencement delays and labour availability, these factors have deferred opportunities rather than reduced them.

Looking forward, the sector is strongly supported by macro thematics, such as the 240,000 new homes required annually to achieve government housing supply targets, and the associated transport and energy infrastructure.

Our exposure to transitional energy through Beach Energy (30%) and SGH Energy is predicated on the idea that gas is the ideal fuel to support, or "firm-up," the increasing grid penetration of variable renewable energy. These businesses are positioned to sell gas into tightening East and West coast gas and global LNG markets, where supply shortfalls are expected as early as next year.

SGH has strategically positioned itself in these growth sectors through diligent capital allocation, and we are investing in our people, technology, and capacity to ensure we effectively capture the opportunity in these sectors.

### Sustained Outperformance

While our capital allocation model is simple, it has proven powerful in driving sustained outperformance. Over the past decade, SGH has delivered a compound annual earnings growth rate of 18%.

This sustained growth has supported the payment of stable and increasing dividends for over 30 years, which we have lifted by 30% in 2H FY24 to 30 cents per share fully franked.

The share price appreciation driven by earnings growth, along with increasing dividends, has persistently delivered superior returns for our shareholders. As a company, we have returned more than 550% total shareholder returns (TSR) over the past decade, compared to less than 120% for the ASX100. Importantly, the delivery has been consistent, with SGH achieving top decile TSR across 1, 3, 5, and 10-year horizons.

Despite SGH's strong growth, we are confident there is further value to unlock. As of July 2024, SGH was trading 2 times lower than the ASX100 and 4 times lower than the ASX Industrial index on a price to forward earnings ratio. This relative undervaluation is inconsistent with our demonstrated core-plus growth and returns profiles, which should logically command a valuation premium.

### Sustainability

With the finalisation of the Boral acquisition on July 4th, we have now included data and initiatives on Boral's decarbonisation journey in our reporting. We are assessing and realigning our FY30 targets based on this inclusion, and the anticipated changes in federal climate and sustainability reporting requirements. We will look to update the market on this in early FY25.

WesTrac and Coates made good progress on their respective decarbonisation roadmaps in FY24, with both businesses continuing their solar rollout programs. While at Boral, they have completed the Berrima Chlorine bypass to increase the facility's alternative fuels usage, and their lower carbon concrete now represents 33% of total volumes sold. I encourage you to read more on these initiatives in the Sustainability Report on pages 20-45 of this document.

### Brand Evolution

There has been a shift in the way SGH presents our branding, with the introduction of a new company brand-mark in May 2024. The brand-mark depicts a seven-pointed star, reflecting the company's heritage of Seven, and the Australian Commonwealth star or federation star.

The iconography has been designed to convey the strength and history of SGH, and our focus on the Australian market. We have also begun moving away from references to "Holdings," with the Boral transaction cementing our position as a leading industrial operator; having fundamentally evolved from our early history as an investment vehicle.

### Looking Ahead

As we move forward, SGH remains committed to driving sustainable growth and creating long-term value for our shareholders. We have multiple attractive growth opportunities in our current portfolio, including adjacencies at Boral in recycling, and co-development and leasing of surplus property.

Our disciplined operating approach and capital allocation have positioned us well to capitalise on opportunities in FY25 and beyond. We will continue to invest in our core strengths, while maintaining financial agility to adapt to changing market conditions.

The successes we have delivered are a testament to the hard work and dedication of our team, and I extend my gratitude to my fellow Board members, the SGH management team, and all our dedicated employees for their efforts this year.

We are excited about the future and look forward to another year of strong performance. Together, we will build on our achievements and continue to deliver exceptional value for all our stakeholders.

Finally, I want to thank you, our shareholders, including those who have joined from Boral, for your ongoing trust in the Board and management team and your continued support of our business.

Thank you.



## Managing Director & CEO's Letter

We are very pleased with the outcomes delivered in FY24, with strong profit growth achieved through disciplined execution and delivery from our Industrial Services business.

### Dear SGH Shareholders,

We are very pleased with the outcomes delivered in FY24, with strong profit growth achieved through disciplined execution and delivery from our Industrial Services business. Our 20% EBIT growth for the year and 10-year compound annual growth rate (CAGR) of 18% highlights our consistently strong earnings growth, and underscores both the strength of our business and the leadership of our people.

### Boral Acquisition

Increasing our ownership of Boral to 100% was a key strategic outcome for SGH. Since taking control in 2021, SGH has driven and supported Boral's performance journey. With 100% ownership, we now have complete access to Boral's strong cash flow generation, providing SGH shareholders the full benefits associated with the ongoing successful performance journey.

The acquisition of Boral is strongly aligned with our capital allocation principles. Boral has the core attributes necessary to sustain a competitive advantage, including market leadership and privileged, hard-to-replicate assets.

The acquisition is a significant step in our evolution towards becoming Australia's leading Industrial Services business, with WesTrac, Boral and Coates among the highest-quality industrial businesses in the country.

I am confident that Boral will continue to thrive as a wholly owned subsidiary of SGH. We look forward to continuing our support of their management team as they accelerate their performance journey and deliver growth.

### Operating Model

Boral faces into one of our core growth thematic of infrastructure and construction, which along with mining production and gas to support the energy transition, have underpinned a decade of outperformance for SGH.

These three core investment themes are where we deploy incremental capital, with a focus on investing exclusively within Australia, where we have confidence in the economic outlook and a proven competitive advantage. Our disciplined execution of this investment strategy has driven SGH's outstanding growth and consistent top-decile TSR performance for over a decade.

Unlike organisations with a singular operating business, our structure enables us to invest in adjacent opportunities, as demonstrated by our divestment of WesTrac China to fund the investment in Coates in FY18, and our initial investment in Boral in FY20.

Our Industrial Services businesses generate strong and stable cash flows, supporting SGH to take on leverage for growth, and when required, the flexibility to use operating cash flow to rapidly reduce debt. We continue to be strong proponents of considered use of debt to support growth and create value for shareholders.

We effectively demonstrated our ability to delever following the takeover of Boral in FY22. This transaction resulted in year-end post-transaction leverage (net debt to EBITDA) of 2.9x, which we were able to reduce to below 1.9x by FY24.

Our significant earnings growth has propelled SGH into the Top 50 of the ASX by market capitalisation, providing the company with higher market liquidity, more efficient access to capital, and stronger investor support than ever before.

Following the completion of the compulsory acquisition of Boral in July, our share register has further diversified, with the total number of shareholders increasing from 15,600 to over 40,000. We are pleased to welcome so many new shareholders to SGH, and remain focused on driving continued TSR growth, supported by our core values of Respect, Owner's Mindset, Courage, and Agility.



Ryan Stokes AO  
Managing Director & CEO

## People and Safety

We continue to focus on safety throughout our operations. It is pleasing to have delivered strong safety improvements year-on-year, with a 26% improvement in both Lost Time Injury Frequency Rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR) in FY24.

Our relentless progress on improving safety outcomes is driven by a focus on visible leadership, collective accountability culture, and enhanced WHS compliance and risk management. In FY25 we will continue our pursuit of zero-harm, with a focus on enhanced safety inductions and onboarding for new starters and contractors, and technology-driven safety improvements.

The company also made significant progress towards our diversity goals over the year, with overall female participation increasing from 17% to 18%, toward our target of 25%, and no distinguishable gender pay gap for like-for-like roles.

## SGH Results

SGH delivered revenue of \$10.6bn in FY24, an increase of 10%. This result was driven by strong customer demand and underpinned by 19% revenue growth at WesTrac. The disciplined execution of our operating model and ongoing cost focus saw our EBIT margin lift 106 basis points to 13.4%, ultimately delivering a 20% EBIT expansion to \$1.4bn. The strength of this result and our confidence in our outlook enabled us to raise the final dividend to 30 cents per share, a 30% increase compared to last year.

## WesTrac

As one of the largest Caterpillar dealers globally, WesTrac is committed to supporting our customers. Our role is to sell, service, and provide support for Caterpillar products across the resources, construction, and energy power systems segments in WA, NSW and ACT.

WesTrac delivered outstanding results in FY24, with revenue of \$5.8bn, up 19%. This performance resulted from strong customer demand in both the resources and construction sectors, particularly for our product support services.

Pleasingly, WesTrac also delivered EBIT margin expansion, leading to 25% EBIT growth to \$623m. Machine sales revenue of \$1.9bn was up 12%, primarily driven by expansion activities and mid-cycle fleet replacement. Services revenue of \$3.9bn was up 23% on parts volume growth and a favourable shift in product mix towards larger components, driven by growing customer activity, an ageing mining fleet, and increasing labour availability.

The significant growth in customer demand and activity necessitated a \$537m investment in working capital, predominantly in inventory. With over 85% of the increased resource inventory pre-assigned to customers, this investment gives us confidence in WesTrac's outlook for FY25.

WesTrac also continues to work with Caterpillar and global mining leaders to develop and deploy battery electric solutions. We are excited to be bringing the first Caterpillar battery electric mining truck into our territories this year, where it will participate in in-field trials with BHP and Rio Tinto in the Pilbara.

## Boral

Boral is Australia's leading vertically integrated construction materials company, supplying products to support infrastructure and construction investment. In addition to its core building products, Boral is also growing its Construction and Demolition recycling capabilities, while also exploring development opportunities for its extensive property portfolio to generate long-term, meaningful returns.

Boral's FY24 revenue was up 3% to \$3.6bn, with resilient sales volumes impacted by project commencement delays and a moderation in residential activity. The EBIT result of \$372m was up 61%, with significant EBIT margin expansion of 376bps to 10.5%.

The continued progress on Boral's performance journey has been crucial to delivering this strong result. The core drivers of the margin expansion were improved cost control and pricing discipline. We recognise there is significant work ahead to ensure Boral continues to improve towards delivering our ambition of mid-teen EBIT margins through the cycle.

## Coates

Coates is Australia's leading industrial and general equipment hire business, supporting the infrastructure and construction sector with the nation's largest hire-fleet. Coates' extensive network, quality equipment, and skilled people ensure that our customers can rely on us to provide equipment solutions for every stage of their projects.

Coates' revenue of \$1.1bn was marginally up year-on-year, as the infrastructure and construction sectors continue to operate at close to capacity. Our focus on operational improvement delivered positive operating leverage outcomes, with EBIT margins lifting 234bps to 28.6%, on par with global leading rental services companies. This margin improvement supported an EBIT growth of 9% to \$327m.

Coates continues to grow its hire fleet to meet customer demand through traditional means and programmatic M&A, funded in part by capital redeployment from the sale of Coates Indonesia. The fleet investment positions Coates to capitalise on the 7-year \$1.7t infrastructure and construction pipeline, with initiatives underway to increase its market share of this opportunity.

## Energy

Beach, where we own 30%, has compelling assets across domestic gas and LNG export. Beach recently appointed an operational leader, Brett Woods, with a focus on resetting the company's performance. Beach's new strategy is centred on operational performance, cost efficiency, and the quality of its asset portfolio. SGH has assumed the Chair of the company during this transitional period to support strategy execution and ensure Beach delivers on the opportunities ahead.

## The year ahead

The FY24 results highlight SGH's ability to consistently deliver growth in varied market conditions, reflecting the core-plus nature of our business. The efficiency gains achieved through operating and cost disciplines, combined with strategic investments in our operations, systems and technology, were instrumental to delivering the strong result. This provides a solid platform to support customer activity and growth into FY25 and beyond.

Our values, performance culture and operating model are predicated on our people working effectively to support our customers. I would like to recognise and thank the 14,000 people across SGH for their unwavering commitment to this goal, and dedication to our businesses.

I would also like to thank the Board for their continued support and direction of the SGH leadership team.

Finally, thank you to you, our shareholders, for your continued support and commitment to SGH.

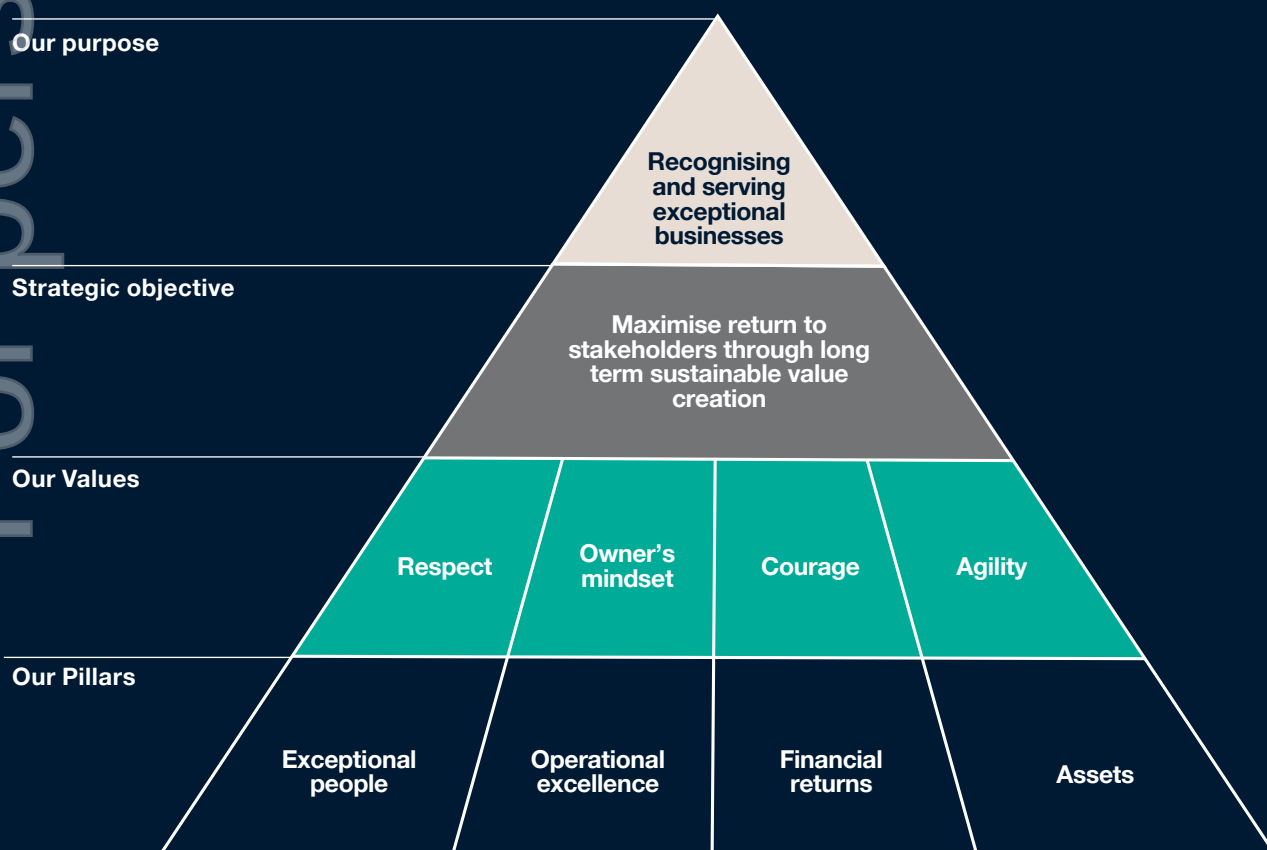
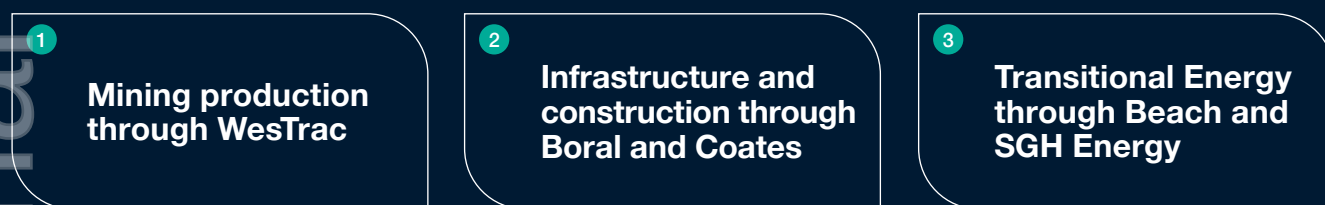
## Our Strategy and Value Creation

SGH is one of Australia's leading diversified operating groups, with market-leading businesses across Industrial Services, Energy and Media. Our operating approach combines disciplined execution and a strict focus on capital allocation to support our exceptional businesses and people.

SGH's purpose is to recognise and serve exceptional businesses, while meeting the strategic objective of maximising returns to stakeholders through long-term sustainable value creation. We support this objective with our four values: Respect, Owner's Mindset, Courage, and Agility.

SGH's objective is to deliver long-term sustainable returns to Stakeholders by exercising financial discipline and decisive management of a diversified portfolio of operating businesses.

### Strategic Growth Thematics



### SGH's operating model has four core characteristics:

- 1 Group and BU Delineation:** Each business has a dedicated Board structure, ensuring accountability for delivering results. This promotes a clear distinction between SGH Corporate and Business Units, reinforcing absolute P&L ownership.
- 2 Front-line Focused:** Decision-making is pushed towards the front lines wherever possible, fostering a lean, empowered workforce with accountability at all levels.
- 3 Growth and Execution:** Emphasis is placed on execution and growth, integrating the Owner's Mindset into operating cadence, and prioritising outcomes over excessive processes.
- 4 Inherent Scalability:** Lean operating structures and the focus on accountability make SGH inherently scalable.

#### Industrial Services

EBIT

**\$1,321.7m** ▲ 28.1%

**Westrac**

100% Owned

\$623.4m  
▲ 24.7%

**BORAL**

95.1% Owned

\$371.6m  
▲ 60.5%

**Coates**

100% Owned

\$326.7m  
▲ 8.8%



#### Energy

EBIT

**\$98.6m** ▼ -13.4%

**SGH | Energy**

100% Owned

 **beach**

30.0% Owned



#### Media

EBIT

**\$25.4m** ▼ -58.5%

**7m**

40.2% Owned

**CMC** capital partners



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## WesTrac

Revenue (\$m)

**\$5,826<sub>m</sub>**

↑ **19%**

EBIT (\$m)

**\$623.4<sub>m</sub>**

↑ **25%**

WesTrac is one of the largest and best-performing Caterpillar® dealerships globally, working closely with customers to supply and support a wide range of market-leading machinery.

**WesTrac is the sole authorised Caterpillar dealer in Western Australia, New South Wales, and the ACT. As one of the largest and best-performing Caterpillar dealerships globally, WesTrac works closely with customers to supply and support a wide range of market-leading mining machinery and construction equipment.**

WesTrac's comprehensive whole-of-life management solutions ensure that owning and operating Caterpillar equipment provides customers the best equipment, matched with the best service. By providing market-leading new and used equipment, along with extensive parts and service support, WesTrac's customers can rely on their Caterpillar equipment to achieve their operational requirements.

WesTrac WA was recognised by Caterpillar in FY24 with a Gold award as the number one global dealer for construction industry services growth. This achievement is a testament to the company's dedication to innovation, superior service delivery, and unwavering focus on meeting and exceeding customer expectations.

### FY24 Performance

WesTrac delivered another year strong operating and financial results in FY24, with 19 per cent growth in sales driven by customer activity in resources and construction, and increased demand for parts and services.

Capital sales increased by 12 per cent, supported by robust customer demand, predominantly associated with expansion activities and fleet replacement.

Services revenue increased by 23 per cent, driven by parts volume growth, a shift in product mix toward larger components, and increasing R&M intensity associated with the age profile of the extensive installed base. Together with Caterpillar and WesTrac's focus on growing parts and services across the customer base continues to strengthen the underlying business, as demonstrated by the 10-year compound annual average growth rate in services revenue of 10 per cent.

WesTrac continues to focus on cost control while investing in people, technology, and capacity to drive efficiencies. This focus and investment underpinned margin expansion over the year, ultimately delivering 25 per cent earnings growth.

### Investment in People, Technology, and Capacity to Drive Performance

#### People

The technical and leadership skills of WesTrac's ~5,000 dedicated people are key differentiators in the company's ability to support its customers. Over the year, WesTrac continued to invest in its industry-leading training programs to accommodate higher demand and cater to emerging industry requirements, including automation and electrification.

In the WesTrac Institutes in WA and NSW, the company is training over 400 apprentices, preparing them for industry entry. WesTrac also delivered over 250,000 hours of technical and leadership training, ensuring the team is ready for the latest Caterpillar products and capable of supporting customers in any location.

The business is well-prepared for the arrival of the Battery 793XE Pilot Trucks in Western Australia, expected later this calendar year. The first of these machines will be deployed into service at BHP's Jumblebar Mine in the Pilbara. WesTrac technicians have trained in the USA, assembling these machines and collaborating with Caterpillar on maintenance and operation processes for these industry-leading trucks.

In response to ongoing skilled labour challenges and strong competition for talent, the business successfully implemented targeted attraction and retention strategies, including international recruitment and skills development programs. The company has also expanded diversity and female participation programs, particularly for component technicians, workshop assistants, and warehouse skills development.

### Technology and Capacity

Over the year, WesTrac prioritised investments in facilities and capacity within the existing footprint to enhance efficiency. The automation of the Tomago Parts Distribution Centre and expansion of in-house machining and component rebuild capacity in both states resulted in record daily processing volumes and component outputs.

WesTrac has also focused on investing in and leveraging sophisticated software tools, analytics, and artificial intelligence through systems like Palantir and Integrated Dealer Solutions. These initiatives have improved workshop velocity, reduced new machine build timelines, and boosted the productivity of skilled technicians, all contributing to the record operating performance for the year.

Recognising emerging electrification and battery opportunities, WesTrac has established a dedicated Technology Centre at the Perth Airport Precinct in WA. This centre will focus on electrification projects involving power generation, lithium battery storage, and support for pilot battery trucks.

WesTrac's technology support remains a key competitive advantage. The industry-leading technology training centres in both states support the implementation of products like off-highway truck automation, semi-autonomous drilling, and autonomous dozing.

### Safety

WesTrac's safety focus in FY24 emphasised "Line of Fire" hazard prevention, including reducing the severity of hand and finger injuries. The company also conducted a comprehensive review of its Critical Risk Controls and prioritised psychological safety and psychosocial risk management for team members.

Other initiatives have focused on reducing fatigue-related risks, with a pilot of in-vehicle fatigue monitoring technology in NSW. These initiatives, along with the safety-first culture, delivered a reduction in both Lost Time and Total Recordable Injury Frequency Rates in FY24, and WesTrac will look to build on this progress in FY25.

### Market and Outlook

WesTrac continued to strengthen its position in the Resources sector in FY24, delivering machines to and securing future orders from global mining leaders. The company also introduced the first Caterpillar 794AC "Ultra-Class" mining trucks into NSW, delivering on expectations outlined in last year's results.

These strong customer relationships position WesTrac to capitalise on an expected increase in customer activity, associated with the growing production outlook for key commodity exposures. The company's strong market share and the aging mining equipment population are also expected to support demand growth from resources customers.

The growth in customer demand observed in FY24 and expected in FY25 required WesTrac to invest \$537 million in inventory over the year, to ensure the business could continue to support customers and grow. Over 85 per cent of this elevated mining machine inventory is pre-sold, reflecting the historically strong resources capital sales pipeline.

In the construction sector, activity and demand remain strong as WesTrac supports its customers to deliver the \$1.7 trillion infrastructure and construction pipeline. The company is also benefiting from product releases from Caterpillar that provide productivity and technology benefits to customers, making WesTrac the preferred supplier of construction machines in its territories.

WesTrac's market-leading people, technology, and facilities, coupled with its investment into working capital in FY24, position the company to support growing customer demand in resources and construction in FY25 and beyond. WesTrac will continue disciplined investment and operational execution across these themes to ensure continued delivery of results for all stakeholders.



**BORAL**

Revenue (\$m)

**\$3,555<sub>m</sub>**

↑ **3%**

EBIT (\$m)

**\$371.6<sub>m</sub>**

↑ **61%**

Boral has been integral in building Australia, leveraging its extensive network of quarries, cement infrastructure, bitumen, construction materials recycling, asphalt and concrete batching operations.

**Boral is Australia's largest integrated construction materials company, operating over 360 sites, including 76 quarries and 209 batch plants, supported by 4,600 employees. Since 1946, Boral has been integral in building Australia, leveraging its extensive network of quarries, cement infrastructure, bitumen, construction materials recycling, asphalt and concrete batching operations. Today, Boral focuses solely on the construction materials sector within Australia.**

### FY24 Performance

In FY24, Boral supplied materials for some of Australia's most important projects, including the Western Sydney Airport (NSW), and the West Gate Tunnel (VIC). Demand from these major projects, plus thousands of others, saw Boral's sales volumes remain strong over the year, slightly down compared to FY23.

Boral made significant progress on its performance journey in FY24, including an improved go-to-market strategy and enhanced customer service, enabling price realisation across all products that helped to deliver three per cent higher revenue. The business's disciplined focus on cost reduction and operational efficiencies delivered excellent outcomes across the People Environment Markets Assets Financials (PEMAF) framework.

These initiatives were critical to enhancing Boral's profitability, with EBIT margin expansion to 10.5 per cent, which ultimately delivered EBIT growth of 61 per cent to \$372 million, making FY24 one of the most successful years in Boral's history. Other key priorities and progress delivered over the year included improved procurement, the cement alternative fuels program, internalising concrete and asphalt waste through capture and processing, enhanced preventative maintenance, and plant upgrades.

### People

The people component of Boral's operating model was enhanced in FY24, focusing on the alignment of organisational behaviour with the business's primary objective of building a sustainable future with safety, teamwork, ambition, accountability, and respect. In pursuit of this, Boral rolled out the PEMA scorecard across the company, conducted multiple employee engagement surveys, and improved its communications approach, including direct CEO meetings with new starters, all the way down to standardised staff engagement and education materials.

These initiatives not only resulted in improved engagement and culture, as evidenced by positive results in employee surveys, but also contributed to the business performance uplift through price realisation, better customer service, cost discipline, and cost base adjustments. The enhanced corporate culture and working environment are reflected in improving safety results, with a reduction in the TRIFR by 37 per cent to 4.5 occurrences per million hours worked. While this represents a significant improvement in safety, Zero Harm remains the overarching ambition.

### Environment

Boral's environment initiatives in FY24 focused on expanding the cement alternative fuels program, with the commissioning of a state-of-the-art chlorine bypass project at the business's largest cement facility in Berrima, New South Wales. The solid waste-derived fuel (SWDF) facility has enabled the business to increase alternative fuel usage to 30 per cent, representing a 20 per cent increase from the previous year. In addition to reducing emissions, the project delivers reduced kiln fuel costs and diversion of waste that would otherwise go to landfill.

More broadly, Boral continues to advocate for a Carbon Border Adjustment Mechanism (CBAM) to prevent carbon leakage, and has actively participated in the Government's review of carbon leakage risks and solutions.

### Markets

Conditions across Boral's markets were generally positive in FY24. Strong customer activity was impacted by project commencement delays, and a moderation in residential activity, ahead of an anticipated acceleration in the sector. Demand from infrastructure end-markets remains robust, with the sector operating at close to capacity. Customer activity in the sector is expected to remain strong through this decade, supported by increasing social and energy infrastructure investment.

The FY24 moderation in residential activity is expected to be temporary, with macro-thematics supportive of the outlook for the sector, including the 240,000 new dwellings required annually to meet government housing policy ambitions.

Boral has improved its market interaction to more effectively capture these sector opportunities, with the decentralisation of the customer service and allocations teams. This allows customer service teams to be closer to the markets they serve, ensuring easy customer access and improved sales effectiveness.

The business's focus on efficiency and investment in people, technology, and capacity have positioned Boral to support customers as market conditions improve in FY25.

### Assets

Boral has the largest integrated asset base in the Australian construction materials sector. The company's asset-related goal is to have safe, compliant, reliable, and optimised assets every day, both for fixed and mobile assets. In FY24, Boral focused on the implementation of the Auto Allocation project for concrete transport across all metropolitan areas. The project has driven more efficient mobile asset utilisation and customer service across the network.

Boral also made good progress on its goal to strengthen its integrated network through strategic upstream investments such as the Booyal quarry near Bundaberg, Queensland, and quarry land at Dunmore and Culcairn in New South Wales.

Boral's property portfolio of owned operating sites represents significant long-term value, as sites become surplus from a traditional operations perspective. These surplus sites offer a compelling long-term opportunity for the business to own and co-develop industrial property. In FY24, Boral entered an arrangement in relation to surplus land at Deer Park in outer West Melbourne to progress a development opportunity, which is expected to deliver material long-term value to stakeholders.

### Outlook

Boral expects healthy market opportunities to continue in FY25. The business's performance journey will continue, executing the Good to Great strategy, prioritising execution, price leadership, and cost discipline. These initiatives, along with Boral's enhanced and agile go-to-market strategy will be critical to effectively capturing the opportunities offered by both the infrastructure and residential project pipeline.

There are also further opportunities to build upon the margin improvement delivered in FY24. The business will continue to invest in its integrated network to extend the life of prized upstream assets, enhance its mobile fleet to drive operational efficiency, and pursue organic growth opportunities in the circular economy through its specialised recycling business.

Boral's enhanced procurement practices and standardised systems, supported by its leading technology and accountability-focused performance culture, will lower operating costs and improve customer outcomes in FY25, underpinning confidence for continued earnings growth.

# Coates

Revenue (\$m)

**\$1,142m**

↑ <1%<sup>1</sup>

EBIT (\$m)

**\$326.7m**

↑ 9%

Coates is Australia's largest industrial and general equipment hire company, providing market-leading equipment, services and support.

📍 Coates Moorebank Facility, Moorebank NSW

1. Adjusted for the sale of Coates Indonesia

**Coates is Australia's largest industrial and general equipment hire company. The business provides market-leading equipment, services, and support to Australia's infrastructure and construction sector, leveraging its \$1.9 billion hire fleet and 2,000 talented people across 150 branches.**

### FY24 Performance

Coates delivered sales revenue growth in FY24, with moderate expansion from the Australian business. The growth was supported by strong customer activity from infrastructure and construction projects, supported by the sector's robust and replenishing \$1.7 trillion, seven-year project pipeline. This revenue growth was delivered against a backdrop of mixed market conditions impacted by project commencement delays.

Coates' disciplined execution, continuous improvement, cost efficiency, and efforts to drive operating leverage and agility resulted in a record EBIT margin of 28.6% per cent in FY24, in line with global best-in-class peers.

Internal optimisation and margin expansion were pivotal to Coates' earnings growth in FY24. Key efficiency initiatives included repairs and maintenance optimisation through the ongoing roll-out of the hub-and-spoke branch model, technology-driven transport and customer service improvements, and targeted non-operational headcount reduction. These efforts led to a nine per cent increase in earnings for the year, aligned with the business's ten-year compound annual earnings growth rate.

Coates divested its Indonesian operations for US\$50 million over the year, resulting in an abnormal gain of \$44 million. While Coates Indonesia was a successful business, the divestment is part of a strategy to focus on Australian operations, where SGH has a competitive advantage and its capital is likely to generate superior returns for stakeholders.

### Market Dynamics

As the largest rental services company in Australia, Coates is uniquely positioned to support customers undertaking infrastructure and construction activities. The business' combination of the largest and best-quality fleet, national coverage, systems and processes, and the capability of the Coates team, positions it as the clear market leader for this end-market.

The percentage of rental equipment being utilised to complete infrastructure and construction projects in Australia is increasing, similar to trends in other international jurisdictions. As customers increasingly opt for rental options to support their activities, Coates is well-placed to meet this growing demand.

The business benefitted from high levels of customer activity in infrastructure in FY24, participating in the development of some of Australia's most important projects, including the Westgate Tunnel (VIC), Snowy Mountains Scheme 2.0 (NSW), North East Link (VIC), Western Range Mine (WA), Sydney Metro Rail (NSW), Gold Coast Light Rail (QLD), M7 & M12 Motorway upgrades (NSW), Sky Waterfront Precinct (QLD), Cross River Rail (QLD), Bunbury Outer Ring Road (WA), and the Western Sydney Airport (NSW).

A multi-year surge in road and rail infrastructure, which began in 2021, is expected to continue in 2025, and deliver growth opportunities through to 2030. Further demand growth is also expected from government investment in social infrastructure, as well as a ramp-up in industrial and warehousing investment driven by the expansion of online commerce and data warehousing. Strong growth is expected in residential construction as soon as late FY25, supported by high migration, anticipated lower interest rates, and government initiatives to increase housing supply.

Coates is well-positioned to support this activity with its extensive fleet and national footprint, allowing the business to reposition equipment to best meet market opportunities. The business is also expanding its capabilities to increase its total addressable markets. In pursuit of this, significant progress has been made over the past two years to develop specialised Engineering, Power & HVAC Solutions. Within this specialised solutions business, Coates has successfully established supply partnerships, specified machinery, procured equipment, inducted fleet, and recruited specialists. These capabilities have been showcased in strategic target markets through successful projects in Emergency Services Response, Engineering, and Industrial Shutdowns. Coates will continue to build on this foundation to scale up the business and support continued growth.

### Safety and Sustainability

Coates delivered strong safety performance for the year, with a 20 per cent improvement in TRIFR to 4.1, and a 41 per cent improvement in LTIFR to 1.0. This progress follows an increased emphasis on visible safety leadership, underpinned by the FY24 HSEQ Strategic Action Plan, which focused on implementing an enhanced HSEQ Risk Management framework and education programs across the organisation.

The business also made progress towards its sustainability ambitions over the year, with a nine per cent reduction in Scope 2 emissions. This improvement was largely driven by the implementation of a solar installation program across the network, with 26 branches now generating renewable energy to power their operations.

### FY25 Focus and Outlook

Leveraging market opportunities, Coates' FY25 strategic growth plan continues to focus on market penetration, the acceleration of profitable solutions offerings, and incorporating additional growth opportunities through small-scale acquisitions to enhance the fleet and branch footprint.

Coates aspires to be the leader in 'Easy to do business with' in the Australian rental market and is implementing initiatives to drive a step change in Customer Experience (CX). These initiatives include the "Customer360" program, driving customer centricity, consistency through CX standards, and CX accountability. The business is also expanding the "Voice of Customer" feedback initiative to drive targeted action to address customer pain points from call-to-cash.

After two fleet-focused acquisitions in FY24, Coates has increased its hire fleet by \$83 million to \$1.9 billion on an original cost basis. The business's ability to leverage its fleet and the scale of its market-leading network is a competitive advantage, both in terms of providing a growth platform and moderating incremental cost growth.

In FY25, in addition to growth, Coates will focus on enhancing its core business with digital transformation and standardisation, driving operating leverage and scale benefits. These initiatives will include data-driven decision-making, continued productivity improvements, and waste reduction across its network.

Coates' investment in its market-leading hire fleet and network, along with the enduring cost-out and efficiency gains delivered in FY24, positions the business to capitalise on strong market opportunities to deliver growth in FY25 and beyond.

## Energy

EBIT (\$m)

**\$98.6m**

↓ **13%**

Beach began generating positive operating and earnings momentum in the final quarter of FY24, with quarter-on-quarter production and revenue increasing by 6% and 10%, respectively.

**FY24 was a year of evolution for Beach Energy, with significant changes in leadership and organisational structure. These changes have positioned Beach to effectively capture growing market opportunities, as the critical role of gas in the energy transition is increasingly recognised by government and the wider community.**

The government's Future Gas Strategy was released in FY24. The policy acknowledges the vital role of gas in supporting Australia's energy security as we transition to a net-zero economy. It also emphasises the need for continued investment in gas supply, required to support increasing grid penetration of variable renewable energy. This demand thematic forms the basis for including transitional energy in SGH's capital allocation model, and presents significant opportunities for Beach over the short, medium, and long term.

In addition to supporting Australia's energy transition through the supply of gas, Beach is also actively decarbonising its operations with industry leading projects such as the Moomba Carbon Capture and Storage (CCS) joint venture with Santos. The Moomba CCS project is nearing first injection of CO<sub>2</sub>, which is expected in FY25.

### Beach financial and operating performance

Beach delivered FY24 production of 18.2 million barrels of oil equivalent (mmboe), representing a slight decline from the previous year. Sales volumes increased by 3 per cent to 21.3mmboe and revenue rose by 9 per cent to \$1.8 billion, driven by Waitsia cargo liftings and higher realised oil and gas prices.

Underlying EBITDA for the year was down 3 per cent to \$950 million, while underlying NPAT decreased by 11 per cent to \$341 million, leading to an 11 per cent lower equity accounted contribution to SGH EBIT of \$103 million. Pre-growth free cash flow was \$163 million, which underpinned a full-year dividend of 4cps, representing \$27 million net distributions to SGH.

On the East Coast, completion of the Otway basin Enterprise development was a significant milestone, delivering much-needed new gas supply to the East Coast market. Progress was also made on connecting the Thylacine West wells, with first gas expected in the first half of FY25.

In the West, Beach provided critical support to joint venture operator Mitsui in addressing quality issues at the Waitsia Gas Plant in the Perth Basin, with first gas from the project targeted for early 2025. The Perth Basin drilling campaign also yielded two commercial gas discoveries at Redback Deep and Tarantula Deep, alongside a successful development well at Beharra Spring Deep, indicating promising future drilling prospects for the Basin.

### Beach strategic review and future outlook

A comprehensive strategic review conducted in the second half of FY24 provided a clear pathway for Beach towards growth and operational efficiency. The review focused on refining the company's organisational model, asset portfolio, and growth opportunities. The refreshed strategy is built around three core pillars: Core Hubs, High Margins, and Sustainable Growth. The strategy aims to position Beach as Australia's leading domestic energy company by focusing on low-cost operations, enhancing margins, and pivoting to longer-life assets.

Beach's FY25 priorities include enhancing operational efficiency, delivering major projects in the Perth and Otway basins, and exploring new growth opportunities. The company is also assessing the potential for gas storage and peaking power, leveraging existing assets to support future energy needs.

Beach's refreshed leadership team is focused on disciplined execution and delivering on its strategic priorities. SGH will utilise its Board and Chair representation at Beach to support the execution of these objectives.

With a robust portfolio of assets close to demand centres, and a clear strategic vision, Beach Energy is well-equipped to play a pivotal role in Australia's energy transition while driving value creation for shareholders.

### SGH Energy

Seven Group's wholly owned energy company, SGH Energy, holds a 15.5 per cent interest in the Crux LNG project, located in the Browse basin, offshore WA. Crux is operated by Shell, who hold the remaining 84.5 per cent project interest, and its production stream will backfill Shell's Prelude Floating Liquefied LNG (FLNG) facility. The project consists of a not normally manned platform and five production wells, connected to the LNG facility by a 160km export pipeline.

The project is two years into its development phase, following Final Investment Decision (FID) in May 2022. Drilling at the project has been ongoing since April 2024, and the construction of infrastructure across the project is well-advanced. SGH's capital contributions to the project development were \$147 million in FY24.

First gas from the project is expected in CY27, aligned with anticipated tightness in global LNG markets.

SGH Energy is also progressing commercial studies on the Longtom Gas asset in the Gippsland basin, which was independently verified in FY24 to hold over 80PJ of gas, connected to existing production infrastructure. SGH Energy has signed a Memorandum of Understanding (MoU) with Cooper Energy to explore development pathways for the asset.



Beach facility, Moomba SA

## Media

EBIT (\$m)

**\$25.4m**

↓ **58%**

SWM consolidated its position as the number 1 total TV network in the country with a 1.5% market share growth in prime-time linear TV audiences, and a 39% increase in BVOD minutes in FY24.

**Seven West Media (Seven West) retained its position as Australia's #1 total TV network for the fourth consecutive year, reaching 91 per cent of Australian audiences in FY24. The business continues to lead across the Australian media landscape, with market-leading broadcast, print, and digital platforms.**

Seven West delivered FY24 sales revenue of \$1.4 billion, representing a 5 per cent decline year-on-year. This decrease reflects an 8 per cent contraction in the Total TV advertising market, partially offset by a 1.7 per cent growth in Seven West's advertising revenue market share. EBITDA of \$187 million and NPAT of \$78 million were down 33 per cent and 46 per cent, respectively, leading to a 45 per cent reduction in Seven's equity-accounted contribution to SGH's EBIT of \$42 million.

The company maintained financial discipline throughout the year, resulting in a modest increase in net debt to \$301 million. Year-end net debt to EBITDA (leverage) was 1.6x, or 1.3x when excluding the impact of the ARN investment.

The FY24 result reflects the rapidly changing media landscape and highlights the need to evolve traditional media business models to effectively capture market opportunities. Seven West is responding to this challenge with innovation and discipline, implementing significant changes to its organisational structure and leadership in FY24 to position the business for future growth.

In April 2024, Jeff Howard was appointed MD and CEO, bringing a refreshed leadership approach. Jeff was the prior CFO and has brought a financial and disciplined focus to the operational transformation of Seven West. The company has conducted an independent review of its culture to understand issues and help build a performance culture across the organisation that is results orientated, safe, and inclusive.

Following that review and in response to challenges in FY24, Seven West introduced several initiatives focused on professional development and employee wellbeing. These initiatives included training programs, leadership development courses, and wellness initiatives, designed to support employee growth and equip them with the tools they need to succeed.

All allegations of misconduct are taken very seriously at Seven West. Complaints are handled confidentially, and decisive action is taken following any breaches. The business's policies are clear, and a zero-tolerance approach to any behaviour that violates these standards will be maintained in FY25.

In June 2024, a new operating structure was established, consisting of three divisions: Television, Digital, and Western Australia. This reorganisation better aligns resources with strategic priorities and reinforces a commitment to delivering high-quality content across all platforms. Combined with an ongoing cost-out program, this resulted in significant headcount reduction across the business.

The new operating structure emphasises digital growth, which accounted for over 50 per cent of earnings in FY24. In FY25, for the first time in Australian history, Seven West will stream AFL and cricket live and free across its digital platforms, supporting growth in this key division.

In Television, Seven West's current affairs and news programs, general interest shows, and dramas continued to perform strongly, while its sports programs dominated audience numbers throughout the year.

In Western Australia, the company's operations continue to lead in digital and print, with key FY24 achievements including the launch of a national digital newspaper, The Nightly, and a sports platform, Streamer.

Seven West is also utilising industry-leading technology to effectively monetise its content. By leveraging data analytics and artificial intelligence, Seven West can now target key demographics with tailored content, resulting in significantly more efficient advertising for customers.

The changes to organisational structure, leadership, and culture at Seven West have strengthened the core of the business and positioned it to capture future opportunities in a dynamic and evolving industry.

### CMC and Other Media

SGH's other media interests recorded an EBIT loss of \$6.5 million in FY24, consisting of a \$7.8 million loss on CMC, offset by \$1.3 million in TV royalties. SGH's investment in CMC has historically been profitable, with an IRR exceeding 20 per cent. SGH expects further distributions from CMC in FY25 from assets already realised.



# Sustainability

At SGH, we recognise the meaningful impact and long-term value our business can contribute to the circular economy and communities in which we operate.

## Approach and Coverage

Sustainability considerations are embedded in our business strategy, risk management, and culture. Our approach is focused on our wholly owned and operated businesses and designed to deliver long-term value for our customers, people, shareholders and the communities in which we operate.

WesTrac, Boral and Coates play a key role in the 'circular economy', promoting the efficient use of resources, reducing waste and environmental impact. This is achieved through extending the lifecycle of products and minimising the demand for the world's finite natural resources while promoting a diverse and inclusive working environment to service our customers.

In FY21, our business identified 10 Material Issues based on where we could have the most impact and/or mattered most to our key stakeholders. Roadmaps were developed to guide progress against these Material Issues.

Following the finalisation of the Boral acquisition on the 4th of July and de-listing from the ASX, this report, for the first time, now includes information on Boral's performance against these 10 Material Issues, as well as updates from WesTrac and Coates. In light of this change, we have now expanded the category of Waste & Water to "Local Environment", which better reflects the broader context and consideration of Boral's operations in our communities.

This Sustainability report is focused on the business SGH wholly owns and controls. For ESG information regarding the businesses where SGH holds a material stake but does not wholly own – Seven West Media and Beach Energy – the reader should consult the Sustainability Reports available on their respective company websites.

## UN Sustainable Development Goals

Our material issues align to over twenty UN Sustainable Development Goal indicators, and cover twelve of the seventeen Sustainable Development Goals.



- Further information regarding SGH's sustainability strategy and actions, including a reconciliation to UN SDGs and the GRI framework, can be found on SGH's website.

# Safety



## Aspiration

To be recognised by our teams, customers and regulators for safety excellence

At SGH, safety is core to our approach to business, and we place great value on preventative and protective measures that support our people. We recognise the need to protect the physical and mental wellbeing of our people in the workplace, and our approach to physical health and safety and mental health and wellbeing reflects this.

## WesTrac

In FY24, WesTrac carried out a comprehensive review of Critical Risk Controls and prioritised embedding a Safety First culture across all sites. The review concentrated on conducting job task analyses, using wearable sensor technology fitted to WesTrac team members to analyse and identify the critical risks of high-risk manual handling tasks in the business.

WesTrac WA successfully launched its pilot safety culture training program, "Built to Last", designed around psychological and psychosocial safety to more than 600 team members. The program aims to empower and foster a speak-up culture, building on WesTrac's previous training with the addition of educating team members on psychosocial hazards. The employee onboarding program was also revamped and the in person "Welcome to WesTrac" induction for all new starters and mandatory health and safety inductions revised to create a more seamless and engaging experience for WesTrac team members.

In NSW, WesTrac successfully completed its pilot of in-vehicle fatigue management monitoring technology. The fatigue management program included employee education on strategies and practices to reduce fatigue risk. WesTrac's risk identification and intervention program, "What is the worst that could happen?" was integrated into all new safety leadership and mentoring programs in NSW.

## Looking forward to FY25

Looking forward to FY25, WesTrac will continue to strengthen management of critical risks through focusing on developing renewed manual handling prevention strategies, targeted safety training programs, and continued focus on monitoring and compliance with safety systems. The business will also continue to manage and control psychosocial risks and embed a Safety First culture, rolling out the "Built to Last" program across the WA business in FY25. For NSW, the rollout of the "What is the worst that could happen?" program will continue as well as the implementation of the in-vehicle monitoring system to improve the management and prevention of fatigue related incidents and risks.

## Boral

Boral's Health and Safety Program is centered around one of Boral's core values, "We look out for each other and aspire to Zero Harm".

During FY24, Boral's risk-based approach included strengthening and embedding:

- chain of responsibility duties and compliance;
- dust management plans across all sites;
- improving the isolation and permitting processes; and
- improving employee and contractor wellbeing and management of psychosocial risks through various policies and programs.

Boral's proactive approach to maintaining a safe and healthy workplace for employees, contractors, and visitors led to a 27 per cent improvement in Lost Time Injury Frequency Rate over the prior year with further initiatives and plans underway to continue to deliver ongoing performance improvements.

## Looking forward to FY25

Boral will focus on key hazard control effectiveness, continue to drive Life Saving Rules, and continue to improve controls related to manual handling and slip, trip and fall hazards. Additionally, the focus on Visible Leadership will be further leveraged to drive a Safety-First culture where team members look out for each other and deliver on Boral's commitment towards "Zero Harm."

## Coates

Coates' Safety-First approach is all encompassing, ensuring both physical and psychosocial hazards and injury prevention is considered, and the safety management framework appropriately identifies and mitigates physical and psychosocial risks. In FY24, Coates lag safety performance indicators improved with a 20 per cent reduction in the Total Reportable Injury Frequency Rate to 4.1 and 41 per cent reduction in Lost Time Injury Rate to 1.0.

Improvements were the result of several initiatives including the delivery and implementation of the HSEQ Strategic Action Plan, that focused on an enhanced HSEQ Risk Management framework and education program across the organisation.

The program consisted of refreshed upskilling for all leaders across the organisation in HSE Legal Duties and Obligations, Psychosocial legislative changes as well as fundamentals in HSE Risk Management. Central to this was the rollout, training, and implementation of refreshed Life Saving Commitments for Coates, and the introduction of Coates' Top Ten Critical Risks which are now embedded in all areas of operations. As part of this framework, Expected Safety Behaviours for employees and leaders were also developed and rolled out helping to set the foundations for an effective safety culture.

Coates' Health and Wellbeing program was launched in FY24 and is designed to encourage a healthier workplace environment and support employees foster healthier lifestyles. The program is delivered through monthly Townhall and Toolbox topics, supported by guest speaker appearances. Some of the key topics in FY24 included a focus on Male and Female Health Issues, Sun Safety, Sleep Matters, Hearing Protection and Mindfulness.

## Looking forward to FY25

Coates will continue to progress company-wide education and implementation of several initiatives across the business. The rollout of training and implementation of enhanced operational HSEQ and Transport Management systems will remain a focus of the business with continued training and development for leaders to support improved supplier and contractor engagement and compliance.

# Energy & Emissions



## Aspiration

To play our part in each of our sectors in meeting the Paris Agreement's goal to limit global temperature rises to well below 2°C

With the finalisation of the Boral acquisition, this report now includes data and initiatives on Boral's decarbonisation journey for the first time. SGH is in the process of assessing and realigning our FY30 targets. This assessment will be based on Boral's inclusion combined with a review of the current and future decarbonisation pathways available to SGH. We will also consider the anticipated climate change and sustainability reporting requirements that the Federal Government is currently contemplating. We will provide a further update in early FY25.

Across our businesses, we continue to look for opportunities to provide solutions for our customers and play a role in their decarbonisation journey. We are offering fleets and developing products that can deliver both commercially viable solutions and reduce emission, and see further opportunities in this area. We recognise the great challenge and opportunity that a lower carbon economy presents, and will be working in FY25 to continue this journey of decarbonisation with our business and customers.

## WesTrac

WesTrac's Scope 1 and 2 emissions primarily result from fossil fuels within its internal vehicle fleet and electricity usage. Emissions reduction efforts remain centered on these two areas.

The solar rollout program continued, with six sites to be commissioned in CY24 including larger branches such as South Guildford in WA and Tomago in NSW, and smaller branches such as Casula, and Canberra in NSW. By CY24 close, eight of WesTrac's facilities will have installed solar panels. WesTrac is actively seeking opportunities to secure access to green power through commercial purchasing arrangements across multiple sites.

In relation to fleet, WesTrac commenced the transition of its internal fleet vehicles to hybrid/EVs, with a focus on transitioning passenger vehicles in the short term. Through the WesTrac operations area, a continued review and identification of further ways to reduce the emissions footprint is ongoing, including the commencement of the installation of full LED light fit out at Tomago due for completion at the end of CY24. WesTrac has also commenced the transition of the forklift fleet to electric, seeking lower emission stationary fuel alternatives, and trialling innovative concrete alternatives made by Boral Envirocrete® for hardstands, reducing emissions by 85 per cent.

## Looking forward to FY25

WesTrac's focus will continue to be on the primary contributors to emissions, through continuing to roll out its 'Solar Program' and transition its fleet to lower emission vehicles. WesTrac will explore energy efficiency opportunities as recommended by further energy audits at major sites and install hot water heaters with heat recovery units at seven regional branches in NSW. WesTrac will also continue to assess Scope 3 emissions and begin to plan and work with suppliers and customers to track, measure, report, reduce emissions. WesTrac WA, in partnership with Caterpillar, is preparing to introduce the first electric machines to the market, which is a key milestones in the development to provide solutions to service WesTrac's customer ambitions of decarbonising their operations.

## Boral

Decarbonising operations and supporting customers in their decarbonisation journey through lower carbon products is a key priority for Boral.

Boral is currently delivering key decarbonisation projects including alternative fuels and kiln feed optimisation projects to reduce Scope 1 emissions. Boral's 'Alternative Fuels' program is focused on transitioning cement manufacturing operations from coal as the primary source of thermal energy to alternative fuels. Boral has adopted an ambitious target to achieve 60 per cent of Boral's cement kiln's thermal energy from alternative fuels.

In FY24, Boral successfully sourced approximately 28 per cent of its kiln's thermal energy from alternative fuel sources (utilising waste materials), up from 24 per cent in FY23. To enable this, Boral has recently completed major capital projects including construction of a state of the art automated receipt, storage and blending facility for solid waste derived fuel (SWDF). In addition, Boral also completed the construction of a chlorine bypass which is a key enabler to ramp up the use of alternative fuels. Utilising 72 kilotonnes of waste-derived alternative fuels enables significant reductions in carbon emissions associated with the heating processes in cement manufacturing while at the same time supporting diversion of these waste materials from landfill.

Boral has taken a major step in its transition to renewable electricity usage through a solar PPA. This agreement will provide up to 60 GWh pa of renewable electricity.

Boral continue to advocate for the potential of recarbonation. As recognised in the Sixth Assessment Report of the United Nation's Intergovernmental Panel on Climate Change (IPCC), the carbon emissions from concrete and cement manufacturing are partially absorbed by concrete during the life cycle of concrete buildings and infrastructure. Studies estimate that the CO<sub>2</sub> uptake through recarbonation of concrete could range from 20 per cent to 55 per cent of process CO<sub>2</sub> emissions during cement manufacturing. Boral believes that broader recognition of the recarbonation process remains a significant opportunity for Boral.

## Looking forward to FY25

Boral will continue to increase the use of alternative fuels at its Berrima Cement Works facility to further reduce Scope 1 emissions. Additionally, Boral will continue to explore opportunities to increase the use of renewable electricity across its operations. Boral will also continue the exploration of the recarbonation processes. Extensive research and development will continue, with the carbon capture and storage demonstration plant at Berrima Cement Works that is currently being commissioned.

## Boral's five key decarbonisation levers

|                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1</b><br><b>Energy</b>                 | <div>  <b>Alternative kiln fuels:</b><br/>           Transition Berrima Cement's kiln fuel away from coal by increasing the thermal energy derived from alternative fuels to 60% and exploring hydrogen and renewable gas         </div> <div>  <b>Renewable energy:</b><br/>           Aim to transition to power from renewable sources         </div> <div>  <b>Energy efficiency:</b><br/>           Improve energy efficiency by 5% to 10%         </div> |
| <b>2</b><br><b>Cementitious intensity</b> | <div>  <b>Lower carbon concrete:</b><br/>           Increase the use of supplementary cementitious materials         </div> <div>  <b>Kiln feed and cement plant optimisation:</b><br/>           Implement processes to increase cement plant efficiency         </div>                                                                                                                                                                                                                                                                        |
| <b>3</b><br><b>Transport</b>              | <div>  <b>Optimise supply chain:</b><br/>           Optimise supply chain logistics and routes         </div> <div>  <b>Renewable fuels:</b><br/>           Explore and implement alternative fuels for Boral and contractor fleets, including electrification, biofuels, and hydrogen         </div>                                                                                                                                                                                                                                          |
| <b>4</b><br><b>Sourcing</b>               | <div>  <b>Lower carbon supply chain:</b> Prioritise lower CO<sub>2</sub>-e intensity suppliers, including for imported clinker         </div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>5</b><br><b>CCUS</b>                   | <div>  <b>Mineralised carbon products:</b><br/>           Pilot and implement a mineralised carbon product stream         </div> <div>  <b>Carbon capture use and storage:</b><br/>           Explore and implement emerging CCUS technologies         </div>                                                                                                                                                                                                                                                                               |

## Coates

Coates' Scope 1 and 2 emissions are predominantly driven by consumption of fossil fuels from the internal vehicle fleet and the use of grid electricity. Key activities completed during FY24 are aligned with the Emissions Reduction Roadmap and primarily focused on these two sources and governed by the Coates Sustainability Committee, which is chaired by the Coates CEO.

In FY24, the Coates solar panel rollout program continued, with 26 branches now with installed rooftop solar PV totalling 1.1MW and 2,297 panels (19 were completed in FY24). The benefit of this portfolio program is approximately 1.15GW of reduction in grid consumption and reducing approximately 861 tonnes of Scope 2 greenhouse gas emissions annually. This work is a key part of Coates energy roadmap to meet decarbonisation targets.

Coates has driven nearly 66,000 electric on-road vehicle kilometres in FY24, saving approximately 5,500L of fuel and 11 tonnes of net GHG emissions. These trials have tested the operability of EVs in the internal Coates vehicle fleet, with ongoing feedback from pilot drivers assisting in the planning for fleet transition strategies.

Coates increased the visibility of electricity consumption at branches with solar installation providing invaluable data. This real-time data has enabled a focus and identification of activities to change behavior and usage to drive energy efficiency. For example, areas of high overnight energy load were identified with the ability to modify behaviour leading to a reduction of waste energy sources. Using solar portal and the newly created Energy & Emissions dashboard, data is visible at branch and organisational level allowing the business to focus on areas of highest benefit.

## Looking forward to FY25

Coates will continue to prioritise the rollout of solar power to its branch network, consider introducing net-zero property specifications for new or upgraded properties, further develop and implement emissions reduction actions via light vehicle, heavy vehicle & transport strategies, continue electrification of the branch equipment from combustion engines, and continue quantifications of supply chain emissions in line with mandatory climate-related financial disclosures.



WesTrac solar installation, Tweed Heads NSW

## Local Environment



### Aspiration

To reduce our operational impacts on the land, water and the local environment in the communities in which we operate

Since FY23, all of SGH's wholly owned businesses have actively pursued Local Environment targets and in particular had action plans that are aligned with the Australian government's National Waste Policy and focused on reducing potable water usage in our operations. We expanded the key material issue in FY24 to also focus on the local environment in which our businesses operate and interact.

### WesTrac

In FY24, WesTrac commenced the development of a Waste Roadmap based on established targets in line with the National Waste policy. Throughout the year, the focus was on further expanding the opportunities identified for plastic reduction, cardboard and wood waste optimisation within the Parts Distribution Centres, implementing soft plastic, cardboard and wood compaction technology. Continuing to reduce the amount of soft plastic waste sent to landfill nationally and reducing the frequency of truck movements through waste pick-ups. WesTrac is trialling 100 per cent PCR recycled courier bags and 'continuous' plastic bag stands, which has resulted in reducing waste bag usage by up to 60 per cent.

In FY24, WesTrac has continued to seek opportunities to reduce the consumption of potable water. WesTrac WA installed live remote water metering, which has reduced water consumption by 10 per cent and WesTrac NSW continues to use non-potable water in its wash bays and toilets at Tomago.

### Looking forward to FY25

WesTrac will continue to pursue the goal of reducing waste sent to landfill through: 1) extending the roll out of waste compactors; 2) seeking opportunities and suppliers to recycle waste; and 3) exploring alternative packaging options that have a lower environmental impact, are easily recyclable and / or are biodegradable.

### Boral

Boral continues to drive improvements in recycling via diversion of waste from landfill. In FY24 Boral diverted approximately 99 per cent of operational waste from landfill.

Boral is also playing an integral role in diverting a significant amount of construction and demolition waste generated by customers. In FY24, Boral Recycling processed more than 2.3 million tonnes of material, for direct sale to external customers, as well as for use in Boral's Quarries, Asphalt and Concrete operations. Boral's Recycling business sorts, crushes, blends and sells recycled materials including crushed concrete, bricks, glass and soils (from sandstone or excavated sand). These recycled materials are used for road base and similar products and are ingredients in concrete and asphalt mixes.

Water is an essential resource for all operations, but particularly Boral's Concrete, Cement and Quarries businesses. Boral uses water to manufacture concrete and cement; for dust suppression, particularly in the Quarries and Recycling businesses; and for cleaning and sanitation across operating sites.

Boral uses recycled water in its production processes across many of its businesses, including Concrete, Quarries, Recycling and Asphalt. While some sites use 100 per cent recycled water for production processes, this proportion varies across operations. Wash water, and first-flush stormwater at concrete plants are regularly recycled back into the production process. Boral continues to focus on increasing the use of recycled water in the production process.

Boral are continuing to manage biodiversity offset sites at Coolumburra, NSW as well as Narangba and Ormeau in Queensland. The 960-hectare offset site at Coolumburra supports five native vegetation community types that provide a habitat for two threatened species, the koala and large-eared pied bat (LEPB).

### Looking forward to FY25

To further improve recycling and diversion of waste from landfill, Boral will continue to focus on beneficially reusing waste products, through implementing internal training, and working with its operational sites and regulators. Further, Boral will continue to actively rehabilitate quarries and manage biodiversity offset sites. In addition, through Boral's recycling business Boral will continue to contribute to the circular economy and will aim to further increase the amount of construction and demolition waste diverted from landfills.

### Coates

During FY24, Coates completed a detailed branch survey, involving every site and property to provide a comprehensive picture of all facilities, operational capability, and all environmental activities, acting as an updated baseline for future improvements and opportunities. Following the success of this survey, Coates have committed to running a similar process on an annual basis to help maintain oversight and enhance continuous improvement.

Progress has also been made on Coates Water Roadmap, with the key activity being improvements in washbay maintenance and compliance requirements. This has included a focused audit of key facilities, the implementation of ongoing audit and improvement projects, and internal capability improvements. New wash bays and water treatment facilities have been constructed at Ingleburn, Smithfield and Muswellbrook, as new branch facilities have commenced operations.

Coates also continue to deliver against its Waste Roadmap. In FY24, focused activities at several 'top volume' branches commenced with an intervention process, development of improvement priorities and training on waste reduction initiatives.

Coates continue to support the local community through volunteering and donation of equipment in kind for local environmental improvement projects where Coates can assist. Some examples of this include volunteering at Foodbank, Hospitals and National Parks.

### Looking forward to FY25

Coates will continue enhancing wash bay maintenance and compliance to meet operational and legislative requirements as well as executing on plans to install water metering and sub-metering to improve water use understanding. A revised Spills Response Program will be launched, and a National Waste improvement program will be implemented to target top volume sites, focusing on waste reduction and diversion of recyclable streams.

# Materials



## Aspiration

To be a leading Australian corporate contributor to the circular economy

WesTrac, Boral and Coates play a key role in the 'circular economy' – promoting the efficient use of resources, reducing waste and environmental impact for our customers and communities in which we operate.

## WesTrac

The core of WesTrac's business lies at the heart of the circular economy; the bulk of the operations workforce is devoted to the reclamation and rebuilding of parts, components and equipment that would otherwise be regarded as having come to its end of life. WesTrac have 'rebuild' teams in multiple workshops who specialise in taking fully used equipment and rebuilding each component to an 'as new' state. In FY24, WesTrac has delivered a large number of refurbished and rebuilt parts:

### Summary of refurbished and rebuilt parts FY24

|                       |        |
|-----------------------|--------|
| Re-manufactured parts | 80,457 |
| Component rebuilds    | 14,876 |
| Machine rebuilds      | 353    |

In FY24, WesTrac WA partnered with Caterpillar rolling out a global initiative to recycle the metal duo seal rings from overhauled final drives components, reducing the need for raw materials. The Guildford branch has returned 11.25 tonnes of steel for recycling.

In NSW, WesTrac is utilising its five-3D continuous carbon reinforcement printers to supply over 250 parts per month to new machines and workshops. This is a highly precise and repeatable process replacing steel fabrication and reducing supply chain logistics.

### Looking forward to FY25

Looking forward, WesTrac will continue to expand its rebuild capacity and continue to work in close collaboration with Caterpillar on several circular economy initiatives. In addition, WesTrac will continue to focus on sustainability and the circular economy in its procurement practices.

## Boral

Boral aims to lead the way in offering innovative and sustainable material products that meet customers' construction needs. In addition to Circular Materials Solutions for building and demolition waste, Boral also offers a range of products with improved sustainability attributes, including increased use of recycled materials and lower carbon emissions.

Boral is prioritising lower carbon concrete innovation, development and availability. Boral's lower carbon concrete combine distinctive proprietary binder ingredient ZEP technology with expertise in concrete mix design to replace the cement used in concrete with Supplementary Cementitious Materials (SCMs). SCMs are typically ground granulated blast-furnace slag and fly ash, which are by-products of steel manufacturing and coal-fired power generation, respectively.

In FY24, there was a targeted campaign to promote lower carbon concrete, which represented ~33 per cent of sales volume for the year, up from 28 per cent in FY23.

Boral's recycled products include INNOVO asphalt system and Enviro-O-Agg Blended Sand. Boral has developed the capability to provide customers with INNOVO mixes containing up to 40 per cent replacement of aggregates and binder with Reclaimed Asphalt Pavement (RAP), up to 10 per

cent replacement of natural sand with crushed glass, up to 70 per cent replacement of aggregates with steel furnace slag, as well as up to five per cent replacement of the aggregate component and up to 18 per cent replacement of the binder component with crumbed rubber.

### Looking forward to FY25

Boral will work closely with customers to further increase the use of lower carbon and recycled materials. In particular, Boral will focus on increasing the awareness about the unique advantages of its premium Envisia product which offers significant reduction in embodied carbon of concrete without compromising performance.

## Coates

Coates are focused on the leadership role they can play in promoting circular economy practices due to the inherently circular nature of the equipment hire and business solutions business model. Coates provides solutions for Coates' customers that drives the efficient utilisation of materials and machinery in the Australian market.

In FY24, Coates have continued to build out the 'Circular Systems' program, that seeks to reduce materials and improve efficiencies across the lifecycle of products. Notably, Coates recycled 5,000 plastic barriers – 221 tonnes of HDPE plastic recovered, and recycled to new product, rather than landfill.

Coates have now recycled over 11,000 end of life plastic barriers since commencement of the program in 2022, including 10 per cent of the recycled content used in the manufacture of new barriers procured by Coates. In addition, Coates have also assessed the potential to recycle end-of-life plastic portable toilets with the manufacturer and successfully diverted 426 laptops and phones from landfill.

Through resale to local and overseas used equipment markets, Coates have extended the life of over 12,000 assets (\$105 million) of divested fleet.

### Looking forward to FY25

Coates plans to undertake a major circular project focused on Site Accommodation to enhance material circularity in asset refurbishment and appliance use, while expanding its recycling program for plastic barriers and portable toilets. Using data from climate-related financial disclosure reporting, Coates will also assess fleet categories impacting customer Scope 3 emissions and collaborate with equipment suppliers to reduce materials in production in FY25.

📍 Coates circular economy with road barrier recycling, Ingleburn NSW



# Technology & Innovation



## Aspiration

To bring the benefits of technology and innovation, including digital, to our teams and customers

Technology and innovation remain key to the success of our businesses, our customers' businesses and the Australian economy. SGH continues to equip our businesses with the knowhow, capital and incentives to continuously search for ways to adopt and leverage new technology driving efficiency for both our operations and our customers.

## WesTrac

In FY24, WesTrac continued to play an integral role in bringing the latest Caterpillar technology innovations to the Australian construction and resource sectors. WesTrac NSW opened its Technology Experience Centre (TXC) at Tomago, providing customers with hands-on experience with the latest Caterpillar technologies used in mining and construction. The TXC allows customers to experience live demonstrations of the Cat MineStar suite, automation, remote operation, fleet health optimisation, fatigue monitoring, and Fluid Sampling 101. This allows customers to gain a better understanding of the products and how they can benefit their applications.

WesTrac WA, in partnership with Caterpillar, is preparing to introduce the first electric machines to the market. WesTrac has also established a dedicated WesTrac Technology Centre in WA at WesTrac's Perth Airport Precinct in FY24. WesTrac's Technology Centre will be the central location for electrification projects related to power generation and lithium battery storage in readiness for pilot battery operated trucks.

WesTrac also expanded its offering of drilling automation products. Command Drilling enables consistency/repeatability of drilling outcomes with operator in cab but autonomous drill operation. This technology improves efficiency and fuel consumption. WesTrac enabled one of its key customers to reach one million meters of autonomous drilling in FY24.

## Looking forward to FY25

Looking forward, in FY25 WesTrac will continue to focus on collaborating with Caterpillar and WesTrac customers on electrification opportunities, while building the critical skills required to support electrified operations. WesTrac will also focus on improving operating capability and delivering on commitments made as part of the Caterpillar Electric Truck early leaner program. WesTrac will expand the offerings at the WesTrac Technology Training Centre Collie, particularly in in Autonomous Dozing. Efforts will also be directed towards creating a comprehensive Technology Roadmap, and launch the WesTrac Vision Link Strategy with a focus on sustainability and advising customers how to effectively manage fuel consumption.

## Boral

In FY24, the key focus of Boral's research and development was on achieving further reduction in embodied carbon of Boral's lower carbon products, developing unique circular solutions for customers, adopting new technologies to improve customer experience and piloting innovative decarbonisation technologies.

Boral's R&D program continued to explore further reductions in the embodied carbon of lower carbon concrete. Boral has now successfully developed mixes with approximately 70 per cent replacement of cement with slag and fly ash, up from approximately 50 per cent replacement in current lower carbon concrete product.

Boral also made further progress in roll-out of the 'Auto Allocations' system as a major step towards improving the productivity of the Company's fleet. Auto Allocations digitises the process chain, connecting trucks, products, plants and customer information and real-time traffic flow to create a single source of consolidated data. The system then uses an algorithm to recommend the best transport schedule, taking into consideration customer service and transport efficiency. The program has recently been implemented in metropolitan concrete plants in QLD, WA, VIC, SA and NSW.

Boral's commitment to Innovation is a key enabler of decarbonisation, in FY24 Boral continued to explore a promising Carbon Capture and Storage (CCS) technology based on recarbonation of construction and demolition (C&D) waste.

This CCS technology leverages Boral's unique vertically integrated business model and strong C&D waste recycling position to enable a low-cost carbon capture and storage solution. Boral expects that the outcomes of this pilot trial will enhance technical and operational readiness to scale this or similar CCUS technologies when required.

## Looking forward to FY25

Boral will focus on accelerating the roll-out of lower carbon concrete products with higher SCM content. In addition, Boral will further focus on R&D on the recarbonation process and recarbonation-based carbon capture and storage through extensive pilot scale trials in the demonstration CCS pilot plant at Boral's Berrima Cement Works facility.

## Coates

Coates has a long and strong history of introducing new technology to the Australian market to benefit customers, and increasingly the area customers have focused on relate to emissions reductions.

In FY24, Coates continued to increase the size of its lower carbon fleet options, with \$28 million in new equipment approved for purchase, expanding this fleet to \$147 million, representing 8 per cent of total fleet value. This fleet included 100 low pollutant engine driven earthmoving and materials handling assets. Coates additionally expanded its fleet of Battery Energy Storage Systems (BESS), Hybrid Power Systems (HPS) units, and electric Access and Material Handling equipment.

The provision of advanced digital solutions to customers continues to be a focus. Internet of Things (IoT) devices are now installed on over 10,000 assets, enabling customers to monitor and redeploy equipment to increase utilisation and minimises wastage (e.g. fuel and labour).

## Looking forward to FY25

In FY25, Coates will begin transitioning its 'own use' forklift fleet to electric drive to reduce Scope 1 emissions. Additionally, Coates will trial sub-metering equipment to monitor and reduce electricity usage and emissions in site accommodation. The Greener Choices fleet will also continue to evolve in response to customer demand and technological advancements and Coates IoT rollout will continue in FY25, with anticipated coverage increasing to 12,500 assets.

# Diversity



## Aspiration

To ensure we have a diverse and inclusive workforce that increasingly reflects the communities in which we operate

SGH is committed to supporting open and inclusive workplaces that embrace and promote diversity and equal opportunity. SGH considers building a diverse and inclusive workforce a key enabler for delivering superior returns to all stakeholders across the business.

## WesTrac

WesTrac continues to make meaningful strides in diversity and inclusion towards achieving an aspirational female gender target of 25 per cent in FY25. Diversity has increased year on year, which has seen an increase in female representation across the business, including leadership positions, with females now comprising 20 per cent of the WesTrac workforce nationally, up from 19 per cent in FY23.

WesTrac remains committed to fostering female talent pipelines, promoting internal career pathways, and providing career development opportunities remain steadfast. In FY24, this included launching and offering several leadership development programs for female team members such as the Women Rising leadership development program for high-performing female leaders in WA, complemented by the Male Allies program for Male leaders, Women's Mentoring program, and AGSM Strategic and Commercial Management program in NSW, achieving a 38 per cent female participation rate. Additionally, as part of International Women's Day 2024, WesTrac proudly introduced the Women of WesTrac Trailblazers campaign.

WesTrac actively participated in several programs such as Austmine's Accelerating Women in METS program, 'Girls of Steel,' and 'Girls Can Too' in NSW, emphasising the commitment to increasing female representation in both trade and leadership roles. Likewise, monthly diversity-focused recruitment assessment centres were conducted for entry-level trade positions at WesTrac WA.

Significant improvements to attract more female candidates and select the right applicants by streamlining the approach to assessment centres were made in FY24. Since FY21, WA has increased the number of female apprentices by 16 per cent year on year, achieving a participation rate of 20 per cent in FY24. Additionally, a mentor program and an engagement framework that supports females in a male dominated work environment was introduced. Whilst attracting female candidates is important, the retention of female apprentices was also a key focus given the higher attrition rates of this cohort. Targeted Initiatives to improve workplace environments and safety for this cohort helped improve retention rates drastically.

## Looking forward to FY25

WesTrac will continue to drive progress towards the 25 per cent female participation by end of 2025. A review of female development programs will be undertaken to ensure they are fit for purpose in supporting career progression and retention. Newly created training roles and the work experience program will be reviewed to look at ways of increasing female participation at an operational level. Increasing the number of females in leadership will continue, leveraging the employee value proposition to attract and retain female talent. WesTrac will also embark on broadening the diversity agenda to focus on visible and non-visible disability inclusion and commence Disability Action Planning.

## Boral

Boral's Diversity and Inclusion Plan, "Belong", outlines Boral's commitment to diversity with a specific focus on Gender Equity, Reconciliation and Inclusion.

In FY24, Boral updated its hiring practices, policies and processes to further strengthen equitable access to opportunities and encourage greater participation of women and Aboriginal and Torres Strait Islander people in its workforce. Key actions included; 1) gender neutral and inclusive advertising; 2) broader role criteria; 3) hiring manager training; and 4) updating policies to remove unintended bias and standardise flexibility and leave provisions.

In FY24, Boral completed extensive employee programs to improve employees' awareness about diversity. Over 300 employees completed a cross cultural training program. Further, all senior leaders participated in the 'Working with Respect' training and action planning program.

Boral also launched its 'Women's Driving Academy', providing targeted training and a defined career pathway in driving for inexperienced candidates. In addition, Boral further engaged with multiple school, trade and career expositions to build brand awareness and proactively engage high school students on early career opportunities at Boral. Other events to celebrate Boral's rich diversity include recognising International Women's Day, National Reconciliation Week, NAIDOC Week and Pride Month.

## Looking forward to FY25

Boral will continue prioritising Gender Equity through the delivery of its 'Gender Action Plan', creating equitable access to opportunities to increase diverse representation at Boral.

Over the course of FY25, Boral will also accelerate its investment in women's development and career progression, with targeted campaigns and training opportunities for women to access non-traditional career pathways and leadership opportunities. This includes launching the 'Women Leading Program' as well as establishing early talent programs including Undergraduate and Apprentice Programs. Further, Boral have established gender representation targets to increase the representation of women in the workforce by 20 per cent by June 2025.

As part of Boral's new 'Innovate Bula Reconciliation Action Plan' (RAP) which will commence in 2025, Boral will build on Cross-Cultural Awareness with a formal cultural competence program across its sites.

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## Coates

In FY24, Coates refreshed its Diversity Equity and Inclusion Strategy and Action Plan to have a two-year focus spanning FY24 and FY25. As part of that plan, Coates established frontline female participation targets, increased networking and development opportunities, and improved flexibility of hours at Branches.

Coates overall female representation has increased from 21.6 per cent in FY23 to 23.1 per cent (444 roles filled by women). Coates representation for women in people leadership roles has also grown by two per cent to 23.7 per cent with 84 women in leadership roles. Aboriginal and Torres Strait Islander participation has remained largely steady at 2.1 per cent, including in leadership. Bi-annual role to role Gender Equity Pay Reviews continue to ensure zero per cent gap for base salary and total fixed remuneration.

Coates efforts in advancing gender equality were recognised through winning the NSW National Association of Women In Construction (NAWIC) Crystal Vision Award and being a finalist in the equivalent national award for advancing career progression and promoting participation of women in the construction industry. Specific development and networking activities have taken place for female employees in all key operational business units, taking a variety of forms from online group learning to in-person activities, with positive feedback and requests for further activities in FY25.

Coates has continued to achieve strong results from its LEAP (Leadership, Excellence and Potential) program for women in leadership, with 21 participants completing the program in FY24, and five graduates experiencing promotions or new roles, with a total of 33 per cent of graduates gaining promotions since the program began in 2021.

Over 180 leaders attended Inclusive Leadership training through the year, with the program scoring an NPS of over 49, demonstrating strong engagement with the topic. A variety of key events have also been celebrated nationally or locally across its network during the year including International Women's Day, Harmony Day, National Reconciliation Week, NAIDOC and World Down Syndrome Day.

## Looking forward to FY25

The LEAP Program will remain a priority, alongside improving female engagement, expanding female networking events, and maturing inclusive leadership training for management teams, as Coates work towards the goal of 25 percent participation by 2025. This will involve further efforts to accelerate the employment and retention of frontline female employees across the business. Additionally, work will continue around Positive Duties and reducing psychosocial risks in conjunction with HSEQ. Cultural awareness training as part of the Innovate RAP will also persist in FY25, enhancing its understanding of First Nations culture. Furthermore, Coates plan to broaden diversity and inclusion agenda beyond the current focus areas of gender and First Nations to formally include other categories.

# Training



## Aspiration

To engage, educate, develop and inspire our people

SGH remains committed to investing in leadership development and specialist training to improve the technical and leadership capability of our people.

We have a particular focus on programs such as training, apprenticeships, and trade upgrades to ensure we have access to the skilled labour we need in order to serve our customers. WesTrac, Boral and Coates are Registered Training Organisations.

## WesTrac

With the growth of emerging technologies, WesTrac continues to prioritise and invest in the training and development of its people to enhance the workforce capabilities and to ensure it meets customer needs.

In FY24, WesTrac initiated the development of an electrification curriculum, upskilling both customers and its own workforce, developed new product courses including advanced drills and next generation dozer courses, and launched a nationally accredited surveying and spatial awareness skill set in collaboration with TAFE NSW.

WesTrac have maintained its commitment to building the future workforce with 295 apprentices across its business, of which 58 graduated to fully qualified tradespeople in FY24. This commitment to growing the industry is supported by training a further 200 customer apprentices through WesTrac's Registered Training Organisation. Diversifying skill sets has continued with 132 new trade up grades and dual trades being enrolled during FY24.

WesTrac's Technology Training Centre (WTTC) in Collie continues to support deployment of Mining Technologies, having now delivered training to over 800 personnel throughout the industry. The Collie facility also supports a non for profit to deliver Construction training for disadvantaged and underprivileged youth, with 25 students graduated during FY24 and have successfully gained employment.

## Looking forward to FY25

WesTrac will continue to expand the ongoing program offerings to its team members and customers, and seek to further develop Machine Control and Guidance programs for dozers and graders, Learning management system/e-learning capability for WesTrac systems along with the electrification curriculum and training pathways to support the required skillsets for both Hybrid and Battery Electric products. WesTrac will also continue to build the reputation and success of the WesTrac Institute in WA and NSW, delivering over 5,000 training sessions and aim to develop and grow the apprenticeship and trade upgrade programs with a target of over 500 students across WA and NSW.

## Boral

During FY24, Boral strengthened its new starter experience by introducing the 'Boral Way' induction program with regular check-ins to ensure new employees are well prepared, supported and improve retention rates.

Boral continues to invest in building leadership capability to support and sustain its business transformation. In FY24, 165 of its business and finance leaders completed the Boral Commercial Acumen and Financial skills program. Additionally, Boral deployed renewed Competition Law training to its extended leadership team (ELT), sales, and customer experience employees.

Boral has streamlined and modernised operational training systems and processes including new and innovative ways to ensure that high risk activity and controls are at the forefront of operator awareness, and continue to work with operational teams to identify clear career pathways to broaden skills, improve engagement and retention.

Over 2,900 employees participated in operational training with over 1,500 people obtaining a nationally accredited certification. The Boral RTO continues to play a key role in the development of skills to ensure Boral employees and business are industry leading in terms of service, efficiency and quality to meet the needs of customers.

Boral continues to invest in the future through the engagement of 45 apprentices and trainees.

## Looking forward to FY25

Boral will launch its new leadership model with a competency framework by leadership level and assure an internal pipeline of talent for the future. This model and framework will be integrated into the HR practices of leadership and business leadership skills with a strong emphasis on the fundamentals of segment performance and understanding and continually leveraging the Boral value chain.

## Coates

Coates continued to provide learning opportunities for its people in a variety of areas, both to enhance job performance, develop people and ensure compliance to essential skills and knowledge required for its organisation. In total, over 32,500 hours of training have been delivered in FY24 with a total investment of \$2.0 million. Some of the key areas are set out below.

Training to uplift the focus and capability across the entire Coates workforce with respect to Customer Experience has been a key activity in FY24. With training on each of its six Customer Experience Principles, as well as other bespoke and practical guides, tools and training across the various aspects of the customer journey and involving all employees.

The 'Equipped for Leadership: Branch Manager' program continued in FY24. The program has now been delivered to over 200 participants since 2022, receiving outstanding feedback from participants and their leaders, with a Net Promoter Score of +80. The program has also demonstrated a measurable impact on leadership performance and employee engagement for this cohort.

During FY24, a full review of all sales training was conducted and a strategy for the improvement of sales performance training was recommended and endorsed by senior management. Work is underway for the refreshed suite of training programs which will commence delivery early in FY25.

## Looking forward to FY25

Coates will support the new "Be our Best" cultural program that will be launched with appropriate learning and training initiatives for people across the business. The second year of the Frontline Capability Program will also be delivered focusing on a newly insourced apprenticeship program and preparing to undertake suitable traineeships for FY26/27. The refreshed Equipped for Sales Performance program will commence delivery aligning the training of the sales teams more closely to Coates business performance objectives and measures.

# Employment



## Aspiration

To be an employer of choice across all categories of employment, known for fairness, empathy, development and contribution

Our workforce contains a vibrant mix of skills and capabilities. Our people have the right to freedom of association and collective bargaining, and we maintain constructive relationships with multiple unions that participate in the sectors we operate in. Our SGH Employee Share Purchase Plan, launched in FY21, provides employees the opportunity to share in the value that they help generate for shareholders.

## WesTrac

Several strategic initiatives were implemented in FY24, including sourcing talent from international labour markets such as Africa and the Philippines. WesTrac conducted various trade-focused recruitment campaigns, such as the Train-to-Task Recruitment Campaign, the light vehicle and agricultural mechanics campaign, and the External Trade Upgrade Campaign, aimed at broadening trade skills and qualifications. Additionally, a focus on untapped talent pools, led to identifying and including veterans and females in operational roles, particularly within the Parts Distribution Centre. WesTrac continue to build talent pipelines through multiple channels, including school-based traineeships, and offered flexible rosters in the warehouse to attract females with primary carer duties.

WesTrac also prioritised talent development, refining its Employee Value Proposition ("EVP") based on internal and market feedback, and increasing investment in apprentices, interns, and graduates, successfully filling 65 per cent of leadership roles from within the organisation. WesTrac also commenced utilising and exploring the use of AI, including adopting a state-of-the-art data management and analytics platform to facilitate strategic workforce planning, enabling modelling and forecasting for recruitment needs, and explored optimising existing and integrating automation systems to reduce administrative tasks, improve productivity, optimise resource allocation, and increase employee engagement.

This year also marked WesTrac's 20th anniversary of operations in NSW and ACT, celebrated at WesTrac NSW Family Day, recognising the critical contributions of its team members. In WA, team members and their families enjoyed a WesTrac Adventure World Takeover night, complete with thrilling rides and activities for all ages.

## Looking forward to FY25

WesTrac will prioritise strategic attraction and retention through focusing on internal talent identification and development of clear career pathways. WesTrac will continue to build the 'Built By Us' initiatives, enhance onboarding experience, improve employee experience through the automation/elimination of inefficient manual processes and review workforce planning, including roster review and skills gap analysis.

## Boral

Boral is dedicated to providing a safe, engaging, and inclusive workplace for all employees. Boral is directly employing approximately 4,500 people and positively impact many more by being a good employer.

In FY24, Boral launched several initiatives to enhance and innovate the daily work experience of team members. Notably, Boral introduced a new engagement survey to facilitate more direct feedback between employees and their leaders. Additionally, Boral rolled out a new Employee Assistance Program (EAP) and established a Mental Health Champion network, underscoring its commitment to supporting employees' well-being and prioritising their health and safety.

Boral has 57 active enterprise agreements, highlighting its dedication to freedom of association, collective bargaining, and maintaining positive working environments and outcomes for its employees.

## Looking forward to FY25

Boral's focus will be on embedding employee engagement initiatives into the usual operating rhythm of the business and using insights from these processes to inform and drive improvements in employee experience including targeted career and training opportunities for its people.

## Coates

During FY24 Coates undertook multiple organisational reviews to streamline structures, especially within the Solutions businesses, reduce overhead costs where possible and optimise and improve operational efficiencies. Labour shortages in key skill areas (such as customer service, trades, drivers, engineers) have continued to create challenges especially in regional areas. Coates welcomed over 50 international mechanics from the Philippines and three African countries late CY22 through to late CY23 to help address some of these gaps and will look to employ a smaller cohort in FY25 as shortages continue.

Throughout FY24, in an effort to combat attrition, a series of strategic initiatives aimed at optimising talent acquisition processes and continuously improving the candidate and employee experience were undertaken. Enhancements included improving internal selection processes and the revitalisation of its interview guides and advertising templates, ensuring they aligned with current industry trends and effectively conveyed the brand to potential candidates. Work commenced to improve the Employee Experience starting with onboarding processes and training, promoting benefits and services available to employees and their families and refreshing the key employee recognition vehicle being the monthly peer-to-peer John Coates Medal for living the Coates values. Bespoke remuneration reviews have also been conducted for some roles and locations.

The Coates Employee Engagement survey was conducted in March 2024 with a best-practice participation rate of 80 per cent. The overall engagement score however decreased from 61 to 53 per cent nationally. The leadership team is undertaking site visits and listening tours to enable a greater understanding of the key issues to enable effective and meaningful action plans to be developed at both a national and business unit level. Work has also commenced on a new cultural program called 'Be our Best', to elevate and embed the Coates value of the same name, and also increase employee confidence and engagement.

## Looking forward to FY25

Coates will launch the "Be our Best" Program with associated training, initiatives and leadership support to build greater engagement and performance. Coates will also complete the negotiation and implementation of a new Coates enterprise agreement and undertake appropriate Engagement Action Plans to address key issues raised by employees.

# Indigenous Inclusion



## Aspiration

To make a meaningful contribution to the full realisation of the rights of Indigenous peoples in the communities we operate in

SGH recognises Aboriginal and Torres Strait Islanders as the traditional landowners of Australia, and we acknowledge that listening to Indigenous voices strengthens our ability to positively contribute to the full realisation of the rights of First Nations peoples.

We are particularly committed to providing support to the Indigenous communities where our work takes place, and this support includes employing and training Indigenous workers and supporting Indigenous businesses. We look to structure our actions in line with the framework espoused by Reconciliation Australia.

## WesTrac

In FY24 WesTrac successfully met the objectives outlined in their Reflect Reconciliation Action Plan (RAP) and have submitted a new Innovate RAP for endorsement by Reconciliation Australia.

A continued effort to promote reconciliation within its sphere of influence by educating staff members, initiating Cultural Competence training, recognising Reconciliation Week and NAIDOC week, and enhancing employment outcomes for First Nations people.

WesTrac NSW continued to donate to Deadly Science, to build career pathways. In WA WesTrac continued to partner with Nudge to provide employment opportunities for Indigenous youth, designed to kickstart their careers and provide mentoring and education. Additionally, continued involvement with the Carey Bindjareb Program, which helps Aboriginal men from the Bindjareb region who are currently engaged in the criminal justice system to re-enter society with a viable career prospect. This program offers nationally accredited industry-focused training to Aboriginal men, while simultaneously reconnecting them with their cultural roots and sense of identity.

## Looking forward to FY25

WesTrac will commence with the celebration of NAIDOC Week in July. For the remainder of FY25, WesTrac focus will be on launching its Innovate Reconciliation Action Plan and expanding the cultural competence training provided to employees nationwide. WesTrac NSW will also explore opportunities to partner with Career Trackers, an organisation that supports pre-professional Indigenous university students by connecting them with employers for internships and ongoing employment opportunities.

## Boral

In FY24 Boral successfully completed its Innovate Reconciliation Action Plan (RAP). The innovate RAP was based on the three Reconciliation principles of Respect, Relationships and Opportunities.

Boral launched its Cross-Cultural Awareness online program for all staff, initial responses show an extremely positive evaluations from its staff. Boral's meeting room office spaces at major sites also changed names to reflect Aboriginal peoples' and cultures to ensure Aboriginal history and culture remains front of mind for its office based and visiting staff.

Boral celebrated Reconciliation Week and NAIDOC events at many of its sites with the highlight being as a Corporate Sponsor of NAIDOC activities in Townsville.

Boral has strong alliances with local sites and Aboriginal communities at priority sites forming Aboriginal Heritage Committees that meet regularly. This has been an extremely positive experience for both Boral and the Aboriginal communities in which Boral operates leading to some fantastic outcomes including the handing back of the Aboriginal significant Duneed Res in Geelong from Boral ownership to Aboriginal community ownership in a nations first event.

With Boral's Supply Nation membership, Boral was also able to form business engagements through its procurement network with over 45 aboriginal businesses and in the FY24 had an Aboriginal spend of over \$8 million.

Boral completed its first Innovate RAP with all 45 key deliverables met the satisfaction of Boral and Reconciliation Australia.

## Looking forward to FY25

Boral aims to build on its Cross-Cultural Awareness program with a formal cultural competence program for staff and sites. The success of Boral's Aboriginal Heritage Management Committees at major sites will see more joint Management Committees formed at Boral sites and the 'Innovate Bula Reconciliation Action Plan' (RAP) will be commenced in FY25.

## Coates

In FY24, Coates continued its reconciliation journey, focusing on driving outcomes for employment, education, community engagement and increasing supplier opportunities for Indigenous businesses nationally. The Coates Innovate Reconciliation Action Plan (RAP) was completed during FY24 and have progressed to Innovate RAP 2.0.

Coates continue to work closely with community partners. Coates employees participated in over 250 community events with these partners, and all staff were given the opportunity to participate in a Cultural Awareness session. Coates has worked closely with Indigenous communities to create suitable cultural awareness training for all employees, which will be launched in NAIDOC Week 2024.

Coates renewed a National partnership with The Clontarf Foundation. During FY24, Coates employees attended over 20 employment forums across the country, which lead to several groups of Clontarf students attending local branches, completing work experience and also included two more students commencing employment with Coates. Coates has employed 15 Clontarf graduates since the partnership began.

Coates continues to forge meaningful partnerships with Indigenous businesses, supporting employment opportunities for Aboriginal and Torres Strait Islander people. With over 60 Indigenous businesses in its supply chain, revenue with Indigenous businesses has grown approximately 40 per cent from FY23 (\$7.8 million for FY24).

## Looking forward to FY25

Coates will continue to progress its 'Innovate RAP 2.0' and provide opportunities for all employees to engage in community and cultural awareness activities, including cultural immersions "on country" experiences. Coates will also keep expanding the opportunities for Indigenous partnerships in its supply chain and customer pool.

For personal use only

# Local Communities



## Aspiration

To be an engaged and constructive participant in the communities in which we operate

We operate and serve our customers both in capital cities and in remote and regional areas across Australia. Wherever we operate in local communities, our teams aim to be actively involved in those communities. As an organisation, SGH's commitment to making a positive contribution to all these communities is resolute, and we have a proud history of providing assistance and support to communities across Australia, particularly in times of need.

## WesTrac

WesTrac's focus on community remains closely tied to the local communities and organisations connected with its facilities. In FY24, WesTrac continued to support these communities through participation and donations both in time and money.

In WA, WesTrac team members participated in the MACA200 Ride for Cancer, raising ~\$160,000 – surpassing last year's contribution. WesTrac also donated \$50,000 during Telethon Weekend, with team members volunteering at the call centre. Additionally, the WesTrac Newman Branch was involved in the McGrath Foundation Cricket Match in Newman, with team members participating and donating prizes.

In NSW, WesTrac Tomago hosted multiple school groups as part of the school outreach program. Students learnt about WesTrac's trade institute and how the role of coding and robotics in their education may also assist their future employment. NSW also participated in numerous customer's mine open days, fostering connections between customers, employees' friends and families and giving back to the communities in which WesTrac and its customers operate. WesTrac also supported the Hunter Breast Cancer Foundation. Additionally, WesTrac provided key equipment and supplies for Channel 7's 'Dream Home' renovation series, which assisted six struggling couples across Victoria, New South Wales, and Queensland in their time of need.

## Looking forward to FY25

WesTrac will continue to support local charities in the communities it operates, including continuing contributions to the Telethon Weekend. WesTrac will also be partnering with Telethon at the Perth Tradie Expo, donating \$5,000 for every new machine purchased over the weekend. WesTrac will further be partnering with Black Dog Institute, donating \$50 for every feedback survey that construction industry customers complete after the purchase of a new machine.

## Boral

One of Boral's stated objectives is to take a socially responsible approach to all of its activities. Boral recognises the importance of effective stakeholder engagement and communication between each of its operations and the stakeholders associated with them.

Boral uses a risk-based approach in determining its community activities, taking into account a range of social, geographical, environmental and legislative considerations. A profile is constructed for each site which then forms the basis of a community plan tailored to the site's context.

Over the past 12 months, through its community investment and partnership framework, Boral has contributed to several important community led organisations and initiatives including equipment for Bungonia Rural Fire Service, restoration and ongoing upkeep of Berrima Remembrance Grove project, donations of koala fodder to Australia Zoo, sponsorship of Seaham junior netball club and Townsville NAIDOC week celebrations.

## Looking forward to FY25

Key community engagement activities planned for FY25 will include:

- Contributions to selected community events adjacent to Boral's operations;
- Supporting Landcare groups;
- Establish a habitat corridor at Berrima Cement Works with other neighboring property owners; and
- Supporting local primary schools within the communities we operate.

## Coates

During FY24, Coates intensified its commitment to community involvement through the Coates Foundation, raising over \$600,000 for charity partners and local communities. Coates' dedication extended to enhancing the Coates Volunteering Program, offering diverse opportunities for employees to contribute and give back to the communities in which it operate, resulting over 2,000 volunteering hours, a 200 per cent increase on last year.

Continuing support for Mission Australia, Coates helped their Christmas Appeal by donating 140 hampers to families in need and organised a PINK concert ticket raffle, generating crucial funds. Furthermore, Coates provided equipment donations of \$75,000 to the Humpty Dumpty Foundation, supporting their Balmoral Burn event and donating a further \$25,000 in paediatric medical care nationwide.

Participation in Telethon helped raise \$77,467,775 for ill children in Western Australia and strengthened Coates partnership with TIACS (This is a Conversation Starter) to promote improved access to mental health counselling for blue-collar workers and their communities.

Through strategic sponsorships with NRL, Coates Talent League, Newcastle Jets FC, Perth Glory Liberty A-League, and Supercars, including support for Indigenous Round, Coates engaged regional communities and supported women and youth. Emily van Egmond, Coates Ambassador and Matilda, inspired audiences during the 2023 Women's World Cup, and her active promotion of what women in construction can learn from women in sport has been felt across the industry.

In FY24, Coates initiated a two-year partnership with the Perth Wildcats, supporting aspiring athletes and fostering basketball's growth. Additionally, Coates, like WesTrac supported the Channel 7's 'Dream Home' renovation series and was the equipment supplier during the series.

## Looking forward to FY25

Coates plan to expand its Volunteering Program with Mission Australia and Foodbank Victoria, offering more opportunities for employees to contribute. Coates will also participate in Homelessness Week 2024 fundraising activities to support Mission Australia's initiatives and continue to support positive mental health through RUOK? Day and the TIACS partnership.

# People

## Commitment

Our people are our strength. We take pride in the unwavering dedication and commitment of our frontline workforce, who consistently strive to provide exceptional value and outstanding service to our customers.

## Safety Performance

Visible leadership is the cornerstone of strong safety performance, driving continuous improvements and measurable outcomes that ensure a secure and thriving environment for all.

The full incorporation of Boral into our safety accountability and reporting framework this year, together with a number of targeted safety improvement initiatives, including a "Back to Basics" program and increased focus on visible leadership, has delivered significant improvements in our safety performance results. Boral's Total Reportable Injury Frequency Rate (TRIFR) 4.5 and Lost Time Injury Frequency Rate (LTIFR) 2.2 improved by 38 per cent and 27 per cent respectively, supporting an overall year on year improvement of 26 per cent in SGH's overall TRIFR and LTIFR of 4.5 and 1.4 respectively.

Whilst these results are pleasing, and validation that our prioritised approach to Safety is converting into improved results, there is still much more to be done to achieve ongoing improvements including reduction in injury severity and frequency.

WesTrac's Safety for Front Line Leaders program has been aligned with new leader induction, highlighting their role in leading a safety culture across all sites. A personal "buddy" program is in place for the first three months of employment to promote and integrate new starters with the high safety standards expected from each task delivered. A trial program to commence in Q1 FY25, will increase our use of live safety data using Wearable Sensor Technology to identify solutions to reduce workplace musculoskeletal and manual handling related injuries.

At Boral, visible leadership and a safety-led culture remain a key focus. A new Dust Management Program and dust monitoring controls across high-risk product lines has been introduced. The program focuses on improving site reporting with Dust Management Plan Declarations, Site Inspections, Program Training and personal protection equipment compliance.

Coates has consistently focused on reducing injuries through a program of task-based safety education as well as operational leadership being present and visible, observing operations and interacting with team members to reinforce safety behaviours. A focus on risk management framework training, top 10 critical risks and induction enhancements has ensured a preventative safety culture.

Safety First Culture initiatives delivering safety improvements and performance outcomes.

## Safety First Culture

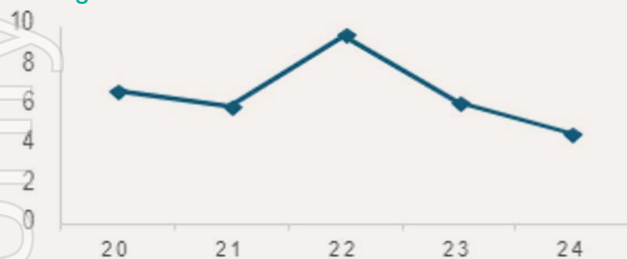
SGH is focused on delivering a differentiated customer experience and the safety of our people is a key priority when delivering value for our customers and shareholders. Our leadership and organisational values inculcate safety as a key priority across all our businesses, with everyone responsible for playing an active role in delivering on our Safety Critical Controls and Life Saving Commitments. In addition, our multiple lead indicators such as safety audits, hazard reporting and action closeouts and robust reporting framework, play an important role in driving safe behaviours, preventing serious injury and ensuring risk identification and mitigation. Deep dives and root cause analysis provide meaningful insights into our continuous improvement processes. Regular safety training for all employees, safety inspections, and audits to identify and address potential hazards further enhance the safety framework and compliance culture.



## People continued

Safety is a shared responsibility, where each employee plays a crucial role in fostering a safe and secure workplace

Rolling 12 Month TRIFR



^Boral is included from Jun '22

Rolling 12 Month LTIFR



|           | TRIFR <sup>1</sup> |      | LTIFR <sup>2</sup> |      |
|-----------|--------------------|------|--------------------|------|
|           | FY23               | FY24 | FY23               | FY24 |
| WesTrac   | 5.0                | 5.2  | 0.4                | 0.3  |
| Boral     | 7.2                | 4.5  | 3.0                | 2.2  |
| Coates    | 5.1                | 4.1  | 1.7                | 1.0  |
| SGH Total | 6.1                | 4.5  | 1.9                | 1.4  |

1. Total recordable injury frequency rate (TRIFR) = number of work-related recordable injuries per million hours worked.

2. Lost time injury frequency rate (LTIFR) = number of work-related injuries that resulted in time lost from work per million hours worked.

Results for previous periods may be adjusted following post incident investigation and review.

### Focus on wellbeing and psychosocial safety

SGH's Safety-First approach is comprehensive and leader-led, addressing both physical and psychosocial hazards and injury prevention. Consistent with our messaging last year, SGH has elevated its focus on the psychosocial safety and wellbeing of our workforce. Ensuring compliance with the recently amended work health safety laws, with a continued focus on the appropriate identification and mitigation of psychosocial risks, and addressing all forms of harassment in the workplace has been a key focus of our leaders across all of our business units. Businesses have updated risk registers, hazard identification and key controls to address key psychosocial risks in the workplace with ongoing monitoring and effectiveness processes in place.

Further, to elevate engagement and workplace wellbeing, a wide range of preventative health and wellbeing support has been rolled out for our people through organisations such as "This is a Conversation Starter" (TIACS), Mates in Construction, R U OK?, and Employee Assistance Programs. We also provide flexible working arrangements to support staff with caring and other personal responsibilities and have Mental Health First Aiders to support mental wellbeing and workplace safety more generally.

### Leading high performance teams with an Owner's Mindset.

SGH's strong performance in FY24 and over the past few years has been as result of SGH's People Strategy that focusses on leading high-performance teams with an Owner's Mindset and strong recognition culture. In addition to ensuring our businesses are actively advancing towards creating a diverse, equitable, and inclusive environment, SGH has made significant progress in developing and promoting leaders from within and expanding equity ownership across all levels of the workforce to drive an Owner's Mindset and allow employees to share in the growth of the company. Pleasingly, participation in equity reward programs increased by 40 per cent over the last three years, with a further expansion of equity programs being rolled out following the Boral acquisition, and to drive stronger retention at WesTrac. Our employee share purchase plan has also been

delivered for three consecutive years with good take up rates that will increase further as Boral comes on board following the recent compulsory acquisition. The focus remains on ensuring a differentiated people experience, characterised by career development opportunities, training and development across one of Australia's leading industrial companies and workplace environments that are diverse, and as a result, high performing and highly engaging. Further details on our progress and initiatives regarding Diversity, Equity and Inclusion (DE&I) is set out below and in our Sustainability Report (refer page 27 of this Annual Report).

### Diversity, Equity and Inclusion

We continue to explore and implement targeted programs and initiatives to promote a culture of equal opportunity and inclusion across our workplaces. Through our sustained focus on DE&I, FY24 saw an increase in overall female participation from 17.2 per cent to 18.2 per cent, while there was small decrease in the proportion of females in supervisory and management from 18.7 per cent to 17.6 per cent (including Boral). As part of our measurable diversity objectives, SGH's aspiration is to achieve 25 per cent female representation by 2025, while continually seeking ways to further our progress in fostering a diverse and inclusive workplace for our approximately 11,000 employees. There are multiple initiatives in place to achieve this aspiration, ranging from grassroots programs (such as increasing the number of females in our apprenticeship programs) to the active development and promotion of women into senior leadership roles.

Coates' efforts in advancing gender equality were recognised through winning the NSW National Association of Women In Construction (NAWIC) Crystal Vision Award and being a finalist in the equivalent national award for advancing career progression and promoting participation of an women in the construction industry.

WesTrac has introduced gender decoder in all job advertisements that is resulting in higher volumes of females in short-lists and assessment centres. A Male Allies Program

# People continued

highlighting the role men play in promoting gender balance has been rolled out at WesTrac which includes sharing the female work experience and challenging norms, that may be preventing an improved work environment for a diverse employee base.

We have established tailored programs to cultivate the pipeline of female leaders, such as the Leadership Excellence and Performance (LEAP) program at Coates and the Women Rising program at WesTrac, which is offered to high potential and junior female leaders in a mix of formats to ensure they have accessibility to business mentors and coaching to support their career journey.

Boral launched a Women's Driving Academy, providing targeted training and a defined career pathway for inexperienced candidates from non-traditional sourcing channels. This is in addition to a new Women Leading Program being launched in September, that will include 20 female emerging Boral leaders and develop their cross-business leadership capabilities for future leadership roles.

Gender pay equity remains a focal point, we continue to conduct annual gender pay reviews to identify and address discrepancies in base pay for comparable roles. Additionally, thorough analysis of pay rates across job families and levels, informs adjustments to our remuneration framework to uphold gender pay parity.

All our businesses have formalised flexible working policies accessible to all employees. We have also conducted capability sessions for managers to equip them with the skills needed to facilitate discussions around flexible work arrangements. While accommodating flexible work options for our site-based employees presents challenges, we continuously explore solutions such as flexible rostering, adjusted working hours, different work patterns, and job sharing to accommodate their family, caregiving, or other responsibilities. Boral is expanding flexibility options in FY25, with a focus on role design to enable increased female participation. This work will see great flexibility in hours and job share arrangements. WesTrac has formalised Job Sharing programs in FY24 along with a Return to Full Time program which has been used by employees returning from parental leave and longer-term sick leave.

Participation, reconciliation, and community engagement with First Nations are integral to our mission. All businesses actively participate in community initiatives. Boral was a platinum sponsor of Townsville NAIDOC week celebrations and has established alliances with Aboriginal Heritage Communities which saw the handing back of Duneed Reserve in Geelong to Aboriginal community ownership.

WesTrac's involvement in the Carey Bindjareb Program continued in FY24. The program helps indigenous men engaged in the criminal justice system re-enter society with career opportunities. In addition, and through the Indigenous Nudge program, WesTrac has employed 3 trainees into its West Australian operations.

As part of Coates' partnership with Clontarf, staff have participated in over 20 employment forums, hosted work experience events with 15 Clontarf graduates being employed by Coates. Work has also progressed in building partnerships with Indigenous businesses with approximately 60 businesses now in our supplier network.

## Talent retention in a tight labour market.

The challenge of attracting and retaining key talent in a tight labour market has emphasised the focus on our talent succession, development, engagement and reward programs. To supplement our workforce, we've tapped into global talent pools, attracting over 140 international labour candidates over the past year. We have also strategically managed our workforce and resource allocation, looking at the current and future supply and demand channels to inform our recruitment, training and skills development programs. Initiatives include identification of transferable skills and actively deploying staff into new hybrid roles that offer career variability whilst filling key skills gaps. Our attraction and reward strategies, including referrals, recognition and incentives, have also proven effective attracting and retaining talent, despite ongoing market competition.

## Capability and Training

Our commitment to maintaining industry leading capabilities and a highly skilled workforce, with attractive career growth and development opportunities, remains a critical component of our People Strategy and employee value proposition. We continue to invest in training and development, including operational, sales leadership, and technical training.

Leadership development and succession planning is an important element of our talent management and capability development framework. Internally promoting talent provides career longevity with SGH, whilst preserving critical knowledge and experience within SGH. A number of senior appointments were filled internally in FY24 and development plans put in place for future talent, including future female leadership programs and appointments. Further details on Training and Employment are set out in our Sustainability Report, including initiatives planned for FY25 (refer to page 29 to 30 of this Annual Report).

### 2024

| Level                                 | Number of Women | Proportion of Women <sup>1</sup> |
|---------------------------------------|-----------------|----------------------------------|
| Board                                 | 3 of 9          | 33.3%                            |
| Senior Managers/Managers <sup>2</sup> | 188 of 1,066    | 17.6%                            |
| Whole of organisation                 | 1,917 of 10,558 | 18.2%                            |

### 2023<sup>3</sup>

| Level                    | Number of Women | Proportion of Women |
|--------------------------|-----------------|---------------------|
| Board                    | 3 of 9          | 33.3%               |
| Senior Managers/Managers | 199 of 1,064    | 18.7%               |
| Whole of organisation    | 1,791 of 10,407 | 17.2%               |

1. Diversity numbers based on information reported to WGEA as of 31 March 2024.  
2. Senior Managers/Managers includes Executive Directors of SGH as well as other Managers as defined by WGEA.  
3. 2023 restated to include Boral.

# Emissions and Climate Change – TCFD Disclosure

In this section, SGH reports in line with TCFD recommendations under the headings of Governance, Strategy, Risk Management, Metrics and Targets.

## Governance

The Board of Directors maintains oversight of climate and sustainability matters, including impact on our strategy, risk identification and management, and external reporting.

The Audit & Risk Committee (ARC) is responsible for satisfying itself that a sound system of risk oversight and management exists, and that internal controls are effective, in relation to climate change risks.

Management is responsible for reviewing and monitoring, and reporting to the Board on, matters including:

- SGH's performance in relation to sustainability and climate-related matters, assessed by reference to agreed targets and measures;
- the effectiveness of SGH's policies, systems and governance structure in identifying and managing sustainability and climate-related risks that are material to SGH;
- the coordination and review of climate-related risks, strategy, and reporting;
- the development of targets and implementation of initiatives regarding SGH's material sustainability issues, including emissions reduction;
- the policies and systems for ensuring compliance with applicable legal and regulatory requirements associated with sustainability and climate-related matters; and
- SGH's reporting regarding sustainability and climate-related matters.

In performing the above role and reporting to the Board of Directors, management is supported by the internal Boards of our operating businesses, which are comprised primarily of members of SGH Executive Management team. Each operating business Board is responsible for satisfying itself that a sound system of risk oversight and management exists, and that internal controls are effective, in relation to risks including climate change risks. These Boards meet six times a year and receive annual reports on business-wide risks.

## Strategy

SGH's operating model and diverse portfolio allows us to be flexible and agile to redeploy assets as markets change, to mitigate and manage our exposure to climate risks, and to maximise any business opportunities that climate change presents.

As part of SGH's annual strategic planning process, each business reviews and renews its assessment of business risks including the potential impacts of climate change on its business. At the SGH level, an exercise is undertaken that includes a consideration of potential technological and regulatory changes on our portfolio of businesses and investments, also includes the identification of potential future opportunities for these operations.

WesTrac and Coates have undertaken economic modelling of carbon price scenarios in FY23. The exercise tested scenarios where various levels of carbon price were imposed on a widespread basis.

Each business estimated its upstream emissions, its carbon intensity versus competitors, end-user elasticity to switch to alternative products, and likely timing for introduction of low and no-emissions products. The carbon price scenario modelling exercises concluded that both businesses were resilient to carbon price risk in the medium and long-term as long as they remained towards the forefront of anticipated technological developments in their sectors.

Boral completed a Taskforce on Climate-related Financial Disclosures (TCFD) scenario analysis which was fully detailed in Boral's Sustainability Report 2021 and Sustainability Report 2022. Five climate hazards were selected for in-depth analysis being bushfires, heatwaves, drought and water stress, number of rainy days and heavy precipitation and riverine flooding.

The results of the scenario analysis indicate that three out of the five hazards show a change that may result in increased risk for Boral: heat stress, drought and water stress and bushfires. However only two hazards, drought and water stress, and bushfires, were identified as having the potential to have a significant adverse financial impact for each climate indicator. Following this, Boral commenced an all-of business review of bushfire and extreme weather hazards, including flooding and inundation, across its sites.

📷 Caterpillar 793F Arizona Proving Ground, AZ





📷 Scheduled Oil Sampling laboratory, Tomago NSW

## Risk Management

SGH's overall approach to risk management is described in the Corporate Governance Statement of this Annual Report.

Climate-related risks are factored into our risk management approach as one of many fundamental source categories of risk alongside technological, operational, regulatory, social and geopolitical. We continued in FY24 the practice introduced in FY21 of using the TCFD classification of climate-related risks to ensure comprehensiveness in our approach to this source of risk.

## Metrics and Targets

SGH accepts the Intergovernmental Panel on Climate Change assessment of the science related to climate change and play our role in each of our sectors in meeting the Paris Agreement's goal to limit global temperature rises to well below 2°C by the end of this century.

With the finalisation of the Boral acquisition on 4 July 2024, this Annual Report now includes data and initiatives on Boral's decarbonisation journey for the first time. We are in the process of assessing and realigning our targets based on this inclusion while considering the available decarbonisation pathways and the anticipated changes that are now being considered by the Federal Government as it relates to climate change and sustainability reporting requirements. We will provide a further update on these targets in early FY25.

## Physical climate risks: Exposure assessment

In FY22, SGH worked closely with Katestone, a leading meteorological advisory provider, to understand the extent to which our operating locations might be subject to increased hazards from future weather events related to physical climate change.

The study applied climate modelling of the worst-case RCP 8.5 scenario through to 2050 across the 12 Australian regions that Coates and WesTrac operate in.

Four climate-related hazards were modelled in each region: extreme heat; extreme rainfall/flooding; bushfire; and cyclones. Trigger parameters for each hazard were defined that are relevant and appropriate for WesTrac and Coates' businesses

The study found, amongst other things, that over the projected period:

- 7 of our 12 regions will experience significant rises of 50 per cent or more in extreme rainfall events;
- 5 of our 12 regions will experience significant rises of 50 per cent or more in bushfire hazards; and
- 2 of our 12 regions will experience significant rises of 50 per cent or more in extreme heat events.

These results are now being used in each business to guide further analysis of exposure and vulnerability at sites with material exposure to increased hazard prevalence. The insights will be used as inputs into our businesses' operational decisions and into their planning and risk processes

## Core Elements of Recommended Climate-Related Financial Disclosures

### Governance

The organisation's governance around climate-related risks and opportunities.

### Strategy

The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

### Risk Management

The processes used by the organisation to identify, assess, and manage climate-related risks.

### Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities.



# Data tables

## Work-Related Injuries

### WesTrac

|                                                       | FY22                    | FY23                    | FY24                    |
|-------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| Workers covered by OHS management system <sup>1</sup> | 100% of 3,947 employees | 100% of 4,449 employees | 100% of 4,373 employees |
| Lost time injuries                                    | 1 <sup>†</sup>          | 4 <sup>†</sup>          | 3 <sup>†</sup>          |
| Lost time injury frequency rate <sup>2,5</sup>        | 0.10 <sup>†</sup>       | 0.41 <sup>†</sup>       | 0.3 <sup>†</sup>        |
| Recordable injuries <sup>3,5</sup>                    | 67 <sup>†</sup>         | 47 <sup>†</sup>         | 51 <sup>†</sup>         |
| Recordable injuries frequency rate <sup>2,5</sup>     | 6.97 <sup>†</sup>       | 5.00                    | 5.20 <sup>†</sup>       |
| Fatalities                                            | — <sup>†</sup>          | — <sup>†</sup>          | — <sup>†</sup>          |
| Cases of work-related ill health <sup>4</sup>         | 198                     | 83                      | 120                     |
| Exposure hours                                        | 9,616,577 <sup>†</sup>  | 9,669,235 <sup>†</sup>  | 9,861,427 <sup>†</sup>  |

Note: these measures align to GRI 403–9 a) i, iii, iv, v (2018).

1. OHS management system covers all employees as identified in the table above as well as all contractors that supplement the workforce on company locations under direct supervision.

2. Rates have been calculated based on 1,000,000 hours worked. Rates include both employees and contractors.

3. The main types of recordable work-related injury are: body stressing, falls, trips, slips and hitting objects with parts of body.

4. Workers' compensation claims lodged during the period.

5. During the period, contractors comprised 0% of Lost Time Injuries and 9.8% of Total Reportable Injuries at WesTrac. The contractor Lost Time Injury Frequency Rate for FY24 was 1.0 and the contractor Total Recordable Injury Frequency Rate was 5.53.

† Bureau Veritas–assured metric.

### Boral

|                                                       | FY22                                    | FY23                                    | FY24                                    |
|-------------------------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|
| Workers covered by OHS management system <sup>1</sup> | 100% of 7,995 employees and contractors | 100% of 7,920 employees and contractors | 100% of 7,432 employees and contractors |
| Lost time injuries                                    | 60                                      | 47                                      | 33 <sup>†</sup>                         |
| Lost time injury frequency rate <sup>2,5</sup>        | 4.08                                    | 3.04                                    | 2.24 <sup>†</sup>                       |
| Recordable injuries <sup>3,5</sup>                    | 195                                     | 112                                     | 66 <sup>†</sup>                         |
| Recordable injuries frequency rate <sup>2,5</sup>     | 13.25                                   | 7.24                                    | 4.47 <sup>†</sup>                       |
| Fatalities                                            | —                                       | —                                       | — <sup>†</sup>                          |
| Cases of work-related ill health <sup>4</sup>         | —                                       | —                                       | 300                                     |
| Exposure hours                                        | 14,720,126                              | 15,465,442                              | 14,759,552 <sup>†</sup>                 |

Note: these measures align to GRI 403–9 a) i, iii, iv, v (2018).

1. OHS management system covers all employees as identified in the table above as well as all contractors that supplement the workforce on company locations under direct supervision.

2. Rates have been calculated based on 1,000,000 hours worked. Rates include both employees and contractors.

3. The main types of recordable work-related injury are: body stressing, and slips, trips and falls.

4. Workers compensation claims lodged during the period.

5. During the period, contractors comprised 24% of Lost Time Injuries and 29% of Total Reportable Injuries at Boral. The contractor Lost Time Injury Frequency Rate for FY24 was 1.52 and the contractor Total Recordable Injury Frequency Rate was 3.62.

† Bureau Veritas–assured metric.

### Coates

|                                                       | FY22                    | FY23                    | FY24                    |
|-------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| Workers covered by OHS management system <sup>1</sup> | 100% of 1,947 employees | 100% of 2,098 employees | 100% of 1,926 employees |
| Lost time injuries                                    | 15 <sup>†</sup>         | 10 <sup>†</sup>         | 6 <sup>†</sup>          |
| Lost time injury frequency rate <sup>2,5</sup>        | 2.82 <sup>†</sup>       | 1.71 <sup>†</sup>       | 1.00 <sup>†</sup>       |
| Recordable injuries <sup>3,5</sup>                    | 46 <sup>†</sup>         | 30 <sup>†</sup>         | 24 <sup>†</sup>         |
| Recordable injuries frequency rate <sup>2,5</sup>     | 8.64 <sup>†</sup>       | 5.12 <sup>†</sup>       | 4.10 <sup>†</sup>       |
| Fatalities                                            | — <sup>†</sup>          | — <sup>†</sup>          | — <sup>†</sup>          |
| Cases of work-related ill health <sup>4</sup>         | 99                      | 61                      | 42                      |
| Exposure hours                                        | 5,325,313 <sup>†</sup>  | 5,857,132 <sup>†</sup>  | 5,832,483 <sup>†</sup>  |

Note: these measures align to GRI 403–9 a) i, iii, iv, v (2018).

1. OHS management system covers all employees as identified in the table above as well as all contractors that supplement the workforce on company locations under direct supervision.

2. Rates have been calculated based on 1,000,000 hours worked. Rates include both employees and contractors.

3. The main types of recordable work-related injury are: body stressing, falls, trips, slips and hitting objects with a part of body.

4. Workers compensation claims lodged during the period.

5. During the period, contractors comprised 67% of Lost Time Injuries and 50% of Total Reportable Injuries at Coates. The contractor Lost Time Injury Frequency Rate for FY24 was 2.06 and the contractor Total Recordable Injury Frequency Rate was 6.18.

† Bureau Veritas–assured metric.

## Diversity

### WesTrac

|                                                        | FY22 <sup>†</sup>                         | FY23 <sup>†</sup>                        | FY24 <sup>†</sup>                        |
|--------------------------------------------------------|-------------------------------------------|------------------------------------------|------------------------------------------|
| Ratio of basic salary and remuneration of women to men | Basic salary 88.2%^<br>Remuneration 71.0% | Basic salary 85.9%<br>Remuneration 70.1% | Basic salary 84.7%<br>Remuneration 70.9% |
| Ratio for managers <sup>1</sup>                        | Basic salary 90.4%<br>Remuneration 81.8%  | Basic salary 87.7%<br>Remuneration 81.2% | Basic salary 87.2%<br>Remuneration 84.3% |
| Ratio for non-managers                                 | Basic salary 85.4%^<br>Remuneration 68.0% | Basic salary 85.5%<br>Remuneration 68.7% | Basic salary 84.4%<br>Remuneration 69.4% |
| Ratio for metro <sup>2</sup>                           | Basic salary 88.0%^<br>Remuneration 75.9% | Basic salary 87.9%<br>Remuneration 72.7% | Basic salary 86.8%<br>Remuneration 73.3% |
| Ratio for regional                                     | Basic salary 86.3%<br>Remuneration 65.7%  | Basic salary 79.8%<br>Remuneration 66.8% | Basic salary 79.1%<br>Remuneration 67.8% |
| Percentage of workforce who are women                  | 16.4%                                     | 18.8%                                    | 20.3%                                    |
| % for managers                                         | 18.1%                                     | 18.6%                                    | 19.9%                                    |
| % for non-managers                                     | 16.2%                                     | 18.8%                                    | 20.4%                                    |

Note: these measures align to GRI 405-2 (2016).

1. Manager in line with Workplace and Gender Equality Agency (WGEA) definition.

2. Metro is defined as the greater metropolitan areas of State capital cities, with Regional being all other areas.

^ Restated comparative.

† Bureau Veritas-assured metric.

The above tables include all employees within the operating businesses, with the majority in the non-manager, metro and regional categories employed under Enterprise/Collective Agreements, which do not always provide a direct opportunity to address gender pay gaps from a Basic salary perspective. In addition, the payment of overtime for technical and trade roles, which tend to have a high representation of males, also has an impact on the Remuneration ratios in the non-manager, metro and regional categories.

### Boral

|                                                        | FY22                                       | FY23                                       | FY24 <sup>†</sup>                         |
|--------------------------------------------------------|--------------------------------------------|--------------------------------------------|-------------------------------------------|
| Ratio of basic salary and remuneration of women to men | Basic salary 102.8%<br>Remuneration 88.2%  | Basic salary 101.5%<br>Remuneration 87.9%  | Basic salary 101.3%<br>Remuneration 84.9% |
| Ratio for managers <sup>1</sup>                        | Basic salary 103.4%<br>Remuneration 101.8% | Basic salary 107.0%<br>Remuneration 106.7% | Basic salary 105.8%<br>Remuneration 99.4% |
| Ratio for non-managers                                 | Basic salary 102.0%<br>Remuneration 84.8%  | Basic salary 100.0%<br>Remuneration 84.4%  | Basic salary 101.7%<br>Remuneration 83.1% |
| Ratio for metro <sup>2</sup>                           | Basic salary 96.7%<br>Remuneration 84.7%   | Basic salary 101.1%<br>Remuneration 86.3%  | Basic salary 100.3%<br>Remuneration 82.7% |
| Ratio for regional                                     | Basic salary 100.5%<br>Remuneration 88.4%  | Basic salary 86.2%<br>Remuneration 80.3%   | Basic salary 91.3%<br>Remuneration 82.1%  |
| Percentage of workforce who are women                  | 14.9%                                      | 14.5%                                      | 15.0%                                     |
| % for managers                                         | 14.8%                                      | 13.9%                                      | 13.0%                                     |
| % for non-managers                                     | 14.1%                                      | 14.6%                                      | 15.3%                                     |

Note: these measures align to GRI 405-2 (2016).

1. Manager in line with Workplace and Gender Equality Agency (WGEA) definition.

2. Metro is defined as the greater metropolitan areas of State capital cities, with Regional being all other areas.

† Bureau Veritas-assured metric.

The above tables include all employees within the operating businesses, with the majority in the non-manager, metro and regional categories employed under Enterprise/Collective Agreements, which do not always provide a direct opportunity to address gender pay gaps from a Basic salary perspective. In addition, the payment of overtime for technical and trade roles, which tend to have a high representation of males, also has an impact on the Remuneration ratios in the non-manager, metro and regional categories.

## Data Tables continued

### Coates

|                                                        | FY22 <sup>†</sup>                          | FY23 <sup>†</sup>                         | FY24 <sup>†</sup>                         |
|--------------------------------------------------------|--------------------------------------------|-------------------------------------------|-------------------------------------------|
| Ratio of basic salary and remuneration of women to men | Basic salary 100.7%<br>Remuneration 89.2%  | Basic salary 103.3%<br>Remuneration 85.4% | Basic salary 102.7%<br>Remuneration 84.5% |
| Ratio for managers <sup>1</sup>                        | Basic salary 101.3%<br>Remuneration 107.3% | Basic salary 94.3%<br>Remuneration 89.0%  | Basic salary 92.9%<br>Remuneration 89.0%  |
| Ratio for non-managers                                 | Basic salary 103.5%<br>Remuneration 83.8%  | Basic salary 106.5%<br>Remuneration 84.4% | Basic salary 106.3%<br>Remuneration 82.7% |
| Ratio for metro <sup>2</sup>                           | Basic salary 98.6%<br>Remuneration 93.5%   | Basic salary 101.6%<br>Remuneration 88.0% | Basic salary 100.4%<br>Remuneration 86.6% |
| Ratio for regional                                     | Basic salary 97.5%<br>Remuneration 79.0%   | Basic salary 99.0%<br>Remuneration 77.1%  | Basic salary 101.2%<br>Remuneration 77.1% |
| Percentage of workforce who are women                  | 20.0%                                      | 21.8%                                     | 23.4%                                     |
| % for managers                                         | 10.5%                                      | 15.1%                                     | 17.3%                                     |
| % for non-managers                                     | 21.5%                                      | 22.4%                                     | 23.7%                                     |

Note: these measures align to GRI 405-2 (2016).

1. Manager in line with Workplace and Gender Equality Agency (WGEA) definition.

2. Metro is defined as the greater metropolitan areas of State capital cities, with Regional being all other areas.

† Bureau Veritas–assured metric.

The above tables include all employees within the operating businesses, with the majority in the non-manager, metro and regional categories employed under Enterprise/Collective Agreements, which do not always provide a direct opportunity to address gender pay gaps from a Basic salary perspective. In addition, the payment of overtime for technical and trade roles, which tend to have a high representation of males, also has an impact on the Remuneration ratios in the non-manager, metro and regional categories.

### Employment

#### WesTrac

|                             | FY22 <sup>†</sup>  |                           | FY23 <sup>†</sup>  |                           | FY24 <sup>†</sup>  |                           |
|-----------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|---------------------------|
|                             | New Employee Hires | Terminations <sup>3</sup> | New Employee Hires | Terminations <sup>3</sup> | New Employee Hires | Terminations <sup>3</sup> |
| Number                      | 1,060              | 869                       | 1,348              | 1,057                     | 1,141              | 952                       |
| Rate                        | 27.4%              | 22.5%                     | 32.8%              | 25.7%                     | 26.6%              | 22.2%                     |
| Male – Number               | 777                | 694                       | 985                | 848                       | 811                | 726                       |
| Male – Rate                 | 24.7%              | 22.0%                     | 29.3%              | 25.2%                     | 23.5%              | 21.0%                     |
| Female – Number             | 274                | 174                       | 354                | 209                       | 328                | 223                       |
| Female – Rate               | 44.6%              | 28.3%                     | 48.2%              | 28.4%                     | 39.2%              | 26.7%                     |
| Metro <sup>2</sup> – Number | 677                | 511                       | 1,025              | 735                       | 795                | 615                       |
| Metro – Rate                | 32.3%              | 24.4%                     | 36.0%              | 25.8%                     | 29.2%              | 22.6%                     |
| Regional – Number           | 383                | 358                       | 323                | 322                       | 346                | 337                       |
| Regional – Rate             | 21.6%              | 20.2%                     | 25.6%              | 25.6%                     | 22.1%              | 21.5%                     |
| <30 years old – Number      | 426                | 241                       | 545                | 293                       | 466                | 298                       |
| <30 years old – Rate        | 48.6%              | 27.5%                     | 55.6%              | 29.9%                     | 44.6%              | 28.5%                     |
| 30–50 years old – Number    | 537                | 499                       | 653                | 601                       | 586                | 534                       |
| 30–50 years old – Rate      | 23.4%              | 21.7%                     | 27.5%              | 25.3%                     | 24.0%              | 21.8%                     |
| >50 years old – Number      | 97                 | 129                       | 150                | 163                       | 89                 | 120                       |
| >50 years old – Rate        | 14.0%              | 18.6%                     | 20.0%              | 21.7%                     | 11.1%              | 14.9%                     |

Note: these measures align to GRI 401-1 (2016).

1. All new hire and termination rates have been calculated based on an average headcount over the reporting period for the relevant population.

2. Metro is defined as the greater metropolitan areas of State capital cities, with Regional being all other areas.

3. Termination numbers and rates include turnover of fixed-term employees and contractors.

† Bureau Veritas–assured metric.

## Employment (continued)

### Boral

|                             | FY22               |                           | FY23               |                           | FY24 <sup>†</sup>  |                           |
|-----------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|---------------------------|
|                             | New Employee Hires | Terminations <sup>3</sup> | New Employee Hires | Terminations <sup>3</sup> | New Employee Hires | Terminations <sup>3</sup> |
| Number                      | 989                | 1,161                     | 1,134              | 1,192                     | 1,025              | 1,210                     |
| Rate                        | 21.6%              | 25.4%                     | 24.5%              | 26.1%                     | 22.0%              | 25.9%                     |
| Male – Number               | 787                | 932                       | 899                | 944                       | 806                | 1000                      |
| Male – Rate                 | 20.2%              | 23.9%                     | 22.7%              | 23.8%                     | 20.1%              | 25.0%                     |
| Female – Number             | 202                | 229                       | 235                | 248                       | 219                | 210                       |
| Female – Rate               | 30.2%              | 34.3%                     | 35.5%              | 37.5%                     | 33.1%              | 31.8%                     |
| Metro <sup>2</sup> – Number | 604                | 765                       | 709                | 759                       | 628                | 762                       |
| Metro – Rate                | 22.2%              | 28.1%                     | 25.5%              | 27.3%                     | 22.1%              | 26.9%                     |
| Regional – Number           | 385                | 396                       | 425                | 433                       | 397                | 448                       |
| Regional – Rate             | 20.8%              | 21.4%                     | 23.0%              | 23.5%                     | 21.7%              | 24.4%                     |
| <30 years old – Number      | 268                | 199                       | 296                | 204                       | 247                | 213                       |
| <30 years old – Rate        | 50.1%              | 37.2%                     | 50.6%              | 34.9%                     | 40.8%              | 35.2%                     |
| 30–50 years old – Number    | 512                | 574                       | 583                | 583                       | 560                | 626                       |
| 30–50 years old – Rate      | 23.1%              | 25.9%                     | 26.1%              | 26.1%                     | 24.8%              | 27.7%                     |
| >50 years old – Number      | 209                | 388                       | 255                | 405                       | 218                | 371                       |
| >50 years old – Rate        | 11.5%              | 21.3%                     | 14.2%              | 22.5%                     | 12.1%              | 20.6%                     |

Note: these measures align to GRI 401-1 (2016).

1. All new hire and termination rates have been calculated based on an average headcount over the reporting period for the relevant population.
2. Metro is defined as the greater metropolitan areas of State capital cities, with Regional being all other areas.
3. Termination numbers and rates include turnover of fixed-term employees and contractors.
4. Boral's subsidiary named DMG is excluded from diversity data.

† Bureau Veritas–assured metric.

### Coates

|                             | FY22 <sup>†</sup>  |                           | FY23 <sup>†</sup>  |                           | FY24 <sup>†</sup>  |                           |
|-----------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|---------------------------|
|                             | New Employee Hires | Terminations <sup>3</sup> | New Employee Hires | Terminations <sup>3</sup> | New Employee Hires | Terminations <sup>3</sup> |
| Number                      | 481                | 545                       | 671                | 534                       | 364                | 534                       |
| Rate                        | 24.8%              | 28.1%                     | 32.8%              | 26.1%                     | 18.4%              | 26.9%                     |
| Male – Number               | 337                | 411                       | 466                | 408                       | 251                | 418                       |
| Male – Rate                 | 21.6%              | 26.4%                     | 29.2%              | 25.6%                     | 16.4%              | 27.3%                     |
| Female – Number             | 144                | 134                       | 205                | 126                       | 113                | 116                       |
| Female – Rate               | 38.2%              | 35.5%                     | 47.5%              | 29.2%                     | 25.1%              | 25.7%                     |
| Metro <sup>2</sup> – Number | 275                | 312                       | 423                | 320                       | 219                | 303                       |
| Metro – Rate                | 23.6%              | 26.7%                     | 33.8%              | 25.6%                     | 18.0%              | 24.9%                     |
| Regional – Number           | 206                | 233                       | 248                | 214                       | 145                | 231                       |
| Regional – Rate             | 26.6%              | 30.1%                     | 31.2%              | 26.9%                     | 19.0%              | 30.3%                     |
| <30 years old – Number      | 146                | 101                       | 194                | 111                       | 99                 | 102                       |
| <30 years old – Rate        | 57.5%              | 39.8%                     | 67.1%              | 38.4%                     | 36.3%              | 37.4%                     |
| 30–50 years old – Number    | 263                | 291                       | 362                | 280                       | 199                | 287                       |
| 30–50 years old – Rate      | 24.9%              | 27.6%                     | 32.8%              | 25.4%                     | 18.5%              | 26.7%                     |
| >50 years old – Number      | 72                 | 153                       | 115                | 143                       | 66                 | 145                       |
| >50 years old – Rate        | 11.4%              | 24.2%                     | 17.6%              | 21.9%                     | 10.4%              | 22.9%                     |

Note: these measures align to GRI 401-1 (2016).

1. All new hire and termination rates have been calculated based on an average headcount over the reporting period for the relevant population.
2. Metro is defined as the greater metropolitan areas of State capital cities, with Regional being all other areas.
3. Termination numbers and rates include turnover of fixed-term employees and contractors.

† Bureau Veritas–assured metric.

## Data Tables continued

### Emissions & Energy

#### WesTrac

|                                                     | FY22 <sup>2</sup> | FY23 <sup>2,3</sup> | FY24 <sup>1†</sup> |
|-----------------------------------------------------|-------------------|---------------------|--------------------|
| Scope 1 emissions (t CO <sub>2</sub> e)             | 9,417             | 9,599               | 10,483             |
| Scope 2 emissions (t CO <sub>2</sub> e)             | 16,961            | 14,321              | 15,115             |
| Total Scope 1 and 2 emissions (t CO <sub>2</sub> e) | 26,378            | 23,920              | 25,598             |
| Energy consumed (GJ)                                | 222,360           | 221,312             | 238,165            |

Note: these metrics align to GRI 305-1a, 305-2a and 302-1e (2016) and the *National Greenhouse and Energy Reporting Act 2007*.

1. FY24 includes a small amount of estimated data due to the timing of this report. Figures will be finalised prior to submission to the Clean Energy Regulator. Changes are not expected to have a material impact.
2. FY22 and FY23 Scope 1 numbers have been restated upward due to data methodology improvement made during FY24 estimation process.
3. FY23 data has been updated to include full 12months of data aligned to Clean Energy Regulator submission.

† Bureau Veritas–assured metric.

#### Boral

|                                                      | FY22 <sup>2</sup> | FY23 <sup>2</sup> | FY24 <sup>1†</sup> |
|------------------------------------------------------|-------------------|-------------------|--------------------|
| Scope 1 emissions (t CO <sub>2</sub> e) <sup>3</sup> | 1,357,936         | 1,343,807         | 1,278,488          |
| Scope 2 emissions (t CO <sub>2</sub> e)              | 282,767           | 273,828           | 259,519            |
| Total Scope 1 and 2 emissions (t CO <sub>2</sub> e)  | 1,640,703         | 1,617,635         | 1,538,007          |
| Energy consumed (GJ)                                 | 10,134,964        | 10,484,781        | 10,145,049         |

Note: these metrics align to GRI 305-1a, 305-2a and 302-1e (2016) and the *National Greenhouse and Energy Reporting Act 2007*.

1. FY24 includes a small amount of estimated data due to the timing of this report. Figures will be finalised prior to submission to the Clean Energy Regulator. Changes are not expected to have a material impact.
2. FY22 Scope 1 numbers have been restated upward due to data methodology improvement made during FY24 estimation process.
3. Historical Scope 1 emissions are restated to ensure diesel use associated with contractors under Boral's operational control is now consistently applied.

† Bureau Veritas–assured metric.

#### Coates

|                                                     | FY22 <sup>2</sup> | FY23 <sup>2,3†</sup> | FY24 <sup>1†</sup> |
|-----------------------------------------------------|-------------------|----------------------|--------------------|
| Scope 1 emissions (t CO <sub>2</sub> e)             | 12,300            | 12,713               | 11,965             |
| Scope 2 emissions (t CO <sub>2</sub> e)             | 5,750             | 4,736                | 4,135              |
| Total Scope 1 and 2 emissions (t CO <sub>2</sub> e) | 18,050            | 17,449               | 16,100             |
| Energy consumed (GJ)                                | 209,567           | 214,078              | 200,337            |

Note: these metrics align to GRI 305-1a, 305-2a and 302-1e (2016) and the *National Greenhouse and Energy Reporting Act 2007*.

1. FY24 includes a small amount of estimated data due to the timing of this report. Figures will be finalised prior to submission to the Clean Energy Regulator. Changes are not expected to have a material impact.
2. FY22 and FY23 Scope 1 numbers have been restated upward due to data methodology improvement made during FY24 estimation process.
3. FY23 data has been updated to include full 12months of data aligned to Clean Energy Regulator submission.

† Bureau Veritas–assured metric.

### Waste & Water

#### WesTrac

|                                                                         | FY23 <sup>1†</sup> | FY24 <sup>1†</sup> |
|-------------------------------------------------------------------------|--------------------|--------------------|
| Total waste generated – non-hazardous (t)                               | 11,884             | 11,606             |
| Total waste generated – hazardous (t)                                   | 4,338              | 4,473              |
| Total waste generated (t)                                               | 16,272             | 16,079             |
| Total waste diverted from disposal – non-hazardous (t)                  | 8,418              | 8,119              |
| Total waste diverted from disposal – hazardous (t)                      | 3,497              | 3,554              |
| Total waste diverted from disposal (t)                                  | 11,915             | 11,673             |
| % waste diverted from disposal – non-hazardous                          | 71%                | 70%                |
| % waste diverted from disposal – hazardous                              | 80%                | 79%                |
| % waste diverted from disposal                                          | 73%                | 73%                |
| Total water withdrawn from municipal water suppliers and utilities (ML) | 91.8               | 101.3              |
| Total water withdrawn from other sources (ML)                           | 12.4               | 13.3               |
| Total water withdrawn (ML)                                              | 104.2              | 114.6              |

Note: these metrics align to GRI 306–3, 306–4a and 303-5a (2018). Estimates have been used for some categories and time periods.

As we move to more continuous data collection, the use of such estimates is expected to decline and the basis for estimates is expected to improve.

1. Data has been compiled from waste transfer notes from WesTrac's main contracted waste collector, as well as specifically sourced data for additional waste relating to e-waste and metal.
2. Prior years in some instances may have been updated to reflect changes in methodologies when collecting data. Changes do not have a material impact.

† Bureau Veritas–assured metric.

## Boral

|                                                                         | FY23 <sup>1</sup> | FY24 <sup>2,3†</sup> |
|-------------------------------------------------------------------------|-------------------|----------------------|
| Total waste generated – non-hazardous (t)                               | 243,495           | 595,851              |
| Total waste generated – hazardous (t)                                   | 2,586             | 2,236                |
| Total waste generated (t)                                               | 246,080           | 598,086              |
| Total waste diverted from disposal – non-hazardous (t)                  | 239,833           | 591,558              |
| Total waste diverted from disposal – hazardous (t)                      | 2,557             | 2,217                |
| Total waste diverted from disposal (t)                                  | 242,390           | 593,775              |
| % waste diverted from disposal – non-hazardous                          | 99%               | 100%                 |
| % waste diverted from disposal – hazardous                              | 99%               | 99%                  |
| % waste diverted from disposal                                          | 99%               | 99%                  |
| Total water withdrawn from municipal water suppliers and utilities (GL) | 1.2               | 1.1                  |
| Total water withdrawn from other sources (GL)                           | –                 | 0.3                  |
| Total water withdrawn (GL)                                              | 1.2               | 1.4                  |

1. Historical data restated to include recycling of operational concrete waste.

2. Reported data includes some estimations and minor exclusions due to data availability, which do not materially impact the disclosure.

3. Non-hazardous waste diverted from disposal excludes asphalt recycled at Boral's asphalt plants, however includes asphalt recycled at Boral's Widemere Recycling Plant.

† Bureau Veritas–assured metric.

## Coates

|                                                                         | FY23 <sup>1,2,†</sup> | FY24 <sup>†</sup> |
|-------------------------------------------------------------------------|-----------------------|-------------------|
| Total waste generated – non-hazardous (t)                               | 4,509                 | 4,102             |
| Total waste generated – hazardous (t)                                   | 1,229                 | 1,282             |
| Total waste generated (t)                                               | 5,738                 | 5,384             |
| Total waste diverted from disposal – non-hazardous (t)                  | 2,443                 | 2,071             |
| Total waste diverted from disposal – hazardous (t)                      | 1,082                 | 1,024             |
| Total waste diverted from disposal (t)                                  | 3,525                 | 3,094             |
| % waste diverted from disposal – non-hazardous                          | 54%                   | 50%               |
| % waste diverted from disposal – hazardous                              | 88%                   | 80%               |
| % waste diverted from disposal                                          | 61%                   | 57%               |
| Total water withdrawn from municipal water suppliers and utilities (ML) | 89.1                  | 97.2              |
| Total water withdrawn from other sources (ML)                           | –                     | –                 |
| Total water withdrawn (ML)                                              | 89.1                  | 97.2              |

Note: these metrics align to GRI 306-3, 306-4a (2020) and 303-3a (2018).

1. Data has been compiled from waste transfer notes from Coates' main contracted waste collector, as well as specifically sourced data for additional waste relating to tyres, metal and plastic.

2. Restated to include coverage of additional branches measurements.

3. Where exact numbers have are not available, 'best estimates' from the business have been used. The difference to actual data is not expected to be material.

† Bureau Veritas–assured metric.

# Assurance Statement



**BUREAU  
VERITAS**

## INDEPENDENT ASSURANCE REPORT ON SGH' SUSTAINABILITY METRICS DISCLOSURES

To the Directors of Seven Group Holdings (SGH)

### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected sustainability metrics and other information, methods, assumptions and estimation uncertainty ("the Information"), within the scope of our limited assurance engagement (as outlined below) included in SGH Annual Report 2024 ("the Report") for the Australian Financial Year 2024, are not fairly presented and not prepared, in all material respects, in accordance with the Reporting Criteria.

### Scope of the Assurance Engagement

We have undertaken a limited assurance engagement over the Information pertaining to SGH group of companies including Coates Group Holdings Pty Ltd ("Coates"), WesTrac Pty Ltd ("WesTrac") and Boral Limited ("Boral") for the period of 1<sup>st</sup> July 2023 to 30<sup>th</sup> June 2024.

The complete list of assured disclosures and associated reporting criteria is referred to within the table below and is presented in the Data Tables of the Report.

| Sustainability Metrics Subject to Limited Assurance    | Reporting Criteria                                                                   |
|--------------------------------------------------------|--------------------------------------------------------------------------------------|
| Work-Related Injuries                                  | GRI 403-9 a. i. iii. iv. v. (2018)                                                   |
| Ratio of Basic Salary and Remuneration of Women to Men | GRI 405-2 (2016)                                                                     |
| New Employee Hires and Employee Turnover               | GRI 401-1 (2016)                                                                     |
| Energy Consumption within the Organisation             | GRI 302-1 e. (2016) and the <i>National Greenhouse and Energy Reporting Act 2007</i> |
| Direct (Scope 1) GHG Emissions                         | GRI 305-1 a. (2016) and the <i>National Greenhouse and Energy Reporting Act 2007</i> |
| Energy Indirect (Scope 2) GHG Emissions                | GRI 305-2 a. (2016) and the <i>National Greenhouse and Energy Reporting Act 2007</i> |
| Waste Generated and Waste Diverted from Disposal       | GRI 306-3 (2020) and GRI 306-4 a. (2020)                                             |
| Water Withdrawal                                       | GRI 303-3 a. (2018)                                                                  |

Our assurance engagement does not extend to any other information included in the Report or information in respect of earlier periods. We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it.

### SGH' Responsibilities

Management of SGH was responsible for:

- Selecting and establishing suitable criteria for preparing the Report and Information subject to our limited assurance.
- Preparing and presenting the Report and Information subject to our limited assurance in accordance with the Reporting Criteria.
- Designing, implementing and maintaining internal controls over the Information relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

### Our Responsibilities

Bureau Veritas was responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Information included within the scope of assurance is free from material misstatement, whether due to fraud or error.
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained.
- Reporting our conclusion to the Directors of SGH.

Bureau Veritas was not involved in the drafting of the Report and our independence has not been compromised.



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### Summary of Work Performed

Our limited assurance engagement was performed in accordance with the International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB), and Bureau Veritas' standard procedures and guidelines for external verification and assurance of ESG information and Sustainability Reports.

Our work was planned and executed in a manner designed to produce a limited level of assurance and to provide a sound basis for our conclusions. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included enquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. In undertaking our limited assurance engagement, our procedures comprised:

- Review of the suitability and application of the Reporting Criteria used as the basis for preparing the Information subject to assurance.
- Enquiries of SGH representatives to gain an understanding and evaluate implementation of processes, systems and internal controls to collect, aggregate, calculate, analyse and report the Information.
- Enquiries of personnel responsible for the performance of the processes and preparation of the disclosures.
- Review of documentary evidence produced by SGH representatives.
- Comprehensive performance data testing, involving source verification, as well as mathematical accuracy of the calculations pertaining to the Information.
- Assessment of whether SGH's methods for developing estimates are appropriate and had been consistently applied.
- Review of the presentation and disclosure of the Information within the Report.
- Obtain Management Representation Letter on key assertions.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

### Inherent Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined reporting period.
- Statements of commitment to, or intention to undertake future actions by SGH.
- Statements of position, opinion, belief and/or aspiration by SGH.
- Financial data audited by an external third party.
- Other sites and/or activities not included in the scope.

This independent assurance statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

### Statement of Independence, Impartiality, Competence

Bureau Veritas is a global leader in Testing, Inspection and Certification ("TIC") services. The Group's mission is to reduce its clients' risks, improve their performance and help them innovate to meet the challenges of quality, health, safety, hygiene, environmental protection and social responsibility. Leveraging its renowned expertise, as well as its impartiality, integrity and independence, Bureau Veritas has helped build trust between companies, public authorities and consumers for nearly 200 years.

Bureau Veritas operates quality management system across its activities and has implemented a robust Code of Ethics to maintain high ethical standards among its personnel and business partners in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with SGH, its Directors or Managers beyond that required of this assignment. We have conducted this assurance engagement independently and there has been no conflict of interest.

The assurance team was selected based on its extensive Industry Sector knowledge and experience in conducting independent verification, validation and assurance of Environmental Social and Governance (ESG) information and associated systems and processes.

**Jeremy Leu**  
General Manager  
Perth, Australia

**Bureau Veritas Australia Pty Ltd**  
8<sup>th</sup> August 2024



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# Operating and Financial Review

SGH has delivered significant earnings growth and strategic progress, with a strong Industrial Services result, achieved through enhanced operating leverage and financial agility.

## Revenue

**\$10.6bn** ↑10%

## UEBIT

**\$1,419.2m** ↑20%

## Financial Performance

|                                                                                     | UNDERLYING TRADING PERFORMANCE <sup>(A)</sup> |                | SIGNIFICANT ITEMS <sup>(B)</sup> |               | STATUTORY RESULTS |                |
|-------------------------------------------------------------------------------------|-----------------------------------------------|----------------|----------------------------------|---------------|-------------------|----------------|
|                                                                                     | 2024<br>\$m                                   | 2023<br>\$m    | 2024<br>\$m                      | 2023<br>\$m   | 2024<br>\$m       | 2023<br>\$m    |
| <b>Continuing operations</b>                                                        |                                               |                |                                  |               |                   |                |
| Revenue                                                                             | 10,605.2                                      | 9,625.6        | 12.3                             | –             | 10,617.5          | 9,625.5        |
| Other income                                                                        | 35.1                                          | 39.1           | –                                | 2.3           | 35.1              | 41.4           |
| Share of results from equity accounted investees                                    | 157.5                                         | 195.0          | (275.5)                          | 4.6           | (118.2)           | 199.6          |
| Net gain on disposal of controlled entities                                         | –                                             | –              | 76.3                             | –             | 76.3              | –              |
| Impairment of equity accounted investee                                             | –                                             | –              | (135.3)                          | (75.9)        | (135.3)           | (75.9)         |
| Expenses excluding depreciation and amortisation                                    | (8,867.9)                                     | (8,172.1)      | (34.1)                           | 33.1          | (8,902.0)         | (8,139.0)      |
| <b>Profit before depreciation, amortisation, net finance expense and income tax</b> | <b>1,929.9</b>                                | <b>1,688.5</b> | <b>(356.5)</b>                   | <b>(35.9)</b> | <b>1,573.4</b>    | <b>1,652.6</b> |
| Depreciation and amortisation                                                       | (510.7)                                       | (502.0)        | 5.3                              | (9.6)         | (505.4)           | (511.6)        |
| <b>Profit before net finance expense and income tax</b>                             | <b>1,419.2</b>                                | <b>1,186.5</b> | <b>(351.2)</b>                   | <b>(45.5)</b> | <b>1,068.0</b>    | <b>1,141.0</b> |
| Net finance (expense)/benefit                                                       | (293.5)                                       | (283.4)        | (8.7)                            | 8.6           | (302.2)           | (274.8)        |
| <b>Profit before income tax</b>                                                     | <b>1,125.7</b>                                | <b>903.1</b>   | <b>(359.9)</b>                   | <b>(36.9)</b> | <b>765.8</b>      | <b>866.2</b>   |
| Income tax expense                                                                  | (211.6)                                       | (200.2)        | (32.1)                           | (9.6)         | (243.7)           | (209.8)        |
| <b>Profit for the year</b>                                                          | <b>914.1</b>                                  | <b>702.9</b>   | <b>(392.0)</b>                   | <b>(46.5)</b> | <b>522.1</b>      | <b>656.4</b>   |

(a) Underlying trading performance is comprised of reported results adjusted for significant items. This is separately disclosed and reconciled to statutory performance to assist users in understanding the financial performance of SGH. Underlying trading performance measures are non-International Financial Reporting Standards (IFRS) measures and have not been subject to audit or review.

(b) Detailed information regarding the composition of significant items is provided in Note 3: Significant Items of the Financial Report.

SGH has delivered Underlying earnings before interest and taxation (Underlying EBIT) of \$1,419.2 million for the year ended 30 June 2024, up 19.6 per cent on the prior year, driven by the performance of the Industrial Services businesses.

Revenue was up 10.2 per cent to \$10,605.2 million, reflecting the strong level of customer demand in mining, construction and infrastructure. Enhanced operating leverage has driven the favourable differential between Underlying EBIT growth and revenue growth, improving EBIT margin by 106 basis points to 13.4 per cent.

SGH's balance sheet strength has supported the \$606.8 million cash outlay for the acquisition of Boral, \$634.3 million in net capital expenditure to drive future earnings growth and \$536.5 million in working capital investment to deliver WesTrac's committed sales pipeline. These investments were delivered whilst maintaining an Adjusted Net Debt to EBITDA ratio of 2.2 times.

All commentary below relates to underlying results from continuing operations unless otherwise stated.

### Industrial Services

Industrial Services revenue of \$10,552.5 million was up 10.7 per cent and EBIT of \$1,321.7 million was up 28.1 per cent. Industrial Services now represents 93.1 per cent of SGH EBIT, underpinning the growth of SGH enabling it to become one of the largest industrial businesses in Australia.

WesTrac EBIT of \$623.4 million increased by 24.7 per cent. Revenue was up 18.8 per cent to \$5,825.6 million, driven by strong customer demand, particularly for parts and component exchange. EBIT margin expanded by 51 basis points to 10.7 per cent through cost control, improved labour availability and leveraging technology to drive operational efficiencies.

**Industrial Services EBIT of \$1,321.7 million was up 28.1 per cent and contributes 93.1 per cent of SGH EBIT**

In FY25, with mining production continuing at record levels, combined with an increasing average fleet age, customer demand is expected to remain strong for both product support and capital sales. WesTrac is well positioned to meet the demand through its recent investments in working capital and capacity expansion projects.

Boral EBIT of \$371.6 million was up 60.5 per cent whilst EBIT margin expanded by 376 basis points to 10.5 per cent. This reflects the ongoing performance turnaround of the business through its "Good to Great" performance journey, supported by SGH's disciplined operating and capital allocation models. Revenue of \$3,554.6 million was up 2.7 per cent, with resilient volumes complemented by price realisation across all product lines. In FY25, Boral will continue to work towards its mid-teen EBIT margin target through cost initiatives, price leadership and process improvement. Boral will also be focused on investing in its upstream network to improve future capacity, extend quarry life and renew its heavy mobile equipment to deliver operational efficiencies.

Coates EBIT of \$326.7 million was up 8.8 per cent on revenue of \$1,142.3 million, which was up slightly when normalised for the sale of Coates Indonesia for \$64.4 million during the year. EBIT margin improved by 234 basis points to 28.6 per cent, reflecting direct cost management and optimisation of transport and repairs and maintenance.



## Operating and Financial Review continued

The ongoing hub and spoke branch rollout is also driving operational efficiencies and improved customer service outcomes. In FY25, macro themes including the housing undersupply and \$1.7 trillion infrastructure and construction pipeline, are expected to support customer activity.

Coates is well placed to capture the market opportunity through its \$1.9 billion original cost fleet combined with fleet investment and programmatic M&A targeting selected market segments and geographies.

### Equity Accounted Investees

SGH's share of results from equity accounted investees of \$157.5 million was down 19.2 per cent.

Beach Energy's contribution of \$102.5 million was down 11.7 per cent. Higher realised prices were offset by lower production volume and higher operating costs. In FY25, Beach expects Waitsia start-up and Otway expansion to support a production guidance range of 17.5 to 21.5 MMboe, whilst capital expenditure is expected to be \$700 to 800 million including Waitsia Stage 2 and Moomba carbon capture and storage (CCS) projects.

Seven West Media's contribution of \$31.9 million was down by 26.0 per cent, reflecting a weaker advertising market, notwithstanding an increase in Seven West Media's market share. In FY25, Seven West Media will be focused on deploying its new operating model, including a dedicated end-to-end Digital business, combined with targeted cost savings of \$108 million.

### SGH Result

Underlying net profit after tax of \$914.1 million was up 30.0 per cent. Statutory net profit after tax of \$522.1 million was down 33.7 per cent. Refer to page 46 for a reconciliation of statutory to underlying results.

The statutory result was impacted by Significant Items before tax of \$359.9 million, including \$245.2 million relating to SGH's share of Beach's impairment of production and exploration assets and \$134.3 million related to the impairment of SGH's investment in Seven West Media. Other Significant Items before tax provide a net benefit of \$19.6 million, including the net gain on disposal of Sykes and Coates Indonesia, partly offset by restructuring and redundancy costs, fair value adjustments on acquisition of Boral and other items. Significant Items in net finance expense total \$8.7 million, whilst the tax expense on Significant Items of \$32.1 million results in total Significant Items expense of \$392.0 million after tax.

**The robust outlook for each of SGH's core sector exposures, coupled with business-specific growth opportunities and recent investment in working capital, supports an expectation of high single-digit EBIT growth in FY25.**

### Revenue and Other Income

Revenue of \$10,605.2 million was up 10.2 per cent from \$9,626.5 million in the prior year. This growth highlights the quality and core-plus nature of our Industrial Services businesses.

WesTrac continues to benefit from strong demand from both mining and construction customers, combined with improved market share in both WA and NSW across new sales, parts and service. Demand for new machines was driven by mine expansion projects and replacement of existing fleet, particularly ancillary equipment, including wheel loaders, drills, dozers and motor graders. Total product sales of \$1,948.3 million was up 11.5 per cent. Demand for parts and services was driven by the high level of customer activity, combined with an ageing mining fleet, resulting in product support sales growth of 23.3 per cent to \$3,851.6 million. Customer demand for parts exchange components was particularly strong, with revenue growing by 33.6 per cent.

Boral has seen robust demand through non-residential customer activity, offsetting a moderation in the residential market. Continued price realisation was achieved across all product lines, offsetting slightly weaker volumes. Building material sales of \$3,272.8 million was up 3.5 per cent, including growth in concrete and quarries, underpinned by the demand from metro project activity in NSW and Victoria, combined with growing WA activity and the continued strong trajectory of Boral's recycling business.

Coates generated equipment hire revenue of \$1,132.1 million, up 1.5 per cent, driven by strong customer activity in WA and Queensland. Demand from customers in mining and oil and gas was particularly strong. Product categories including site accommodation and material handling also delivered opportunities during the year. Total revenue for Coates of \$1,142.3 million was relatively flat year-on-year, reflecting one-off product sales in the prior year. It is also noted that revenue includes nine months of trading from Coates Indonesia prior to the divestment of the business in April 2024 as compared to 12 months of trading reflected in prior year revenue.

Oil and gas revenue of \$2.7 million was down \$1.3 million due to the natural decline in production from Bivins Ranch.

Other income of \$35.1 million was down \$4.0 million including the impact of realised losses during the year relating to investments in China Media.



📍 WesTrac Facility, Tomago NSW

## Expenses

Total expenses excluding depreciation and amortisation increased by 8.5 per cent to \$8,867.9 million. On a statutory basis, expenses totalled \$8,902.0 million after including \$34.1 million in Significant Items, including restructuring and redundancy costs, transaction related costs and fair value adjustments relating to the Boral acquisition and derivative movements.

Materials cost of inventory sold and used in product sales and support increased by 20.5 per cent to \$4,246.6 million, mainly relating to the higher cost of machine and parts inventory to support WesTrac's increase in sales.

Materials cost of inventory sold and used in building materials, rendering of services and contracting by Boral reduced by 0.9 per cent to \$2,515.8 million, reflecting cost discipline, improved cost recovery, reduced subcontractor cartage and other operational efficiencies.

The cost of repairs, maintenance and consumables used in equipment hire of \$132.3 million was down 8.4 per cent, reflecting the continued effort by Coates to optimise repairs and maintenance as a percentage of sales via its hub and spoke model and drive transport cost efficiencies.

Employee benefits expenditure increased by 3.0 per cent to \$1,203.6 million, reflecting the higher level of activity across the Industrial Services businesses combined. Wage cost inflation was partly offset by higher productivity through improved availability and retention of skilled labour and use of technology to streamline tasks and redeploy experienced trade staff onto higher value activities. On a statutory basis, employee benefits expenditure was \$1,215.4 million, including costs related to redundancies in Coates and accelerated vesting of Boral's share based payments as a result of the takeover completing.

Other expenses reduced by 3.2 per cent to \$769.6 million, reflecting the ongoing focus on driving efficiencies across a number of cost categories, including information technology, facility costs, services vehicles and administration. On a statutory basis, other expenses were \$791.9 million which includes costs relating to property sales, transaction costs and fair value adjustments primarily relating to the Boral acquisition.

Depreciation and amortisation increased by 1.7 per cent to \$510.7 million, reflecting additional depreciation in relation to the higher capital expenditure during the year.

Net finance expense increased by 3.6 per cent to \$293.5 million, reflecting higher interest rates on floating debt, partially offset by reduced average debt levels. Statutory net finance expense was \$302.2 million, after including expensing of acquisition facility establishment fees, unwind of discounts on provisions recognised on the acquisition of Boral and fair value movements in relation to cash-settled equity awards.

## Statement of Financial Position

At 30 June 2024, SGH held \$654.3 million in cash and cash equivalents, down from \$876.5 million. The reduction includes the cash component of the offer price for Boral shares acquired under the takeover offer and the share buyback undertaken by Boral prior to its full acquisition.

Current trade and other receivables including contract assets reduced by \$108.0 million to \$1,523.1 million. The reduction in trade debtors reflected improved customer collections and lower days sales outstanding in Boral and Coates. The reduction in other receivables included the receipt of \$65.6 million in cash collateral relating to the Boral equity swap settlement in June 2024.

Provisions for expected credit losses on trade receivables increased by \$6.2 million to \$30.6 million, reflecting higher exposure to customers who are operating on fixed price contracts in the construction sector.

Current inventory increased by \$490.1 million to \$1,991.0 million, including increases of \$271.5 million in new machines, \$162.8 million in parts and \$95.5 million in exchange components held by WesTrac to support committed customer sales. WesTrac has also leveraged technology to produce a digital twin of key internal processes, driving improvement in work flows and just-in-time inventory management.

Other current assets reduced by \$29.3 million to \$151.0 million, principally due to a reduction in WesTrac's machines in transit, partly offset by an increase in slot fees received from WesTrac mining customers.

Assets classified as held for sale increased by \$4.1 million to \$7.3 million. These assets relate to equipment held by Coates and approved for disposal.

Non-current receivables were reduced by \$16.5 million to \$3.5 million, reflecting impairment of loans from equity accounted investees of Boral.

Non-current inventory of \$346.8 million relates to the fair value of non-current land development projects recognised via purchase price accounting on acquisition of Boral.

Investments accounted for using the equity method had a carrying value of \$1,325.5 million at 30 June 2024, down by \$375.8 million. The reduction includes the impact of SGH's share of Beach's impairment of production and exploration assets, SGH's share of Seven West Media's impairment of its investment in ARN and impairment of SGH's carrying value of the investment in Seven West Media.

Other financial assets decreased by \$30.1 million to \$66.1 million based on a revaluation of the unlisted investment in China Media. Net mark-to-market movements in the unlisted investment portfolio and realised loss has been recognised in the fair value reserve consistent with the requirements of AASB 9: Financial Instruments.



## Operating and Financial Review continued

Property, plant and equipment increased by \$144.2 million to \$3,642.1 million. The increase includes \$82.7 million in net additions by Coates to its rental fleet, taking the original cost of its equipment to more than \$1.9 billion, and \$41.5 million in quarry acquisitions by Boral. WesTrac also continues to invest in capacity expansion. These investments provide significant competitive advantages in meeting customer demand.

Right of use assets reduced by \$5.1 million to \$706.7 million principally due to extension of leases within Boral.

Producing and development assets increased by \$151.2 million to \$627.7 million. This includes \$146.7 million relating to drilling activities and fabrication of topsides and substructure for the Crux LNG project, increasing its carrying value to \$508.1 million. The carrying value of SGH Energy's Longtom asset was unchanged at \$119.6 million whilst the investment in Bivins Ranch continues to be fully impaired at 30 June 2024, with the movement in accumulated impairment reflecting revaluation from exchange differences.

Intangible assets declined by \$1.8 million to \$2,220.4 million, including. Goodwill paid by Coates on its hire business acquisitions during the year was more than offset by amortisation of software costs.

Current trade and other payables increased by \$335.1 million to \$1,459.7 million. The movement includes a liability of \$334.8 million relating to the cash and scrip consideration to be paid to complete the compulsory acquisition of Boral. This was completed on 4 July 2024 with all remaining cash and scrip consideration paid to Boral shareholders or trustees acting on their behalf.

Deferred income of \$519.3 million reduced by \$35.8 million, principally relating to a higher rate of new machine deliveries to WesTrac customers during the year. This was partly offset by an increase in advanced payments and slot fees received from mining customers.

Current provisions increased by \$85.8 million to \$187.6 million and non-current provisions reduced by \$30.9 million to \$439.4 million. The net increase in provisions includes \$61.4 million of remaining estimated stamp duty payable on the full acquisition of Boral. Other movements include an increase in WesTrac's provisions for liquidated damages and workers compensation, whilst Boral has increased its provisions for onerous contracts, legal settlements and rehabilitation. This was partly offset by the release of various provisions raised by SGH on acquisition of Boral.

Current and non-current interest bearing loans and borrowings totalling \$4,986.5 million increased by \$93.3 million during the year. The current portion of interest bearing loans and borrowings increased to \$701.6 million.

Net debt at 30 June 2024 was \$4,332.2 million, an increase of \$315.5 million during the year. SGH had access to cash and undrawn borrowing facilities of \$1,802.5 million.

Approximately 48 per cent (2023: 46 per cent) of SGH's drawn debt is fixed or effectively hedged. The average effective borrowing cost is 5.7 per cent (2023: 5.6 per cent). The weighted average facility maturity is 4.5 years (2023: 4.2 years) for drawn facilities.

During the year, SGH refinanced Tranche A of the corporate syndicated facility, increasing its limit by \$20.0 million and extending its maturity to 2028. SGH also established a \$700.0 million bridge facility to facilitate the full acquisition of Boral. This facility was utilised in May 2024 and was fully repaid in July 2024.

WesTrac repaid US\$55.0 million of its 2011 Series B notes in July 2023. In January 2024, WesTrac completed a US private placement, issuing A\$178.0 million of 7 year notes, A\$121.0 million of 12 year notes and US\$71.0 million of 12 year notes.

The \$250.0 million Exchangeable Bond was settled by SGH during the year. A principal amount of \$249.8 million was exchanged into Boral shares in May 2024 following the exercise of Exchange Rights by noteholders. The remaining \$0.2 million principal amount was repurchased and cancelled in June 2024. There are no remaining Exchangeable Bonds on issue.

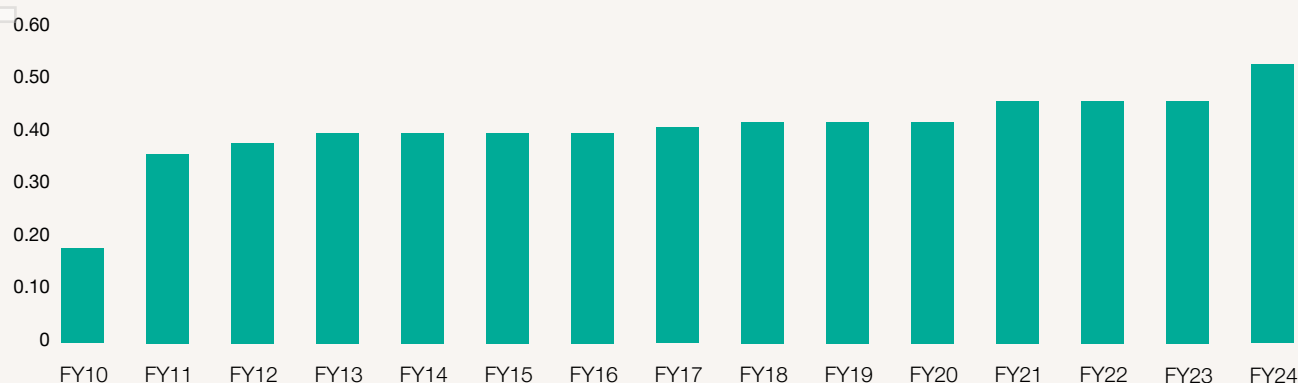
Convertible Notes of \$0.1 million due in 2025 remain on issue. This follows the exercise of Conversion Rights by noteholders during the year, resulting in the issue of SGH ordinary shares to the noteholders and cancellation of \$46.3 million of the notes.

The Boral equity swap with notional amount of \$365.6 million was settled in May 2024 as part of the full acquisition of Boral.

The net amount of derivative financial instrument assets and liabilities of \$79.6 million reduced by \$39.5 million, mainly relating to WesTrac's US\$55.0 million cross currency interest rate swap which expired in-the-money in July 2023, having been hedged in 2011 at an AUD/USD exchange rate of 1.0265.

### Net debt and capital management

Ordinary dividend per share history  
\$/share



Contributed equity increased by \$1,387.1 million to \$4,762.4 million. This included \$1,371.5 million related to 35.9 million ordinary shares issued as the scrip consideration for Boral shares acquired. A further \$44.7 million related to 1.9 million ordinary shares issued for the settlement of Convertible Notes. These were partly offset by an increase of \$29.1 million in treasury shares representing on-market purchases to satisfy future executive share plan obligations, offset by shares vested to employees.

Reserves of \$3,031.3 million compare to \$1,526.6 million in the prior year. The movement of \$1,504.7 million includes \$1,451.6 million in the acquisition reserve, mainly reflecting the value of scrip issued, and other transaction costs incurred, for the acquisition of minority interests in Boral. Other movements in reserves include \$5.8 million in the cash flow hedge reserve and \$14.1 million in the foreign currency translation reserve.

Non-controlling interests reduced by \$676.6 million to \$28.4 million reflecting the elimination of Boral minority interests, thus simplifying SGH's capital structure. The remaining non-controlling interests principally relate to entities controlled by WesTrac.

### Cash Flow Statement

Operating cash flow of \$808.2 million was down \$385.4 million from the prior year. The strong trading performance of the businesses and resulting increase in receipts from customers was offset by additional inventory investment in WesTrac to support the level of customer demand. Dividends and distributions from equity accounted investees of \$38.3 million primarily included dividends from Beach, together with dividends received by WesTrac and Boral from their equity accounted investees.

Interest and other costs of finance paid of \$294.7 million increased by \$14.3 million, mainly reflecting higher interest rates during the year.

Income taxes of \$235.7 million increased by \$151.7 million, reflecting the higher earnings of SGH, combined with Boral returning to a tax-paying position during the year.

Net capital expenditure (excluding intangibles) of \$631.7 million increased by \$67.9 million, mainly reflecting the commencement of drilling activities at Crux in April 2024 and quarry acquisitions by Boral. Other investing cash flows of \$164.1 million primarily related to \$152.4 million in proceeds from the sale of Sykes and Coates Indonesia, net of cash disposed and transaction costs, and \$45.2 million outlay for the acquisition of equipment hire businesses by Coates.

Net financing cash outflows of \$563.0 million primarily related to \$606.8 million paid during the year for the acquisition of non-controlling interests in Boral, \$167.6 million in SGH ordinary dividends paid, \$67.5 million in dividends paid to minority Boral shareholders, partially offset by \$444.4 million in net proceeds from borrowings. Other financial cash flows included repayment of lease liabilities and purchase of treasury shares.

Whilst SGH does not disclose a formal dividend policy, decisions regarding future dividend payout ratios and franking levels are made with reference to SGH's medium term underlying profitability, Australian tax payable position, total number of ordinary shares on issue and alternative investment opportunities available. Within these constraints, SGH aims to maintain dividends per share through the cycle with a view to increasing the dividend over the long-term. SGH's FY24 interim dividend of 23.0 cps during the year and a final dividend of 30.0 cps was declared in July 2024, both fully franked.



WesTrac's Autonomous Training Vehicle "Stella", Collie WA

# Risk Factors

The business activities of SGH are subject to various risk factors that may impact its future performance and financial position.

**These risks are both specific to SGH's activities as well as general commercial and economic risks. Such risks may, either individually or in combination, affect the future operating and financial performance of SGH and the value of its shares.**

## Risk Management Framework

The Board has established a risk management framework to actively identify, monitor and manage risks across SGH. The framework is administered by the Audit & Risk Committee, which is responsible for assisting the Board to identify and manage financial and non-financial risks. The Committee's responsibilities are set out under "Principle 7 – Recognise and Manage Risk" in the Corporate Governance Statement available on the Company's website.

The Committee maintains a Strategic Risk Assessment register, established in collaboration with subject matter experts throughout SGH's businesses who identify and assess the risk factors. The Committee evaluates the potential impact and likelihood of each risk occurring and ranks these accordingly. Risk controls including policies and procedures are established for each risk factor, and the responsibility to manage, monitor and report these risks is delegated to the CEO of each business and appropriately skilled senior management. External advisors are engaged to assist in this process where required.

Similar risk management processes are undertaken at WesTrac, Boral and Coates with each subsidiary presenting to the SGH Audit & Risk Committee (ARC) their consolidated risk register at least annually. The material issues are then also carried up into the SGH risk register with mitigation strategies and are reported to the ARC semi-annually. Risks are also considered throughout the Board's strategic planning process annually, particularly as they pertain to SGH's portfolio construction.

The composition of the Board has been specifically considered to ensure that relevant expertise is represented at the Board having regard to SGH's material risks. Page 64 sets out the relevant skills matrix.

Risks that are identified as material to SGH are summarised below. This information should not be regarded as an exhaustive list of all risks that affect SGH, furthermore, the items have not been prioritised.

## Material Business Risk

### Commodity Price Risk

SGH has an operating interest in oil and gas assets located in Australia and the United States of America. These investments expose SGH to commodity price risk from fluctuations in the prices of oil, natural gas and other condensates and natural gas liquids. SGH does not currently hedge its direct exposure to oil and gas commodity price risk.

The prices of oil and natural gas can be volatile as a result of many factors outside of SGH's control, including global supply and demand, the level of economic activity in key markets, investments supply, regional political developments and military conflicts in oil and gas producing regions, as seen with the impact of the Ukraine War and sanctions imposed on Russian energy since March 2022, the price and availability of new technology and the cost of alternative sources of energy.

A material and/or prolonged decline in the realised prices of oil and gas may have a material adverse impact on the financial results and future prospects of SGH and/or the ability to fund future exploration, appraisal and development activities. In addition, a prolonged decline in oil or gas prices may also negatively impact the carrying value of SGH's oil and gas investments, joint ventures and operations.

Boral is directly exposed to commodity price risk on coal and gas whilst also being indirectly exposed to commodity price risk from prices of coal and gas that impact energy costs, as inputs to lime, cement and asphalt manufacturing operations. Boral partially hedges its exposure to coal and diesel fuel commodity price risk and enters into energy contracts to partially hedge exposure to energy costs including a solar generated power purchase agreement.

SGH is exposed to increase in oil price on fuels that impact transport costs, both as a direct cost of owned vehicles and as an input cost for transport contractors and manufactured products.

SGH is indirectly exposed to adverse movements in the prices of iron ore, gold, copper, lithium, thermal coal and other commodities through customers that operate in these sectors. The profitability of these customers, the majority of whom are in the lowest quartile of the global production cost curve, is a driver of the level of demand for the equipment, parts and service that is supplied by WesTrac and Coates.

### Mining Production

Parts of SGH's business, especially WesTrac (and to a lesser extent Coates), have an exposure to the Australian major miners who export significant quantities of both iron ore and coal and who represent a large portion of WesTrac's annual revenue. The medium to long-term future of both iron ore and coal exports may be negatively impacted by changes in Asian markets that are the traditional importers of these products, as they potentially adjust their consumption and preferred suppliers over time. In addition to changes in economic growth and development in China, the possible changes to environmental policy and the impact on thermal coal imports may negatively impact coal prices, which could adversely impact the financial performance of SGH. Any increased political tensions between Australia and other foreign Governments could negatively impact export volumes and therefore SGH's financial performance.

### Competition

The markets in which SGH's industrial services businesses operate are competitive. In some instances, customers have alternative sources of supply, including imported supply, therefore requiring competitive pricing and high customer service levels to retain market share. The competitive environment can be significantly affected by local market forces, such as new entrants, production capacity, utilisation, disruptive product innovation, customer strategies, new energy trends and customer preferences, and changes in mining and construction methods and construction materials. An increase in competition could result in a loss of market share or decrease in prices that could impact SGH's profitability.

Boral has specific competition risks in relation to customer concentration, production innovation and product substitution. Many of the products sold by Boral are commodities that face strong volume and price competition, with pricing impacted by macroeconomic conditions, the competitive environment, degree of utilisation of production capacity and the specifics of product demand, among other factors. In addition, competitors are increasingly innovative and cost competitive, and products may face competition from substitute products over time, including new products that Boral does not produce. Any significant shift in demand preference to these alternate products could adversely impact market share. Boral may also experience downward pricing pressure across its different markets and may not always be able to raise prices to offset increased operating expenses and inflationary pressures.

### Contract Risk

SGH is subject to the risk that material contracts with suppliers, customers and others are terminated, expire, are not renewed or are renegotiated on less favourable terms. This may have an adverse impact on SGH's financial performance and position. SGH is party to agreements with service providers for a number of ongoing services, which if terminated might have significant financial and operational implications for SGH's businesses. SGH is also exposed to the risk that it does not manage, or that third party service providers do not manage, obligations in line with contractual or operational standards, which could result in financial losses.

In some instances, business projects may have work delivery challenges that manifest in actual costs increasing from earlier estimates. Coates Engineering Solutions and Boral contracting business may have normal contractor's liability in relation to projects and may have normal design liability for projects where design is contracted. These liabilities may include litigation against Coates or Boral. Coates or Boral may also provide performance guarantees and indemnities for projects and the value of these guarantees and indemnities is indeterminable in amount.

### Funding, Access to Capital Markets and Liquidity Risk

SGH relies in part on debt and debt-like instruments to fund its business operations. SGH and its subsidiaries will need to refinance debt and derivative facilities as they mature over time and is exposed to adverse changes in global equity or credit market conditions. There is a risk that SGH could have difficulty obtaining financing on commercially reasonable terms if there was a material deterioration in the cash generation of the business operations, which may negatively impact SGH's ability to implement strategy or undertake investments, as well as potentially increasing the cost of funding.

The ability to refinance can be impacted by many factors outside of SGH's control, including global supply of credit, level of economic activity and credit defaults, perceptions of carbon intensity and credit providers' assessment of aggregated credit risk to SGH and its investments.

Liquidity risk arises from the possibility that SGH may not be able to settle or meet its obligations as they fall due. Failure to meet applicable covenants or undertakings in its financing arrangements could adversely impact SGH by accelerating payment obligations or requiring the renegotiation of existing financing. SGH manages this risk by maintaining sufficient cash balances, liquid securities and undrawn bank facilities from a variety of lenders to ensure these obligations can be met.

SGH also has policies in place to minimise and manage its exposure to counterparty credit and duration risk.

### Customer Default

SGH's businesses have large and diversified customer bases and are not reliant on any single customer. However, there is the risk that customers may default due to bankruptcy or other reasons, including general economic downturn. Such risks have been manifested across the building and construction sector due to the adverse impacts of inflation impacting builders who have taken on fixed price construction risk.

A customer's termination of, or default under, a contract could result in a loss of expected revenues and additional expenses. Accordingly, the termination of, or default under, a contract by any of SGH's customers could have an adverse effect on SGH's business, financial condition and results of operations.

### Project Activity

Australian infrastructure policy has long been the foundation for economic growth through the development and ultimately investments of large-scale projects, e.g., Snowy Mountains Hydro Scheme. The current forecast for infrastructure across Australia, specifically the East Coast, is forecast to provide a significant stimulus to the economy over the next decade. WesTrac, Coates and Boral are exposed to the infrastructure activity and have factored the increases in activity into their strategic outlooks, any material change in this outlook as a result of changes in Government policy, could have an adverse effect on SGH's financial performance.

### Government Policy

Changes in government, policies, taxation and other laws and government intervention in domestic markets, such as the Gas price cap, can have a significant influence on the outlook for SGH. In this regard, SGH has a significant exposure to infrastructure, natural resources and environmental policy. In Australia, natural resources are regulated by State and Federal governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine safety, toxic and radioactive substances, native title, right to negotiate, indigenous heritage and a range of other matters.

## Risk Factors continued

In regard to the infrastructure industry, SGH is exposed to a variety of factors that may adversely affect its businesses or operations, regulation by various governmental authorities, service interruption due to environmental, operational or other mishaps; the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards; and general changes in market sentiment towards infrastructure assets.

The environment is regulated in Australia by Local, State and Federal governments in relation to activities impacting the natural environment, including development conditions and approvals, restrictions on operations and amount of carbon emissions that may adversely impact SGH's businesses or operations or those of its customers.

The transition to a low-carbon economy with heightened focus on carbon emissions is likely to result in changing customer preferences, and a shift to less carbon-intensive construction materials. Governments are also setting binding targets and increasing actions to achieve carbon reduction. This may result in a broader based price on carbon emissions, increasing the cost of production and negatively impacting earnings of SGH.

### Equity Market Risk

SGH's listed and unlisted investments are subject to price, liquidity and other risks associated with any investment in such assets, including the risk that distributions paid to shareholders will be reduced.

SGH's financial performance may be impacted by fluctuations in the value of its listed and unlisted investments due to numerous factors. These include changes in Australian and international stock markets and investor sentiment, domestic and world economic conditions and outlook, consumer and business sentiments, inflation rates, interest rates, employment impairment of assets or fair value movements and taxation legislation and other changes to government policy, legislation or regulation.

### Reserve, Exploration and Production Risk

Quarry, oil and gas reserves and resources are estimated using subjective judgements and modelling based on available geological, technical, contractual, licence, permit and economic information. Estimates can change over time due to new information from drilling or production, changes in economic factors such as quarry product, oil and gas prices, technological improvements, regulation or other events.

Quarry, oil and gas reserves and resources are finite and are depleted on an ongoing basis through production, with replacement only possible via the discovery of new resources through successful exploration or the acquisition of resources. Exploration for quarry products and hydrocarbons is inherently risky and subject to geological interpretations and technological uncertainties. Failure to secure access to licenses and permits and sub-economic exploration results could lead to declining reserves and resources impacting long term growth.

SGH Energy holds production rights to a number of onshore and offshore oil and gas fields. Oil and gas facilities are exposed to the risk of loss of containment of hydrocarbons. A loss of containment could result in disruption to production, loss of revenue and clean-up costs. SGH Energy has insurance policies in place to minimise any losses incurred as a result of the loss of containment of hydrocarbons.

Boral holds production rights to a number of quarries. Quarry production may result in disturbance to the environment, including ground stability, air quality, indigenous cultural artifacts and noise. Any quarry, oil or gas project may be exposed to production decline or stoppage, which may be the result of facility shut-downs, mechanical or technical failure, climate-related events and other unforeseeable events.

A significant failure to maintain production could result in lower production forecasts, loss of revenue and additional operational costs to restore production.

### Foreign Exchange Risk

SGH is exposed to movements in foreign exchange rates. WesTrac, and to a lesser extent Boral, Coates and SGH Energy, are exposed to foreign exchange risk through the purchase of plant and equipment, inventory and products denominated in foreign currency, principally US Dollars. As part of its pricing of equipment globally, Caterpillar periodically resets pricing for mining equipment and parts which are denominated in US Dollars reflecting exchange rate movements, transport costs and underlying inflation.

Movements in the pricing of equipment impacts WesTrac's cost of machines and may also affect the overall profit earned on the sale of equipment to customers which may be denominated in either Australian Dollars, US Dollars or both.

Boral is exposed to foreign exchange risk through its remaining international operations, and through imported products and acquisition of plant and equipment.

The revenue generated and capital development costs associated with SGH's energy assets is partly denominated in USD. SGH does not currently hedge the expected revenues or capital development costs, resulting in the risk of lower earnings and/or higher costs for SGH upon conversion to Australian Dollars if there has been an adverse movement in the exchange rate.

Fluctuations in foreign exchange rates, including the AUD/USD exchange rate could have an adverse impact on SGH's business, financial condition and results of operations which are reported in Australian Dollars.

SGH may from time to time hold cash and investments, including investments in overseas equity funds, denominated in US Dollars, exposing SGH to foreign exchange risk.

### Interest Rate Risk

SGH is exposed to the risk of an increase in net interest costs through the impact of adverse changes in market interest rates on the cost of debt. SGH's policy is to hedge a portion of this risk by utilising a mixture of fixed and floating rate debt facilities and through the use of derivatives including interest rate swaps and options.

### Inflation Risk

SGH is exposed to the risk of a significant increase in input costs, both direct and indirect, through the impact of periods of sustained high inflation. SGH seeks to recover increased input costs from inflation by prices charged to customers for goods and services and there is a risk some increased input costs are unable to be passed on, adversely impacting SGH's margins. Central bank measures to mitigate high inflation by increasing interest rates may result in reduction in economic activity and consumer demand that may adversely impact SGH's market outlook.

### Investment Risk

#### Investment Opportunities

The financial performance of SGH will be affected by the recognition and availability of suitable investment opportunities in the future coupled with the operating performance of the existing businesses to support this growth. There is no guarantee that SGH will be able to identify and successfully implement future investment opportunities. Investment opportunities, and SGH's ability to divest its existing investment are subject to market conditions and other factors outside of the control of SGH. With the ongoing focus on growth and diversification, the next opportunity to significantly add to the current businesses controlled by SGH will carry additional risk due to the size and potentially the nature of those businesses. Given the complexity of any transaction undertaken, SGH faces risks in undertaking

sufficient due diligence and reaching a level of assurance as to the merits of acquiring the potential target. Due diligence may not reveal all material issues, which could impact on the returns from the investment. If SGH does undertake further investments in the future, there are risks associated with the integration of any business into SGH, including potential delays and costs in implementing necessary changes and integrating various operations, and failure to achieve potential synergy benefits.

### Minority Investments

SGH holds investments in a number of ASX-listed, and unlisted, companies that it does not control, including Seven West and Beach Energy. Where SGH holds an investment and is limited in its ability to exert control over the investee entity, it may become subject to the operational control of others and the financial performance this may entail. Additionally, SGH will be exposed to the price, liquidity and other risks inherent in minority shareholdings, including the risk that distributions paid to security holders will be reduced, adversely impacting the yield of the broader portfolio. SGH may also not be able to achieve an easy or profitable exit from its investments. This could lead to a reduction in the financial performance of SGH. Listed equity markets fluctuate with time, and the price of shares in SGH's portfolio may rise or fall due to numerous factors, which may affect the market performance of SGH. These include changes in Australian and international stock markets and investor sentiment, domestic and world economic conditions and outlook, inflation rates, interest rates, employment, taxation and changes to government policy, legislation or regulation.

### Media Investments

SGH's investment in Seven West Media exposes it to the various risks facing the media industry. Seven West Media competes for audience share and advertising revenues with all forms of media such as free-to-air television, newspapers, magazines, radio, outdoor advertising, pay television, direct mail, cinema and the internet, including Subscription Video On Demand (SVOD), Transactional Video On Demand (TVOD), Advertising Video On Demand (AVOD), Broadcast Video On Demand (BVOD), short form video, social media and search.

The Australian media industry is highly concentrated and competitive, with a number of operators competing for market share and advertising revenue through the same or alternative products. The actions of an existing competitor, the entry of new competitors into the market, and the introduction of new forms of media, or changes to Government regulation such as anti-siphoning, may result in audience fragmentation in television, BVOD and/or a reduction in newspaper readership, resulting in advertising revenue declines and lower profitability for Seven West Media. Third-party appropriation of content and other intellectual property without compensation may also impact the financial performance of the business.

Media reform may provide an opportunity to mitigate these factors.

Seven West Media has implemented changes to its operating model and management structure to address cultural concerns, drive a performance-focused organisation and help deliver on its refreshed strategy.

### Energy Assets

The development timetable of SGH's energy assets is subject to the decision making of controlling and operating partners in relation to factors such as environmental and regulatory approval, economic access to processing infrastructure, approval of drilling programs, finalisation of development concepts, development schedule and cost, operating cost including approach to carbon emissions reduction or offset and weather.

Failure to secure and maintain access to processing infrastructure on reasonable terms, or events that result in a significant disruption to access, could result in the loss of revenue, delay in development timetable, loss of investment income or require additional costs to restore or find alternative access.

Contracts to access processing may involve take or pay arrangements that could also result in costs where production is either not supplied or not supplied in sufficient volumes.

Failure of SGH Energy's Joint Venture Partners to meet financial and other obligations may have an adverse impact on SGH Energy's business. SGH Energy works closely with its Joint Venture Partners to minimise joint venture misalignment.

### Management and Personnel

Loss of key management and other personnel, including board directors, may have a negative impact on SGH's businesses and SGH faces the risk that it cannot promptly or adequately replace key directors, management or personnel that leave SGH. Difficulties attracting and retaining skilled employees may also impair SGH's ability to conduct its business.

A local or global shortage of suitably qualified and experienced technicians and operational staff could impact the ability of WesTrac, Boral and Coats to achieve their operational objectives and also result in an increase in operational costs through higher salaries required to attract and retain staff.

Many of SGH's businesses' employees, including permanent and casual employees, are covered by awards, enterprise bargaining agreements and other workplace agreements. These arrangements are complex and require interpretation, including in determining payments and accrual of employee benefits, are subject to change in interpretation, government regulation and periodically require renegotiation and renewal. These arrangements could result in issues which may lead to disruptions to operations and an increase in direct and in-direct labour costs, which may have negative impacts on SGH and SGH's financial performance.

### Network Optimisation

Any deterioration across SGH in branch network quality due to outdated infrastructure, insufficient maintenance, increased scale and complexity or changing geographic coverage, may result in increased operational costs, longer response times, and diminished customer satisfaction. This may limit the ability to leverage fixed costs effectively across operations putting pressure on SGH's operating margin.

### Manufacturing Operations

Boral's manufacturing operations and related services depend on critical plant. Any unanticipated failures, outages or force majeure events could lead to failure to meet financial performance that Boral partially mitigates via business interruption insurance on key facilities. Boral's performance is exposed to inflationary impacts from rising input costs, including energy. Disruption in the supply of raw materials or other critical inputs for manufacturing as a result of force majeure type events could impact Boral's ability to manufacture products and meet market demand. Specific business interruption risks for Boral include plant and systems failure, severe weather, access to future reserves and resource supply constraints.

## Risk Factors continued

### WesTrac Dependence on Caterpillar

WesTrac's predecessor companies have been associated with Caterpillar since the 1940s and WesTrac's association with Caterpillar has been since 1990. As is customary in dealer agreements with Caterpillar, the WesTrac dealer agreements with Caterpillar can be terminated by either party upon 90-day notice at any time. The dealer agreements also contain provisions for automatic or accelerated termination in certain circumstances, such as material breach, insolvency events, and changes in control without Caterpillar consent, and are not exclusive. The Caterpillar dealer agreements are not, however, subject to periodic renewal requirements and are perpetual in nature (subject to the termination right noted above).

In the event Caterpillar terminates or appoints another dealer or deals directly in the territories in which WesTrac operates, it would have a material adverse effect on WesTrac's business, financial condition and results of operations as well as trigger accelerated prepayments across SGH's key funding arrangements. In the event Caterpillar changes the scope of current or future activities able to be provided by WesTrac under the dealer agreements, it may have an adverse effect on WesTrac's business, financial condition and results of operations.

WesTrac is dependent on Caterpillar for timely supply of equipment and parts from their global manufacturing factories and distribution warehouses. During periods of intense demand or in the event of disruption to Caterpillar's business there may be delays in the supply of equipment and parts to WesTrac. In the event that Caterpillar is unable to supply its products in the quantities and timeframes required by WesTrac's customers, it may have a material adverse effect on WesTrac's business, financial condition and results of operations.

### Remediation and Restoration Costs

SGH holds provisions for the future remediation and restoration costs of quarries and removal costs of offshore and oil and gas production facilities and pipelines at different stages of the development, construction and end of their economic lives. Most of these restoration and decommissioning events are many years in the future and the precise requirements that will have to be met when the restoration event occurs are uncertain and differences in actual requirements to assumptions made may result in difference in costs. Decommissioning technologies and costs are constantly changing, as are political, environmental, safety and public expectations. The timing and amounts of future obligations are subject to significant uncertainty and estimation is required in determining the amounts of provisions to be recognised. SGH maintains a provision for remediation and restoration obligations representing SGH's best estimate based on current industry practice, current regulations, technology, price levels and expected plans for end-of-life remediation. Changes to current industry practice could result in increased costs, which may have negative impacts on SGH and SGH's financial performance.

### Supply Chain and Logistics

Key operational risks to SGH as a result of force majeure events include the potential closure of locations such as branches and workshops, disruption to field services, disruption to the supply chain (including rail infrastructure), closure of customer locations, and changes to government legislation and regulation. These risks may impact customer demand and the ability of WesTrac, Coates and Boral to schedule and complete the work required to provide equipment, services and products to customers on a timely basis. The ability of customers to pay for equipment, product and services within agreed terms may also be impacted, as may the solvency of a limited number of customers which would in turn impact the financial performance of SGH.

SGH and its operating businesses have Business Continuity Plans and material business interruption insurance and maintain a level of crisis liquidity for force majeure events. Failure to

forecast, anticipate or react to material events in a timely manner may however lead to loss of competitive position, inadequate fleet and inventory mix and impact SGH's financial performance.

Should supply chains be impacted due to unforeseen events or inadequate planning and management, SGH may experience increased inventory levels in WesTrac, including increased orders of long lead time parts and new equipment where increased lead times necessitated going on risk to enable WesTrac to meet expected customer demands. Coates may also experience extended equipment delivery times and be required to slow its fleet disposals to ensure they have sufficient rental fleet to meet current customer demand.

### Property Portfolio

SGH's property strategy involves managing a diverse portfolio of property. Fluctuations in property values due to economic cycles, interest rates, and general market dynamics may impact financial performance and asset management strategies across SGH. Regulatory changes, including zoning laws and environmental regulations, may restrict strategic decision making and increase operational costs. Operational disruptions such as natural disasters or infrastructure failures could also damage properties, leading to downtime, repair costs, and potential insurance claims. SGH, in certain instances, also relies on third party developers to develop, sell and lease out properties across the portfolio, and as a result may be impacted by the performance and success of the developer.

### Workplace Safety and Security

Employee safety is a fundamental principle in all SGH's activities. However, the nature of SGH's operations involves a variety of risks which could result in accidents or environmental incidents, causing injuries or loss of life for its workforce, including staff and contractors, and the public, and could result in regulatory action, legal liability and damage to SGH's reputation. SGH has sought to mitigate these risks by assessing, understanding and mitigating the risk factors in each of its operating businesses by implementing safety rules and safety commitments which provide direction and guidance on these critical risks.

SGH is committed to providing a safe workplace and maintains comprehensive workplace safety policies and systems which are overseen by health and safety specialists within the human resources departments and dedicated risk, safety and security teams within each business. Procedures relating to security at SGH's business sites are prioritised and are subject to review and continuous improvement.

Chain of responsibility also extends SGH's obligations beyond existing operations to contractors and potentially their sub-contractors, over whom SGH has less control and there are strategies to manage this risk within each operating business.

### Crime, Technology and Cyber Security

SGH is subject to risk of fraud, misappropriation of assets or information by individuals or organisations. SGH has controls in place to mitigate these risks, including system controls, segregation of duties, review procedures, bi-annual Financial and Corporate Governance Self Assessment attestation process, whistleblower reporting, internal and external audit.

SGH's rental activities necessitate the loss of physical control of assets increasing the risk of misappropriation, mitigated where possible by identity checks and obtaining security deposits before hire and on certain high value serialised equipment GPS tracking devices. SGH secures assets within its control at locations using a variety of physical measures including locks, alarms, fencing, closed circuit television and security guards.

We rely upon information technology systems and networks in connection with a variety of business activities. Information technology security threats from user error to cyber security attacks designed to gain unauthorised access to our systems, networks and data, are increasing in frequency and sophistication. SGH

secures business and customer information using information technology security measures, including encryption, multi-factor authentication and independent security penetration testing.

We have experienced cyber security threats and vulnerabilities in our systems and those of our third-party providers, and we have experienced viruses and attacks targeting our information technology systems and networks. Such prior events, to date, have not had a material impact on our financial condition, results of operations or liquidity. However, the potential consequences of a future material cyber security attack include reputational damage, litigation with third parties, government enforcement actions, penalties, disruption to systems, unauthorised release of confidential or otherwise protected information, corruption of data and increased cyber security protection and remediation costs, which in turn could adversely affect our competitiveness, results of operations and financial condition.

Due to the evolving nature of such security threats, the potential impact of any future incident cannot be predicted. Further, the amount of insurance coverage SGH's businesses maintain may be inadequate to cover claims or liabilities relating to a cyber security attack. In addition, data we collect, store and process are subject to a variety of laws and regulations which may carry significant potential penalties for non-compliance. SGH businesses are increasingly exposed to risks arising from failed cloud-based services, where providers fail to ensure continuity of services. Continuity plans are in place for critical systems but may not fully mitigate this risk.

### Weather, Environment and Climate Change

Extreme weather is a risk for mining, quarry, oil and gas, construction and construction materials industries. Periods of extreme weather can interrupt SGH's production, operations, and ability to supply products to the market and limit customer's production and operations postponing demand. Prolonged periods of wet weather can impact Boral's performance through lower productivity and loss of fixed cost recovery.

SGH operates in industries that may have a negative impact on the environment, including in respect of land, air, and water pollution and greenhouse gas emissions. SGH is investing in solutions to reduce its energy consumption and greenhouse gas emissions and is seeking to transition to a lower carbon economy including an aspiration to net zero emissions.

Boral's pathway to net zero is dependent on further development and commercial viability of new and emerging technologies. There are risks that new technologies are not developed or are not viable or changes in regulation that may increase SGH's cost structure (including the cost of carbon offsets) or result in SGH being unable to satisfy the future regulatory requirements relating to these matters impacting SGH's social licence to operate.

There is a risk that changes to applicable environmental regulations can have direct impact, such as recent change to the Safeguard Mechanism and carbon emissions baseline and applicability of Trade Exposed Baselines Adjustments, or indirect impact, such as policy impacting availability or cost of carbon offsets, on SGH's businesses that could adversely impact SGH's financial and business performance. Customers are increasingly looking to lower their greenhouse gas emissions, which may result in increased electrification or use of alternative fuels (such as hydrogen) to power mining fleet, reducing future demand for support (parts and service) of traditional diesel combustion engines or use of alternative construction materials, reducing future demand for aggregates, cement and concrete.

Strategic, regulatory and operational risks and opportunities associated with climate change are incorporated into SGH policy, strategy and risk management processes and practices. SGH actively monitors current and potential areas of climate change risk and takes actions to prevent and/or mitigate any impacts on its objectives and activities including setting of targets to reduce carbon emissions. Reduction of waste and emissions is an integral part of delivery of cost efficiencies and forms part of SGH's routine operations.

### Tax Risks

SGH may be subject to reviews by taxation authorities from time to time in the ordinary course of business. These reviews may result in the taxation authorities taking a different view on the tax treatment of particular transactions from that of SGH, which could lead to additional tax liabilities.

### Reputational Risk

Reputational risk is the risk of failure to meet stakeholder expectations as a result of an event, behaviour, action or inaction, either by SGH itself, our employees or those with whom we are associated, that may cause stakeholders to form a negative view of SGH is fundamentally a by-product of another business risk such as decarbonisation, ethics, security or tax.

The governance of reputational risk is integrated into SGH's broader risk governance framework. The Business Units manage risk as an intrinsic part of their daily operations and are committed to conducting activities in a way that generates sustainable growth while enhancing the reputation of SGH.

There is an ongoing focus on continued investment in cyber security, ongoing investment in sustainable water sources, dust and wastewater management and meaningful focus on Indigenous employment.

There may also be reputational risks associated with exposure to fossil fuels and emissions-intensive businesses or businesses which decarbonise slowly, which is potentially offset by the opportunity to build a more climate-positive brand to better align with consumer preferences, while also engaging with customers on relevant concepts.



Coates Facility, Moorebank NSW

# Board of Directors



## 1. Terry Davis

**Chairman of Seven Group Holdings Limited**

*Since 17 November 2021*

**Director**

*Since 1 June 2010*

Member of the Independent & Related Party Committee and member of the Remuneration & Nomination Committee.

Group Managing Director, Coca-Cola Amatil Limited from November 2001 to March 2014.

Director of St. George Bank Limited from December 2004 to December 2008.

Over fifteen years' experience in the global wine industry including Managing Director of Beringer Blass (the wine division of Foster's Group Limited) and Managing Director of Cellarmaster Wines Group between 1987 and 1997.

Council Member of the University of New South Wales Council from June 2006 to June 2014.

## 2. Ryan Stokes AO

**Managing Director & Chief Executive Officer of Seven Group Holdings Limited**

*Since 16 February 2010*

Mr Ryan Stokes AO is Managing Director & Chief Executive Officer of Seven Group Holdings (SGH) and has been an Executive Director since February 2010. He was previously Chief Operating Officer of SGH from August 2012 to June 2015.

Mr Stokes is Chairman of WesTrac, Chairman of Coates and a Director of Seven West Media since August 2012. He is Chairman of Boral and a Director since September 2020. He is Chairman of Beach Energy and a Director since July 2016. He has extensive experience leading large private and public organisations, including experience with corporate transactions, operational discipline and performance.

Mr Stokes is Chief Executive Officer of Australian Capital Equity Pty Limited (ACE). ACE is a private company holding a major interest in SGH. Mr Stokes was appointed Chairman of the National Gallery of Australia in July 2018. He is also a member of the IOC Olympic Education Commission. Mr Stokes was Chairman of the National Library of Australia from 2012 to 2018. He was a member of the Prime Ministerial Advisory Council on Veterans' Mental Health from 2014 to 2019.

Mr Stokes holds a BCom from Curtin University and is a Fellow of the Australian Institute of Management (FAIM). Mr Stokes was appointed an Officer in the General Division of the Order of Australia in the Queen's Birthday honours on 8 June 2020.

## 3. Rachel Argaman (Herman) OAM

**Director of Seven Group Holdings Limited**

*Since 7 February 2022*

Member of the Remuneration & Nomination Committee and member of the Independent & Related Party Committee.

Ms Argaman brings a wealth of operational experience and proven leadership skills and capability across a number of sectors. Ms Argaman has been the Chief Executive Officer of Opal HealthCare, Australia's largest private residential aged care provider, since August 2018. Prior to this she held executive roles at TFE Hotels, as Chief Executive Officer for 11 years, Charter Training Group and Imperial Car Rental.

As the Chief Executive Officer of Opal HealthCare, Ms Argaman has worked to create a customer and purpose led organisational culture that focuses on the delivery of strong social and commercial outcomes to enable the provision of the infrastructure to support Australia's aging population live well. She has also led the business through its response to the COVID-19 pandemic and the Royal Commission into Aged Care, Quality and Safety.

Ms Argaman holds a Bachelor of Arts (Hons) and MBA in Services Industries Management from the University of the Witwatersrand.

## 4. Annabelle Chaplain AM

**Director of Seven Group Holdings Limited**

*Since 24 November 2015*

Chair of the Audit & Risk Committee; member of the Remuneration & Nomination Committee and member of the Independent & Related Party Committee.

Ms Chaplain brings to Seven Group Holdings extensive experience in financial services and mining, engineering and infrastructure services.

Ms Chaplain has been the Chairman of MFF Capital Investments Ltd since August 2019 and a Non-Executive Director of Super Retail Group Ltd since March 2020. Previously she was Chairman of Queensland Airports Ltd and a Non-Executive Director of a number of companies including Downer Group Ltd, Coal and Allied Industries and Credible Labs Inc. In the public sector she has previously served as a member of the Board of Taxation and as a Director of EFIC, Australia's export credit agency. Since April 2017, Ms Chaplain has served as a Director of the Australian Ballet and has been the Chair of The Society of the Sacred Advent Schools Pty Ltd since July 2022.

Ms Chaplain is a Fellow of the Australian Institute of Company Directors. She holds an MBA from the University of Melbourne, a BA majoring in Economics and Mandarin from Griffith University and a diploma from the Securities Institute of Australia.

In 2016, she was awarded an honorary doctorate by Griffith University in recognition of her service to banking, finance and the community. Ms Chaplain was appointed a Member in the General Division of the Order of Australia in the Australia Day honours on 26 January 2020.

## 5. Katherine Farrar

### Director of Seven Group Holdings Limited

**Since 18 February 2019**

Chair of the Remuneration & Nomination Committee, member of the Audit & Risk Committee and member of the Independent & Related Party Committee.

Ms Farrar was appointed as Brighter Super's Chief Executive Officer in April 2018. Ms Farrar has the growth of Brighter Super from \$10B with 70,000 members to now over \$32B with 230,000 members through the merger of LGIA Super and Energy Super and the industry first acquisition of retail super fund Suncorp Super in FY21.

Ms Farrar has 35 years' experience in leadership roles across the finance and energy sectors. Her previous roles include Managing Director of business energy retailer QEnergy, Chief Operating Officer at Ergon Energy Retail, and senior positions at Morgans Stockbroking, Barclays de Zoete Wedd and Suncorp Investment Management. Prior to joining Brighton Super, she was a Junior Partner (equivalent) at McKinsey & Company.

Ms Farrar has a Bachelor of Music (Honours) Degree and a Masters degree in Econometrics and Finance. She is also a graduate of INSEAD's Advanced Management Programme.

## 6. Christopher Mackay

### Director of Seven Group Holdings Limited

**Since 1 June 2010**

Member of the Audit & Risk Committee and member of the Independent & Related Party Committee.

Managing Director of MFF Capital Investments Limited since 1 October 2013.

Former Chairman of Magellan Financial Group Limited.

Mr Mackay co-founded Magellan after retiring as Chairman of the investment bank UBS Australasia in 2006, having previously been its Chief Executive Officer.

Considerable experience in business management, capital allocation, risk management and investment. A former investment banker and corporate and banking lawyer, with broad experience in the financial and corporate sectors over many years.

A Director of Consolidated Media Holdings Limited from March 2006 until November 2012, when the company was taken over by News Corporation.

Mr Mackay was a member of the Federal Treasurer's Financial Sector Advisory Council and the Business Council of Australia, and a Director of the International Banks & Securities Association.

## 7. David McEvoy

### Director of Seven Group Holdings Limited

**Since 27 May 2015**

Member of the Audit & Risk Committee and member of the Independent & Related Party Committee.

Mr McEvoy has been engaged in the upstream oil and gas industry for over 40 years, in a variety of technical, senior executive and non-executive director roles. He was employed for almost 34 years with ExxonMobil concluding his executive career as Vice President, Business Development, ExxonMobil.

Mr McEvoy graduated from the University of NSW with a degree in Science and a graduate diploma in Applied Geophysics.

Mr McEvoy is a former Non-Executive Director of AWE Limited (2006 – 2018), Woodside Petroleum Limited (2005 – 2017), Acer Energy (formerly Innamincka Petroleum Limited) and Po Valley Energy Ltd.

## 8. The Hon. Warwick Leslie Smith AO

### Director of Seven Group Holdings Limited

**Since 12 September 2014**

Member of the Audit & Risk Committee and member of the Remuneration & Nomination Committee.

Mr Smith has been Chairman of Advisory Board Australian Capital Equity since November 2006. Mr Smith also holds the position of Chairman at Ord Minnett; Wollar Solar Finance and Aqualand Group. Mr Smith is also a Director of Jemena Energy: Hive & Wellness (Capilano) and Marinus Link.

He has served as Chairman of the Australia-China Council for over eight years and was the Founding Chair of the National Foundation of Australia-China Relations. He is Chairman of the Global Engagement Committee of the Business Council of Australia of which he is a member.

Mr Smith is a former Senior Managing Director of the Australia New Zealand Banking Group Limited (ANZ), of which he was also Chairman of New South Wales & Australia Capital Territory, Chairman ANZ Thailand and Chairman and Director, ANZ Greater China and immediate past Chair of the National Museum of Australia.

Formerly Executive Director with Macquarie Bank, Director of Estia Health Limited, Chairman of E\*TRADE Ltd and the Australian Sports Commission. He was a Federal Government Minister with a parliamentary career spanning 15 years. He was also Australia's first Telecommunications Ombudsman.

Mr Smith has also received a Centenary Medal and was twice awarded the Order of Australia.

## 9. Richard Uechtritz

### Director of Seven Group Holdings Limited

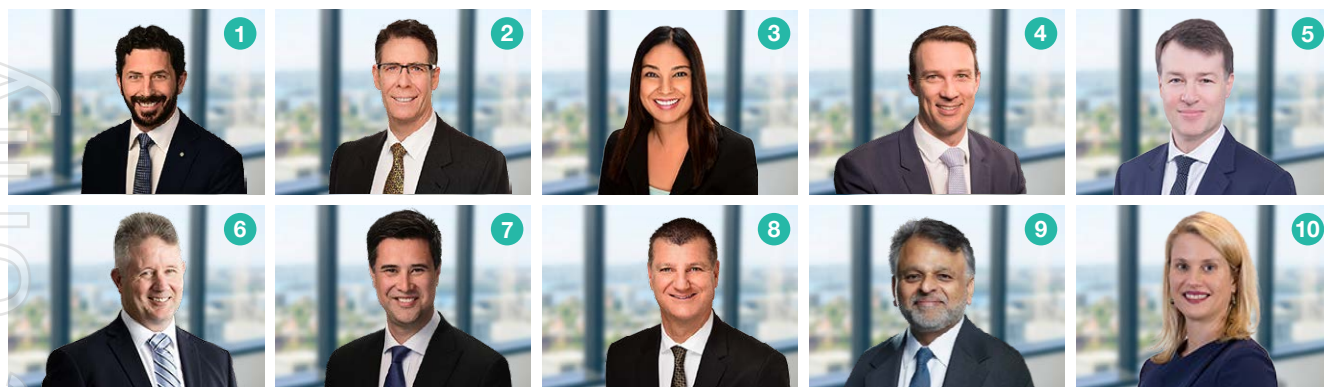
**Since 1 June 2010**

Member of the Remuneration & Nomination Committee and Chairman of the Independent & Related Party Committee.

Chief Executive Officer and Director of JB Hi-Fi Limited from June 2000 to May 2010. Mr Uechtritz has been a Director of JB Hi-Fi since May 2011.

Over thirty years' experience in retailing. Co-founder of Rabbit Photo and Smith's Kodak Express. Director of Kodak (Australasia) Proprietary Limited from July 1998 to July 2000.

# Executive Management



## 1. Ryan Stokes AO

### Managing Director & Chief Executive Officer – Seven Group Holdings

#### B.Com, FAIM

Mr Ryan Stokes AO is Managing Director & Chief Executive Officer of SGH and has been an Executive Director of the Company since February 2010. He was previously Chief Operating Officer of SGH from August 2012 until June 2015.

Mr Stokes is Chairman of WesTrac, Chairman of Coates, Chairman of Boral, Chairman of Beach Energy and a Director of Seven West Media. He has extensive experience leading large private and public organisations, including experience with corporate transactions, operational discipline and performance.

Mr Stokes has been involved with WesTrac since 2000, has extensive experience in China with prior operations of WesTrac and other interests, was a Director of Seven Network Limited from 2005 and Executive Director and then Chairman of Pacific Magazines from 2004 until 2008. He was previously a Director of Yahoo7 from its inception in 2006 until 2013.

Mr Stokes is Chief Executive Officer of Australian Capital Equity Pty Limited (ACE). ACE is a private company holding a major interest in SGH. Mr Stokes is Chairman of the National Gallery of Australia.

Mr Stokes was Chairman of the National Library of Australia. He was a member of the Prime Ministerial Advisory Council on Veterans' Mental Health and was a member of the IOC Olympic Education Commission.

Mr Stokes holds a BCom from Curtin University and is a Fellow of the Australian Institute of Management (FAIM). Mr Stokes was appointed an Officer in the General Division of the Order of Australia in the Queen's Birthday honours on 8 June 2020.

## 2. Richard Richards

### Chief Financial Officer – Seven Group Holdings

#### B.Com/Law (Hons), LL.M (Hons), MAppFin (Hons), CA and Admitted Solicitor

Mr Richard Richards has been Chief Financial Officer of SGH since October 2013. He is a Director of SGH Energy and is a Director and Chair of the Audit and Risk Committee of WesTrac and Coates. He is a Director of Boral and is a member of their Audit and Risk and Safety Committees, he is also a Director of Beach and is a member of their Audit and Risk, Safety and Remuneration Committees and he is also a Director of Flagship Property Holdings. Mr Richards is also a Director of Chris O'Brien Lifecare and Chair of their Audit and Risk Committee.

Mr Richards joined SGH from the diverse industrial group, Downer EDI, where he was Deputy Chief Financial Officer responsible for group finance across the company for three years.

Prior to joining Downer EDI, Mr Richards was CFO for the Family Operations of LFG, the private investment and philanthropic vehicle of the Lowy Family for two years. Prior to that, Mr Richards held senior finance roles at Qantas for over 10 years. Mr Richards is both a Chartered Accountant and admitted solicitor with over 30 years of experience in driving business performance and complex financial structures, corporate governance, risk management and audit.

## 3. Gitanjali Bhalla

### Chief People Officer – Seven Group Holdings

#### BA, LL.B. (Hons), MIB, MAICD

Ms Gitanjali Bhalla joined SGH in October 2017 and is Chief People Officer responsible for human resources, culture and safety across SGH. Ms Bhalla is also a Director of WesTrac, Boral and Coates.

Ms Bhalla has significant experience leading and delivering strategy and business transformational change in large organisations.

Prior to joining SGH, Ms Bhalla spent a number of years consulting to private and publicly listed companies at Ernst & Young, both in Australia and overseas, before holding senior executive roles at UGL and Cushman & Wakefield.

Ms Bhalla is an Ambassador for Good Return, a not for profit organisation committed to empowering women through microfinance. Ms Bhalla is also on the Board of Carriageworks.

## 4. Robert Cotterill

### Chief Operating Officer – Seven Group Holdings

#### B.Eng, M.Com

Mr Rob Cotterill joined SGH in March 2024 as Chief Operating Officer, working across the portfolio of industrial and energy businesses within SGH. He is also a Director of WesTrac, Boral and Coates.

Prior to SGH, Mr Cotterill held various positions within the CIMIC Group since 2007, overseeing numerous business strategies, M&A transactions and integrations of large organisations. His most recent position was the EGM Strategy, Mergers & Acquisitions at CIMIC from 2019 to March 2024, and was a member the CIMIC Group Executive Leadership Team.

During his time at CIMIC, Mr Cotterill held various board director roles overseeing the operational performance and strategic direction of subsidiary businesses, including Director roles at Ventia – ASX:VNT from 2015 to 2022, Thiess from 2020 to 2024, Nextgen from 2015 to 2016 and Metronode from 2015-2016.

He holds a Bachelor of Engineering (Hons) and Masters of Commerce from the University of NSW.

## 5. Warren Coatsworth

### Company Secretary & Legal Counsel

**BA, LLB (Hons), LLM, FCSA**

Mr Warren Coatsworth has been Company Secretary & Legal Counsel of Seven Group Holdings since April 2010.

Mr Coatsworth is a solicitor holding a current practising certificate with degrees in Arts and Law (Hons) from the University of Sydney. He holds a Master of Laws in Media and Technology Law from the University of New South Wales as well as a Graduate Diploma in Applied Corporate Governance. He is a qualified Chartered Company Secretary and a Fellow and member of the Governance Institute of Australia.

He has an extensive experience as Legal Counsel at the Seven Network advising broadly across the company; and was formerly a solicitor at Clayton Utz.

Mr Coatsworth has held the role of Company Secretary of Seven West Media since April 2013 and Seven Network since 2005.

## 6. Jarvas Croome

### Chief Executive Officer – WesTrac

**B.Eng. (Mechanical) (Hons), B.Comm. (Management), CPEng**

Mr Jarvas Croome has been Chief Executive Officer of WesTrac since March 2014. Mr Croome is a Director of WesTrac and Allight.

Mr Croome joined WesTrac from Woodside Energy (USA) where he was the President of the US organisation based in Houston TX. Prior to that time, he had held various executive management roles at Woodside Energy in Australia including Vice President Australian Business Unit and Vice President for Technical Services. Prior to Woodside, he had worked as a global Product and Sales manager for Shell Australia and a subsea engineer with Kvaerner RJ Brown.

He holds Chartered Professional Engineering (CPEng) status with Engineers Australia and has been previously registered on the National Professional Engineers Register. Mr Croome plays an active role in his local community and is on the board for Motivation Foundation, a not-for-profit organisation.

## 7. Adrian Howard

### Chief Executive – WesTrac (NSW/ACT)

**B.Comm, CA, GAICD**

Mr Adrian Howard was appointed Chief Executive of WesTrac in NSW and the ACT in July 2021 following six years working with the company. Over that time, Mr Howard's areas of responsibility included sales, operations and strategic growth. He worked in a range of executive positions including Chief Operating Officer.

Prior to joining WesTrac, Mr Howard worked in senior management roles across various sectors including manufacturing, distribution and logistics.

His previous experience included time with Patrick and OneSteel Limited (now InfraBuild), with roles in general management, strategy, business development and finance.

## 8. Murray Vitlich

### Chief Executive Officer – Coates

**B.Bus. (Econ & Fin)**

Mr Murray Vitlich joined SGH in June 2017 as Chief Operating Officer for the Group, working across the portfolio of industrial businesses within SGH. In July 2019, Mr Vitlich was appointed Acting Chief Executive Officer, Coates and was formally awarded the role of Chief Executive Officer, Coates. He is a Director of Coates and was formerly a Director of SGH Energy, WesTrac and AllightSykes.

Prior to joining SGH, Mr Vitlich held senior executive operational roles at Asciano Limited, where he was initially the Director, Business Development & Strategy before being made the Managing Director of Patrick Ltd, one of Australia's leading stevedoring and terminal operators with terminal operations in Australia's four largest ports, coupled with stevedoring and logistics operations across Australia and New Zealand.

From 2007 to 2008, Mr Vitlich was the Chief Operating Officer at UGL Limited and spent 15 years with Wesfarmers Limited, an Australian based diversified conglomerate where he worked in a variety of operational areas including railroads, forestry and hardware retailing, as well as spending time in Wesfarmers Business Development group covering corporate strategy and mergers & acquisitions.

## 9. Vik Bansal

### Chief Executive Officer – Boral

**B.Sc (Eng) (Hons), PG Dip Eng, MBA, AMP, LLM**

Mr Vik Bansal commenced as Chief Executive of Boral in October 2022.

Prior to joining Boral, Mr Bansal was CEO & MD of InfraBuild, Australia's largest vertically integrated steel manufacturer servicing the construction and infrastructure segment. Mr Bansal is also Chairman of LGI Pty Ltd, a clean energy company based in Brisbane.

Mr Bansal was Group CEO & MD of Cleanaway waste management from 2015 to 2021. During his tenure, Cleanaway market cap increased five times, earnings more than doubled, and the company consistently delivered in the top quartile of TSR.

He is an Electrical Engineer and has an MBA and AMP from INSEAD and has completed a Master of Laws in Enterprise Governance.

## 10. Margaret Hall

### Chief Executive Officer – SGH Energy

**B.Eng. (Met) (Hons), GAICD, MIEAust, SPE**

Ms Margaret Hall was appointed Chief Executive Officer of SGH Energy in September 2015 and is also a Director of SGH Energy.

The CEO role holds responsibility for delivering value from the SGH Energy oil and gas assets within Australia and the USA as well as driving growth of this business segment for the parent company.

Ms Hall has over 30 years of experience in the oil and gas industry, spanning both super-major and independent companies. From 2011 to 2014, she held senior management roles in Nexus Energy with responsibilities covering Development, Production Operations, Engineering, Exploration, Health, Safety and Environment. This was preceded by 19 years with ExxonMobil in Australia, across production and development in the Victorian Gippsland Basin and Joint Ventures across Australia.

Ms Hall was a Director of Beach from November 2021 to July 2023, and from then became an Alternate Director.

# Corporate Governance Overview

For the year ended 30 June 2024

This Corporate Governance Overview outlines the Company's main corporate governance practices that were in place throughout the financial year.

The Company's full 2024 Corporate Governance Statement, which sets out the Company's compliance with the 4th edition of the ASX Corporate Governance Council Corporate Governance Principles and Recommendations (ASX Recommendations), unless otherwise stated, is available in the "Corporate Governance" section of the Company's website at [www.sevengroup.com.au/who-we-are/corporate-governance](http://www.sevengroup.com.au/who-we-are/corporate-governance). Board and Committee Charters and a number of the corporate governance policies referred to in the 2024 Corporate Governance Statement are also available at the above link.

## Role and Responsibilities of the Board

The Board is empowered to manage the business of the Company subject to the Corporations Act and the Company's Constitution. The Board is responsible for the overall corporate governance of SGH and has adopted a Board Charter, which is available on the Company's website. The Board Charter sets out the role and responsibilities of the Board as well as those functions delegated to Management.

## Delegation to Management

Subject to oversight by the Board and the exercise by the Board of functions which it is required to carry out under the Company's Constitution, Board Charter and the law, it is the role of management to carry out functions that are expressly delegated to Management by the Board, as well as those functions not specifically reserved to the Board, as it considers appropriate, including those functions and affairs which pertain to the day-to-day management of the operations and administration of the Company.

Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively, including information concerning the Company's compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the values or Code of Conduct of the Company.

## Board Composition

The Company's Constitution provides for a minimum of three Directors and a maximum of 12 Directors on the Board. As at the date of this statement, the Board comprises nine Directors, including eight Non-Executive Directors.

The Independent Directors in office are:

- Mr Terry Davis, Board Chairman;
- Ms Rachel Argaman (Herman) OAM, Director;
- Ms Annabelle Chaplain AM, Director;
- Ms Kate Farrar, Director;
- Mr David McEvoy, Director;
- Mr Christopher Mackay, Director; and
- Mr Richard Uechtritz, Director.

The Non-Independent Directors in office are:

- Mr Ryan Stokes AO, MD & CEO; and
- The Hon. Warwick Smith AO, Director.

The qualifications, experience, expertise and period in office of each Director of the Company at the date of this report are disclosed in the Board of Directors section of this Annual Report on pages 58 and 59.

## Chairman

The roles of the Chairman and MD & CEO are separate.

Mr Terry Davis is Non-Executive Chairman of the Company. The Chairman is responsible for leading the Board, facilitating the effective contribution of all Directors and promoting constructive and respectful relations between Directors and between the Board and Management.

The Board has approved the Company's purpose as "Recognising and serving exceptional businesses". The Company's purpose is an aspirational reason for being that inspires a call to action for our people, operating businesses and stakeholders.

## Board Independence

The Board comprises a majority of Independent Directors with seven Independent Directors and two Non-Independent Directors. In determining whether a Director is independent, the Board conducts regular assessments and has regard to whether a Director is considered to be one who:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, or represents or has been within the last three years an officer or employee of, a substantial shareholder of the Company;
- receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Company;
- is, or has previously been, employed in an executive capacity by the Company or another Group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional advisor of, or a material consultant to, the Company or another Group member, or an employee materially associated with the service provider;
- is a material supplier or customer of the Company or other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has been a director of the entity for such a period that their independence from Management and substantial holders may have been compromised; or
- has a material contractual relationship with the Company or another Group member other than as a Director.

The Board determines the materiality of a relationship on the basis of fees paid or monies received or paid to either a Director or an entity which falls within the independence criteria above.

If an amount received or paid may impact the Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of SGH in the previous financial year by more than five per cent, then a relationship will be considered material.

Due to his position as Managing Director & Chief Executive Officer, Mr Ryan Stokes AO is not considered to be independent.

The Hon. Warwick Smith AO is not considered to be independent as he is the chairman of the advisory board of Australian Capital Equity Group of companies, the entities deemed to be controlled by Mr Kerry Stokes AC and which are associated with the Company's major shareholder.

In the Board's view, the Independent Directors referred to above are free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Directors' ability to act with a view to the best interests of the Company.

The Board believes the management of the Company benefits from, and it is in the interests of shareholders for Directors on the Board to have a mix of tenures as currently represented by Directors on the Board, such that some Directors have served on the Board for a longer period and have a deeper understanding of the Company and its operations, and new Directors bring fresh ideas and perspectives.

While the Board does not consider that independence can be assessed with reference to an arbitrary and set period of time, the Board has specifically considered the independence of longer-serving Non-Executive Directors during the financial year. The Board determined that these Directors are independent and their periods of tenure do not interfere with the capacity of each of these Directors to bring independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole.

The Board also considers that given the Company has diverse operations within a diversified industrials business that have grown considerably over time, the Company's performance and shareholders benefit from having an appropriate number of longer-serving Directors with detailed knowledge of the history and experience of SGH's operations as part of the overall composition of Directors on the Board.

As part of succession planning on the Board, the Board's management of tenure of Directors on the Board also aims to achieve a period of knowledge transfer between longer-serving and more recently appointed Directors, prior to the rotation of longer-serving Non-Executive Directors from the Board.

## Appointment of Directors

The policy and procedure for the selection and appointment of new Directors is set out in an attachment to the Board Charter. Appointed Directors receive a formal letter of appointment which set out the terms of their appointment. The date at which each Director was appointed to the Board is announced to the ASX and is provided in this Annual Report on pages 58 and 59.

Directors appointed to fill casual vacancies hold office until the next Annual General Meeting and are then eligible for election by shareholders. In addition, each Director must stand for re-election at the third Annual General Meeting of the Company since they were last elected. The Notice of Meeting for the Annual General Meeting discloses material information about Directors seeking election or re-election, including appropriate biographical details, qualifications and other key current directorships.

## Company's Purpose and Strategic Objective

The Board has approved the Company's purpose as "Recognising and serving exceptional businesses". The Company's purpose is an aspirational reason for being that inspires a call to action for our people, operating businesses and stakeholders. "Recognising" refers to the potential of our assets and people, understanding the impact our actions and behaviours have, harnessing collective capability across SGH to realise future opportunities and ensuring operating businesses are accountable for delivering results. "Serving" refers to our individual and collective contributions, being valued by our people, customers and suppliers and facilitating problem solving opportunities across the business and outside the Group. "Exceptional businesses" applies to our investments, our substantive holdings and to our customers who are critical to the Company's success.

The Board and Management believe that fulfilling the Company's purpose will create more value for the Company's operating businesses and will achieve the Company's strategic objective which is "Maximising returns to stakeholders through long-term sustainable value creation." The Company will deliver its strategic objective and create stakeholder value through successful execution across the following five key areas:

- Diligent application of capital to maximise outcomes and returns.
- Unlocking the potential of our people with effective processes and systems.
- Focused execution of our strategies and ability to adapt to dynamic environments.
- Harnessing SGH's operating model to drive efficiencies and effectiveness across sectors, support customers, and to realise the full potential of our businesses.
- Contributing to our societies through creating better outcomes via our involvement.

## Board Skills Matrix

The Board has developed a Board Skills Matrix set out in the table on the following page which is reviewed and updated each year to reflect the desired skills and experience required to be able to deliver the strategic objective of the Company. The Board believes that these skills and experiences are well represented by its current composition which provides a mix of Directors with specialised knowledge relating to particular industries in which SGH's businesses operate as well as general corporate, executive and Director experience which are appropriate for the Company. The table also outlines percentage of current Directors possessing those skills and experience on a weighted average basis.

# Corporate Governance Overview

| Skills and Experience                                                                                                                                                                                                                                                                                                                      | Percentage |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Executive leadership</b><br>Significant business experience and success at a senior executive level.                                                                                                                                                                                                                                    | 100%       |
| <b>Financial analysis, risk management and reporting</b><br>Executive or equivalent experience in financial accounting and reporting, corporate finance and internal financial controls and an ability to probe the adequacies of financial and risk controls.                                                                             | 87%        |
| <b>Industrial services</b><br>Executive or Board level experience in the industrial services industry, including aspects such as mining, infrastructure, construction/building materials and in-depth knowledge of the legislative and regulatory framework governing this industry.                                                       | 73%        |
| <b>Media industry</b><br>Executive or Board level experience in the media industry, including in-depth knowledge of the legislative and regulatory framework governing this industry.                                                                                                                                                      | 63%        |
| <b>Energy, oil and gas</b><br>Executive or Board level experience in the energy, oil and gas industry, including in-depth knowledge of the legislative and regulatory framework governing this industry.                                                                                                                                   | 73%        |
| <b>Information technology &amp; cyber security</b><br>Executive or Board level experience in the strategic use and governance of information management, information technology, cyber security as well as the oversight of implementation of major technology projects.                                                                   | 80%        |
| <b>Strategy and corporate activity</b><br>Track record in identifying, developing and implementing a successful strategy, including appropriately probing and challenging Management on the delivery of strategic objectives and developing an asset or investment over the long-term.                                                     | 100%       |
| <b>Corporate governance, regulatory, sustainability and community engagement</b><br>Commitment to the highest standards of corporate governance (including sustainability and community and stakeholder relations) and Executive or Board experience with an organisation that is subject to rigorous governance and regulatory standards. | 97%        |
| <b>People, culture and safety</b><br>Board remuneration committee membership or Executive experience relating to human resource management, workplace health and safety, including incentive arrangements and the legislative framework governing employees and remuneration.                                                              | 93%        |
| <b>Customer value proposition</b><br>Experience in entities where the profitability and success is driven to a large degree, by the strong customer experience, effective pricing and price realisation, and superior customer value proposition.                                                                                          | 93%        |

## Board Committees

The Board is assisted in carrying out its responsibilities by the Audit & Risk Committee, the Remuneration & Nomination Committee and the Independent & Related Party Committee.

Each Committee has its own written Charter which is reviewed on an annual basis. The Charter of each Committee is available on the Company's website.

The Directors' Report on page 69 sets out the number of Board and Committee meetings held during the 2024 financial year under the heading "Meetings of Directors" as well as the attendance of Directors at those meetings.

## Audit & Risk Committee

The Audit & Risk Committee comprises the following members, all of whom are Independent Directors except for The Hon. Warwick Smith AO:

- Ms Annabelle Chaplain AM (Chair);
- Ms Kate Farrar;
- Mr Chris Mackay;
- Mr David McEvoy; and
- The Hon. Warwick Smith AO.

Ms Chaplain possesses extensive professional experience on Audit and Risk Committees of substantial Australian listed companies and her career includes senior roles in investment banking, financial services, mining, engineering and major infrastructure services companies. Ms Farrar brings significant finance, investment and management and board experience to the Committee. Mr Mackay, a former investment banker and corporate and banking lawyer, has financial expertise and considerable experience in business management, capital allocation, risk management and investment. Mr McEvoy brings significant board experience and expertise in accounting matters and operations, including relating to the oil and gas industries as well as extensive risk management experience. Over the course of a highly distinguished career, Mr Smith AO has held a variety of senior roles in finance, banking and government and is considered to possess financial expertise. For further details, see the biographical details of the Committee members at pages 58 and 59.

The Board considers the Audit & Risk Committee is comprised of high-quality members who individually and collectively possess deep and invaluable knowledge and experience in financial and audit matters gained across multiple complex ASX companies. The Committee was further strengthened in August 2019 by increasing the number of Committee members to five, providing greater breadth and depth of highly relevant experience on the Committee in executive, director and audit committee roles.

It is also noted that many CFOs in the ASX now come from a diverse set of backgrounds but are not necessarily professional accountants. Furthermore, most Chartered Accountants with Board roles would have completed their professional qualifications many years prior and may not necessarily have the most current expertise across preparation of financial statements and interpretation of international accounting standards.

Having regard to the experience of the Committee members, the Board is confident of the Committee's Chairman's and Committee's strong capability to perceptively review financial statements and engage constructively with the Company's External and Internal Auditors to ensure compliance with relevant reporting obligations and for the Committee to together satisfy any guidelines concerning audit and financial expertise on the Committee.

## Remuneration & Nomination Committee

The Remuneration & Nomination Committee comprises the following members, all of whom are Independent Directors except for The Hon. Warwick Smith AO:

- Ms Kate Farrar (Chair);
- Ms Rachel Argaman OAM;
- Ms Annabelle Chaplain AM;
- Mr Terry Davis;
- The Hon. Warwick Smith AO; and
- Mr Richard Uechtritz.

Attendance at Committee meetings by Management is at the invitation of the Committee. Directors who are non-Committee members may also attend any meeting of the Committee by invitation.

## Independent & Related Party Committee

The Independent Directors (identified on page 62) are members of the Independent & Related Party Committee (IRPC), which has Mr Richard Uechtritz as its Chairman.

The Committee provides a forum for the review of material transactions between the Company and its related parties, including transactions with Australian Capital Equity Pty Limited and interests associated with Mr Kerry Stokes AC.

Review of related party transactions by the Committee occurs without Non-Independent Directors present.

In August 2022, the IRPC reviewed the Committee's function and the Company's governance requirements with regards to interests associated with entities controlled by Mr Kerry Stokes AC, noting that:

- Since the Company's inception the Committee has overseen the majority of the Company's complex related party transactions, being collapsed or externalised to unrelated third parties, with only a number of branch and residential property leases, on arm's length terms, with entities controlled by Mr Kerry Stokes AC remaining. This has principally involved the conclusion of legacy service arrangements or the transfer of property interests and leases relating to several key business sites to third parties.
- The IRPC was established when the Company's Executive Chairman of the Board was Mr Kerry Stokes AC, a non-independent Director. As such, the IRPC provided a forum to meet without non independent Directors present. Following the retirement of Mr Kerry Stokes AC from the Board in November 2021, the appointment of Independent Director, Mr Terry Davis, as Board Chairman and the appointment of Ms Rachel Argaman OAM in February 2022, the Board has been comprised of seven Independent Directors and two non-independent Directors. Accordingly, the Board has strong majority Independent representation and is compliant with the recommendations of ASX Corporate Governance Principles with regard to the composition of the Board and appointment of an Independent Chair.
- As part of the review of the IRPC's function, the Board approved a new SGH Related Party Transaction Policy (RPT Policy) which sets out processes and procedures for considering related party transactions whereby any such proposed transaction with interests associated with the Company's major shareholder is referred to the Committee for consideration.

Having regard to the foregoing matters, the Board determined that meetings of IRPC will be convened from time to time, as required, to review any proposed related party transactions with interests associated with the Company's major shareholder in accordance with the RPT Policy.

It is also noted that as a result of securities issued by SGH as consideration for the acquisition of Boral Limited shares and securities issued by SGH pursuant to the conversion of convertible securities, the interests associated with Mr Kerry Stokes AC have been diluted to 50.93 per cent.<sup>(1)</sup>

In view of the expected infrequency of such transactions, the IRPC and the Board decided that from August 2022 IRPC members do not receive separate IRPC fees.

## Board, Committee and Director Performance Evaluation

During the financial year, Directors completed a Board Evaluation questionnaire concerning Board, Committee and Director, including Chairman, performance from which aggregated data and responses were provided to the Chairman and then presented to the Board for discussion and feedback.

The aggregated questionnaire results also provide the basis of individual discussions between Directors and the Chairman. The Chairman and each Board member consider the performance of that Board member in relation to the expectations for that Board member and consider any opportunities for enhancing future performance.

During the reporting period, performance evaluations of the Board, its Committees and individual Directors were carried out in accordance with this process.

## Assessment of Management Performance

The performance of the MD & CEO is formally reviewed by the Board against the achievement of strategic and budgetary objectives in respect of SGH's operations and investments whilst also having regard for his personal performance in the leadership of SGH. The Board's review is carried out annually in regard to certain goals against which he is assessed, and throughout the year in regard to others, and forms the basis of the determination of the MD & CEO's performance-based remuneration.

The performance of senior executives of the Company are reviewed on an annual basis in a formal and documented interview process with either the MD & CEO or the particular executive's immediate supervisor, who evaluates performance against agreed performance goals and assessment criteria in relation to the senior executive's duties and material areas of responsibility, including management of relevant Business Units within budget, motivation and development of staff and achievement of, and contribution to, the Company's objectives. A performance evaluation of the MD & CEO and other senior executives took place during the year in accordance with this process.

## Governance and SGH Subsidiary Operating Businesses

The Company's key operating businesses (subsidiaries), WesTrac, Coates and SGH Energy are each subject to the additional oversight of separate management committees which function as subsidiary 'boards' with the rigour and formality of a board structure involving regular meetings and reporting.

These 'boards' each consist of Group Executives, including the MD & CEO, CFO, COO, Chief People Officer and the subsidiary Chief Executive and provide a forum to review the operations of the business and to hold each subsidiary accountable. Following the takeover of Boral, from July 2024 the subsidiary board structure described above was implemented with respect to Boral.

The subsidiary business Chief Executive has overall operational accountability for their individual businesses including performance and day-to-day management, while the Company's Group level corporate resources provide central oversight of strategy, finance and accounting, legal and human resources.

The subsidiary operating business 'boards' are supplemented by specialised operating business committees which assist in relation to the oversight of key aspects of the business, such as finance, health and safety, remuneration and/or project management, as required.

(1) See Notice of Change of Interests of Substantial Holder lodged with the ASX on 4 July 2024.

# Corporate Governance Overview

Each of the Company's key operating businesses reports to the Company's Board through regular comprehensive 'vertical' business board reports as well as through aggregated 'horizontal' Group-level reviews, including finance, health and safety, risk, human capital management, strategy and customer relations. This management structure enables the Company to set Group minimum standards, disseminate and reinforce SGH culture, implement compliance controls and procedures across SGH and ensure SGH's businesses maintain focus on shareholder returns. It also appropriately safeguards and reinforces the Group's processes in relation to integrity in corporate reporting, management of SGH's disclosure obligations and SGH's ability to manage risk.

## Core Values

In accordance with its Charter, the Board has reviewed and approved the following core values of the Company below which function as guiding principles and expectations for behaviour and the culture the Board and Management are seeking to embed across all of SGH.

- Respect
- Owner's Mindset
- Courage
- Agility

## Diversity and Inclusion

The Board is committed to supporting open and inclusive workplaces that embrace and promote diversity and equal opportunity. SGH is an Equal Opportunity employer and actively invests in programs to build capability and foster a positive and inclusive culture. The Board values diversity, including in relation to age, gender, cultural background and ethnicity and recognises the benefits it can bring to the organisation. The Board has adopted a Diversity and Equal Employment Policy, which is available on the Company's website, that sets out the Board's commitment to working towards achieving an inclusive and respectful environment. Refer to pages 20 to 45 of this Annual Report for reporting on the Diversity Policy and the measurable objectives and initiatives relating thereto.

Female Directors comprise 33 per cent of the Board. The Board will continue to review its composition to ensure that it remains appropriate for the Company, including with regard to gender diversity, as it manages succession on the Board.

The key accountabilities for the Board and Executive Team, to support this agenda are outlined below:

### Board

- Sets objective and works to ensure that organisational behaviour is consistent with an inclusive workplace that embraces diversity.

### Management

- Sets objectives and demonstrates behaviour consistent with an inclusive workplace that embraces diversity.
- Adheres to the minimum standards of behaviour outlined in the Code of Conduct and Diversity and Equal Employment Opportunity Policies.
- Reports unacceptable behaviour and appropriately deals with any complaints made.

Please refer to pages 20 to 45 of this Annual Report for reporting on Our People and Diversity, Equality and Inclusion initiatives. The Company's Workplace Gender Equality Act Public Reports for 2023–2024 is available on its website, which contains the Company's Gender Equality Indicators, in the 'Corporate Governance' section of its website.

## Code of Conduct and other Company Policies

The Board regularly reviews and approves the Code of Conduct, including for Directors, available on the Company's website, which establishes guidelines for their conduct in matters such as ethical standards and the disclosure and management of conflicts of interests.

The Board has implemented a number of other policies and procedures to maintain confidence in the Company's integrity and promote ethical behaviour and responsible decision-making, including the following policies which are available on the Company's website:

- Continuous Disclosure policy;
- Share Trading policy;
- Whistleblower policy;
- Fraud and Corruption policy;
- Modern Slavery statement;
- Diversity and Equal Employment Opportunity policy; and
- Workplace Health and Safety policy.

## Communications with Security Holders

As disclosed in the Continuous Disclosure policy and Communications policy, which are available on the Company's website, the Board aims to ensure that security holders are informed of all major developments affecting the Company's state of affairs and that there is effective two-way communication with security holders. Shareholders are encouraged to participate in general meetings and are invited to put questions to the Chairman of the Board in that forum.

Security holders are given the option to receive communications from, and to send communications to, the Company and the Company's Share Registry electronically, to the extent possible. It is the Company's policy that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

The Company's website [www.sevengroup.com.au](http://www.sevengroup.com.au) provides various information about the Company.

## Risk Oversight and Management

The Board requires Management to design and implement a risk management and internal control system to manage the Group's material business risks and report to it on the management of those risks. During the reporting period, Management reported to the Board as to the effectiveness of the Company's management of its material business risks.

## Internal Control Framework and Risk Management Policy

Throughout the financial year, the Company's Internal Audit and Process Improvement function evaluated the effectiveness of the Company's governance, risk management and internal control processes by conducting detailed reviews in the areas of accounting, technology, information and business processes and operations. The Audit & Risk Committee reviewed and approved the Internal Audit plan, its resourcing and monitored its independence and performance.

External Internal Audit specialists have been appointed to conduct the Company's Internal Audit reviews under in-house oversight. The Board considers that this appointment provides an enhanced level of capability and technical depth which serves to embed a stronger risk and compliance culture across the organisation, whilst drawing on best practice and knowledge across operational and emerging issues. Additionally, efficiencies are gained by the externally resourced Internal Audit function working closely with SGH's external auditor, Deloitte, to ensure audit efforts are not duplicated and Internal Audit work can be relied upon.

The Company's Risk Management Policy is available on the Company's website.

## Material Risks

Under the risk framework described above, the Company has identified investment, financial, operational, environmental and social risks which it manages and mitigates. Each of the foregoing material business risks is monitored and managed by appropriate senior management within the Company who are delegated responsibility to manage or escalate issues to the Company's senior executive team. Where appropriate, external advisers are engaged to assist in managing the risk. More detail concerning these risks, and how the Company manages these risks is set out in the Operating and Financial Review of this Annual Report on pages 46 to 57 and the Company's commentary on its environmental compliance and human capital related initiatives as well as its community engagement on pages 20 to 45 of this Annual Report.

## Environment and Sustainability

The Company is mindful of climate change and managing the environmental impact of its operations. Environmental risks are considered as part of the Company's risk assessment processes. Refer to pages 20 to 45 of this Annual Report for the Company's sustainability and climate change-related commentary, including information on SGH's environmental practices and efforts to minimise the environmental footprint of its businesses.

## External Audit Function

The Audit & Risk Committee meets periodically with the External Auditor without Management being present. Each reporting period, the External Auditor provides an independence declaration in relation to the audit. Additionally, the Audit & Risk Committee provides advice to the Board in respect of whether the provision of non-audit services by the External Auditor are compatible with the general standard of independence of auditors imposed by the Corporations Act.

The Company's External Auditor attends all Annual General Meetings and is available to answer shareholders' questions about the conduct of the audit and the preparation and content of the Auditor's report.

## Declarations by the MD & CEO and CFO

Before the Board approves the financial statements for each of the half-year and full year, it receives from the MD & CEO and the CFO a written declaration that, in their opinion, the financial records of the Company have been properly maintained and the financial statements are prepared in accordance with the relevant accounting standards and present a true and fair view of the financial position and performance of the consolidated group. These declarations also confirm that these opinions have been formed on the basis of a sound system of risk management and internal compliance and control which is operating effectively.

The required declarations from the Chief Executive Officer and Chief Financial Officer have been given to the Board for the half-year ended 31 December 2023 and financial year ended 30 June 2024.

## Verification of Integrity of Periodic Corporate Reports

Corporate reports which are not audited or reviewed by the external auditor are prepared by Executive Management by reference to company records and systems, with external professional assistance where appropriate. Such reports, as are included in the non-audited sections of this Annual Report, are submitted to a Committee or the Board for consideration.

## Remuneration

The Directors consider that the attraction, retention and motivation of its Directors and senior executives is of critical importance in securing the future growth of the Company, its profits, share price and shareholder returns. The aggregate remuneration for Non-Executive Directors is approved by shareholders. Fees for Directors are set out in the Remuneration Report on pages 71 to 93.

The objective of the remuneration process for Executive Directors and senior executives is to ensure that remuneration packages properly reflect the duties and responsibilities of employees and that remuneration is at an appropriate but competitive market rate which enables the Company to attract, retain and motivate people of the highest quality and best skills from the industries in which the Company operates.

This policy provides for the MD & CEO to consider the remuneration packages paid within the industry and the impact these people are expected to have on the operational and financial performance of the Company.

Remuneration matters concerning WesTrac, Boral and Coates Executives who are Key Management Personnel (KMP) of the Company are brought to the Remuneration & Nomination Committee for its consideration. Otherwise, WesTrac, Boral and Coates' remuneration arrangements and approvals are generally overseen by their respective Subsidiary Boards and Executive Committees within a budget approved by the Board and reported to the Remuneration & Nomination Committee. Following the Company's takeover of Boral, from July 2024 the remuneration processes described above were implemented with respect to Boral.

## Hedging Policy

The Company's Share Trading policy prohibits employees, Directors and KMP from dealing in the Company's shares, if the dealing is prohibited under the Corporations Act. Therefore, in accordance with this policy, all KMP are prohibited from entering into arrangements which operate to limit the executives' economic risk in connection with Seven Group Holdings securities which are unvested or remain subject to a holding lock. The ability to deal with unvested rights is restricted in the Employee Share Option Plan and LTI Plan rules, which apply to any options over shares in the Company which may be granted from time to time.

This Corporate Governance Overview and the Corporate Governance Statement, which is available in the "Corporate Governance" section of the Company's website at [www.sevengroup.com.au/who-we-are/corporate-governance](http://www.sevengroup.com.au/who-we-are/corporate-governance), have been approved by the Board and are current as at 14 August 2024.

# Directors' Report

For the year ended 30 June 2024

The Directors present their report together with the consolidated financial statements of SGH, consisting of Seven Group Holdings Limited and the entities it controlled at the end of, or during, the year ended 30 June 2024 and the auditor's report thereon.

## Board

The following persons were Board members of Seven Group Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Terry James Davis (Chairman)
- Ryan Kerry Stokes AO (Managing Director & Chief Executive Officer)
- Rachel Helen Argaman (Herman) OAM
- Sally Annabelle Chaplain AM
- Katherine Leigh Farrar
- Christopher John Mackay
- David Ian McEvoy
- The Hon. Warwick Leslie Smith AO
- Richard Anders Uechtritz

Particulars of their qualifications, experience, special responsibilities and any directorships of other listed companies held within the last three years are set out in this Annual Report under the headings "Board of Directors" and "Corporate Governance Statement" on pages 58 to 59 and from page 62 and form part of this report.

Mr Warren Walter Coatsworth has been Company Secretary of Seven Group Holdings Limited since 28 April 2010 and has been Company Secretary of Seven West Media Limited since April 2013. Mr Coatsworth is a solicitor holding a current practising certificate with degrees in Arts and Law (Hons) from the University of Sydney. He holds a Masters of Law in Media and Technology Law from the University of New South Wales as well as a Graduate Diploma in Applied Corporate Governance. He is a qualified Chartered Company Secretary and a Fellow and member of the Governance Institute of Australia. Mr Coatsworth has extensive experience as Legal Counsel at the Seven Network advising broadly across the company and was formerly a solicitor at Clayton Utz.

## Principal Activities

The principal activities of SGH during the financial year were those of a diversified operating and investment group; with interests in heavy equipment sales and service, equipment hire, construction materials, media, broadcasting and energy assets.

## Business Strategies, Prospects and Likely Developments

Information on SGH's operations and the results of those operations, financial position, business strategies and prospects for future financial years has been included in the Operating and Financial Review (OFR) on pages 46 to 51.

The OFR also refers to likely developments in SGH's operations in future financial years and the expected results of those operations.

Information in the OFR is provided to enable shareholders to make an informed assessment about the operations, financial position, business strategies and prospects for future financial years of SGH.

## Significant Changes in the State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of SGH that occurred during the financial year.

## Matters Subsequent to the End of the Financial Year

In July 2024, SGH closed a \$600 million Asian Term Loan maturing in July 2030, the proceeds of which with surplus cash were used to repay the \$700.0 million Bridge facility.

In February 2018, William E Robinson, the former owner of a USA windows business acquired by Boral, filed claims alleging losses to that acquisition, seeking damages of US\$450 million and punitive damages. The claim went to trial and was dismissed. The matter was appealed to the Dallas Court of Appeals, who in June 2024 ruled in favour of Boral. In July 2024, Mr Robinson petitioned the Texas Supreme Court to allow an appeal. Should the Supreme Court allow the petition, it will be heard by the Texas Supreme Court.

In July 2024, Boral commenced legal proceedings in the Supreme Court against Landfill Operations Pty Limited (a Cleanaway subsidiary) seeking damages for alleged breaches of the landfill Operating Agreement governing operations at Deer Park in Victoria.

On 4 July 2024, SGH completed its acquisition of all outstanding ordinary shares in Boral. As a result, 6,654,321 SGH shares were issued subsequent to year end and cash of \$85.9 million was paid for the Boral shares. On the same date, Boral became part of Seven Group Holdings Limited's tax-consolidated group. Boral shares were removed from the official list of the ASX on 5 July 2024.

Following the Enterprise gas field coming online in June 2024, early pressure data indicates a smaller resource pool than originally estimated. This has resulting in a 2P reserves revision of 11.5 MMboe being reflected in Beach Energy's audited annual reserves statement released 12 August 2024.

Subsequent to year end, there has been movement in the share prices of listed investments. The value of SGH's investments have varied from what is presented in this financial report. Refer to Note 28: Events subsequent to balance date for further detail.

Except for the above, in the opinion of the Directors no other matters or circumstances have arisen since 30 June 2024 that have significantly affected or may significantly affect:

- (a) SGH's operations in future financial years; or
- (b) the results of those operations in future financial years; or
- (c) SGH's state of affairs in future financial years.

## Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2024, and the number of those meetings attended by each Director, were:

| Director                          | Board |     | Audit & Risk |     | Remuneration & Nomination |     | Independent & Related Party |     |
|-----------------------------------|-------|-----|--------------|-----|---------------------------|-----|-----------------------------|-----|
|                                   | (a)   | (b) | (a)          | (b) | (a)                       | (b) | (a)                         | (b) |
| Terry James Davis                 | 13    | 13  | –            | 6   | 5                         | 5   | –                           | –   |
| Ryan Kerry Stokes AO              | 13    | 13  | –            | 8   | –                         | 5   | –                           | –   |
| Rachel Helen Argaman (Herman) OAM | 13    | 13  | –            | 1   | 5                         | 5   | –                           | –   |
| Sally Annabelle Chaplain AM       | 13    | 13  | 8            | 8   | 5                         | 5   | –                           | –   |
| Katherine Leigh Farrar            | 13    | 13  | 8            | 8   | 5                         | 5   | –                           | –   |
| Christopher John Mackay           | 13    | 13  | 8            | 8   | –                         | –   | –                           | –   |
| David Ian McEvoy                  | 13    | 13  | 8            | 8   | –                         | –   | –                           | –   |
| The Hon. Warwick Leslie Smith AO  | 13    | 13  | 8            | 8   | 5                         | 5   | –                           | –   |
| Richard Anders Uechtritz          | 13    | 12  | –            | 1   | 5                         | 5   | –                           | –   |

(a) The number of meetings held during the year when the person was a Board or Committee member.

(b) The number of meetings attended. Please note Directors may attend meetings of Committees of which they are not a formal member, and in these instances, their attendance is also included in the above. A Director may also have been absent from a meeting, or part thereof, if there was a conflict of interest.

## Dividends – Ordinary Shares

Since the start of the financial year, a final fully franked dividend for the 2023 financial period of 23.0 cents per share, amounting to \$83.6 million, was paid on 13 October 2023.

Since the start of the financial year, an interim fully franked dividend for the 2024 financial year of 23.0 cents per share, amounting to \$84.0 million, was paid on 12 April 2024.

A final fully franked dividend for the 2024 financial year of 30 cents per share, amounting to \$122.1 million will be paid on 2 September 2024, based on the number of issued shares at the date of this report.

## Environmental Disclosure

In respect of the environmental regulations under any laws of the States, Territories and Commonwealth of Australia, the significant regulations that apply to the media operations of the entities the Company holds investments in are those guidelines and standards issued by the Australian Communications and Media Authority.

It is the Directors' understanding that SGH is fully compliant with the provisions of these guidelines and standards. Various State Environmental Protection Authorities have issued licenses to the Company under the laws of the respective States. All requirements and conditions of these licenses have been complied with to the satisfaction of the issuing authority.

The Company assesses SGH as part of its compliance with the National Greenhouse and Energy Reporting Act and will be reporting relevant emissions and energy usage and production for SGH for the financial year to the Clean Energy Regulator.

SGH is also subject to significant environmental regulations in respect of resources exploration, development and production activities. SGH is committed to undertaking all of its exploration, development and production activities in an environmentally responsible manner. The Board believes that SGH has adequate systems in place for the management of its environmental requirements and is not aware of any significant breach of those environmental requirements as they apply to the resources operations of SGH.

There are no other particular and significant environmental regulations under a law of the Commonwealth or of a State or Territory applying to SGH.

# Directors' Report

## Directors' Interests in Securities

The relevant interest of each Director in ordinary shares, options, performance rights or share rights issued by the companies within SGH at the date of this report is as follows:

### Directors' holdings of Seven Group Holdings Limited securities

|                                   | Ordinary Shares | Options over Ordinary Shares | Performance Rights | Share Rights |
|-----------------------------------|-----------------|------------------------------|--------------------|--------------|
| Terry James Davis                 | 104,000         | Nil                          | Nil                | Nil          |
| Ryan Kerry Stokes AO              | 574,768         | Nil                          | Nil                | 102,079      |
| Rachel Helen Argaman (Herman) OAM | 12,500          | Nil                          | Nil                | Nil          |
| Sally Annabelle Chaplain AM       | 35,860          | Nil                          | Nil                | Nil          |
| Katherine Leigh Farrar            | 17,587          | Nil                          | Nil                | Nil          |
| Christopher John Mackay           | 11,521          | Nil                          | Nil                | Nil          |
| David Ian McEvoy                  | 32,860          | Nil                          | Nil                | Nil          |
| The Hon. Warwick Leslie Smith AO  | 55,109          | Nil                          | Nil                | Nil          |
| Richard Anders Uechtritz          | 335,063         | Nil                          | Nil                | Nil          |

### Directors' holdings of Boral Limited securities

Directors' holdings of Boral Limited ordinary shares is outlined on page 90. No Director held an interest in options, performance rights or share rights of Boral Limited during the year.

## Options or Performance Rights granted over Ordinary Shares in Seven Group Holdings Limited

On 1 July 2024, 238,371 deferred share rights vested to Executives under the Company's FY22 STI Plan and a further 180,272 deferred share rights vested under the Company's FY23 STI Plan.

An award of 111,898 deferred share rights was made to KMP Executives on 1 July 2024 under the Company's FY24 STI Plan. A special equity retention award of 60,144 deferred share rights was made to the Boral CEO on 4 July 2024.

| Award                          | Grant date | Expiry   | Number           |
|--------------------------------|------------|----------|------------------|
| 2022 LTI Plan <sup>(a)</sup>   | 1 Jul 21   | 1 Sep 24 | 373,029          |
| 2023 LTI Plan                  | 1 Jul 22   | 1 Sep 25 | 495,662          |
| 2024 LTI Plan                  | 1 Jul 23   | 1 Sep 26 | 350,390          |
| 2024 Equity LTI Plan           | 4 Jun 24   | 1 Sep 26 | 136,075          |
| 2025 SGH Equity Retention Plan | 4 Jun 24   | 1 Sep 26 | 110,538          |
| 2024 Equity LTI Plan           | 28 Jun 24  | 1 Sep 26 | 38,495           |
| 2025 SGH Equity Retention Plan | 28 Jun 24  | 1 Sep 26 | 28,028           |
| 2025 LTI Plan                  | 1 Jul 24   | 1 Sep 27 | 504,504          |
| <b>Total</b>                   |            |          | <b>2,036,721</b> |

(a) All performance rights granted under the 2022 LTI Plan will vest following testing of the performance hurdle.

These rights do not carry an entitlement to participate in any share issue. Rights were granted for nil consideration. No other options or rights have vested or been exercised during or since the end of the financial year, nor have they expired.

## Convertible Notes

The Company issued 3,500 Convertible Notes (Notes) in March 2018. The Notes are listed on the Singapore Stock Exchange and mature seven years from their issue date at their nominal value of \$100,000. At the date of this report, one Note remains.

## Exchangeable Bond

The Company issued 2,500 Exchangeable Bonds (Bonds) in October 2022. During the year, \$249.8 million (representing 99.9 per cent) of the total principal amount were exchanged into Boral shares and cancelled. The remaining \$0.2 million in principal amount was purchased by the Issuer and cancelled. At the date of this report, there are no Bonds outstanding.

# Remuneration Report

Year ended 30 June 2024

## Message from the Chair of the Remuneration & Nomination Committee

### Dear Shareholders,

On behalf of the Board and the Remuneration & Nomination Committee (RNC or the Committee), I am pleased to present the Remuneration Report for the financial year ended 30 June 2024 (FY24). This report outlines our approach to executive remuneration and provides an overview of the remuneration policies, practices and outcomes for our Key Management Personnel (KMP) Executives and Non-Executive Directors (NEDs) during the year.

### Acquisition of Boral

Pleasingly SGH was able to complete the acquisition of the remaining shares SGH did not own in Boral. This has resulted in SGH taking full control of Boral with subsequent delisting. This is a significant milestone for SGH, and we look forward to integrating Boral into our industrial operations and realising the strong earnings growth and synergies across our combined business. As part of this work to integrate Boral, our approach will be to align employee remuneration structures and for those with Boral equity, to maintain our undertakings to keep whole any lapsed equity rights. This approach has been reflected within this report.

### Outstanding Performance

FY24 represented a record year of earnings growth up 20% vs FY23, with EBIT of \$1.4 billion. This strong business performance across SGH is the result of key initiatives around earnings growth, cost optimisation and a relentless focus on the customer taking effect and delivering results.

We have been able to achieve these outcomes while maintaining our Net Debt to EBITDA of 2.2 times, below SGH's stated ceiling of 2.5. SGH's Return on Capital Employed (ROCE) was another strong result at 12.8% which was above SGH's Budget. This has been reflected in the growth of SGH's share price and supported SGH's transition to ASX100 as well as being included in the MSCI All Country World Index (ACWI).

### Rewarding Performance Outcomes

Consistent with SGH's demonstrated philosophy of paying for performance, incentives were awarded to executives for delivering against targets set at the beginning of the year. Outcomes under the Short Term Incentive (STI) were differentiated for performance and ranged between 89% and 150% of individuals' on target award opportunities. The FY22 Long Term Incentive (LTI) was tested and vested at 100% following top quartile Relative Total Shareholder Return (rTSR) performance with SGH's share price increasing by over 85% over the three-year performance period ended 30 June 2024.

The above underlying EBIT growth result achieved was above the gateway target set under the STI plan. Performance was driven by a combination of earnings growth, new business and effective cost management and optimisation initiatives. SGH also delivered on non-financial performance measures, including a sustained uplift in safety improvements, progress against its diversity, equity and inclusion agenda and sustainability targets.

Further details on the remuneration outcomes and link to performance are included at Section 3 and Section 6 of the Remuneration Report, with additional detailed disclosures in the financial and sustainability sections of the Annual Report.

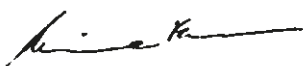
Although the remuneration framework for FY24 was largely unchanged to the previous year, updates previously communicated, such as the introduction of an Earnings Per Share (EPS) hurdle alongside rTSR in the FY24 LTI award, were introduced.

The Boral acquisition and subsequent delisting resulted in equity vesting for the Boral CEO in accordance with the terms and conditions of the Boral equity plans and consistent with his contractual arrangements. This along with our undertaking and approach to keep transitioning employees whole, regarding unvested equity rights, is set out further in Section 3 of this report.

### Engagement with Stakeholders

We value the input and feedback of our shareholders and their representatives and actively engage with shareholder advisory groups to seek their views through regular communication outside and during the Annual General Meeting (AGM).

The Board and RNC continue to review and strengthen the performance and reward framework to ensure it supports the delivery of SGH's strategy, is aligned with good corporate governance and risk management, and ultimately, delivers sustainable value for our stakeholders.



**Kate Farrar**

Chair of the Remuneration & Nomination Committee

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# Remuneration Report

## Remuneration Report – Audited

The Remuneration Report for the year ended 30 June 2024 (FY24) outlines the remuneration arrangements of the Company and SGH in accordance with the *Corporations Act 2001* (Cth) (Corporations Act) and applicable accounting standards. This information has been audited as required by section 308(3C) of the Corporations Act.

The Remuneration Report is presented under the following main headings:

1. Introduction
2. Remuneration Governance
3. Summary of SGH Performance and FY24 Incentive Outcomes
4. FY24 KMP Executive Remuneration Framework
5. Chairman and NED Remuneration Framework
6. Link Between Remuneration and SGH Performance
7. Summary of Executive Contracts
8. KMP Equity Holdings
9. KMP Related Party Transactions
10. Remuneration in Detail

### 1. Introduction

The Remuneration Report outlines key aspects of SGH's remuneration policy and framework and provides details of remuneration awarded to KMP during FY24.

KMP includes Executive Directors, NEDs and certain senior executives of SGH who have authority and responsibility for planning, directing and controlling the activities of SGH (SGH Executives). Executive Directors and SGH Executives are hereafter collectively referred to in this report as KMP Executives.

SGH's KMP for FY24 are listed in the table below.

| KMP                                   | Title                                                    | FY24 Status | KMP Status |
|---------------------------------------|----------------------------------------------------------|-------------|------------|
| <b>Executive Director</b>             |                                                          |             |            |
| Ryan Kerry Stokes AO                  | SGH Managing Director & Chief Executive Officer (MD&CEO) | Full Year   | Current    |
| <b>Non-Executive Directors</b>        |                                                          |             |            |
| Terry James Davis                     | Non-Executive Chairman/Director                          | Full Year   | Current    |
| Rachel Helen Argaman (Herman) OAM     | Director                                                 | Full Year   | Current    |
| Sally Annabelle Chaplain AM           | Director                                                 | Full Year   | Current    |
| Katherine Leigh Farrar                | Director                                                 | Full Year   | Current    |
| Christopher John Mackay               | Director                                                 | Full Year   | Current    |
| David Ian McEvoy                      | Director                                                 | Full Year   | Current    |
| Warwick Leslie Smith AO               | Director                                                 | Full Year   | Current    |
| Richard Anders Uechtritz              | Director                                                 | Full Year   | Current    |
| <b>SGH Executives</b>                 |                                                          |             |            |
| Vik Bansal                            | Boral CEO & Managing Director (Boral CEO)                | Full Year   | Current    |
| Gitanjali Bhalla                      | Chief People Officer                                     | Full Year   | Current    |
| Robert Brian Cotterill <sup>(a)</sup> | Chief Operating Officer                                  | Part Year   | Current    |
| Jarvas Ernest Croome                  | Chief Executive Officer, WesTrac                         | Full Year   | Current    |
| Richard Joseph Richards               | Chief Financial Officer (CFO)                            | Full Year   | Current    |
| Murray John Vitlich                   | Chief Executive Officer, Coates                          | Full Year   | Current    |
| <b>Former KMP Executive</b>           |                                                          |             |            |
| James Nathan Goth <sup>(b)</sup>      | Chief Operating Officer                                  | Part Year   | Former     |

(a) On 18 March 2024, Mr Robert B Cotterill commenced as Chief Operating Officer and KMP.

(b) On 8 March 2024, Mr James N Goth ceased as Chief Operating Officer and KMP.

## 2. Remuneration Governance

### Role of the Remuneration & Nomination Committee

The role and responsibilities of the RNC are explained in detail in the Corporate Governance Statement available on the Company's website at [www.sevengroup.com.au](http://www.sevengroup.com.au). The key responsibilities of the RNC are summarised below and include the following:

- To make recommendations to the Board in relation to the remuneration of the MD&CEO and NEDs, as necessary, or as requested by the Board;
- Review and make recommendations to the Board on all proposed equity offers and grants made pursuant to the Company's equity plans and the overall functioning of the equity plans; and
- Review and advise on senior management remuneration, diversity and inclusion strategies, succession planning and employee development policies, as requested by the Board or the MD&CEO.

### Engagement of remuneration advisors

During FY24, no remuneration advisors were engaged by the Company to make any remuneration recommendations relating to KMP as defined by the Corporations Act.

### Remuneration Report approval at the 2023 Annual General Meeting

The FY23 Remuneration Report received positive shareholder support at the 2023 AGM, with 98.85 per cent of votes in favour of adoption.

## 3. Summary of SGH Performance and FY24 Incentive Outcomes

SGH delivered a strong FY24 financial result driven by the disciplined execution and delivery of our strategy, and profit growth from our Industrial Services businesses and customer focus. Targets set at the commencement of the period were met, and exceeded in some cases, opening the STI pool gate with differentiated incentives being awarded to KMP Executives and other senior managers across SGH and its business units based on business unit and individual performance.

### Key Highlights

#### Strong performance outcomes

- Compulsory acquisition of Boral completed which resulted in SGH taking full control of Boral with subsequent delisting.
- Strong earnings growth, effective cost and capital management.
- Revenue of \$10.6 billion up 10% on strong customer demand.
- EBIT of \$1.4 billion up 20% vs FY23, with EBIT margin of 13.4% up 106 bps reflecting strong cost discipline, asset utilisation and pricing traction.
- Fully franked ordinary dividend declared of 53 cents per share.
- Share price growth of 53% over FY24.
- Leverage at 2.2x.

#### Focus on sales and customer experience

- Market share gains from deliberate focus and investment in improved sales capability and customer experience.
- EBIT margins continue to grow across industrial businesses through a mixture of optimal product mix and pricing discipline.
- Customer centricity at the heart of operating model design and improvements, including to systems and processes.

#### People, Safety and Sustainability

- Safety performance improvements including SGH's Total Reportable Injury Frequency Rate (TRIFR) improved by 26% to 4.5 for FY24 (including Boral).
- Consecutive year on year TRIFR improvements in safety performance at Coates and Boral, including 20% and 38% respectively.
- Diversity, Equity and Inclusion initiatives demonstrating improved female representation of 18.2% vs 17.2% in the prior year and 0% like for like gender pay gap.
- Coates winning the NSW National Association of Women In Construction (NAWIC) Crystal Vision Award and finalist for advancing career progression and promoting participation of women in the construction industry.
- 10 core ESG categories outlined with initiatives to progress embedded in operating model, strategy and reward structure.

These results, together with careful capital management demonstrates the resilience of SGH's operating businesses and strength of management capability to continue to drive business momentum and deliver strong, sustainable, and commercial returns.

# Remuneration Report

## Linking FY24 Incentive Outcomes to SGH Performance

SGH's reward structure comprises a significant component of KMP Executive remuneration tied to financial performance outcomes. Under the STI plan, award outcomes are adjusted for Group and Business Unit performance outcomes and differentiated for each individual using a balanced scorecard approach. Key Performance Indicators (KPI) and Performance Measures used in the STI and LTI plan are approved by the Board and aligned with SGH's Strategy as outlined below:

| Performance Measure       | STI | LTI | Alignment to strategy                                                                                                                                                                                                                                                                                                 |
|---------------------------|-----|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EBIT                      | ✓   |     | Underlying EBIT (EBIT) measures the underlying profitability and performance.                                                                                                                                                                                                                                         |
| Cash Flow                 | ✓   |     | Cash Flow is a key measure of SGH's ability to generate cash to fund organic and acquisitive growth and provide returns to our shareholders via dividends and share buybacks.                                                                                                                                         |
| ROCE                      | ✓   |     | ROCE is a key measure of SGH's ability to create value through appropriate return on investments and capital employed.                                                                                                                                                                                                |
| TSR                       |     | ✓   | rTSR is a key measure of SGH's returns to shareholders through business cycles.                                                                                                                                                                                                                                       |
| EPS                       |     | ✓   | Underlying Adjusted EPS measures the after-tax earnings attributable to shareholders after adjusting for significant items not reflective of the ongoing earnings potential of the company.                                                                                                                           |
| Strategic Objectives      | ✓   |     | Personal strategic objectives enable a focus on specific factors aligned with SGH's short and medium-term strategic objectives that promote long-term performance.                                                                                                                                                    |
| People                    | ✓   |     | People objectives take into account progress against clearly defined executive succession and transition objectives including performance interventions; development of key talent; robust industrial relations management; engagement objectives and progress against measurable diversity and inclusion objectives. |
| Safety and Sustainability | ✓   |     | Safety and Sustainability objectives are included to drive progress against the Material Issues identified in the SGH Sustainability Strategy as well as a Safety-First working environment.                                                                                                                          |

## Incentive Outcomes

### FY24 STI

Based on performance for FY24, incentive outcomes for KMP Executives ranged from 89% to 150% of target, differentiated for executive performance against key financial, strategic and operational objectives. Some executives were awarded above target incentives for outperformance against key financial and strategic objectives. Further details on STI outcomes are included at Section 6.

### FY22 LTI Vesting

Under the FY22 LTI plan, the rTSR performance hurdle was tested at the end of the three-year performance period ended 30 June 2024. The Company's rTSR was ranked above the 75th percentile of the comparator peer group resulting in full vesting of the FY22 LTI award. Further details on the LTI outcomes are included at Section 6.

## Treatment of Boral CEO's equity arrangements following compulsory acquisition

Pursuant to SGH's compulsory acquisition of Boral, the Boral Board considered and resolved to vest all of the deferred share rights issued under Boral's FY23 STI plan and vest a pro-rata number of Boral's unvested performance rights issued under Boral's FY23 and FY24 LTI plans respectively. The Board considered time served and performance to date when determining the LTI vesting outcomes that resulted in two thirds of the FY23 Boral LTI to vest and one third of the FY24 Boral LTI vesting. The remaining rights lapsed and are dealt with as part of the SGH make whole awards included in the Bidders statement (further details provided below). From FY25 any equity awards issued under the STI and LTI plans for Mr. Bansal will be consistent with those of other SGH Executive KMP. Further details on Mr. Bansal's remuneration and pay-mix are set out further in this report.

In addition to the vesting of the deferred STI and partial vesting of the LTI, the Boral CEO's Sign-on award vested in full in line with his contractual arrangements that provided for full vesting in the event of a change of control and delisting event. A summary of the vesting outcomes for the Boral CEO is provided in the table below:

| Boral Awards                               | Total Rights Held | Number of rights vested and converted to Boral ordinary shares | Number of Boral rights lapsed <sup>(a)</sup> | Number of SGH rights issued in lieu of lapsed Boral rights <sup>(a)</sup> |
|--------------------------------------------|-------------------|----------------------------------------------------------------|----------------------------------------------|---------------------------------------------------------------------------|
| <b>FY23 STI Deferred STI</b> – 100% vested | 188,915           | 188,915                                                        | –                                            | –                                                                         |
| <b>FY23 LTI</b> – 66.6% vested             | 548,507           | 365,672                                                        | 182,835                                      | 28,028 <sup>(b)</sup>                                                     |
| <b>FY24 LTI</b> – 33.3% vested             | 376,667           | 125,556                                                        | 251,111                                      | 38,495 <sup>(c)</sup>                                                     |
| <b>Sign-on Award</b> – 100% vested         | 525,984           | 525,984                                                        | –                                            | –                                                                         |
| <b>Total</b>                               | <b>1,640,073</b>  | <b>1,206,127</b>                                               | <b>433,946</b>                               | <b>66,523</b>                                                             |

(a) The number of SGH Equity Awards allocated was determined in accordance with the terms of the SGH Takeover Offer being the number of lapsed Boral rights x \$6.25/\$40.77 (being the Boral and SGH share price respectively communicated in the Takeover Offer).

(b) A new FY25 SGH Equity Retention Award was issued in lieu of the one-third lapsed portion of the Boral FY23 LTI. Vesting under this award is subject to continued employment over a two-year period, including no notice of termination up to and including 30 June 2026.

(c) A new FY24 SGH Equity LTI Award was issued in lieu of the two thirds lapsed portion of the Boral FY24 LTI. Vesting under this award is subject to the same terms and conditions of the FY24 SGH LTI (i.e. subject to a 50% rTSR and 50% EPS performance hurdles with vesting determined in August 2026).

Following the completion of the compulsory acquisition and to encourage retention of the Boral CEO over the transition period, a special equity retention award equivalent of 150% of the Boral CEO's Fixed Remuneration was awarded in July 2024. Under the award 60,144 SGH share rights convert to ordinary shares on 1 July 2027, subject to his ongoing employment and no notice of separation up to and including this date.

## 4. FY24 KMP Executive Remuneration Framework

### Remuneration Principles

SGH's executive remuneration structure is designed to attract and retain high performing individuals, align executive reward to SGH's business objectives, and to create long-term shareholder value. The following diagram illustrates how SGH's remuneration principles are linked to, and support, the business' objectives and their alignment to the long-term interests of shareholders.



# Remuneration Report

## Remuneration Framework

KMP Executive remuneration framework consists of both fixed and variable components, with the variable portion contingent upon meeting financial and non-financial performance measures. This approach ensures that executives are appropriately rewarded based on their position, responsibilities, and performance within SGH, while also aligning with shareholder interests.

Total remuneration is comprised of three main elements, Fixed Annual Remuneration (FAR), STI and LTI and are designed to enable executives to earn rewards ranging from the median to the top quartile for outstanding performance against challenging stretch targets.

In order to determine the appropriate level of total remuneration for KMP Executives, SGH follows a policy of benchmarking against a peer group consisting of Australian listed companies that closely resemble SGH in terms of financial and qualitative metrics.

The peer group analysis also takes into account factors such as market capitalisation, portfolio composition, and the complexity, diversity, and breadth of the sectors in which SGH operates. By doing so, SGH ensures that its remuneration practices remain competitive within the industry. A summary of the KMP Executive remuneration framework for FY24 is provided below.

|       |                                 | FY24 Remuneration                                                                                                                                                                    |                                                                                   | Delivery                                                  | Structure and Mechanism                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|       |                                 | MD&CEO                                                                                                                                                                               | Other SGH Executive                                                               |                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Fixed | FAR                             | \$1,900,000                                                                                                                                                                          | \$650,000– \$1,200,000<br>(Boral CEO \$1,500,000)                                 | Cash & Superannuation                                     | <ul style="list-style-type: none"> <li>– Base Pay and Superannuation</li> <li>– Aligned with market pay comparators</li> <li>– Set to reflect experience and role complexity</li> <li>– Ensures attraction and retention of best candidate</li> </ul>                                                                                                                                                                            |
|       | STI                             | Target: 100% of FAR<br>Maximum: 133% of FAR                                                                                                                                          | Target: 75% of FAR<br>(Boral CEO 100%)<br>Maximum 100% of FAR<br>(Boral CEO 150%) | 50% Cash<br>50% Deferred Equity<br>Vesting after one year | <ul style="list-style-type: none"> <li>– STI plan gateway is 90% of EBIT</li> <li>– KPIs are set at the start of the financial year</li> <li>– KPIs are weighted between financial metrics, delivery against strategic initiatives and safety, people and sustainability metrics</li> <li>– 50% of STI paid in cash after the financial year end</li> <li>– 50% of STI deferred as equity, set to vest after one year</li> </ul> |
|       | LTI                             | 100% of FAR                                                                                                                                                                          | 75–90% of FAR<br>(Boral CEO 100%)                                                 | Performance<br>3-year vesting                             | <ul style="list-style-type: none"> <li>– Rights issued at the start of the performance year</li> <li>– 50% rTSR and 50% EPS hurdle</li> <li>– Vesting awards count towards Minimum Shareholding Guidelines</li> </ul>                                                                                                                                                                                                            |
|       | Minimum Shareholding Guidelines | To further align Executive KMP interests with shareholders, minimum shareholding guidelines are in place that provide for up to 100% of FAR to be accumulated in equity over 5 years |                                                                                   |                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                  |

## Remuneration mix

The ratio between fixed and variable remuneration further incentivises Executives to focus on SGH's short and long-term performance. In reviewing remuneration for KMP Executives, the Board has remained cognisant of shareholder feedback and of the remuneration mix for similar companies, with a greater focus on “at risk” reward that provides a strong link between shareholder experience and KMP Executive remuneration outcomes.

### Total Remuneration Mix Fixed/At Risk

|                      | At Target | At Maximum STI |
|----------------------|-----------|----------------|
| MD&CEO               | 33%/67%   | 30%/70%        |
| CFO                  | 38%/62%   | 34%/66%        |
| Boral CEO            | 33%/67%   | 29%/71%        |
| Other SGH Executives | 40%/60%   | 36%/64%        |

The diagram below shows the mix of cash and equity for at risk remuneration (STI and LTI).

#### At Risk Remuneration

#### Cash/Equity Mix at Target

#### Cash/Equity Mix at Maximum STI

Other KMP Executives  
(Average)

25% 75%

28% 72%

SGH MD & CEO

25% 75%

29% 71%

● Cash ● Equity

### Timing of Remuneration Outcomes

The amount an Executive KMP may earn in one financial year, may not become available until a later date, and may be subject to further conditions including additional performance measures and continued employment. For example, under the STI plan equity awards are deferred for one year and LTI awards have a three-year performance period.

The diagram below shows the maximum potential timing of remuneration outcomes with a significant component deferred up to three years for KMP Executives.

|                    |     | Year 2                      |                                              | Year 3 |  | Year 4                       |  |
|--------------------|-----|-----------------------------|----------------------------------------------|--------|--|------------------------------|--|
| Fixed              | FR  | Base pay and superannuation |                                              |        |  |                              |  |
| Variable 'At Risk' | STI | Measurement Period          | ■ ● STI – Cash Payment                       |        |  |                              |  |
|                    |     |                             | ■ STI – Share Rights Vest after one year ◆ ● |        |  |                              |  |
|                    | LTI | Measurement Period          |                                              |        |  | ■ ◆ LTI – Shares Allocated ● |  |

● Benefit received by KMP

■ Measurement of STI/LTI Performance

◆ Allocation of shares

### FY25 Variable Remuneration Changes

Following a review of KMP Executive remuneration relative to comparable market peers and to increase the alignment of Executive remuneration with that of shareholder interests and performance, the Board approved increases to variable remuneration from FY25 as follows:

- For the MD&CEO his STI Maximum Opportunity will increase from 133% to 150% of FAR. His LTI opportunity will increase from 100% to 150% of his FAR.
- For other KMP Executives their LTI and STI On Target Opportunity will increase to 100% of FAR with their Maximum STI Opportunity continues to be capped at 133% of Target, with the exception of the CFO whose Maximum STI Opportunity will increase to 150% of Target.
- There are no changes to the Boral CEO's STI and LTI opportunities.

### STI and LTI Plans

The Board considers the design of SGH's STI and LTI plans on an annual basis to ensure they remain effective and aligned to SGH's performance and reward objectives. Further details on the STI and LTI are set out below:

#### STI Plan

KMP Executives participate in SGH's STI plan, which provides the opportunity to receive an annual incentive subject to the achievement of annual financial targets, strategic and operational performance measures and safety, people and sustainability objectives.

The plan is designed to reward for financial performance and to differentiate outcomes based on individual performance. In addition, 50% of any STI awards are delivered as deferred equity to further align participant and shareholder interests. The deferral also provides a mechanism for claw-back in the event of serious misconduct or other reasons determined by the Board.

Following the completion of the compulsory acquisition of Boral, Boral's STI Plan will align with the SGH plan, including a one year deferral period from FY24 with deferred share rights converting to SGH ordinary shares on or around 15 August 2025, subject to ongoing employment up to and including 30 June 2025.

# Remuneration Report

## Financial Gateway

Before any awards accrue under the STI, a minimum level of financial performance above the 'gateway' must be achieved across SGH. This gateway helps to clearly align the interests of shareholders and executives by limiting STI awards where minimum financial performance by SGH is not achieved.

The financial gateway applied is SGH underlying EBIT compared to target in accordance with the table below. SGH EBIT is SGH's audited statutory profit before significant items, net finance costs and income tax. If SGH does not achieve at least 90% of EBIT, no STI awards become available, and any outcomes are subject to the discretion of the Board.

| % of SGH EBIT Achieved*               | <90 | 90–<95 | 95–<100 | 100–120   | 120+  |
|---------------------------------------|-----|--------|---------|-----------|-------|
| Potential % of On-Target STI Achieved | 0   | 25–50  | 50–100  | 100–133** | 133** |

\* % of Boral EBIT achieved for Boral CEO.

\*\* The Boral CEO is eligible for outperformance of up to 150% of his target STI.

## STI Key Performance Indicators (KPIs)

The performance KPIs of each KMP Executive are set and measured using a balanced scorecard approach, based on measurable and quantifiable targets. The KPIs for each KMP Executive are reviewed by the Committee and approved prior to the commencement of the new financial year. KPIs are set to be challenging and to focus management on strategic business objectives that ultimately create shareholder value. KPIs include financial and non-financial measures that are differentially weighted to reflect the focus of each KMP.

Financial KPIs are utilised as they represent value creation and reflect SGH's core financial metrics. Non-financial KPIs drive operational efficiencies, focus on key customer/project wins and improved safety and productivity in the workplace. Safety targets are based on the reduction of lead and lag indicators and fostering a Safety First culture through a number of safety lead initiatives. People related KPIs consider progress against clearly defined turnover, executive succession, culture and engagement objectives and measurable progress against diversity and inclusion targets. Sustainability measures consider progress against the Material Issues identified in the sustainability strategy appropriate to each KMP Executive.

## Performance Assessments

The RNC assesses the performance of the MD&CEO and makes a recommendation on the STI award to the Board for its consideration, and if thought fit, approval. The MD&CEO assesses the performance of other KMP Executives against targets and recommends STI awards for each to the Committee for consideration and, if thought fit, approval.

Target performance is set to ensure alignment with the Board approved budget for the financial year. The potential to receive an above-target STI award, up to the maximum, is triggered by financial outperformance at the SGH or Business Unit level. The STI awards are then further calibrated based on individual contribution to business performance and the delivery of strategic priorities. STI awards are not provided in circumstances where individual performance is unsatisfactory, or the financial performance gateway is not met. The Board retains discretion to determine whether STI awards are appropriate based on the overall performance of the KMP Executive and SGH, taking into account other factors such as conduct, risk and behaviours that are aligned to SGH's Values.

## STI Deferred Equity Award

The STI is designed so that 50% of any awards accruing under the STI is delivered as cash and the remaining 50% is delivered as deferred share rights subject to retention and claw back provisions. Equity awards are deferred for one year. Further details on the deferred share rights under the STI plan are set out below. Boral's deferred STI awards prior to the completion of compulsory acquisition were consistent with the below unless otherwise stated. Refer to Section 3 for outcomes as a result of the compulsory acquisition. For FY25 Mr Bansal will participate in the SGH STI with terms consistent with those set out below.

## STI – Deferred Share Rights

|                                                             |                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Who will participate?</b>                                | All KMP Executives will have 50% of their STI award deferred into share rights.                                                                                                                                                                                                                                                              |
| <b>What will be granted?</b>                                | Subject to the achievement of KPIs for the relevant financial year, 50% of STI awards will be delivered as share rights which will be granted for nil consideration. For SGH Executives, each right entitles the participant to one ordinary share in the Company after a one-year deferral period.                                          |
| <b>How many share rights will be granted?</b>               | The number of share rights granted to each participating KMP Executive is equivalent to 50% of their STI award divided by the five-day SGH VWAP (Volume Weighted Average Price) to 30 June prior to the commencement of the vesting period. The SGH VWAP is adjusted for the value of expected dividends foregone over the vesting period.   |
| <b>What will be the vesting performance measures?</b>       | The share rights granted under the STI plan are subject to continuous employment up to and including 30 June 2025 (with respect to the FY24 award). Rights vest and convert to shares on or around 15 August 2025 following SGH's FY25 results released to the market.                                                                       |
| <b>Do the share rights carry dividend or voting rights?</b> | The share rights do not carry dividend or voting rights.                                                                                                                                                                                                                                                                                     |
| <b>What happens in the event of a change in control?</b>    | In the event of a change of control of the Company, any unvested deferred share rights will vest. The Board will have discretion to determine whether, and the extent to which, another treatment for some or all of the awards to lapse or vests, occurs.                                                                                   |
| <b>What happens if the participant ceases employment?</b>   | If the participant ceases employment with the Company due to termination for cause or gross misconduct, or other reasons determined by the Board all unvested share rights will lapse. If the participant ceases employment other than for the reasons outlined above the share rights may not lapse, unless the Board determines otherwise. |
| <b>Vesting period</b>                                       | Deferred Share Rights issued under the STI will convert to ordinary shares following SGH's results release for the following financial year (on or around 15 August).                                                                                                                                                                        |

## LTI Plan

The purpose of the LTI plan is to drive sustained performance and long-term shareholder value creation, encourage retention of KMP Executives, and ensure alignment of executive remuneration outcomes with shareholder interests. LTI awards are structured as rights to acquire ordinary shares in the Company at no cost to the participant and are subject to a rTSR hurdle measured against S&P/ASX100 companies (excluding financial services companies) and more recently, an EPS hurdle. Once granted, awards only vest if the performance hurdles over a three-year performance period are met. For the FY24 award, the three-year performance period commenced on 1 July 2023 and will conclude on 30 June 2026. Any vested awards will convert to ordinary shares following SGH's FY26 Results release to the market (on or around 15 August 2026).

### Introduction of second LTI performance hurdle from FY24 – EPS

As communicated in last year's remuneration report, the Board approved the introduction of a second hurdle, namely EPS, alongside relative TSR from FY24. Having two LTI measures provides a strong alignment with SGH's strategy to drive sustainable earnings growth and shareholder value over the long term. EPS hurdles are determined with reference to the Board approved business plan with commensurate levels of stretch included. Performance will be assessed based on the aggregate EPS performance, adjusted for significant and other non-recurring items as determined by the Board, over three years and compared to aggregate target EPS performance for the three-year performance period. In setting the annual EPS targets, the Board considers a range of factors, including market expectations, and ensuring a suitable balance to ensure targets are reasonable but sufficiently stretching to promote innovation, acceptable risk taking and superior levels of performance delivery, as well as being adequately motivating for participants in the plan.

### LTI Award

The table below sets out the key features of the SGH LTI Plan. During the year, Boral's FY24 LTI plan was crystallised following the compulsory acquisition by SGH. Details on the make whole awards issued to the MD&CEO of Boral are set out in Section 3 and the accompanying remuneration tables and explanatory notes.

### LTI – Performance Rights

| <b>What will be granted?</b>                                                       | Performance rights are granted for nil consideration. Each right entitles the participant to one ordinary share in the Company, with vesting subject to the achievement of the performance hurdles.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                          |                                                    |                                   |      |                                             |                                              |                        |     |                       |     |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------|-----------------------------------|------|---------------------------------------------|----------------------------------------------|------------------------|-----|-----------------------|-----|
| <b>How many performance rights will be granted?</b>                                | <p>The value of LTI granted annually is:</p> <p>MD&amp;CEO – 100% of FAR.</p> <p>Other KMP Executives – 75% to 100% of FAR.</p> <p>The number of performance rights granted to each KMP Executive is equivalent to the value of the LTI grant divided by the five-day VWAP to 30 June prior to the commencement of the performance period. SGH awards are adjusted for dividends foregone.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                          |                                                    |                                   |      |                                             |                                              |                        |     |                       |     |
| <b>What will be the vesting performance measures?</b>                              | 50% of the performance rights granted under the LTI plan will be dependent on a rTSR measure and the other 50% are subject to an EPS measure.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                          |                                                    |                                   |      |                                             |                                              |                        |     |                       |     |
| <b>Why was the TSR performance hurdle chosen, and how is performance measured?</b> | <p>rTSR provides an indicator of shareholder value creation by comparing the Company's return to shareholders relative to other companies of similar size. TSR provides an external, market-based hurdle and creates alignment of executive remuneration outcomes to shareholder returns. Participants will not derive any benefit from this portion of the grant unless the Company's performance is at or above the 51st percentile of the comparator group.</p> <p>The comparator group chosen for assessing the Company's rTSR consists of constituents of the S&amp;P/ASX100 (excluding financial services companies). This comparator group was selected as it represents a broad base of companies against which investors may benchmark their investment.</p> <p>The comparator group is defined at the start of the performance period. The composition of the comparator group may change as a result of corporate events, such as mergers, acquisitions, de-listings etc. The Board has agreed guidelines for adjusting the comparator group following such events and has the discretion to determine any adjustment to the comparator group.</p> <p>The percentage of TSR performance rights that vest (if any) at the end of the performance period will be based on the following schedule:</p> <table> <tr> <th>Proportion of TSR performance comparator group companies</th><th>Company's TSR ranking relative to rights that vest</th></tr> <tr> <td>Equal to or above 75th percentile</td><td>100%</td></tr> <tr> <td>Between the 51st and up to 75th percentiles</td><td>50% vesting on a straight-line basis to 100%</td></tr> <tr> <td>At the 51st percentile</td><td>50%</td></tr> <tr> <td>Below 51st percentile</td><td>Nil</td></tr> </table> | Proportion of TSR performance comparator group companies | Company's TSR ranking relative to rights that vest | Equal to or above 75th percentile | 100% | Between the 51st and up to 75th percentiles | 50% vesting on a straight-line basis to 100% | At the 51st percentile | 50% | Below 51st percentile | Nil |
| Proportion of TSR performance comparator group companies                           | Company's TSR ranking relative to rights that vest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                          |                                                    |                                   |      |                                             |                                              |                        |     |                       |     |
| Equal to or above 75th percentile                                                  | 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                          |                                                    |                                   |      |                                             |                                              |                        |     |                       |     |
| Between the 51st and up to 75th percentiles                                        | 50% vesting on a straight-line basis to 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                          |                                                    |                                   |      |                                             |                                              |                        |     |                       |     |
| At the 51st percentile                                                             | 50%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                          |                                                    |                                   |      |                                             |                                              |                        |     |                       |     |
| Below 51st percentile                                                              | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                          |                                                    |                                   |      |                                             |                                              |                        |     |                       |     |

# Remuneration Report

## Why was the EPS performance hurdle chosen, and how is performance measured?

EPS measures the after tax earnings attributable to shareholders after adjusting for significant items not reflective of the ongoing earnings potential of the company. It is calculated by dividing the underlying net profit or loss (i.e., excluding Significant Items) attributable to the Company for the reporting period by the adjusted weighted average number of ordinary shares in the Company. The Board has the discretion to make further adjustments to this figure for additional abnormal or unusual items it considers appropriate.

In each of the three years of the Performance Period, performance hurdles for Threshold EPS and Stretch EPS will be determined. The Threshold EPS hurdle for each year of the three-year long-term incentive grant will be set with reference to Budgeted EPS, approved by the Board, and Stretch EPS will be based on Threshold EPS plus 5% (or as otherwise determined by the Board). The Threshold and Stretch EPS measures for each year will be determined by the Board at the start of that year and will reflect the Board's performance expectations for that year.

The percentage of EPS Performance Rights that vest (if any) at the end of the 3-year Performance Period will be determined by reference to the Company's aggregate EPS performance over the Performance Period (i.e. year 1 EPS + year 2 EPS + year 3 EPS) against the aggregate Threshold EPS and Stretch EPS as follows:

| Aggregate EPS over the three-year Performance Period              | EPS Performance Rights that vest (%)       |
|-------------------------------------------------------------------|--------------------------------------------|
| Equal to or above the aggregate Stretch EPS                       | 100%                                       |
| Between the aggregate Threshold EPS and the aggregate Stretch EPS | Straight-line vesting between 50% and 100% |
| At the aggregate Threshold EPS                                    | 50%                                        |
| Less than the aggregate Threshold EPS                             | Nil                                        |

## When will performance be tested?

Awards will be subject to a three-year performance period. The three-year performance period commences at the beginning of the financial year to which the award relates. In the case of the FY24 award, the performance period commenced on 1 July 2023 and will complete on 30 June 2026. The Board will assess performance to determine whether, and to what extent, awards vest following the finalisation of SGH's results in August 2026.

Upon vesting of the rights, the Board has discretion to either issue new shares or acquire shares on market. Any performance rights that do not vest following testing of performance hurdles will lapse. There is no retesting. For Mr Ryan Stokes AO, who has an interest in shares in the Company which represents more than 10% of the Company's issued share capital, any vested LTI awards will be cash-settled.

## Do the performance rights carry dividend or voting rights?

Performance rights do not carry dividend or voting rights.

## What happens in the event of a change in control?

In the event of a change of control of the Company the Board will have discretion to determine whether, and the extent to which, unvested performance rights vest. The Board will consider when making its decision the extent to which performance hurdles have been achieved to the date of the event.

## What happens if the participant ceases employment?

The LTI will only deliver benefits to participants if shareholder returns are achieved and the KMP Executive remains employed by the Company over the three-year performance period. If the participant ceases employment with the Company due to termination for cause or gross misconduct, or other reasons determined by the Board all unvested performance rights will lapse. If the participant ceases employment other than for the reasons outlined above the performance rights will not lapse, unless the Board determines otherwise.

It is important to note that LTI awards will only deliver benefits to participants if shareholder returns and EPS targets are achieved and the KMP Executive remains employed by the Company over the three-year performance period. In addition, although awards may not vest (as performance hurdles are not achieved), accounting standards require the expense relating to equity instruments (such as the performance rights allocated under the LTI plan) to be reflected over the performance period, notwithstanding executives may never receive any actual value from such a grant.

## Prior LTI grants

Performance rights awarded at the commencement of the performance period to eligible KMP for prior years:

### SGH LTI awards

| Grant | Performance Measures | Performance Period    | Vest Date                                     | Vesting Outcome |
|-------|----------------------|-----------------------|-----------------------------------------------|-----------------|
| FY22  | TSR                  | 1 Jul 21 to 30 Jun 24 | 2024 (3 years) <i>plus 1 year restriction</i> | 100%            |
| FY23  | TSR                  | 1 Jul 22 to 30 Jun 25 | 2025 (3 years)                                | In progress     |
| FY24  | TSR and EPS          | 1 Jul 23 to 30 Jun 26 | 2026 (3 years)                                | In progress     |

### Former Boral LTI awards

| Grant       | Performance Measures | Performance Period    | Vest Date  | Vesting Outcome*          |
|-------------|----------------------|-----------------------|------------|---------------------------|
| 2022 (FY23) | TSR                  | 1 Jul 22 to 30 Jun 25 | June 2024* | 66.7% vested/33.3% lapsed |
| 2023 (FY24) | TSR and EPS          | 1 Jul 23 to 30 Jun 26 | June 2024* | 33.3% vested/66.7% lapsed |

\* The Boral Board approved the vesting of a portion of unvested equity awards following the compulsory acquisition of Boral (refer Section 3).

## SGH MD&CEO Remuneration Arrangements

For FY24, there were no changes to the MD&CEO's FY24 FAR of \$1,900,000 and variable (at-risk) remuneration comprising an on target STI opportunity of 100% of FAR (and 133% of FAR maximum opportunity) and LTI opportunity of 100% of FAR. For FY25, the Board approved an increase to the MD&CEO's Maximum STI Opportunity to 150% of FAR and an increase to his LTI Opportunity from 100% to 150% of FAR. His FAR remained unchanged at \$1,900,000.

The MD&CEO's remuneration is aligned with SGH's benchmarking approach to position total reward for KMP Executives principally within a competitive range of peer group companies, of comparable size and complexity which includes S&P/ASX 100 (excluding financial services) listed entities. The peer group also considers market capitalisation i.e., ASX100 companies, the portfolio construct and the complexity, diversity and breadth of the sectors in which SGH operates.

Although the MD&CEO participates in the LTI plan on the same terms and conditions as the other KMP Executives, his award is cash settled. This is because tax deferral on equity incentive plans is not permitted where an executive has an interest in shares in the Company which represents more than 10% of the Company's issued share capital. As such, an approach to achieve an equivalent outcome to other executives participating in the plan is to cash-settle the rights using the same terms and conditions as for the performance rights that are equity-settled under the LTI plan. As Mr RK Stokes AO has an interest in shares in the Company which represents more than 10% of the Company's issued share capital, should the LTI award rights vest, they will be cash-settled.

### Impact of accounting for cash-settled awards

Accounting Standard AASB 2: Share Based Payments requires the fair value of cash-settled equity plans to be re-measured each year, unlike equity-settled plans where the fair value is calculated at the start of the performance period. The fair value is re-measured taking into consideration a number of inputs including share price from date of grant. The re-measurement of the fair value of the cash-settled equity for Mr RK Stokes AO has resulted in an increase of \$5,875,967 over the year due to the increase in share price in FY24 from \$24.65 at 30 June 2023 to \$37.68 at 30 June 2024. If the awards had been equity-settled, the total remuneration reflected in the remuneration tables at 10.B would have been \$5,813,235 as compared to \$11,689,202 as currently stated in the table.

## Minimum Shareholding Guidelines for KMP Executives

To drive a stronger alignment of executive interests with those of shareholders, and to foster an increased focus on building long-term shareholder value, SGH has in place minimum shareholding requirements for KMP Executives. During the year, the Board revised the minimum shareholding requirements to bring forward the timing of when KMP Executives are required to hold a minimum level of shareholding such that after five years, executives are required to hold 100% of their FAR in SGH equity. As of 30 June 2024, all KMP Executives were in compliance given time in role. Shareholding details for each KMP are included at Section 8.

## 5. Chairman and NED Remuneration Framework

### NED Fee Pool

The current NED fee pool approved by shareholders at the 2022 AGM available for the payment of fees to the Chairman and NEDs is \$2.8 million. However, following the compulsory acquisition of Boral and subsequent delisting, the Board is reviewing the adequacy of the fee pool to allow flexibility to appoint additional suitable qualified NEDs and to provide capacity for the Board to manage director succession over the coming years.

### Chairman and NED fees

The Chairman receives a fixed Director's fee which is paid in the form of cash and statutory superannuation contributions. The Chairman does not receive any additional fees for being a member of a Board Committee.

NEDs receive a fixed fee which includes a base fee and additional fees for being the Chair or member of a Board Committee. Board and Committee fees are paid in the form of salary and statutory superannuation contributions. The Chairman and the NEDs do not receive any variable remuneration or other performance related incentives such as options or rights to shares, and no retirement benefits are provided.

For FY24, the Board approved a 5% increase to Chairman and base NED fees in line with market movements. A \$10,000 increase to Audit Review Committee (ARC) member fees was also approved to reflect the increased responsibilities and requirements of the ARC.

The table below sets out the annualised base and committee fee structure inclusive of superannuation as it applied in FY24. NED fees are benchmarked against ASX100 listed entities with similar revenues and market capitalisation as the Company. The benchmarking also considers the complexity of SGH's structure and the industry sectors in which we operate.

| Role                                       | Base Fees |           | Committee Chair Fees |          | Committee Member Fees |          |
|--------------------------------------------|-----------|-----------|----------------------|----------|-----------------------|----------|
|                                            | 2024      | 2023      | 2024                 | 2023     | 2024                  | 2023     |
| Chairman                                   | \$498,750 | \$475,000 | –                    | –        | –                     | –        |
| Non-Executive Director                     | \$189,000 | \$180,000 | –                    | –        | –                     | –        |
| Audit & Risk                               | –         | –         | \$80,000             | \$80,000 | \$40,000              | \$30,000 |
| Remuneration & Nomination                  | –         | –         | \$40,000             | \$40,000 | \$20,000              | \$20,000 |
| Independent & Related Party <sup>(a)</sup> | –         | –         | –                    | –        | –                     | –        |

(a) Effective 1 September 2022, fees paid to the IRPC committee were discontinued following the reduction of significant related party transactions and consequently meetings held.

# Remuneration Report

## 6. Link Between Remuneration and SGH Performance

The Remuneration Framework of SGH is designed to reward superior performance including returns to shareholders. The table below shows SGH's performance in key areas for the last five financial years.

|                                                                                        | 2024      | 2023      | 2022     | 2021    | 2020      |
|----------------------------------------------------------------------------------------|-----------|-----------|----------|---------|-----------|
| Statutory NPAT (\$m) <sup>(a)(c)</sup>                                                 | \$522.1   | \$646.5   | \$607.4  | \$634.6 | \$117.5   |
| NPAT (excluding significant items) (\$m) <sup>(a)(b)</sup>                             | \$914.1   | \$702.9   | \$686.1  | \$504.6 | \$ 471.8  |
| Significant items (\$m) <sup>(a)</sup>                                                 | \$(392.0) | \$(56.4)  | \$(78.7) | \$130.0 | \$(354.3) |
| Profit before significant items, net finance costs and tax (SGH underlying EBIT) (\$m) | \$1,419.2 | \$1,186.5 | \$987.1  | \$792.1 | \$737.9   |
| Dividends declared per ordinary share                                                  | \$0.53    | \$0.46    | \$0.46   | \$0.46  | \$0.42    |
| Share price at financial year end                                                      | \$37.68   | \$24.65   | \$16.61  | \$20.35 | \$17.18   |
| Statutory basic EPS <sup>(a)</sup>                                                     | \$1.26    | \$1.64    | \$1.54   | \$1.84  | \$0.34    |
| EPS (excluding significant items) <sup>(a)</sup>                                       | \$2.31    | \$1.80    | \$1.73   | \$1.46  | \$1.39    |
| Diluted EPS (excluding significant items) <sup>(a)</sup>                               | \$2.26    | \$1.78    | \$1.73   | \$1.45  | \$1.38    |
| Total Shareholder Return                                                               | 56.1%     | 53.2%     | (15.8)%  | 22.3%   | (3.0)%    |
| Relative Total Shareholder Return                                                      | 42.4%     | 38.9%     | (10.1)%  | (2.2)%  | 5.3%      |
| <b>Short Term Incentive Outcomes</b>                                                   |           |           |          |         |           |
| KMP STI achievement against target (Average) <sup>(d)</sup>                            | 118.5%    | 110.7%    | 95.7%    | 108.6%  | 91.8%     |

(a) 2023 and 2022 figures are for continuing and discontinued operations.

(b) NPAT (excluding significant items) is a non-IFRS measure. This measure is applied consistently year on year and used internally by management to assess the performance of the business and hence is provided to enable an assessment of remuneration compared to SGH's performance. Refer to the Operating and Financial Review for a reconciliation to statutory net profit after tax.

(c) The 2024, 2023 and 2022 results include Boral Limited that was fully consolidated from 7 July 2021.

(d) Excludes Boral CEO for 2022 and prior.

### FY24 KPIs

The KPI process is core to how SGH drives alignment on performance expectations and the delivery of key financial and strategic objectives to create shareholder value.

The FY24 KPIs for the MD&CEO and KMP Executives are based on the outcomes of the annual budget and strategic planning process that includes an in-depth review by the Board. The Board reviews the strategic focus and direction of SGH, taking into account market opportunity, economic environment and shareholder expectations. This is a rigorous process which includes setting challenging performance targets for management and directly aligns executive incentives to the achievement of those targets. Where performance does not meet targets, executives derive no benefit from their variable incentive components. Conduct risk and alignment to SGH's Values is also considered when assessing individual outcomes.

The performance of each KMP Executive is measured against a balanced scorecard based on measurable KPI targets which are weighted to appropriately reflect the focus of each KMP Executive in driving the overall business strategy. KPIs are set across three main areas of focus namely Financial, Strategic and Safety, People & Sustainability priorities.

- Financial KPIs** are utilised as they represent value creation and reflect SGH's core financial metrics and are based on SGH Board approved budgets for FY24.
- Strategic KPIs** include financial and non-financial targets to drive portfolio optimisation and operational efficiencies, focus on key customer/project wins and improved safety and productivity in the workplace. For SGH Executives, measures are based on growing the SGH portfolio, creating long-term value by maximising the performance of the operating businesses, capitalising on opportunities and driving the performance of complex elements. For Business Unit CEOs, strategic objectives focus on delivering operational and strategic projects within the business unit.
- Safety, People and Sustainability related KPIs** are based on the reduction of lead and lag indicators and fostering a Safety First culture through a number of safety lead initiatives. People related KPIs consider progress against clearly defined turnover, executive succession, culture and engagement objectives and measurable progress against diversity and inclusion targets. Sustainability measures consider progress against the Material Issues identified in the sustainability strategy appropriate to each KMP Executive.

A summary of the key KPIs and assessment outcomes for the MD&CEO and other KMP Executives are included in the tables below, specific targets are not shown due to their commercially sensitive nature:

### MD&CEO and SGH Executive Performance against FY24 KPIs

| Scorecard Measure                        | Weighting/Performance                                                                                                                                               |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial</b>                         | <b>50%/Above target</b>                                                                                                                                             |
| SGH Underlying EBIT                      | - Delivered above target financial performance across all key metrics across WesTrac, Coates and Boral.                                                             |
| Free Cash Flow (FCF)                     | - Revenue of \$10.6 billion, up 10% on the prior comparative period.                                                                                                |
| Working Capital as % Sales               | - EBIT of \$1.4 billion, up 20% on the prior comparative period.                                                                                                    |
| SGH ROCE                                 | - Operating cash flow in line with target and strategic investment in working capital and inventory.                                                                |
|                                          | - SGH and BU ROCE delivered in accordance with targets.                                                                                                             |
| <b>Strategic</b>                         | <b>35%/At target</b>                                                                                                                                                |
| Boral Performance                        | - Successfully completed full acquisition of Boral and subsequent delisting with full ownership and access to Boral's cashflow generation and quality assets.       |
| Operational Discipline                   | - Delivery of Boral's performance journey accelerated and delivering results.                                                                                       |
| Portfolio optimisation                   | - Effective execution of cost optimisation and efficiency initiatives at WesTrac and Coates.                                                                        |
| Capital management                       | - Portfolio simplification delivered - with sale of Sykes business and sale of Coates Indonesia completed.                                                          |
| Customer focus                           | - Capital management (including post Boral transaction) maintained in line with strategy.                                                                           |
|                                          | - Adjusted Net Debt / EBITDA at 2.2x within target range of <2.5x.                                                                                                  |
|                                          | - Delivery of customer focused initiatives with market share growth across all businesses.                                                                          |
| <b>Safety, people and sustainability</b> | <b>15%/At target</b>                                                                                                                                                |
| Safety (LTIFR and TRIFR)                 | - Significant safety improvements - TRIFR 4.5 and LTIFR 1.4, both improved by 26%.                                                                                  |
| Culture and engagement                   | - Focus on Safety First culture, reinforced by visible safety leadership and early intervention/ remediation plans delivering results.                              |
| Diversity, Equity and Inclusion (DE&I)   | - Increased succession optionality across all BUs with promotions in key roles largely internal candidates.                                                         |
| Sustainability/ ESG                      | - Engagement delivering positive outcomes.                                                                                                                          |
|                                          | - Critical skills attraction and retention programs delivered with positive results.                                                                                |
|                                          | - Increased female participation in workforce with no pay gap in like for like roles. Improvements in operational areas, apprentice programs and female leadership. |
|                                          | - Progress against delivery of key FY24 ESG commitments across all businesses.                                                                                      |

# Remuneration Report

## Business Unit CEO Performance against FY24 KPIs

| Scorecard Measure                                                                                         | Weighting/Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial</b>                                                                                          | <b>50% Above target</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Revenue and EBIT growth                                                                                   | <b>WesTrac</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Operating Cash Flow (OCF) & (FCF)                                                                         | <ul style="list-style-type: none"> <li>– Above target Revenue of \$5.8 billion, up 19% on the prior comparative period.</li> <li>– Above target EBIT of \$623 million, up 25% on the prior comparative period.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Working capital as % Sales                                                                                | – Disciplined cost control and optimisation of operating capacity delivering margin expansion.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| ROCE                                                                                                      | <ul style="list-style-type: none"> <li>– Effective working capital, cash flow and inventory management supporting customer demand.</li> <li>– ROCE above target.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                                                                                           | <b>Boral</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                                                           | <ul style="list-style-type: none"> <li>– Above target Revenue of \$3.6 billion.</li> <li>– Above target EBIT of \$372 million, up 61% the prior comparative period.</li> <li>– Positive cash flow and working capital management in line with targets.</li> <li>– ROCE at target.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                                                           | <b>Coates</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                                                           | <ul style="list-style-type: none"> <li>– On target Revenue of \$1.1 billion, up on the prior comparative period.</li> <li>– On target EBIT of \$327 million, up 9% on the prior comparative period.</li> <li>– Cost optimisation and efficiency projects effectively delivering EBIT margin above target.</li> <li>– ROCE at target.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Strategic</b>                                                                                          | <b>30% At target</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Strategic initiatives including optimisation, customer and other strategic goals and growth opportunities | <b>WesTrac</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                                                           | <ul style="list-style-type: none"> <li>– Market share growth and business development initiatives effectively delivered with above target performance in both new machine sales and service revenue and optimal product mix.</li> <li>– Services revenue delivered underpinned by parts volume growth and product mix towards larger components.</li> <li>– Customer focused initiatives delivering improved customer value and recognition including WesTrac recognised by Caterpillar (CAT) as the number one global dealer for construction industry parts and services growth.</li> <li>– Capacity expansion project delivered including digital (e.g. Palantir) and automation progressing to plan.</li> <li>– Effective management of skills shortages including international recruitment, strategic workforce management and targeted training and development programs to areas most impacted (e.g. Train to Task).</li> </ul> |
|                                                                                                           | <b>Boral</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                                                           | <ul style="list-style-type: none"> <li>– Solid progress on “Good to Great” performance journey delivering performance uplift.</li> <li>– Delivered improvements in go-to-market strategy and internal optimisation of key drivers of earnings growth.</li> <li>– Sales volume up and pricing traction achieved across all product lines.</li> <li>– Progress on digital integration initiatives e.g. “Call to Cash” transaction process and Auto-Allocations.</li> <li>– Effective delivery against People Environment Markets Asset Finance (PEMAF) goals to reduce costs and unlock operational efficiencies and improve performance culture and alignment across all divisions.</li> </ul>                                                                                                                                                                                                                                           |
|                                                                                                           | <b>Coates</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                                                           | <ul style="list-style-type: none"> <li>– Effective direct cost management and operational efficiency gains delivered including timing of R&amp;M and transport optimisation through the “Hub and Spoke” operating model.</li> <li>– Productivity objectives including asset utilisation, network optimisation, duration, and fleet management, Time Utilisation delivered in line with strategic plan and targets.</li> <li>– Focus on improved customer service and efficiencies delivering results.</li> <li>– Successful sale of Coates Indonesia supporting the focus on primary businesses in Australia.</li> </ul>                                                                                                                                                                                                                                                                                                                |
| <b>Safety, people and sustainability</b>                                                                  | <b>20% At target</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Safety lag and lead indicator.                                                                            | <ul style="list-style-type: none"> <li>– Significant uplift in safety performance across all BUs. Boral TRIFR improved by 38%, Coates' TRIFR improved by 20%.</li> <li>– Rollout of Safety-First culture initiatives, including visible leadership and on boarding programs delivering results.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Talent management incl. key skills development, retention and attraction.                                 | <ul style="list-style-type: none"> <li>– Increased succession optionality across all BUs with promotions in key roles largely with internal candidates.</li> <li>– Multi-pronged approach to skills development and retention, including reward and recognition programs delivering results - turnover stabilising with improvements in attraction and overall employee value proposition.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Engagement, leadership and diversity targets                                                              | <ul style="list-style-type: none"> <li>– Increased female participation in workforce with no pay gap in like for like roles. Improvements in operational areas and apprentice programs and female leadership.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Sustainability/ESG targets                                                                                | <ul style="list-style-type: none"> <li>– Progress against delivery of key FY24 ESG commitments across all BUs.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

### STI Outcomes – differentiated for individual performance

The table below provides details of the level of performance achieved against balanced scorecard KPIs and the resulting STI outcome awarded for FY24. In the table, a clear link is demonstrated between individual KMP Executive performance and STI outcomes.

| KMP Executive | Percentage of Target STI Awarded | Percentage of Maximum STI Forfeited | Outcome Against Maximum STI Target                                                 |      |
|---------------|----------------------------------|-------------------------------------|------------------------------------------------------------------------------------|------|
|               |                                  |                                     | 0%                                                                                 | 100% |
| RK Stokes AO  | 120.3%                           | 9.8%                                |  |      |
| G Bhalla      | 119.1%                           | 10.7%                               |  |      |
| JE Croome     | 125.3%                           | 6.0%                                |  |      |
| RB Cotterill  | 105.6%                           | 20.8%                               |  |      |
| RJ Richards   | 120.3%                           | 9.8%                                |  |      |
| MJ Vitlich    | 89.0%                            | 33.0%                               |  |      |
| V Bansal      | 150.0%                           | 0.0%                                |  |      |

 Target STI
  Max STI Forfeited

### LTI Outcomes

The following graph shows SGH's share price relative to the performance of the ASX100 over the performance period.

#### SGH share price vs S&P/ASX 100



### FY22 LTI

The FY22 LTI award was tested following the end of the performance period on 30 June 2024. The Company's relative TSR was ranked above the 75th percentile of the comparator peer group resulting in 100% of the award vesting. The award is subject to an additional one year holding lock with restrictions to be lifted on or around 15 August 2025, following the release of SGH's FY25 results.

| Award    | Performance Period             | Performance Hurdle |
|----------|--------------------------------|--------------------|
| FY22 LTI | 1 July 22–30 June 24 – 3 years | Relative TSR       |

# Remuneration Report

## 7. Summary of Executive Contracts

The key terms of the KMP Executives' contracts including the term of the contract, the period of notice required to terminate the contract (by either the Company or Executive) and any contractual termination payments are set out below.

| KMP Executive | Contract Term | Notice period required by the Company | Notice period required by the Executive | Contractual termination payments    |
|---------------|---------------|---------------------------------------|-----------------------------------------|-------------------------------------|
| RK Stokes AO  | On-going      | 6 months                              | 6 months                                | No contractual termination payments |
| G Bhalla      | On-going      | 6 months                              | 6 months                                | No contractual termination payments |
| RB Cotterill  | On-going      | 6 months                              | 6 months                                | No contractual termination payments |
| JE Croome     | On-going      | 6 months                              | 6 months                                | No contractual termination payments |
| RJ Richards   | On-going      | 6 months                              | 6 months                                | No contractual termination payments |
| MJ Vitlich    | On-going      | 6 months                              | 6 months                                | No contractual termination payments |
| V Bansal      | On-going      | 6 months                              | 6 months                                | No contractual termination payments |

### Non-Executive Directors

There are no formal employment contracts for NEDs that provide notice provisions or contractual termination payments. Each NED has a formal appointment letter agreed with the Company which confirms their appointment in accordance with the Constitution of the Company and provides information in relation to the structure and practices of the Board and the Company.

### Hedging policy

The Company's Share Trading Policy prohibits employees (including KMP) from dealing in SGH shares, if the dealing is prohibited under the *Corporations Act 2001*. Therefore, in accordance with this policy, all KMP are prohibited from entering into arrangements in connection with Seven Group Holdings Limited shares which operate to limit the executives' economic risk under any equity-based incentive schemes.

The ability to deal with unvested rights is restricted in the relevant equity plan rules which apply to the options over shares in the Company which have been granted. The Company will continue to monitor the appropriateness of this approach.

### Clawback and malus provisions

The Company maintains clawback and malus provisions within the variable pay plans. If in the Board's opinion, an employee:

- acts fraudulently or dishonestly;
- is in breach of their obligations to the Company or another SGH company; or
- received awards based on financial accounts which are later restated.

The Board may determine that unvested performance rights lapse and deem that any vested but unexercised performance share rights also lapse.

## 8. KMP Equity Holdings

### Equity granted as remuneration

#### Deferred share rights granted as remuneration

SGH offered certain KMP Executives the opportunity to participate in SGH's deferred STI share rights plan in respect of performance and awarded KMP Executives deferred share rights that vest after one year. Share Rights are generally settled through an on-market purchase of SGH shares at the time of vesting.

Details of the vesting profile of the deferred share rights held by KMP Executives during FY24 under the STI plan are detailed below.

#### Deferred share rights

| KMP                         | Grant Date               | Vesting Date | Fair value per share at grant date | Held at 1 July 2023 | Granted        | Forfeited | Vested           | Held at 30 June 2024 |
|-----------------------------|--------------------------|--------------|------------------------------------|---------------------|----------------|-----------|------------------|----------------------|
| RK Stokes AO                | 1 Jul 23                 | 1 Jul 24     | \$23.83                            | –                   | 42,930         | –         | –                | 42,930               |
|                             | 1 Jul 22                 | 1 Jul 24     | \$15.34                            | 59,149              | –              | –         | –                | 59,149               |
|                             | 1 Jul 21                 | 1 Jul 23     | \$19.25                            | 37,675              | –              | –         | (37,675)         | –                    |
|                             |                          |              |                                    | <b>96,824</b>       | <b>42,930</b>  | <b>–</b>  | <b>(37,675)</b>  | <b>102,079</b>       |
| V Bansal <sup>(a)</sup>     | 28 Jun 24                | 1 Jul 26     | \$35.88                            | –                   | 28,028         | –         | –                | 28,028               |
|                             |                          |              |                                    | <b>–</b>            | <b>28,028</b>  | <b>–</b>  | <b>–</b>         | <b>28,028</b>        |
| G Bhalla                    | 1 Jul 23                 | 1 Jul 24     | \$23.83                            | –                   | 11,648         | –         | –                | 11,648               |
|                             | 1 Jul 22                 | 1 Jul 24     | \$15.34                            | 14,717              | –              | –         | –                | 14,717               |
|                             | 1 Jul 21                 | 1 Jul 23     | \$19.25                            | 9,757               | –              | –         | (9,757)          | –                    |
|                             |                          |              |                                    | <b>24,474</b>       | <b>11,648</b>  | <b>–</b>  | <b>(9,757)</b>   | <b>26,365</b>        |
| JE Croome                   | 1 Jul 23                 | 1 Jul 24     | \$23.83                            | –                   | 18,004         | –         | –                | 18,004               |
|                             | 14 Oct 22 <sup>(b)</sup> | 14 Oct 24    | \$16.74                            | 46,946              | –              | –         | –                | 46,946               |
|                             | 1 Jul 22                 | 1 Jul 24     | \$15.34                            | 25,300              | –              | –         | –                | 25,300               |
|                             | 1 Jul 21                 | 1 Jul 23     | \$19.25                            | 16,828              | –              | –         | (16,828)         | –                    |
|                             |                          |              |                                    | <b>89,074</b>       | <b>18,004</b>  | <b>–</b>  | <b>(16,828)</b>  | <b>90,250</b>        |
| RJ Richards                 | 1 Jul 23                 | 1 Jul 24     | \$23.83                            | –                   | 20,335         | –         | –                | 20,335               |
|                             | 1 Jul 22                 | 1 Jul 24     | \$15.34                            | 28,079              | –              | –         | –                | 28,079               |
|                             | 1 Jul 21                 | 1 Jul 23     | \$19.25                            | 25,901              | –              | –         | (25,901)         | –                    |
|                             |                          |              |                                    | <b>53,980</b>       | <b>20,335</b>  | <b>–</b>  | <b>(25,901)</b>  | <b>48,414</b>        |
| MJ Vitlich                  | 1 Jul 23                 | 1 Jul 24     | \$23.83                            | –                   | 18,142         | –         | –                | 18,142               |
|                             | 1 Jul 22                 | 1 Jul 24     | \$15.34                            | 24,709              | –              | –         | –                | 24,709               |
|                             | 1 Jul 21                 | 1 Jul 23     | \$19.25                            | 12,358              | –              | –         | (12,358)         | –                    |
|                             |                          |              |                                    | <b>37,067</b>       | <b>18,142</b>  | <b>–</b>  | <b>(12,358)</b>  | <b>42,851</b>        |
| <b>Boral share rights</b>   |                          |              |                                    |                     |                |           |                  |                      |
| V Bansal <sup>(a)</sup>     | 1 Sep 23                 | 4 Jun 24     | \$3.98                             | –                   | 188,915        | –         | (188,915)        | –                    |
|                             | 10 Oct 22                | 4 Jun 24     | \$2.88                             | 262,992             | –              | –         | (262,992)        | –                    |
|                             | 10 Oct 22                | 4 Jun 24     | \$2.88                             | 262,992             | –              | –         | (262,992)        | –                    |
|                             |                          |              |                                    | <b>525,984</b>      | <b>188,915</b> | <b>–</b>  | <b>(714,899)</b> | <b>–</b>             |
| <b>Former KMP Executive</b> |                          |              |                                    |                     |                |           |                  |                      |
| JN Goth <sup>(c)</sup>      | 1 Jul 23                 | 1 Jul 24     | \$23.83                            | –                   | 12,986         | –         | –                | 12,986               |
|                             | 1 Jul 22                 | 1 Jul 24     | \$15.34                            | 17,680              | –              | –         | –                | 17,680               |
|                             | 1 Jul 21                 | 1 Jul 23     | \$19.25                            | 13,378              | –              | –         | (13,378)         | –                    |
|                             |                          |              |                                    | <b>31,058</b>       | <b>12,986</b>  | <b>–</b>  | <b>(13,378)</b>  | <b>30,666</b>        |

(a) Following the compulsory acquisition of Boral by SGH on the 4 June 2024, Mr Bansal's Boral share rights were vested by the Boral Board. Refer to Section 3 for further information.

(b) Relates to a one off equity retention award equivalent of 60% of Mr Croome's FAR. These rights vest after two years continued employment in October 2024.

(c) Deferred share rights remain on foot in accordance with Plan rules following Mr Goth's separation on 8 March 2024.

#### Performance rights granted as remuneration

SGH offered certain KMP Executives the opportunity to participate in SGH's LTI. A summary of the LTI plans is provided below.

#### SGH LTI awards

| Grant | Performance Measure | Performance Period    | Vest Date                                     | Vesting Outcome |
|-------|---------------------|-----------------------|-----------------------------------------------|-----------------|
| FY22  | TSR                 | 1 Jul 21 to 30 Jun 24 | 2024 (3 years) <i>plus 1 year restriction</i> | 100%            |
| FY23  | TSR                 | 1 Jul 22 to 30 Jun 25 | 2025 (3 years)                                | In progress     |
| FY24  | 50% TSR and 50% EPS | 1 Jul 23 to 30 Jun 26 | 2026 (3 years)                                | In progress     |

# Remuneration Report

LTI awards are structured as rights to acquire ordinary shares in the Company at no cost or a cash-settled equivalent to the executive. Details of the vesting profiles of the performance rights held by KMP Executives during FY24 under the LTI plan are provided below.

## Performance rights

| KMP                                           | Grant Date | Expiry Date | Fair Value per right at grant date <sup>(a)</sup> |               | Held at 1 July 2023 | Granted        | Forfeited        | Vested           | Held at 30 June 2024 |
|-----------------------------------------------|------------|-------------|---------------------------------------------------|---------------|---------------------|----------------|------------------|------------------|----------------------|
|                                               |            |             | TSR Component                                     | EPS Component |                     |                |                  |                  |                      |
| V Bansal                                      | 28 Jun 24  | 1 Sep 26    | \$33.47                                           | \$36.64       | –                   | 38,495         | –                | –                | 38,495               |
|                                               |            |             |                                                   |               | –                   | <b>38,495</b>  | –                | –                | <b>38,495</b>        |
| G Bhalla                                      | 1 Jul 23   | 1 Sep 26    | \$13.73                                           | \$23.13       | –                   | 23,627         | –                | –                | 23,627               |
|                                               | 1 Jul 22   | 1 Sep 25    | \$8.62                                            | –             | 35,788              | –              | –                | –                | 35,788               |
|                                               | 1 Jul 21   | 1 Sep 24    | \$10.86                                           | –             | 25,550              | –              | –                | –                | 25,550               |
|                                               | 1 Jul 20   | 1 Sep 23    | \$11.46                                           | –             | 26,018              | –              | (3,304)          | (22,714)         | –                    |
|                                               |            |             |                                                   |               | <b>87,356</b>       | <b>23,627</b>  | <b>(3,304)</b>   | <b>(22,714)</b>  | <b>84,965</b>        |
| RB Cotterill                                  | 18 Mar 24  | 1 Sep 26    | \$35.13                                           | \$38.14       | –                   | 10,970         | –                | –                | 10,970               |
|                                               |            |             |                                                   |               | –                   | <b>10,970</b>  | –                | –                | <b>10,970</b>        |
| JE Croome                                     | 1 Jul 23   | 1 Sep 26    | \$13.73                                           | \$23.13       | –                   | 40,503         | –                | –                | 40,503               |
|                                               | 1 Jul 22   | 1 Sep 25    | \$8.62                                            | –             | 61,348              | –              | –                | –                | 61,348               |
|                                               | 1 Jul 21   | 1 Sep 24    | \$10.86                                           | –             | 44,191              | –              | –                | –                | 44,191               |
|                                               | 1 Jul 20   | 1 Sep 23    | \$11.46                                           | –             | 52,999              | –              | (6,730)          | (46,269)         | –                    |
|                                               |            |             |                                                   |               | <b>158,538</b>      | <b>40,503</b>  | <b>(6,730)</b>   | <b>(46,269)</b>  | <b>146,042</b>       |
| RJ Richards                                   | 1 Jul 23   | 1 Sep 26    | \$13.73                                           | \$23.13       | –                   | 48,604         | –                | –                | 48,604               |
|                                               | 1 Jul 22   | 1 Sep 25    | \$8.62                                            | –             | 73,617              | –              | –                | –                | 73,617               |
|                                               | 1 Jul 21   | 1 Sep 24    | \$10.86                                           | –             | 57,850              | –              | –                | –                | 57,850               |
|                                               | 1 Jul 20   | 1 Sep 23    | \$11.46                                           | –             | 57,818              | –              | (7,342)          | (50,476)         | –                    |
|                                               |            |             |                                                   |               | <b>189,285</b>      | <b>48,604</b>  | <b>(7,342)</b>   | <b>(50,476)</b>  | <b>180,071</b>       |
| MJ Vitlich                                    | 1 Jul 23   | 1 Sep 26    | \$13.73                                           | \$23.13       | –                   | 33,753         | –                | –                | 33,753               |
|                                               | 1 Jul 22   | 1 Sep 25    | \$8.62                                            | –             | 51,123              | –              | –                | –                | 51,123               |
|                                               | 1 Jul 21   | 1 Sep 24    | \$10.86                                           | –             | 36,156              | –              | –                | –                | 36,156               |
|                                               | 1 Jul 20   | 1 Sep 23    | \$11.46                                           | –             | 43,363              | –              | (5,507)          | (37,856)         | –                    |
|                                               |            |             |                                                   |               | <b>130,642</b>      | <b>33,753</b>  | <b>(5,507)</b>   | <b>(37,856)</b>  | <b>121,032</b>       |
| <b>Performance rights (cash settled)</b>      |            |             |                                                   |               |                     |                |                  |                  |                      |
| RK Stokes AO                                  | 1 Jul 23   | 1 Sep 26    | \$13.73                                           | \$23.13       | –                   | 85,507         | –                | –                | 85,507               |
|                                               | 1 Jul 22   | 1 Sep 25    | \$8.62                                            | –             | 129,512             | –              | –                | –                | 129,512              |
|                                               | 1 Jul 21   | 1 Sep 24    | \$10.86                                           | –             | 101,772             | –              | –                | –                | 101,772              |
|                                               | 1 Jul 20   | 1 Sep 23    | \$11.46                                           | –             | 102,787             | –              | (13,053)         | (89,734)         | –                    |
|                                               |            |             |                                                   |               | <b>334,071</b>      | <b>85,507</b>  | <b>(13,053)</b>  | <b>(89,734)</b>  | <b>316,791</b>       |
| <b>Boral Performance rights<sup>(b)</sup></b> |            |             |                                                   |               |                     |                |                  |                  |                      |
| V Bansal                                      | 1 Sep 23   | 4 Jun 24    | \$3.74                                            | \$4.93        | –                   | 376,667        | (251,111)        | (125,556)        | –                    |
|                                               | 10 Oct 22  | 4 Jun 24    | \$1.59                                            | –             | 548,507             | –              | (182,835)        | (365,672)        | –                    |
|                                               |            |             |                                                   |               | <b>548,507</b>      | <b>376,667</b> | <b>(433,946)</b> | <b>(491,228)</b> | –                    |
| <b>Former KMP Executive</b>                   |            |             |                                                   |               |                     |                |                  |                  |                      |
| JN Goth <sup>(c)</sup>                        | 1 Jul 23   | 1 Sep 26    | \$13.73                                           | \$23.13       | –                   | 28,690         | (28,690)         | –                | –                    |
|                                               | 1 Jul 22   | 1 Sep 25    | \$8.62                                            | –             | 40,898              | –              | (40,898)         | –                | –                    |
|                                               | 1 Jul 21   | 1 Sep 24    | \$10.86                                           | –             | 32,139              | –              | –                | –                | 32,139               |
|                                               | 1 Jul 20   | 1 Sep 23    | \$11.46                                           | –             | 38,545              | –              | (4,895)          | (33,650)         | –                    |
|                                               |            |             |                                                   |               | <b>111,582</b>      | <b>28,690</b>  | <b>(74,483)</b>  | <b>(33,650)</b>  | <b>32,139</b>        |

No amount is paid or payable by KMP Executives in relation to these LTI grants.

Further details about the LTI plan are set out in section 4 of the Remuneration Report.

(a) Reflects the fair market value of LTI Rights calculated using a Monte Carlo simulation analysis.

(b) Boral performance rights for LTI were granted subject to Boral performance for TSR and EPS as applicable. Details regarding subsequent vesting is outlined in Section 3.

(c) Mr Goth ceased as a KMP during the year and as such forfeited performance LTI awarded in FY23 and FY24.

### Equity granted as remuneration affecting future periods

The fair value of equity granted as remuneration is amortised over the service period and therefore remuneration in respect of equity grants may be reported in future years. The following table summarises the maximum value of these grants that will be reported in the remuneration tables in future years, assuming all vesting conditions are met. The minimum value of the grant is nil should vesting conditions not be satisfied.

#### Equity settled

| KMP          | 2025<br>\$ | 2026<br>\$ |
|--------------|------------|------------|
| RK Stokes AO | 1,485,333  | 591,221    |
| V Bansal     | 1,025,026  | 434,591    |
| G Bhalla     | 408,811    | 163,363    |
| RB Cotterill | 232,033    | 190,238    |
| JE Croome    | 813,127    | 280,050    |
| RJ Richards  | 790,161    | 336,064    |
| MJ Vitlich   | 527,629    | 233,377    |

### B. Shareholdings and transactions

Movements in the holdings of ordinary shares and by KMP held directly, indirectly, beneficially and including their personally related entities are set out in the tables below.

#### Ordinary Shares

| KMP                         | Held at<br>1 July 2023 | Purchases<br>and other<br>changes<br>during<br>the year | Shares<br>granted as<br>remuneration<br>during<br>the year | Rights<br>converted to<br>shares during<br>the year | Held at<br>30 June 2024 |
|-----------------------------|------------------------|---------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------|-------------------------|
| TJ Davis                    | 104,000                | –                                                       | –                                                          | –                                                   | 104,000                 |
| RH Argaman (Herman) OAM     | 12,500                 | –                                                       | –                                                          | –                                                   | 12,500                  |
| SA Chaplain AM              | 35,860                 | –                                                       | –                                                          | –                                                   | 35,860                  |
| KL Farrar                   | 17,587                 | –                                                       | –                                                          | –                                                   | 17,587                  |
| CJ Mackay                   | 11,521                 | –                                                       | –                                                          | –                                                   | 11,521                  |
| DI McEvoy                   | 32,860                 | –                                                       | –                                                          | –                                                   | 32,860                  |
| WL Smith AO                 | 52,180                 | 2,929                                                   | –                                                          | –                                                   | 55,109                  |
| RA Uechtritz                | 335,063                | –                                                       | –                                                          | –                                                   | 335,063                 |
| <b>KMP Executive</b>        |                        |                                                         |                                                            |                                                     |                         |
| RK Stokes AO                | 536,981                | 112                                                     | –                                                          | 37,675                                              | 574,768                 |
| V Bansal                    | –                      | 134,604                                                 | –                                                          | –                                                   | 134,604                 |
| G Bhalla                    | 9,764                  | (9,308)                                                 | –                                                          | 32,471                                              | 32,927                  |
| RB Cotterill                | –                      | –                                                       | –                                                          | –                                                   | –                       |
| JE Croome                   | 90,956                 | (57,500)                                                | –                                                          | 63,097                                              | 96,553                  |
| RJ Richards                 | 351,202                | (130,926)                                               | –                                                          | 76,377                                              | 296,653                 |
| MJ Vitlich                  | 50,052                 | –                                                       | –                                                          | 50,214                                              | 100,266                 |
| <b>Former KMP Executive</b> |                        |                                                         |                                                            |                                                     |                         |
| JN Goth                     | 7,666                  | (392)                                                   | –                                                          | 47,028                                              | 54,302                  |

# Remuneration Report

## Subsidiary – Boral Limited

Movements in the holdings of ordinary shares of Boral Limited, a related body corporate, by KMP held directly, indirectly, beneficially and including their personally-related entities are set out below in the tables below. Other than as outlined below, no other KMP held shares in Boral.

|                                                  | Held at<br>1 July 2023 | Purchases<br>and other<br>changes<br>during<br>the year | Shares<br>granted as<br>remuneration<br>during<br>the year | Rights<br>converted to<br>shares during<br>the year | Held at<br>30 June 2024 |
|--------------------------------------------------|------------------------|---------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------|-------------------------|
| <b>Non-Executive Directors and KMP Executive</b> |                        |                                                         |                                                            |                                                     |                         |
| W/L Smith AO                                     | 26,250                 | (26,250)                                                | –                                                          | –                                                   | –                       |
| RK Stokes AO                                     | 1,000                  | (1,000)                                                 | –                                                          | –                                                   | –                       |
| V Bansal                                         | –                      | (1,206,127)                                             | –                                                          | 1,206,127                                           | –                       |
| RJ Richards                                      | 1,000                  | (1,000)                                                 | –                                                          | –                                                   | –                       |
| <b>Former KMP Executive</b>                      |                        |                                                         |                                                            |                                                     |                         |
| JN Goth                                          | 2,000                  | (2,000)                                                 | –                                                          | –                                                   | –                       |

## 9. KMP Related Party Transactions

A number of Key Management Personnel, or their personally related entities, hold positions in other entities that can result in them having control or significant influence over those entities. A number of these entities transacted with the Company or its subsidiaries during the year.

SGH transacted with entities of which the Directors of the Company, were Directors or Officers (excluding equity accounted investees, which are disclosed in Note 32 of the Financial Statements) or otherwise had an interest.

The aggregate value of the related party transactions with Director and Director related entities was as follows:

|                                         | 2024<br>\$       | 2023<br>\$       |
|-----------------------------------------|------------------|------------------|
| <b>Revenue</b>                          |                  |                  |
| Equipment sales and hire                | 141,261          | 440,134          |
| <b>Total revenue</b>                    | <b>141,261</b>   | <b>440,134</b>   |
| <b>Expenses</b>                         |                  |                  |
| Lease of premises and related outgoings | 3,833,744        | 3,611,053        |
| Other net expense/(reimbursements)      | 74,506           | 98,966           |
| <b>Total expenses</b>                   | <b>3,908,250</b> | <b>3,710,020</b> |

## Loans and other transactions with Key Management Personnel

During the year ended 30 June 2024, Mr RK Stokes AO was a Director on the Board of Seven West Media Limited and Beach Energy Limited, representing Seven Group Holdings Limited. Mr RK Stokes AO received Director's fees by Seven West Media Limited for services. Under a consultancy agreement between SGH and Beach, SGH will nominate a company representative to act as a non-executive director. The SGH representative is currently Mr Stokes AO. Fees in respect of services provided by Mr Stokes in FY24 of \$132,635 (2023: nil) are payable directly to SGH pursuant to this consultancy agreement. Mr Stokes does not receive any director fees or superannuation for his services as a director to Beach. Mr RJ Richards receives director's fees for his services provided to Beach Energy Limited. Mr RK Stokes AO and Mr RJ Richards have elected to not receive Director's fees for their services provided to Boral Limited. As the amounts are not paid or payable by Seven Group Holdings Limited, they have not been included in the remuneration disclosures.

|                                            | 2024<br>\$ | 2023<br>\$ |
|--------------------------------------------|------------|------------|
| <b>Other director fees (SGH Appointed)</b> |            |            |
| RK Stokes AO                               | 145,659    | 145,000    |
| RJ Richards                                | 157,075    | 157,075    |

## Other transactions with SGH

A number of Directors hold directorships in other entities. Several of these entities transacted with SGH on terms and conditions not more favourable than those available on an arm's-length basis.

## 10. Remuneration in Detail

### A. Remuneration earned by KMP Executives in FY24 (non-statutory disclosures)

The remuneration detailed in this table is aligned to the current performance periods and therefore is particularly useful in assessing pay received in the current year and its alignment with long-term performance. The values in this table will not reconcile with those provided in the statutory disclosures in table 10.B. For example, table 10.B discloses the value of equity grants which may or may not vest in future years, whereas this table discloses the value of grants from previous years which vested in FY24.

| KMP Executive                       | Year        | Fixed Rem<br>\$(a) | STI Cash<br>Bonus<br>\$(b) | STI Vesting<br>\$(c) | LTI Vesting<br>\$(d) | Total             |
|-------------------------------------|-------------|--------------------|----------------------------|----------------------|----------------------|-------------------|
| <b>Ryan Stokes AO</b>               | <b>2024</b> | <b>1,900,000</b>   | <b>1,142,850</b>           | <b>1,003,621</b>     | <b>–</b>             | <b>4,046,471</b>  |
| MD&CEO                              | 2023        | 1,900,000          | 1,022,833                  | 636,480              | 606,973              | 4,166,286         |
| <b>V Bansal<sup>(e)</sup></b>       | <b>2024</b> | <b>1,500,000</b>   | <b>1,125,000</b>           | <b>4,132,617</b>     | <b>2,839,636</b>     | <b>9,597,253</b>  |
| CEO, Boral                          | 2023        | 1,095,740          | 752,794                    | –                    | –                    | 1,848,534         |
| <b>G Bhalla</b>                     | <b>2024</b> | <b>700,000</b>     | <b>312,559</b>             | <b>259,916</b>       | <b>–</b>             | <b>1,272,475</b>  |
| CPO                                 | 2023        | 700,000            | 277,519                    | 168,081              | 152,353              | 1,297,953         |
| <b>R Cotterill<sup>(f)</sup></b>    | <b>2024</b> | <b>650,000</b>     | <b>74,035</b>              | <b>–</b>             | <b>–</b>             | <b>724,035</b>    |
| COO                                 | 2023        | –                  | –                          | –                    | –                    | –                 |
| <b>JE Croome</b>                    | <b>2024</b> | <b>1,200,000</b>   | <b>564,000</b>             | <b>448,279</b>       | <b>–</b>             | <b>2,212,279</b>  |
| CE, WesTrac                         | 2023        | 1,200,000          | 428,962                    | 469,374              | 347,737              | 2,446,073         |
| <b>RJ Richards</b>                  | <b>2024</b> | <b>1,200,000</b>   | <b>541,350</b>             | <b>607,094</b>       | <b>–</b>             | <b>2,348,444</b>  |
| CFO                                 | 2023        | 1,200,000          | 484,500                    | 393,423              | 379,356              | 2,457,279         |
| <b>MJ Vitlich</b>                   | <b>2024</b> | <b>1,000,000</b>   | <b>333,750</b>             | <b>329,204</b>       | <b>–</b>             | <b>1,662,954</b>  |
| CE, Coates                          | 2023        | 1,000,000          | 432,250                    | 188,847              | 260,807              | 1,881,904         |
| <b>Total Current KMP Executives</b> | <b>2024</b> | <b>8,150,000</b>   | <b>4,093,544</b>           | <b>6,780,731</b>     | <b>2,839,636</b>     | <b>21,863,911</b> |
|                                     | 2023        | 7,095,740          | 3,398,858                  | 1,856,205            | 1,747,226            | 14,098,029        |
| <b>Former KMP Executive</b>         |             |                    |                            |                      |                      |                   |
| <b>JN Goth<sup>(g)</sup></b>        | <b>2024</b> | <b>850,000</b>     | <b>–</b>                   | <b>356,375</b>       | <b>–</b>             | <b>1,206,375</b>  |
| COO                                 | 2023        | 800,000            | 309,400                    | 63,798               | –                    | 1,173,198         |

(a) Fixed Rem is the annual contracted remuneration that includes base salary, superannuation and any amounts salary sacrificed unless otherwise stated.

(b) The STI Cash is for the year it has been earned, which is paid in the following year.

(c) STI vesting in FY24 is for the FY21 deferred share rights which had holding restrictions lifted on 18 August 2023 (share price of \$26.6389). For Mr Richards the holding restriction lifted 10 July 2023 (share price of \$23.439 was used to determine the vested value). For Mr Bansal his STI vesting in FY24 reflects the vesting of Boral deferred STI and Sign-on awards on 4 June 2024 based on Boral 5-day VWAP of \$5.7807. Refer also to Section 3.

(d) No SGH LTI vested in FY24 as the FY20 LTI plan rTSR threshold for vesting was not met. For Mr Bansal his LTI vesting in FY24 reflects the two-thirds vesting of the FY23 Boral LTI and one-third vesting of the FY24 Boral LTI on 4 June 2024 (based on the 5-day Boral VWAP of \$5.7807). Refer also to Section 3.

(e) Fixed Rem for Mr Bansal in 2023 is from 10 October 2022 to 30 June 2023.

(f) Mr Cotterill commenced as Chief Operating Officer and KMP on 18 March 2024. Fixed Rem reported represents the full year equivalent.

(g) Mr Goth ceased as Chief Operating Officer and KMP on 8 March 2024. Fixed Rem reported represents the full year equivalent.

# Remuneration Report

## B. Remuneration earned by KMP Executives in FY24 (statutory disclosures)

The following table sets out the audited remuneration details for the KMP Executives for the year ended 30 June 2024, calculated in accordance with statutory accounting requirements.

| KMP Executive                       | Year        | Salary & Fees \$ | STI Cash Bonus \$ | Non-monetary benefits \$ <sup>(a)</sup> | Superannuation benefits \$ | Termination Benefits \$ | Long service & annual leave \$ | Deferred Incentives \$ | Performance rights \$ | Deferred shares/ share rights \$ | Cash settled employee expense \$ <sup>(b)</sup> | Cash settled equity – re-fair value \$ <sup>(c)</sup> | Performance related remuneration % |
|-------------------------------------|-------------|------------------|-------------------|-----------------------------------------|----------------------------|-------------------------|--------------------------------|------------------------|-----------------------|----------------------------------|-------------------------------------------------|-------------------------------------------------------|------------------------------------|
| <b>RK Stokes AO</b>                 | <b>2024</b> | <b>1,900,000</b> | <b>1,142,850</b>  | <b>23,872</b>                           | <b>-</b>                   | <b>-</b>                | <b>177,825</b>                 | <b>-</b>               | <b>-</b>              | <b>1,385,252</b>                 | <b>1,183,436</b>                                | <b>5,875,967</b>                                      | <b>82%</b>                         |
| MD&CEO                              | 2023        | 1,900,000        | 1,022,833         | 23,792                                  | -                          | -                       | 112,736                        | -                      | -                     | 1,055,611                        | 1,133,191                                       | 2,781,219                                             | 75%                                |
| <b>V Bansal<sup>(d)</sup></b>       | <b>2024</b> | <b>1,451,884</b> | <b>1,125,000</b>  | <b>-</b>                                | <b>48,116</b>              | <b>-</b>                | <b>82,066</b>                  | <b>-</b>               | <b>1,367,542</b>      | <b>2,412,128</b>                 | <b>-</b>                                        | <b>-</b>                                              | <b>76%</b>                         |
| CEO, Boral                          | 2023        | 1,125,296        | 752,794           | -                                       | 18,969                     | -                       | 17,695                         | -                      | 240,312               | 418,000                          | -                                               | -                                                     | 55%                                |
| <b>G Bhalla</b>                     | <b>2024</b> | <b>667,605</b>   | <b>312,559</b>    | <b>18,488</b>                           | <b>27,399</b>              | <b>-</b>                | <b>12,395</b>                  | <b>-</b>               | <b>317,700</b>        | <b>370,285</b>                   | <b>-</b>                                        | <b>-</b>                                              | <b>58%</b>                         |
| CFO                                 | 2023        | 653,708          | 277,519           | 18,452                                  | 28,949                     | -                       | 45,427                         | -                      | 294,710               | 276,620                          | -                                               | 17,831                                                | 54%                                |
| <b>RB Cotterill<sup>(e)</sup></b>   | <b>2024</b> | <b>181,444</b>   | <b>74,035</b>     | <b>3,373</b>                            | <b>6,850</b>               | <b>-</b>                | <b>14,423</b>                  | <b>-</b>               | <b>38,843</b>         | <b>14,807</b>                    | <b>-</b>                                        | <b>-</b>                                              | <b>38%</b>                         |
| COO                                 | 2023        | -                | -                 | -                                       | -                          | -                       | -                              | -                      | -                     | -                                | -                                               | -                                                     | -                                  |
| <b>JE Croome</b>                    | <b>2024</b> | <b>1,172,601</b> | <b>564,000</b>    | <b>24,934</b>                           | <b>27,399</b>              | <b>-</b>                | <b>88,064</b>                  | <b>-</b>               | <b>546,033</b>        | <b>1,018,728</b>                 | <b>-</b>                                        | <b>-</b>                                              | <b>62%</b>                         |
| CE, Westrac                         | 2023        | 1,169,773        | 428,962           | -                                       | 30,227                     | -                       | 46,522                         | -                      | 538,702               | 746,503                          | -                                               | -                                                     | 58%                                |
| <b>RJ Richards</b>                  | <b>2024</b> | <b>1,172,601</b> | <b>541,350</b>    | <b>13,492</b>                           | <b>27,399</b>              | <b>-</b>                | <b>84,614</b>                  | <b>-</b>               | <b>672,691</b>        | <b>656,476</b>                   | <b>-</b>                                        | <b>-</b>                                              | <b>59%</b>                         |
| CFO                                 | 2023        | 1,174,708        | 484,500           | 13,452                                  | 25,292                     | -                       | 66,587                         | -                      | 641,807               | 552,033                          | -                                               | -                                                     | 57%                                |
| <b>MJ Vitlich</b>                   | <b>2024</b> | <b>972,601</b>   | <b>333,750</b>    | <b>14,050</b>                           | <b>27,399</b>              | <b>-</b>                | <b>(2,436)</b>                 | <b>-</b>               | <b>452,604</b>        | <b>509,322</b>                   | <b>-</b>                                        | <b>-</b>                                              | <b>56%</b>                         |
| CE, Coates                          | 2023        | 974,708          | 432,250           | -                                       | 25,292                     | -                       | (2,565)                        | -                      | 443,424               | 421,758                          | -                                               | -                                                     | 57%                                |
| <b>Total Current KMP Executives</b> | <b>2024</b> | <b>7,518,736</b> | <b>4,093,544</b>  | <b>98,209</b>                           | <b>164,562</b>             | <b>-</b>                | <b>456,951</b>                 | <b>-</b>               | <b>3,395,413</b>      | <b>6,366,998</b>                 | <b>1,183,436</b>                                | <b>5,875,967</b>                                      | <b>29,153,816</b>                  |
|                                     | 2023        | 6,998,193        | 3,398,858         | 55,696                                  | 128,729                    | -                       | 286,402                        | -                      | 2,158,955             | 3,470,525                        | 1,133,191                                       | 2,799,050                                             | 20,429,599                         |
| <b>Former KMP Executive</b>         |             |                  |                   |                                         |                            |                         |                                |                        |                       |                                  |                                                 |                                                       |                                    |
| <b>JN Goth<sup>(f)</sup></b>        | <b>2024</b> | <b>496,533</b>   | <b>-</b>          | <b>19,955</b>                           | <b>20,549</b>              | <b>-</b>                | <b>(31,244)</b>                | <b>-</b>               | <b>(1,170)</b>        | <b>245,094</b>                   | <b>-</b>                                        | <b>-</b>                                              | <b>33%</b>                         |
| COO                                 | 2023        | 774,708          | 309,400           | 13,452                                  | 25,292                     | -                       | (5,917)                        | -                      | 381,099               | 330,944                          | -                                               | -                                                     | 56%                                |

(a) Non-monetary benefits include costs relating to Company events and the associated fringe benefits tax.

(b) These values have been calculated under accounting standards. The values may not represent the future value that the KMP Executive will receive, as the vesting of the performance rights and cash-settled equity is subject to the Company achieving pre-defined performance hurdles.

(c) Under AASB 2: Share Based Payments, the fair value of cash settled equity awards is re-measured each reporting period. The movement in the fair value of the cash settled equity awards is driven by the movement in share price since grant date. As a result, the fair value of the cash settled equity awards for Mr RK Stokes AO increased by \$5,875,967. If the awards had been equity settled, the total remuneration reflected in the remuneration table would be \$5,813,235 compared to \$11,689,202.

(d) Mr Bansal's 2024 performance rights and deferred share rights expense includes the expense related to the full and partial vesting of Boral issued equity as outlined in Section 3. The 2023 remuneration is included from date of his appointment being 10 October 2022.

(e) Mr Cotterill commenced as Chief Operating Officer on 18 March 2024.

(f) Mr Goth ceased as Chief Operating Officer and KMP on 8 March 2024.

### C. Remuneration for Non-Executive Directors in FY24

The following table sets out the audited remuneration details for the Non-Executive Directors for the year ended 30 June 2024, calculated in accordance with statutory accounting requirements.

| Non-Executive Director               | Year        | Salary & fees<br>\$ | Non-monetary<br>benefits<br>\$ | Super-annuation<br>benefits<br>\$ | Total<br>\$      |
|--------------------------------------|-------------|---------------------|--------------------------------|-----------------------------------|------------------|
| <b>TJ Davis</b>                      | <b>2024</b> | <b>471,351</b>      | <b>–</b>                       | <b>27,399</b>                     | <b>498,750</b>   |
| Chairman                             | 2023        | 449,708             | –                              | 25,292                            | 475,000          |
| <b>RH Argaman OAM</b>                | <b>2024</b> | <b>188,288</b>      | <b>–</b>                       | <b>20,712</b>                     | <b>209,000</b>   |
| Non-Executive Director               | 2023        | 180,995             | –                              | 19,005                            | 200,000          |
| <b>SA Chaplain AM</b>                | <b>2024</b> | <b>289,000</b>      | <b>–</b>                       | <b>–</b>                          | <b>289,000</b>   |
| Non-Executive Director               | 2023        | 270,687             | –                              | 12,646                            | 283,333          |
| <b>KL Farrar</b>                     | <b>2024</b> | <b>242,342</b>      | <b>–</b>                       | <b>26,658</b>                     | <b>269,000</b>   |
| Non-Executive Director               | 2023        | 229,321             | –                              | 24,012                            | 253,333          |
| <b>CJ Mackay</b>                     | <b>2024</b> | <b>223,327</b>      | <b>–</b>                       | <b>5,673</b>                      | <b>229,000</b>   |
| Non-Executive Director               | 2023        | 203,039             | –                              | 10,294                            | 213,333          |
| <b>DI McEvoy</b>                     | <b>2024</b> | <b>206,306</b>      | <b>–</b>                       | <b>22,694</b>                     | <b>229,000</b>   |
| Non-Executive Director               | 2023        | 193,062             | –                              | 20,271                            | 213,333          |
| <b>WL Smith AO</b>                   | <b>2024</b> | <b>249,000</b>      | <b>–</b>                       | <b>–</b>                          | <b>249,000</b>   |
| Non-Executive Director               | 2023        | 219,072             | –                              | 10,928                            | 230,000          |
| <b>RA Uechtritz</b>                  | <b>2024</b> | <b>188,288</b>      | <b>–</b>                       | <b>20,712</b>                     | <b>209,000</b>   |
| Non-Executive Director               | 2023        | 184,012             | –                              | 19,321                            | 203,333          |
| <b>Total Non-Executive Directors</b> | <b>2024</b> | <b>2,057,902</b>    | <b>–</b>                       | <b>123,848</b>                    | <b>2,181,750</b> |
|                                      | 2023        | 1,929,896           | –                              | 141,769                           | 2,071,665        |

End of audited Remuneration Report

# Directors' Report

## Indemnity

The Constitution of the Company provides an indemnity to any current or former Director and secretary of the Company against any liabilities incurred by that person, or arising out of, the discharge of duties as an officer of the Company or the conduct of the business of the Company, including associated legal costs defending any proceedings relating to that person's position with the Company in specified circumstances.

As permitted by the Constitution of the Company, the Company has entered into deeds of access, insurance and indemnity with each Director as at the end of the financial year.

No amounts were paid and no actions taken pursuant to these indemnities during the year.

## Insurance Premiums

The Company has paid insurance premiums in respect of a directors' and officers' liability insurance contract insuring against certain liabilities (subject to exclusions) of all current and former officers of the Company and its subsidiaries, including all Directors named in this report, the Company Secretary and all persons concerned in, or taking part in the management of, the Company and its controlled entities, and former Directors and officers who have retired or relinquished their positions.

The insurance policies prohibit disclosure of the premiums paid in respect of those policies and the nature of the liabilities insured by the policies.

## Non-Audit Services

During the year Deloitte Touche Tohmatsu, the Company's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and, in accordance with the advice received from the Audit & Risk Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Board in terms of the Company's formal Auditor Independence Policy to ensure that they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 95.

Amounts paid or payable by SGH to the auditor, Deloitte Touche Tohmatsu, for non-audit services provided during the year are set out in Note 33 to the Financial Report.

## Rounding Off

The Company is of a kind referred to in ASIC Instrument 2016/191 and in accordance with that Instrument, amounts in the Directors' Report and consolidated financial statements have been rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars.

Signed for and on behalf of the Board of Directors and in accordance with a resolution of the Directors.



**Terry James Davis**  
Chairman



**Sally Annabelle Chaplain AM**  
Chair of the Audit & Risk Committee

Sydney  
14 August 2024



Deloitte Touche Tohmatsu  
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14 August 2024

The Board of Directors  
Seven Group Holdings Limited  
Level 30, 175 Liverpool Street  
Sydney NSW 2000

Dear Board Members

**Auditor's Independence Declaration to Seven Group Holdings Limited**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Seven Group Holdings Limited.

As lead audit partner for the audit of the financial report of Seven Group Holdings Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

Yours faithfully

A stylized, handwritten signature in black ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A stylized, handwritten signature in black ink that appears to read "H. Fortescue".

H Fortescue  
Partner  
Chartered Accountants

# Financial Report

|                                                                                |     |                                                 |            |
|--------------------------------------------------------------------------------|-----|-------------------------------------------------|------------|
| <b>Consolidated Statement of Profit or Loss and Other Comprehensive Income</b> | 97  | <b>Financial Assets and Liabilities</b>         |            |
| <b>Consolidated Statement of Financial Position</b>                            | 98  | 21 Financial risk management                    | 134        |
| <b>Consolidated Statement of Changes in Equity</b>                             | 99  | 22 Derivative financial instruments             | 142        |
| <b>Consolidated Cash Flow Statement</b>                                        | 100 | <b>Capital Structure</b>                        |            |
| <b>Notes to the Financial Statements</b>                                       | 101 | 23 Capital                                      | 146        |
| <b>Basis of Preparation</b>                                                    |     | 24 Reserves                                     | 147        |
| 1 Basis of preparation                                                         | 101 | 25 Dividends                                    | 148        |
| <b>Results for the Year</b>                                                    |     | <b>Unrecognised Items</b>                       |            |
| 2 Operating segments                                                           | 103 | 26 Contingent liabilities                       | 149        |
| 3 Significant items                                                            | 106 | 27 Commitments                                  | 150        |
| 4 Revenue and expenditure                                                      | 107 | 28 Events subsequent to balance date            | 150        |
| 5 Net finance expense                                                          | 108 | <b>Group Structure</b>                          |            |
| 6 Income tax                                                                   | 109 | 29 Parent entity disclosures                    | 151        |
| 7 Earnings per share                                                           | 111 | 30 Controlled entities                          | 152        |
| <b>Operating Assets and Liabilities</b>                                        |     | 31 Disposal of businesses                       | 157        |
| 8 Trade and other receivables and Contract assets                              | 112 | <b>Other</b>                                    |            |
| 9 Trade and other payables                                                     | 112 | 32 Related party disclosures                    | 158        |
| 10 Inventories                                                                 | 113 | 33 Auditor's remuneration                       | 159        |
| 11 Investments accounted for using the equity method                           | 113 | <b>Consolidated Entity Disclosure Statement</b> | 159        |
| 12 Right of use assets and Lease liabilities                                   | 117 | <b>Directors' Declaration</b>                   | 162        |
| 13 Property, plant and equipment                                               | 119 | <b>Independent Auditor's Report</b>             | 163        |
| 14 Producing and development assets                                            | 120 | <b>Shareholder Information</b>                  | 168        |
| 15 Intangible assets                                                           | 123 | <b>Investor Information</b>                     | 169        |
| 16 Provisions                                                                  | 125 | <b>Company Information</b>                      | 169        |
| 17 Employee benefits                                                           | 127 | <b>Corporate Directory</b>                      | Back cover |
| <b>Cash Management</b>                                                         |     |                                                 |            |
| 18 Cash and cash equivalents                                                   | 131 |                                                 |            |
| 19 Notes to the cash flow statement                                            | 131 |                                                 |            |
| 20 Interest bearing loans and borrowings                                       | 132 |                                                 |            |

# Primary Statements

## Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2024

|                                                                                               | Note | 2024<br>\$m    | 2023<br>\$m    |
|-----------------------------------------------------------------------------------------------|------|----------------|----------------|
| <b>CONTINUING OPERATIONS</b>                                                                  |      |                |                |
| Revenue                                                                                       | 4    | 10,617.5       | 9,626.5        |
| Other income                                                                                  |      | 35.1           | 41.4           |
| Share of results from equity accounted investees                                              | 11   | (118.2)        | 199.6          |
| Net gain on disposal of controlled entities                                                   | 31   | 76.3           | –              |
| Impairment of equity accounted investees                                                      | 3    | (135.3)        | (75.9)         |
| Expenses excluding depreciation and amortisation                                              | 4    | (8,902.0)      | (8,139.0)      |
| <b>Profit before depreciation, amortisation, net finance expense and income tax</b>           |      | <b>1,573.4</b> | <b>1,652.6</b> |
| Depreciation and amortisation                                                                 |      | (505.4)        | (511.6)        |
| <b>Profit before net finance expense and income tax</b>                                       |      | <b>1,068.0</b> | <b>1,141.0</b> |
| Finance income                                                                                | 5    | 40.3           | 23.2           |
| Finance expense                                                                               | 5    | (342.5)        | (298.0)        |
| <b>Net finance expense</b>                                                                    |      | <b>(302.2)</b> | <b>(274.8)</b> |
| <b>Profit before income tax</b>                                                               |      | <b>765.8</b>   | <b>866.2</b>   |
| Income tax expense                                                                            | 6    | (243.7)        | (209.8)        |
| <b>Profit for the year from continuing operations</b>                                         |      | <b>522.1</b>   | <b>656.4</b>   |
| Loss for the year from discontinued operations                                                | 31   | –              | (9.9)          |
| <b>Profit for the year</b>                                                                    |      | <b>522.1</b>   | <b>646.5</b>   |
| <b>Profit for the year attributable to:</b>                                                   |      |                |                |
| Equity holders of the Company                                                                 |      | 464.4          | 596.6          |
| Non-controlling interest                                                                      |      | 57.7           | 49.9           |
| <b>Profit for the year</b>                                                                    |      | <b>522.1</b>   | <b>646.5</b>   |
| <b>Other comprehensive income</b>                                                             |      |                |                |
| <b>Items that will not be reclassified subsequently to profit or loss</b>                     |      |                |                |
| Net change in fair value of financial assets at fair value through other comprehensive income |      | (17.4)         | (8.0)          |
| Income tax relating to items that will not be reclassified subsequently to profit or loss     |      | 4.4            | (5.0)          |
| <b>Total items that will not be reclassified subsequently to profit or loss</b>               |      | <b>(13.0)</b>  | <b>(13.0)</b>  |
| <b>Items that may be reclassified subsequently to profit or loss</b>                          |      |                |                |
| Cash flow hedges: effective portion of changes in fair value                                  |      | (9.9)          | (40.9)         |
| Foreign currency differences for foreign operations                                           | 24   | (0.5)          | 1.9            |
| Foreign currency translation reserve transferred to profit or loss                            | 24   | (13.6)         | –              |
| Income tax relating to items that may be reclassified subsequently to profit or loss          |      | 3.9            | 12.2           |
| <b>Total items that may be reclassified subsequently to profit or loss</b>                    |      | <b>(20.1)</b>  | <b>(26.8)</b>  |
| <b>Total comprehensive income for the year</b>                                                |      | <b>489.0</b>   | <b>606.7</b>   |
| <b>Total comprehensive income for the year attributable to:</b>                               |      |                |                |
| Equity holders of the Company                                                                 |      | 431.5          | 561.6          |
| Non-controlling interest                                                                      |      | 57.5           | 45.1           |
| <b>Total comprehensive income for the year</b>                                                |      | <b>489.0</b>   | <b>606.7</b>   |
| <b>Statutory earnings per share (EPS)</b>                                                     |      | <b>\$</b>      | <b>\$</b>      |
| <b>From continuing operations</b>                                                             |      |                |                |
| Basic earnings per share                                                                      | 7    | 1.26           | 1.66           |
| Diluted earnings per share                                                                    | 7    | 1.23           | 1.65           |
| <b>From continuing and discontinued operations</b>                                            |      |                |                |
| Basic earnings per share                                                                      | 7    | 1.26           | 1.64           |
| Diluted earnings per share                                                                    | 7    | 1.23           | 1.63           |

The Consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

# Primary Statements

## Consolidated Statement of Financial Position As at 30 June 2024

|                                                                   | Note | 2024<br>\$m     | 2023<br>\$m     |
|-------------------------------------------------------------------|------|-----------------|-----------------|
| <b>Current assets</b>                                             |      |                 |                 |
| Cash and cash equivalents                                         | 18   | 654.3           | 876.5           |
| Trade and other receivables                                       | 8    | 1,320.1         | 1,455.7         |
| Contract assets                                                   | 8    | 201.1           | 173.6           |
| Inventories                                                       | 10   | 1,991.1         | 1,501.0         |
| Current tax assets                                                |      | 15.4            | 25.6            |
| Other current assets                                              |      | 151.0           | 189.7           |
| Derivative financial instruments                                  | 22   | 8.4             | 37.7            |
| Assets classified as held for sale                                |      | 7.3             | 3.2             |
| <b>Total current assets</b>                                       |      | <b>4,348.7</b>  | <b>4,263.0</b>  |
| <b>Non-current assets</b>                                         |      |                 |                 |
| Other receivables                                                 | 8    | 3.5             | 20.0            |
| Inventories                                                       | 10   | 346.8           | 345.7           |
| Investments accounted for using the equity method                 | 11   | 1,325.5         | 1,701.3         |
| Other financial assets                                            |      | 66.1            | 96.2            |
| Right of use assets                                               | 12   | 706.7           | 711.8           |
| Property, plant and equipment                                     | 13   | 3,642.1         | 3,497.9         |
| Producing and development assets                                  | 14   | 627.7           | 476.5           |
| Intangible assets                                                 | 15   | 2,220.4         | 2,222.2         |
| Deferred tax assets                                               | 6    | 137.3           | 108.8           |
| Other non-current assets                                          |      | 37.2            | 36.1            |
| Derivative financial instruments                                  | 22   | 142.1           | 150.4           |
| <b>Total non-current assets</b>                                   |      | <b>9,255.4</b>  | <b>9,366.9</b>  |
| <b>Total assets</b>                                               |      | <b>13,604.1</b> | <b>13,629.9</b> |
| <b>Current liabilities</b>                                        |      |                 |                 |
| Trade and other payables                                          | 9    | 1,459.7         | 1,124.6         |
| Lease liabilities                                                 | 12   | 73.9            | 71.3            |
| Interest bearing loans and borrowings                             | 20   | 701.6           | 450.4           |
| Deferred income                                                   | 4    | 519.3           | 555.1           |
| Current tax liability                                             |      | 83.2            | 25.2            |
| Provisions                                                        | 16   | 187.6           | 101.8           |
| Employee benefits                                                 | 17   | 200.0           | 199.5           |
| Derivative financial instruments                                  | 22   | 3.0             | 7.6             |
| <b>Total current liabilities</b>                                  |      | <b>3,228.3</b>  | <b>2,535.5</b>  |
| <b>Non-current liabilities</b>                                    |      |                 |                 |
| Other payables                                                    |      | 7.9             | 2.0             |
| Lease liabilities                                                 | 12   | 916.2           | 913.2           |
| Interest bearing loans and borrowings                             | 20   | 4,284.9         | 4,442.8         |
| Deferred tax liabilities                                          | 6    | 525.2           | 572.0           |
| Provisions                                                        | 16   | 439.4           | 470.3           |
| Employee benefits                                                 | 17   | 16.4            | 17.4            |
| Derivative financial instruments                                  | 22   | 67.9            | 61.4            |
| <b>Total non-current liabilities</b>                              |      | <b>6,257.9</b>  | <b>6,479.1</b>  |
| <b>Total liabilities</b>                                          |      | <b>9,486.2</b>  | <b>9,014.6</b>  |
| <b>Net assets</b>                                                 |      | <b>4,117.9</b>  | <b>4,615.3</b>  |
| <b>Equity</b>                                                     |      |                 |                 |
| Contributed equity                                                | 23   | 4,762.4         | 3,375.3         |
| Reserves                                                          | 24   | (3,031.3)       | (1,526.6)       |
| Retained earnings                                                 |      | 2,358.4         | 2,061.6         |
| <b>Total equity attributable to equity holders of the Company</b> |      | <b>4,089.5</b>  | <b>3,910.3</b>  |
| Non-controlling interest                                          |      | 28.4            | 705.0           |
| <b>Total equity</b>                                               |      | <b>4,117.9</b>  | <b>4,615.3</b>  |

The Consolidated statement of financial position is to be read in conjunction with the notes to the financial statements.

## Consolidated Statement of Changes in Equity For the year ended 30 June 2024

|                                                                                              |  | Contributed<br>equity<br>\$m | Reserves<br>\$m | Retained<br>earnings<br>\$m | Total<br>\$m | Non-<br>controlling<br>interest<br>\$m | Total<br>equity<br>\$m |         |
|----------------------------------------------------------------------------------------------|--|------------------------------|-----------------|-----------------------------|--------------|----------------------------------------|------------------------|---------|
| YEAR ENDED 30 JUNE 2024                                                                      |  | Note                         |                 |                             |              |                                        |                        |         |
| Balance as at 1 July 2023                                                                    |  |                              | 3,375.3         | (1,526.6)                   | 2,061.6      | 3,910.3                                | 705.0                  | 4,615.3 |
| Profit for the year                                                                          |  |                              | –               | –                           | 464.4        | 464.4                                  | 57.7                   | 522.1   |
| Net change in fair value of financial assets<br>measured at fair value through OCI           |  | 24                           | –               | (17.4)                      | –            | (17.4)                                 | –                      | (17.4)  |
| Cash flow hedges: effective portion of<br>changes in fair value                              |  | 24                           | –               | (9.6)                       | –            | (9.6)                                  | (0.3)                  | (9.9)   |
| Foreign currency differences for<br>foreign operations                                       |  | 24                           | –               | (0.5)                       | –            | (0.5)                                  | –                      | (0.5)   |
| Recycling of foreign currency translation                                                    |  | 24                           | –               | (13.6)                      | –            | (13.6)                                 | –                      | (13.6)  |
| Income tax on items of OCI                                                                   |  | 24                           | –               | 8.2                         | –            | 8.2                                    | 0.1                    | 8.3     |
| Total comprehensive income for the year                                                      |  |                              | –               | (32.9)                      | 464.4        | 431.5                                  | 57.5                   | 489.0   |
| Transactions with owners recognised<br>directly in equity                                    |  |                              |                 |                             |              |                                        |                        |         |
| Dividends paid                                                                               |  | 25                           | –               | –                           | (167.6)      | (167.6)                                | (67.5)                 | (235.1) |
| Shares issued from convertible notes                                                         |  | 23                           | 44.7            | –                           | –            | 44.7                                   | –                      | 44.7    |
| Non-controlling interest on partial disposal of<br>controlled entity without loss of control |  |                              | –               | 24.1                        | –            | 24.1                                   | 30.2                   | 54.3    |
| Acquisition of non-controlling interest                                                      |  |                              | 1,371.5         | (1,475.5)                   | –            | (104.0)                                | (693.3)                | (797.3) |
| Share based payments from controlled entity                                                  |  |                              | –               | (18.0)                      | –            | (18.0)                                 | (3.5)                  | (21.5)  |
| Treasury shares acquired                                                                     |  | 23                           | (40.8)          | –                           | –            | (40.8)                                 | –                      | (40.8)  |
| Shares vested and transferred to employees                                                   |  | 23                           | 11.7            | (11.7)                      | –            | –                                      | –                      | –       |
| Share based payments                                                                         |  |                              | –               | 9.3                         | –            | 9.3                                    | –                      | 9.3     |
| Total contributions by and distributions<br>to owners                                        |  |                              | 1,387.1         | (1,471.8)                   | (167.6)      | (252.3)                                | (734.1)                | (986.4) |
| Total movement in equity for the year                                                        |  |                              | 1,387.1         | (1,504.7)                   | 296.8        | 179.2                                  | (676.6)                | (497.4) |
| Balance as at 30 June 2024                                                                   |  |                              | 4,762.4         | (3,031.3)                   | 2,358.4      | 4,089.5                                | 28.4                   | 4,117.9 |
| YEAR ENDED 30 JUNE 2023                                                                      |  |                              |                 |                             |              |                                        |                        |         |
| Balance as at 1 July 2022                                                                    |  |                              | 3,410.5         | (1,495.8)                   | 1,634.8      | 3,549.5                                | 734.2                  | 4,283.7 |
| Effect of accounting policy change                                                           |  |                              | –               | –                           | (2.7)        | (2.7)                                  | –                      | (2.7)   |
| Adjusted balance as at 1 July 2022                                                           |  |                              | 3,410.5         | (1,495.8)                   | 1,634.8      | 3,546.8                                | 734.2                  | 4,281.0 |
| Profit for the year                                                                          |  |                              | –               | –                           | 596.6        | 596.6                                  | 49.9                   | 646.5   |
| Net change in fair value of financial assets<br>measured at fair value through OCI           |  | 24                           | –               | (8.4)                       | –            | (8.4)                                  | 0.4                    | (8.0)   |
| Cash flow hedges: effective portion of<br>changes in fair value                              |  | 23                           | –               | (33.6)                      | –            | (33.6)                                 | (7.3)                  | (40.9)  |
| Foreign currency differences for<br>foreign operations                                       |  | 23                           | –               | 1.9                         | –            | 1.9                                    | –                      | 1.9     |
| Income tax on items of OCI                                                                   |  | 23                           | –               | 5.1                         | –            | 5.1                                    | 2.1                    | 7.2     |
| Total comprehensive income for the year                                                      |  |                              | –               | (35.0)                      | 596.6        | 561.6                                  | 45.1                   | 606.7   |
| Transactions with owners recognised<br>directly in equity                                    |  |                              |                 |                             |              |                                        |                        |         |
| Dividends paid                                                                               |  | 25                           | –               | –                           | (167.1)      | (167.1)                                | (3.2)                  | (170.3) |
| Acquisition of non-controlling interest                                                      |  |                              | –               | (24.9)                      | –            | (24.9)                                 | (71.1)                 | (96.0)  |
| Recognition of exchangeable bond                                                             |  |                              | –               | 22.7                        | –            | 22.7                                   | –                      | 22.7    |
| Repurchase of convertible notes                                                              |  |                              | (27.5)          | (0.2)                       | –            | (27.7)                                 | –                      | (27.7)  |
| Treasury shares acquired                                                                     |  | 23                           | (11.1)          | –                           | –            | (11.1)                                 | –                      | (11.1)  |
| Shares vested and transferred to employees                                                   |  | 23                           | 3.4             | (3.4)                       | –            | –                                      | –                      | –       |
| Share based payments                                                                         |  |                              | –               | 10.0                        | –            | 10.0                                   | –                      | 10.0    |
| Total contributions by and distributions<br>to owners                                        |  |                              | (35.2)          | 4.2                         | (167.1)      | (198.1)                                | (74.3)                 | (272.4) |
| Total movement in equity for the year                                                        |  |                              | (35.2)          | (30.8)                      | 429.5        | 363.5                                  | (29.2)                 | 334.3   |
| Balance as at 30 June 2023                                                                   |  |                              | 3,375.3         | (1,526.6)                   | 2,061.6      | 3,910.3                                | 705.0                  | 4,615.3 |

The Consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

# Primary Statements

## Consolidated Cash Flow Statement For the year ended 30 June 2024

|                                                                                       | Note | 2024<br>\$m    | 2023<br>\$m      |
|---------------------------------------------------------------------------------------|------|----------------|------------------|
| <b>Cash flows related to operating activities</b>                                     |      |                |                  |
| Receipts from customers                                                               |      | 11,569.6       | 10,663.7         |
| Payments to suppliers and employees                                                   |      | (10,299.5)     | (9,142.1)        |
| Dividends and distributions received from equity accounted investees                  | 11   | 38.3           | 44.8             |
| Other dividends received                                                              |      | 2.9            | 4.0              |
| Interest and other items of a similar nature received                                 |      | 40.1           | 22.3             |
| Interest and other costs of finance paid                                              |      | (294.7)        | (280.4)          |
| Income taxes paid                                                                     |      | (235.7)        | (84.0)           |
| Restructure and transaction costs paid                                                |      | (12.8)         | (34.7)           |
| <b>Net operating cash flows</b>                                                       | 19   | <b>808.2</b>   | <b>1,193.6</b>   |
| <b>Cash flows related to investing activities</b>                                     |      |                |                  |
| Payments for purchases of property, plant and equipment                               |      | (525.7)        | (498.2)          |
| Proceeds from sale of property, plant and equipment                                   |      | 40.7           | 37.7             |
| Payments for purchase of intangible assets                                            |      | (2.6)          | (2.3)            |
| Payment for production and development expenditure                                    |      | (146.7)        | (103.3)          |
| Payments for other investments                                                        |      | (0.2)          | (0.5)            |
| Proceeds from sale of other financial assets                                          |      | 5.4            | 54.4             |
| Return of capital from investment in equity accounted investee                        |      | –              | 13.9             |
| Proceeds from sale of controlled entities, net of cash disposed and transaction costs | 31   | 152.4          | 14.5             |
| Acquisition of controlled entities, net of cash acquired                              |      | (45.2)         | –                |
| Acquisition of equity accounted investees                                             |      | –              | (45.1)           |
| Proceeds from partial disposal of controlled entity without loss of control           | 31   | 54.3           | –                |
| <b>Net investing cash flows</b>                                                       |      | <b>(467.6)</b> | <b>(528.9)</b>   |
| <b>Cash flows related to financing activities</b>                                     |      |                |                  |
| Payments for issue of shares                                                          |      | (0.1)          | –                |
| Ordinary dividends paid - SGH                                                         | 25   | (167.6)        | (167.1)          |
| Acquisition of non-controlling interest                                               |      | (606.8)        | –                |
| Dividend paid to non-controlling interest - Boral and SiTech                          |      | (67.5)         | (3.2)            |
| Proceeds from borrowings                                                              |      | 3,141.3        | 1,439.7          |
| Repayment of borrowings                                                               |      | (2,696.9)      | (2,387.9)        |
| Proceeds from exchangeable bond                                                       |      | –              | 135.7            |
| Repayment of lease liabilities                                                        |      | (90.3)         | (85.1)           |
| Repurchase of Boral shares for Boral employee share plans                             |      | (34.3)         | –                |
| Purchase of treasury shares                                                           | 23   | (40.8)         | (11.1)           |
| <b>Net financing cash flows</b>                                                       |      | <b>(563.0)</b> | <b>(1,079.0)</b> |
| <b>Net decrease in cash and cash equivalents</b>                                      |      | <b>(222.4)</b> | <b>(414.3)</b>   |
| Cash and cash equivalents at beginning of the year                                    |      | 876.5          | 1,254.6          |
| Effect of exchange rate changes on cash and cash equivalents                          |      | 0.2            | 36.2             |
| <b>Cash and cash equivalents at end of the year</b>                                   | 18   | <b>654.3</b>   | <b>876.5</b>     |

The Consolidated cash flow statement is to be read in conjunction with the notes to the financial statements.

# Basis of Preparation

## 1. Basis of Preparation

Seven Group Holdings Limited (the Company) is a for profit company limited by shares and the shares are publicly traded on the Australian Securities Exchange (ASX). The Company is domiciled in Australia. These consolidated financial statements are in respect of the year ended 30 June 2024 and comprise the Company and its subsidiaries (together referred to as SGH) and SGH's interest in equity accounted investees.

The financial report was authorised for issue in accordance with a resolution of the Directors on 14 August 2024.

The financial report is a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of SGH complies with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The financial report is prepared on the historical cost basis except for the following items:

- financial instruments that are measured at amortised cost or fair value through other comprehensive income;
- derivative financial instruments are measured at fair value through profit or loss; and
- liabilities for cash-settled share based payments are measured at fair value through profit or loss.

The Company is of a kind referred to in ASIC Instrument 2016/191 and in accordance with that Instrument, amounts in the Directors' Report and consolidated financial statements have been rounded off to the nearest whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars.

Certain comparative amounts in this financial report have been reclassified to conform to the current year's presentation or to correct a misstatement.

### (A) Material accounting policies

Note 1 sets out SGH's material accounting policies that relate to the financial statements as a whole. Where an accounting policy is specific to one note, the policy is described in the note to which it relates. This note also outlines new accounting policies and the expected impact on the financial position and performance of SGH.

The accounting policies set out in this financial report have been consistently applied by group entities and equity accounted investees.

### (B) Critical accounting estimates and judgements

The preparation of financial statements requires that management make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that may have a financial impact on SGH and that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are incorporated and in any future periods affected.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are outlined in the relevant note.

### (C) Foreign currency translation

#### Functional and presentation currency

Items included in the financial statements of each of SGH's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial report is presented in Australian Dollars, which is the Company's functional and presentation currency.

### (D) New or amended accounting policies

A number of new standards, amendments to standards and interpretations were effective for the current reporting period.

### (E) New accounting standards

#### Amendments to Australian Accounting Standards

A number of new standards, amendments to standards and interpretations are effective for future reporting periods. These have not been applied in preparing this financial report. Those which may be relevant to SGH are set out below. SGH does not plan to adopt these standards early, however, they are not expected to materially impact SGH's results.

#### *i) Amendments to AASB 2023-2 – Amendments to Australian Accounting Standards - International Tax Reform - Pillar Two Model Rules*

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published its Pillar Two model rules to address the tax challenges arising from the digitalisation of the global economy.

The Pillar Two model rules are designed to:

- ensure large multinational enterprises pay a minimum level of tax on the income arising in each of the jurisdictions in which they operate; and
- achieve a minimum effective tax rate of 15 per cent in each jurisdiction.

SGH expects to be subject to the Pillar Two rules in Australia, which are likely to apply from 1 July 2024. The Australian Government has introduced draft legislation, but it is not yet substantively enacted. SGH is continuing to assess the impact, if any, of the application of the rules.

Based on current information available, SGH does not expect the rules to have a material current tax impact on SGH's financial position. SGH has applied the temporary mandatory relief under AASB 2023-2 from deferred tax accounting for the impacts of the additional tax at 30 June 2024.

Several other amendments to standards and interpretations will apply on or after 1 July 2024, and have not yet been applied, however they are not expected to materially impact SGH's results. While these Amendments introduce new disclosure requirements, they do not materially affect SGH's accounting policies or any of the amounts recognised in the financial statements.

# Basis of Preparation

## 1. Basis of Preparation (continued)

### **i) Amendments to AASB 101 – Classification of Liabilities as Current or Non-Current**

The amendments clarify that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendments also clarify what it means when it refers to the 'settlement' of a liability. These amendments apply from 1 July 2024, and is not expected to have a material impact to SGH's financial report.

### **ii) International Sustainability Standards**

In October 2023, the AASB released the Exposure Draft (ED) ED SR1 Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information, for disclosure of climate-related information. ED SR1 includes three proposed Australian Sustainability Reporting Standards (ASRS) that are aligned internationally to the IFRS Sustainability Disclosure Standards:

- ASRS 1 General Requirements for Disclosure of Climate-related Financial Information;
- ASRS 2 Climate-related Financial Disclosures; and
- ASRS 101 References in Australian Sustainability Reporting Standards.

In January 2024, the Australian Treasury released its Final Policy position for climate-related disclosures, including ED legislation and accompanying explanatory materials. This confirms the pathway to mandatory reporting of climate-related financial disclosures subject to the passage of legislation through Parliament. In June 2024, the AASB decided not to proceed with proposals to deviate significantly from the requirements of IFRS Sustainability Disclosure Standards, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

The Board instead decided to prepare ASRS 1 as a non-mandatory (voluntary) standard to cover all sustainability-related financial disclosures as well as deciding to incorporate all necessary disclosures within the body of ASRS 2. The Board also decided to backtrack on various proposals in ED SR 1 which would have resulted in Australian entities applying different rules for measuring greenhouse gas (GHG) emissions to their international counterparts.

The Standards once issued are expected to be effective for annual reporting periods beginning or after 1 January 2025.

While these standards are still draft and are not mandatory for compliance with Australian Accounting Standards, SGH is monitoring their development and working through the expected requirements and the impacts on SGH's financial statements.

# Results for the Year

## 2. Operating segments

### Recognition and measurement

#### Identification of reportable segments

SGH has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

An operating segment is a component of SGH that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of SGH's other components. All operating segments' operating results are regularly reviewed by SGH's executive management team and Board to make decisions about resources to be allocated to the segment and to assess its performance.

Segment results that are reported to the executive management team and Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and corporate expenses. Cash and cash equivalents, derivatives, interest bearing loans and borrowings and income tax assets and liabilities are also unallocated, except for Boral's which are included within the Boral segment.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, producing and development assets, exploration and evaluation assets and intangible assets other than goodwill.

The operating segments are identified by management based on the manner in which products are sold, the nature of services provided and country of origin.

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>WesTrac</b>           | WesTrac is the authorised Caterpillar dealer in Western Australia, New South Wales and the Australian Capital Territory, providing heavy equipment sales and support to customers.                                                                                                                                                                                                                                                   |
| <b>Coates</b>            | Coates is Australia's largest general equipment hire company and provides a full range of general and specialist equipment to a wide variety of markets including engineering, building construction and maintenance, mining and resources, manufacturing, government and events.                                                                                                                                                    |
| <b>Boral</b>             | Boral is Australia's largest integrated construction materials company, producing and selling a broad range of materials, including quarry materials, cement, concrete, asphalt and recycled materials. Boral has operations in all Australian States and Territories.                                                                                                                                                               |
| <b>Energy</b>            | Energy relates to SGH's joint operation in the Bivins Ranch basin in Texas USA, SGH's wholly-owned interest in SGH Energy Pty Limited and SGH's equity accounted investment in Beach Energy Limited (Beach Energy).                                                                                                                                                                                                                  |
| <b>Media investments</b> | Media investments relate to investments in listed and unlisted media organisations, including Seven West Media Limited and private equity investments in China.                                                                                                                                                                                                                                                                      |
| <b>Other investments</b> | Other investments incorporates property, Allight and Sykes. Allight is a market leader in designing, manufacturing, assembly, distribution and support of mobile lighting towers, distribution of FG Wilson generators and Perkins engines. Sykes is a market leader in designing, manufacturing, assembly, distribution and support of pumps and dewatering equipment. On 5 December 2023, SGH disposed of its investment in Sykes. |

SGH is domiciled in Australia and operates predominantly in Australia. Further details of other countries in which SGH operates is provided in this Note.

## Results for the Year

| CONTINUING OPERATIONS                                                   | WESTRAC <sup>(a)</sup> |                  | BORAL <sup>(a)</sup> |                  | COATES <sup>(a)</sup> |                | ENERGY         |                | MEDIA INVESTMENTS <sup>(b)</sup> |              | OTHER INVESTMENTS <sup>(a)</sup> |               | TOTAL            |                  |
|-------------------------------------------------------------------------|------------------------|------------------|----------------------|------------------|-----------------------|----------------|----------------|----------------|----------------------------------|--------------|----------------------------------|---------------|------------------|------------------|
|                                                                         | 2024                   | 2023             | 2024                 | 2023             | 2024                  | 2023           | 2024           | 2023           | 2024                             | 2023         | 2024                             | 2023          | 2024             | 2023             |
|                                                                         | \$m                    | \$m              | \$m                  | \$m              | \$m                   | \$m            | \$m            | \$m            | \$m                              | \$m          | \$m                              | \$m           | \$m              | \$m              |
| <b>Segment revenue</b>                                                  |                        |                  |                      |                  |                       |                |                |                |                                  |              |                                  |               |                  |                  |
| Building material sales                                                 | -                      | -                | 3,272.8              | 3,163.6          | -                     | -              | -              | -              | -                                | -            | -                                | -             | 3,272.8          | 3,163.6          |
| Product sales                                                           | 1,948.3                | 1,747.0          | -                    | -                | 5.3                   | 19.4           | -              | -              | -                                | -            | 57.3                             | 78.2          | 2,010.9          | 1,844.6          |
| Product support                                                         | 3,851.6                | 3,124.7          | -                    | -                | 4.9                   | 8.4            | -              | -              | -                                | -            | 22.7                             | 35.3          | 3,879.2          | 3,168.4          |
| Hire of equipment                                                       | 25.7                   | 33.5             | -                    | -                | 1,132.1               | 1,115.4        | -              | -              | -                                | -            | -                                | -             | 1,157.8          | 1,148.9          |
| Rendering of services                                                   | -                      | -                | 89.7                 | 94.8             | -                     | -              | -              | -              | -                                | -            | -                                | -             | 89.7             | 94.8             |
| Contracting businesses                                                  | -                      | -                | 192.1                | 202.2            | -                     | -              | -              | -              | -                                | -            | -                                | -             | 192.1            | 202.2            |
| Oil, gas and condensate sales                                           | -                      | -                | -                    | -                | -                     | -              | 2.7            | 4.0            | -                                | -            | -                                | -             | 2.7              | 4.0              |
| Other                                                                   | -                      | -                | -                    | -                | -                     | -              | -              | -              | -                                | -            | 12.3                             | -             | 12.3             | -                |
| <b>Sales to external customers</b>                                      | <b>5,825.6</b>         | <b>4,905.2</b>   | <b>3,554.6</b>       | <b>3,460.6</b>   | <b>1,142.3</b>        | <b>1,143.2</b> | <b>2.7</b>     | <b>4.0</b>     | <b>-</b>                         | <b>-</b>     | <b>92.3</b>                      | <b>113.5</b>  | <b>10,617.5</b>  | <b>9,626.5</b>   |
| <b>by geographic segment</b>                                            |                        |                  |                      |                  |                       |                |                |                |                                  |              |                                  |               |                  |                  |
| Australia                                                               | 5,825.6                | 4,905.2          | 3,554.6              | 3,460.6          | 1,115.7               | 1,112.0        | -              | -              | -                                | -            | 78.0                             | 77.0          | 10,573.9         | 9,554.8          |
| International                                                           | -                      | -                | -                    | -                | 26.6                  | 31.2           | 2.7            | 4.0            | -                                | -            | 14.3                             | 36.5          | 43.6             | 71.7             |
| <b>Segment result</b>                                                   |                        |                  |                      |                  |                       |                |                |                |                                  |              |                                  |               |                  |                  |
| Segment EBITDA excluding Significant items <sup>(a)</sup>               | 705.0                  | 583.3            | 598.9                | 454.4            | 528.0                 | 496.2          | 98.6           | 113.8          | 25.4                             | 61.2         | 2.8                              | 8.6           | 1,958.7          | 1,717.5          |
| Depreciation and amortisation                                           | (81.6)                 | (83.2)           | (227.3)              | (222.9)          | (201.3)               | (196.0)        | -              | -              | -                                | -            | (0.1)                            | (0.2)         | (510.3)          | (502.3)          |
| <b>Segment EBIT excluding Significant items<sup>(d)</sup></b>           | <b>623.4</b>           | <b>500.1</b>     | <b>371.6</b>         | <b>231.5</b>     | <b>326.7</b>          | <b>300.2</b>   | <b>98.6</b>    | <b>113.8</b>   | <b>25.4</b>                      | <b>61.2</b>  | <b>2.7</b>                       | <b>8.4</b>    | <b>1,448.4</b>   | <b>1,215.2</b>   |
| <b>Other segment information</b>                                        |                        |                  |                      |                  |                       |                |                |                |                                  |              |                                  |               |                  |                  |
| Share of results of equity accounted investees included in segment EBIT | 5.0                    | 2.8              | 18.1                 | 18.9             | -                     | -              | 102.5          | 116.1          | 31.9                             | 57.9         | -                                | (0.7)         | 157.5            | 195.0            |
| <b>Significant items</b>                                                |                        |                  |                      |                  |                       |                |                |                |                                  |              |                                  |               |                  |                  |
| Impairment of assets                                                    | -                      | -                | -                    | -                | -                     | -              | -              | -              | (134.3)                          | (75.9)       | (1.0)                            | -             | (135.3)          | (75.9)           |
| Acquisition and transformation (costs)/benefits                         | -                      | -                | (14.4)               | 8.4              | (6.7)                 | -              | -              | -              | -                                | -            | -                                | -             | (21.1)           | 8.4              |
| Share of equity accounted significant items                             | -                      | -                | (16.3)               | -                | -                     | -              | (245.2)        | 4.8            | (14.2)                           | (0.2)        | -                                | -             | (275.7)          | 4.6              |
| Fair value adjustments                                                  | -                      | -                | (11.4)               | 12.9             | -                     | -              | -              | -              | -                                | -            | -                                | -             | (11.4)           | 12.9             |
| Net gain on disposal of controlled entities                             | -                      | -                | -                    | -                | 43.7                  | -              | -              | -              | -                                | 2.3          | 32.6                             | -             | 76.3             | 2.3              |
| Property EBIT                                                           | -                      | -                | -                    | -                | -                     | -              | -              | -              | -                                | -            | 4.6                              | -             | 4.6              | -                |
| Fair value movement on power agreement                                  | -                      | -                | (0.3)                | 2.2              | -                     | -              | -              | -              | -                                | -            | -                                | -             | (0.3)            | 2.2              |
| Fair value movement on Boral acquisition                                | -                      | -                | 11.7                 | -                | -                     | -              | -              | -              | -                                | -            | -                                | -             | 11.7             | -                |
| Capital expenditure                                                     | (31.1)                 | (36.5)           | (232.7)              | (204.1)          | (222.3)               | (221.8)        | (146.7)        | (103.3)        | -                                | -            | (0.7)                            | (0.3)         | (633.5)          | (566.0)          |
| Equity accounted investments                                            | 42.0                   | 37.8             | 97.1                 | 185.8            | -                     | -              | 1,069.7        | 1,239.4        | 111.4                            | 232.0        | 5.3                              | 6.3           | 1,325.5          | 1,701.3          |
| Other segment assets <sup>(e)</sup>                                     | 3,757.1                | 3,224.6          | 4,861.2              | 5,078.1          | 2,583.4               | 2,510.1        | 628.3          | 477.3          | 66.2                             | 96.2         | 22.8                             | 94.6          | 11,919.0         | 11,480.9         |
| <b>Segment assets<sup>(e)(f)</sup></b>                                  | <b>3,799.1</b>         | <b>3,262.4</b>   | <b>4,958.3</b>       | <b>5,263.9</b>   | <b>2,583.4</b>        | <b>2,510.1</b> | <b>1,698.0</b> | <b>1,716.7</b> | <b>177.6</b>                     | <b>328.2</b> | <b>28.1</b>                      | <b>100.9</b>  | <b>13,244.5</b>  | <b>13,182.2</b>  |
| <b>Segment liabilities<sup>(e)</sup></b>                                | <b>(1,673.2)</b>       | <b>(1,641.6)</b> | <b>(2,643.2)</b>     | <b>(2,663.1)</b> | <b>(453.5)</b>        | <b>(473.2)</b> | <b>(92.4)</b>  | <b>(85.6)</b>  | <b>-</b>                         | <b>-</b>     | <b>(22.1)</b>                    | <b>(29.4)</b> | <b>(4,884.4)</b> | <b>(4,892.9)</b> |

(a) Segment results above have been reduced in relation to the elimination of sales between SGH entities.

(b) Media investments comprise investments accounted for using the equity method and financial assets fair valued through other comprehensive income.

(c) Segment EBITDA comprises profit before depreciation and amortisation, net finance expense, income tax and significant items. Segment EBIT comprises profit before net finance expense, income tax and significant items.

(d) Segment EBITDA, EBIT and share of results of equity accounted investees excludes the share of results from equity accounted investees attributable to significant items.

(e) Coates segment assets includes assets classified as held for sale of \$7.3 million (2023: \$3.2 million) which relate to hire fleet assets available for immediate sale and are expected to be disposed of within 12 months.

(f) Boral segment assets/(liabilities) includes Boral's cash holdings, derivative financial instruments, interest bearing liabilities and tax balances.

\* Refer to Note 3: Significant items for further details on significant items.

## Analysis by geographical area

|                                                            | SEGMENT REVENUE |                | NON-CURRENT ASSETS <sup>(a)</sup> |                |
|------------------------------------------------------------|-----------------|----------------|-----------------------------------|----------------|
|                                                            | 2024<br>\$m     | 2023<br>\$m    | 2024<br>\$m                       | 2023<br>\$m    |
| <b>Revenue and non-current assets by geographical area</b> |                 |                |                                   |                |
| Australia                                                  | 10,573.9        | 9,554.8        | 7,584.4                           | 7,289.1        |
| United Arab Emirates                                       | 9.2             | 29.3           | –                                 | 3.7            |
| Indonesia                                                  | 26.6            | 31.2           | –                                 | 17.2           |
| United States of America                                   | 7.8             | 11.2           | –                                 | 0.2            |
| <b>Total revenue and non-current assets</b>                | <b>10,617.5</b> | <b>9,626.5</b> | <b>7,584.4</b>                    | <b>7,310.2</b> |

(a) Non-current assets excluding other financial assets, derivative financial instruments, investments accounted for using the equity method and deferred tax assets.

Segment revenues are allocated based on the country in which the customer is located. Segment assets are allocated to countries based on where the assets are located.

## Major customer

SGH did not derive revenue greater than 10 per cent of total revenue from a single major customer in either the current or prior year.

## Segment reconciliations

|                                                                                                                              |                     |                     |
|------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Reconciliation of segment EBIT to profit before income tax per Consolidated statement of profit or loss</b>               | <b>2024<br/>\$m</b> | <b>2023<br/>\$m</b> |
| Segment net operating profit before net finance expense and income tax (EBIT)                                                | 1,448.4             | 1,215.2             |
| Corporate operating costs                                                                                                    | (29.2)              | (28.7)              |
| Share of significant items relating to results from equity accounted investees                                               | (275.7)             | 4.6                 |
| Impairment of equity accounted investees                                                                                     | (135.3)             | (75.9)              |
| Net gain on disposal of controlled entities                                                                                  | 76.3                | –                   |
| Fair value adjustments arising from acquisition of Boral                                                                     | (11.4)              | 12.9                |
| Property EBIT                                                                                                                | 4.6                 | –                   |
| Gain arising from investment in equity accounted investee                                                                    | –                   | 2.3                 |
| Costs incurred in relation to the Boral takeover                                                                             | (14.4)              | –                   |
| Transformation and restructure (costs)/benefits                                                                              | (6.7)               | 8.4                 |
| Fair value movement of power purchase agreement                                                                              | (0.3)               | 2.2                 |
| Fair value movement of Boral compulsory share acquisition liability                                                          | 11.7                | –                   |
| Net finance expense                                                                                                          | (302.2)             | (274.8)             |
| <b>Profit before income tax per consolidated statement of profit or loss</b>                                                 | <b>765.8</b>        | <b>866.2</b>        |
| <b>Reconciliation of segment operating assets to total assets per Consolidated statement of financial position</b>           |                     |                     |
| Segment operating assets                                                                                                     | 13,244.5            | 13,182.2            |
| Cash holdings (excluding Boral)                                                                                              | 210.9               | 218.4               |
| Deferred tax assets (excluding Boral)                                                                                        | 13.7                | 1.1                 |
| Derivative financial instruments (excluding Boral)                                                                           | 123.2               | 163.2               |
| Assets held at corporate level                                                                                               | 11.8                | 65.0                |
| <b>Total assets per consolidated statement of financial position</b>                                                         | <b>13,604.1</b>     | <b>13,629.9</b>     |
| <b>Reconciliation of segment operating liabilities to total liabilities per Consolidated statement of financial position</b> |                     |                     |
| Segment operating liabilities                                                                                                | (4,884.4)           | (4,892.9)           |
| Interest bearing loans and borrowings – current (excluding Boral)                                                            | (701.6)             | (84.9)              |
| Interest bearing loans and borrowings – non-current (excluding Boral)                                                        | (3,408.3)           | (3,568.9)           |
| Current tax liability (excluding Boral)                                                                                      | (74.4)              | (24.6)              |
| Deferred tax liabilities (excluding Boral)                                                                                   | (300.0)             | (350.2)             |
| Derivative financial instruments (excluding Boral)                                                                           | (55.7)              | (48.3)              |
| Liabilities held at corporate level                                                                                          | (61.8)              | (44.8)              |
| <b>Total liabilities per consolidated statement of financial position</b>                                                    | <b>(9,486.2)</b>    | <b>(9,014.6)</b>    |

# Results for the Year

## 3. Significant items

Profit before income tax includes the following income and expenses for which disclosure is relevant in explaining the underlying financial performance of SGH.

|                                                                                                  | 2024<br>\$m    | 2023<br>\$m   |
|--------------------------------------------------------------------------------------------------|----------------|---------------|
| <b>CONTINUING OPERATIONS</b>                                                                     |                |               |
| Share of results from equity accounted investees attributable to significant items               | (275.7)        | 4.6           |
| Impairment of equity accounted investees                                                         | (135.3)        | (75.9)        |
| Gain arising from investment in equity accounted investee                                        | –              | 2.3           |
| Net gain on disposal of controlled entities                                                      | 76.3           | –             |
| Property EBIT                                                                                    | 4.6            | –             |
| Transformation and restructure (costs)/benefits                                                  | (6.7)          | 8.4           |
| Fair value adjustments arising from acquisition of Boral                                         | (11.4)         | 12.9          |
| Fair value movement of power purchase agreement                                                  | (0.3)          | 2.2           |
| Fair value movement of Boral compulsory acquisition liability                                    | 11.7           | –             |
| Costs incurred in relation to the Boral takeover                                                 | (14.4)         | –             |
| <b>Total significant items before net finance expense and income tax – continuing operations</b> | <b>(351.2)</b> | <b>(45.5)</b> |
| Significant items in net finance expense                                                         | (8.7)          | 8.6           |
| <b>Total significant items before income tax – continuing operations</b>                         | <b>(359.9)</b> | <b>(36.9)</b> |
| Income tax expense on significant items                                                          | (32.1)         | (9.6)         |
| <b>Total significant items – continuing operations</b>                                           | <b>(392.0)</b> | <b>(46.5)</b> |
| <b>DISCONTINUED OPERATIONS</b>                                                                   |                |               |
| Previously disposed businesses                                                                   | –              | (10.9)        |
| <b>Total significant items before income tax – discontinued operations</b>                       | <b>–</b>       | <b>(10.9)</b> |
| Income tax benefit on significant items                                                          | –              | 1.0           |
| <b>Total significant items – discontinued operations</b>                                         | <b>–</b>       | <b>(9.9)</b>  |

Share of results from equity accounted investees attributable to significant items relates to SGH's share of Seven West Media's gain on lease modification and settlement, offset by IT implementation costs, fair value adjustments relating to investments, redundancy and restructuring costs and provision for onerous contracts. In addition, it includes SGH's share of Beach Energy's significant items for impairments recognised by Beach, restructuring, tariffs and tolls and loss on disposal of non-current assets, offset by insurance recoveries as well as the impairment of capitalised development costs within Penrith Lakes Development Corporation within Boral.

Impairment of equity accounted investees relates to the impairment of SGH's investment in the ordinary equity of Seven West Media, as well as SGH's investment in an immaterial joint venture. Refer also to Note 11: Investments accounted for using the equity method.

Gain arising from investment in equity accounted investee relates to the change in SGH's ownership interest in Seven West Media in the prior year as a result of Seven West Media's on-market share buy-back. Refer also to Note 11: Investments accounted for using the equity method.

Net gain on disposal of controlled entities relates to the realised net gain on the disposal of Sykes and Coates Indonesia entities. Refer to Note 31: Disposal of businesses for further detail.

Property EBIT relates to the sale of properties (net of costs incurred) at Dianella in Perth WA. SGH does not consider this income stream to form part of its underlying operations.

Transformation and restructure costs in the current year relate to the restructuring and transformation program undertaken by Coates. The prior year benefit relates to Boral's favourable settlement of onerous contracts recognised in prior periods.

Fair value adjustments on acquisition of Boral relates to the unwind of fair value purchase price accounting differences arising from SGH's initial recognition of its control of Boral.

Fair value movement of power purchase agreement relates to the (loss)/gain recognised on the mark-to-market movement in a virtual power purchase agreement derivative contract in Boral.

Fair value movement of Boral compulsory acquisition liability relates to the movement in the SGH share price between 30 May 2024, being the date of calling compulsory share acquisition and 30 June 2024 for the remaining Boral shares not yet acquired.

Costs incurred in relation to the Boral takeover relate to legal and advisory costs incurred by Boral in relation to the takeover as well as the accelerated amortisation on their employee share schemes as a result of the Boral board pro-rata vesting of entitlements in accordance with the plan rules.

Significant items in net finance expense includes the expense relating to the unwind of the discount on provisions recognised on the acquisition of Boral, fair value movement from remeasurement of cash-settled equity awards and costs of establishing the bridge acquisition facility. The prior year included a gain on Boral's early repayment of US Senior Notes, offset by the unwind of the discount on provisions recognised on the acquisition of Boral.

Significant items for discontinued operations in the prior year related to costs incurred for the exit of Boral's North American operations. Refer to Note 31: Disposal of businesses further detail.

## 4. Revenue and expenditure

### Accounting policy

#### Revenue from contracts with customers

|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Revenue from building material sales</b>         | Revenue from the sale of goods is recognised at the point in time the customer obtains control of the goods, which is typically at the time of delivery to the customer. Revenue earned from asphalt and spray seal services are recognised progressively over the period of time that the performance obligation is satisfied and the customer obtains control of the goods being provided in the contract, with SGH having a right to payment for performance to date. SGH predominantly uses the output method, based on volumes delivered, to determine the amount of revenue to recognise in a given period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Revenue from product sales</b>                   | Revenue associated with the sale of goods is recognised at the point in time when each performance obligation of the sale has been fulfilled and control of the goods has passed to the customer. Product and service warranties and training provided on new product sales are distinct performance obligations and part of the sale consideration is deferred and recognised over time as the performance obligation is met.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Revenue from product support</b>                 | Revenue from product support is recognised in the accounting period in which the services are rendered. Revenue from contracts is recognised when distinct performance obligations under the contract are met. For maintenance and repair contracts (MARC)s, an assessment is made on a contract by contract basis, except where a portfolio approach is adopted. The portfolio approach is applied to a group of contracts (or performance obligations) with similar characteristics where it is reasonably expected that the effects on the financial results are not materially different to the effects of applying the standard on a contract by contract basis. Under the portfolio approach, the MARCs have been deemed as a distinct performance obligation to continuously make available a fleet of machinery to a customer. WesTrac's MARCs are assessed to consider whether modifications or extensions create a separate contract for services. These obligations are recognised in deferred income and taken to revenue as the future service is provided.                                                                                                                                                                                                                                                                                                                            |
| <b>Revenue from hire of equipment</b>               | The recognition of hire of equipment revenue commences on receipt of equipment by the customer which is when control passes. Revenue is recognised over the period of the hire agreement, which in the majority of cases is on a daily basis.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Revenue from rendering of services</b>           | Revenue from the rendering of logistics and lab services is allocated across each service or performance obligation based on their stand-alone selling price, and is recognised as the service or performance obligation is performed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Contracting businesses</b>                       | Revenue from concrete placing and asphalt businesses is recognised progressively over the period of time the performance obligation is satisfied and the customer obtains control of the goods being provided in the contract, with SGH having a right to payment for performance to date. The business predominantly uses the output method based on volumes delivered, to determine the amount of revenue to recognise in a given period. When estimating the transaction price, variable consideration is considered, which typically relates to claims or variations submitted in connection with the performance of a contract. Assumptions are made in order to determine the amount of variable consideration that can be recognised, including assessing whether the variable consideration is constrained. Claims and variations are included to the extent they are approved. Contracts with customers, particularly in concrete and asphalt, may contain revenue items for ancillary services such as mobilisation and demobilisation of plant, concrete testing and other related services. These services are typically combined into the core performance obligation of delivering concrete, or the supply and lay of asphalt. On occasion, ancillary services may be deemed to have a stand-alone value to the customer, and are accounted for as a separate performance obligation. |
| <b>Revenue from sale of oil, gas and condensate</b> | Revenue is derived from the sale of oil, gas and condensate and is recognised based on volumes sold under contracts with customers at the point in time where performance obligations are considered to be met. Generally, the performance obligation will be met when the product is delivered to a specified measurement point (gas) or point of loading/unloading (liquids).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Other revenue</b>                                | Other revenue is recognised at the point in time that all performance obligations have been met. In the case of property sales, it is on completion of the contract and transfer of title.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

#### Revenue recognition – Contracting businesses and MARC

Contract revenues and expenses are recognised over time for each identified component of the contract. In determining revenue and expense, management uses judgement and makes assumptions and estimates regarding the work performed to date as a percentage of the total work to be performed and estimated revenues and expenses over the life of the contract. Contract variations are accounted for as modifications when they have been approved by the customer. Depending on the nature of the modification they are treated as either a separate performance obligation or a modification of an existing performance obligation. Determining the amount of variable consideration requires an estimate based on either the 'expected value' or the 'most likely amount'. The estimate of variable consideration can only be recognised to the extent it is highly probable that a significant revenue reversal will not occur in future.

# Results for the Year

## 4. Revenue and expenditure (continued)

|                                                                                                        | 2024<br>\$m      | 2023<br>\$m      |
|--------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>CONTINUING OPERATIONS</b>                                                                           |                  |                  |
| <b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>                                                           |                  |                  |
| Building material sales                                                                                | 3,272.8          | 3,163.6          |
| Product sales                                                                                          | 2,010.9          | 1,844.6          |
| Product support                                                                                        | 3,879.2          | 3,168.4          |
| Hire of equipment                                                                                      | 1,157.8          | 1,148.9          |
| Rendering of services                                                                                  | 89.7             | 94.8             |
| Contracting business                                                                                   | 192.1            | 202.2            |
| Oil, gas and condensate                                                                                | 2.7              | 4.0              |
| Other                                                                                                  | 12.3             | –                |
| <b>Total revenue</b>                                                                                   | <b>10,617.5</b>  | <b>9,626.5</b>   |
| <b>EXPENDITURE EXCLUDING DEPRECIATION AND AMORTISATION</b>                                             |                  |                  |
| Materials cost of inventory sold and used in product sales and product support                         | (4,246.6)        | (3,524.5)        |
| Materials cost of inventory sold and used in building materials, rendering of services and contracting | (2,515.8)        | (2,539.9)        |
| Repairs, maintenance and consumables used on equipment hire                                            | (132.3)          | (144.5)          |
| Employee benefits                                                                                      | (1,215.4)        | (1,168.4)        |
| Other expenses                                                                                         | (791.9)          | (761.7)          |
| <b>Total expenses excluding depreciation and amortisation</b>                                          | <b>(8,902.0)</b> | <b>(8,139.0)</b> |

SGH disaggregates revenue by operating segment. Disaggregation of sales by geographic area is based on customer location. Refer to Note 2: Operating segments for revenue by operating segment and geographical split. As at 30 June 2024, SGH has remaining performance obligations to be recognised on MARCs with a duration of more than 12 months. SGH will recognise this revenue when the performance obligations are satisfied. The aggregate amount of the transaction price allocated to the remaining performance obligations is \$400.1 million (2023: \$128.0 million). Approximately 17 per cent (2023: 62 per cent) of remaining performance obligations are expected to occur within the next 12 months, with the remaining expected to occur over a period of up to three years.

Other expenses includes \$16.1 million (2023: \$10.4 million) in relation to the net impairment loss on trade receivables. Refer to Note 21: Financial risk management for further detail.

Deferred income includes amounts relating to maintenance and repair contracts, customer deposits for advance payments for major machine deliveries and slot fees.

## 5. Net finance expense

### Accounting policy

Interest income includes interest on funds invested and is recognised in profit or loss as the income accrues.

Finance expense comprises interest payable on borrowings and lease liabilities calculated using the effective interest method, including borrowing costs, unwinding of discount on provisions and deferred consideration. Interest expense also includes the net fair value adjustment for cash-settled share-based payments.

|                                             | 2024<br>\$m    | 2023<br>\$m    |
|---------------------------------------------|----------------|----------------|
| <b>CONTINUING OPERATIONS</b>                |                |                |
| <b>FINANCE INCOME</b>                       |                |                |
| Interest income on bank deposits            | 39.9           | 10.8           |
| Other                                       | 0.4            | 12.4           |
| <b>Total finance income</b>                 | <b>40.3</b>    | <b>23.2</b>    |
| <b>FINANCE EXPENSE</b>                      |                |                |
| Interest expense                            | (267.0)        | (223.7)        |
| Interest expense on lease liabilities       | (60.9)         | (57.1)         |
| Amortisation of capitalised borrowing costs | (5.0)          | (6.5)          |
| Unwind of discount on provisions            | (9.6)          | (10.7)         |
| <b>Total finance expense</b>                | <b>(342.5)</b> | <b>(298.0)</b> |
| <b>Net finance expense</b>                  | <b>(302.2)</b> | <b>(274.8)</b> |

Other finance income in the prior year includes a net gain of \$11.2 million recognised on the early repayment of Boral US Senior Notes. Interest expense includes \$5.9 million expense (2023: \$2.8 million) in relation to the fair value movement for cash-settled share-based payments. Also included in Interest expense in the prior year is a fair value gain of \$6.7 million recognised in relation to the early repurchase of convertible notes.

Interest of \$nil (2023: nil) was paid to other parties and capitalised in respect of qualifying assets.

## 6. Income tax

### Accounting policy

#### Tax exposures

In determining the amount of current and deferred tax SGH takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes SGH to change its judgement regarding the adequacy of existing tax liabilities that will impact tax expense in the period if such a determination is made.

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Seven Group Holdings Limited. Boral Limited and its wholly-owned Australian resident entities are part of a separate tax-consolidated group, with the head entity of the Boral tax-consolidated group being Boral Limited. On 4 July 2024, Boral became part of Seven Group Holdings Limited's tax-consolidated group.

### CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENT

SGH is subject to income taxes in Australia and jurisdictions where it has foreign operations. Judgement is required in determining the provision for income taxes and the tax cost base of assets and liabilities.

Management judgement is also applied in assessing the recoverability of revenue and capital losses recognised as deferred tax assets by SGH. Deferred tax assets have been recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities and joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and/or it is probable that the differences will not reverse in the foreseeable future.

Assumptions are made about the application of income tax legislation. These assumptions are subject to risk and uncertainty and there is a possibility that changes in circumstances will alter expectations which may impact the amount of deferred tax assets, liabilities and provision for income taxes recorded in the statement of financial position. In these circumstances the carrying amount of deferred tax assets, liabilities and provision for income taxes may change impacting the profit or loss of SGH.

|                                                                                         | 2024<br>\$m    | 2023<br>\$m    |
|-----------------------------------------------------------------------------------------|----------------|----------------|
| <b>CONTINUING OPERATIONS</b>                                                            |                |                |
| <b>INCOME TAX EXPENSE</b>                                                               |                |                |
| Current tax expense                                                                     | (304.0)        | (119.9)        |
| Deferred tax expense                                                                    | 59.9           | (102.9)        |
| Adjustment for prior years                                                              | 0.4            | 13.0           |
| <b>Total income tax expense</b>                                                         | <b>(243.7)</b> | <b>(209.8)</b> |
| <b>RECONCILIATION BETWEEN TAX EXPENSE AND PRE-TAX STATUTORY PROFIT:</b>                 |                |                |
| Income tax using the domestic corporation tax rate 30%                                  | (229.7)        | (259.9)        |
| Share of equity accounted investee's net (loss)/profit                                  | (36.4)         | 58.3           |
| Other assessable income                                                                 | (31.5)         | (1.8)          |
| Non-assessable income                                                                   | 121.6          | 1.8            |
| Non-deductible expenses                                                                 | (9.9)          | (1.7)          |
| Impairment of equity accounted investees                                                | (65.8)         | (22.8)         |
| Recognition of deferred tax assets on revenue losses                                    | 10.3           | 0.8            |
| Other items                                                                             | –              | (1.1)          |
| Adjustment for prior years                                                              | 0.4            | 13.0           |
| Difference in overseas tax rates                                                        | (2.7)          | 3.6            |
| <b>Total income tax expense</b>                                                         | <b>(243.7)</b> | <b>(209.8)</b> |
| <b>DEFERRED INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME OR EQUITY</b>           |                |                |
| Relating to financial assets at fair value through other comprehensive income or equity | 11.8           | (6.6)          |
| Relating to cash flow hedge reserve                                                     | 3.9            | 12.2           |
| <b>Total deferred income tax recognised directly in OCI or equity</b>                   | <b>15.7</b>    | <b>5.6</b>     |

# Results for the Year

## 6. Income tax (continued)

|                                            | Opening<br>balance<br>\$m | Recognised<br>in profit<br>\$m | Recognised<br>in OCI or<br>equity<br>\$m | Acquisitions<br>and other<br>\$m | Closing<br>balance<br>\$m |
|--------------------------------------------|---------------------------|--------------------------------|------------------------------------------|----------------------------------|---------------------------|
| <b>YEAR ENDED 30 JUNE 2024</b>             |                           |                                |                                          |                                  |                           |
| <b>DEFERRED TAX ASSETS AND LIABILITIES</b> |                           |                                |                                          |                                  |                           |
| Investments                                | (104.2)                   | 19.1                           | 11.8                                     | –                                | (73.3)                    |
| Derivative financial instruments           | 0.6                       | (4.5)                          | 3.9                                      | –                                | –                         |
| Inventories and receivables                | (121.0)                   | (6.3)                          | –                                        | –                                | (127.3)                   |
| Property, plant and equipment              | (375.6)                   | 1.9                            | –                                        | –                                | (373.7)                   |
| Intangible assets                          | (166.5)                   | –                              | –                                        | –                                | (166.5)                   |
| Trade and other payables                   | 23.4                      | 8.8                            | –                                        | –                                | 32.2                      |
| Provisions                                 | 239.1                     | 9.4                            | –                                        | –                                | 248.5                     |
| Interest bearing loans and borrowings      | 108.3                     | 2.1                            | –                                        | –                                | 110.4                     |
| Transaction costs deducted over five years | 1.3                       | –                              | –                                        | –                                | 1.3                       |
| Unrealised foreign exchange                | (10.6)                    | 36.3                           | –                                        | –                                | 25.7                      |
| Other                                      | (58.0)                    | (6.9)                          | –                                        | (0.3)                            | (65.2)                    |
| <b>Net deferred tax liability</b>          | <b>(463.2)</b>            | <b>59.9</b>                    | <b>15.7</b>                              | <b>(0.3)</b>                     | <b>(387.9)</b>            |
| Deferred tax asset                         |                           |                                |                                          |                                  | 137.3                     |
| Deferred tax liability                     |                           |                                |                                          |                                  | (525.2)                   |
| <b>Net deferred tax liability</b>          |                           |                                |                                          |                                  | <b>(387.9)</b>            |
| <b>YEAR ENDED 30 JUNE 2023</b>             |                           |                                |                                          |                                  |                           |
| <b>DEFERRED TAX ASSETS AND LIABILITIES</b> |                           |                                |                                          |                                  |                           |
| Investments                                | (102.7)                   | 5.1                            | (6.6)                                    | –                                | (104.2)                   |
| Derivative financial instruments           | (9.8)                     | (1.7)                          | 12.2                                     | (0.1)                            | 0.6                       |
| Inventories and receivables                | (122.7)                   | 1.7                            | –                                        | –                                | (121.0)                   |
| Property, plant and equipment              | (320.6)                   | (43.6)                         | –                                        | (11.4)                           | (375.6)                   |
| Intangible assets                          | (166.5)                   | –                              | –                                        | –                                | (166.5)                   |
| Trade and other payables                   | 20.4                      | 3.0                            | –                                        | –                                | 23.4                      |
| Provisions                                 | 226.0                     | 13.1                           | –                                        | –                                | 239.1                     |
| Interest bearing loans and borrowings      | 101.9                     | 6.4                            | –                                        | –                                | 108.3                     |
| Tax losses                                 | 33.0                      | (33.0)                         | –                                        | –                                | –                         |
| Transaction costs deducted over five years | 1.8                       | (0.5)                          | –                                        | –                                | 1.3                       |
| Unrealised foreign exchange                | 47.9                      | (58.5)                         | –                                        | –                                | (10.6)                    |
| Other                                      | (61.6)                    | 5.1                            | –                                        | (1.5)                            | (58.0)                    |
| <b>Net deferred tax liability</b>          | <b>(352.9)</b>            | <b>(102.9)</b>                 | <b>5.6</b>                               | <b>(13.0)</b>                    | <b>(463.2)</b>            |
| Deferred tax asset                         |                           |                                |                                          |                                  | 108.8                     |
| Deferred tax liability                     |                           |                                |                                          |                                  | (572.0)                   |
| <b>Net deferred tax liability</b>          |                           |                                |                                          |                                  | <b>(463.2)</b>            |

There are no uncertain tax positions as at 30 June 2024.

As at 30 June 2024, SGH had not recognised:

- deferred tax assets of \$353.5 million (2023: \$327.9 million) for deductible temporary differences relating to unrealised tax benefits as it is not probable that future gains will be realised against which it could utilise the benefits;
- deferred tax asset of \$748.2 million (2023: \$651.2 million) for deductible temporary differences relating to Petroleum Resource Rent Tax credits;
- deferred tax assets of \$110.9 million (2023: \$120.8 million) for tax losses where recovery is not virtually certain; and
- deferred tax liabilities of \$92.3 million (2023: \$140.9 million) in respect of assessable temporary differences in relation to investments where management controls the timing of the reversal of the temporary difference and the temporary difference is not expected to reverse in the foreseeable future.

## 7. Earnings per share

### Accounting policy

Underlying earnings per share is statutory earnings per share adjusted for significant items. The weighted average number of shares used to calculate underlying earnings per share is the same as the weighted average number of shares used to calculate statutory earnings per share.

|                                             | BASIC       |             | DILUTED     |             |
|---------------------------------------------|-------------|-------------|-------------|-------------|
|                                             | 2024<br>\$  | 2023<br>\$  | 2024<br>\$  | 2023<br>\$  |
| <b>STATUTORY EARNINGS PER SHARE</b>         |             |             |             |             |
| From continuing operations                  | 1.26        | 1.66        | 1.23        | 1.65        |
| From discontinued operations                | –           | (0.02)      | –           | (0.02)      |
| <b>Statutory earnings per share – total</b> | <b>1.26</b> | <b>1.64</b> | <b>1.23</b> | <b>1.63</b> |

|                                                                                                          | 2024<br>\$m  | 2023<br>\$m  |
|----------------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>EARNINGS RECONCILIATION BY CATEGORY OF SHARE – ORDINARY SHARES</b>                                    |              |              |
| Net profit attributable to equity holders of the Company – continuing operations                         | 464.4        | 603.8        |
| Net loss attributable to equity holders of the Company – discontinued operations                         | –            | (7.2)        |
| <b>Net profit attributable to equity holders of the Company – continuing and discontinued operations</b> | <b>464.4</b> | <b>596.6</b> |

|                                                                          | Note | 2024<br>Million | 2023<br>Million |
|--------------------------------------------------------------------------|------|-----------------|-----------------|
| <b>WEIGHTED AVERAGE NUMBER OF SHARES</b>                                 |      |                 |                 |
| <b>Ordinary shares for basic earnings per share</b>                      |      |                 |                 |
| Issued shares as at 1 July                                               |      | 363.3           | 363.3           |
| Shares issued - conversion of convertible notes                          |      | 1.9             | –               |
| Shares issued - Boral takeover                                           |      | 35.2            | –               |
| <b>Issued shares as at 30 June</b>                                       | 23   | <b>400.4</b>    | <b>363.3</b>    |
| Weighted average number of shares (basic) as at 30 June                  |      | 368.3           | 363.3           |
| Weighted average number of shares (diluted) as at 30 June <sup>(a)</sup> |      | 376.9           | 366.5           |

(a) Weighted average number of shares adjusted for effect of share rights issued under employee share plans net of treasury shares, shares issued under the Boral takeover post 30 June 2024. In the prior year, it included share rights issued under employee share plans net of treasury shares and convertible notes issued 5 March 2018. At 30 June 2024, there were 8.6 million potential ordinary shares that were dilutive (2023: 3.2 million).

|                                                         | BASIC       |             | DILUTED     |             |
|---------------------------------------------------------|-------------|-------------|-------------|-------------|
|                                                         | 2024<br>\$  | 2023<br>\$  | 2024<br>\$  | 2023<br>\$  |
| <b>UNDERLYING EARNINGS PER SHARE (NON-IFRS MEASURE)</b> |             |             |             |             |
| From continuing operations                              | 2.31        | 1.80        | 2.26        | 1.78        |
| <b>Underlying earnings per share – total</b>            | <b>2.31</b> | <b>1.80</b> | <b>2.26</b> | <b>1.78</b> |

Underlying earnings per share is a non-IFRS measure and is reconciled to statutory profit or loss as follows:

|                                                                                                                     | 2024<br>\$m  | 2023<br>\$m  |
|---------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>UNDERLYING EARNINGS RECONCILIATION BY CATEGORY OF SHARE – ORDINARY SHARES</b>                                    |              |              |
| Net profit attributable to equity holders of the Company                                                            | 464.4        | 596.6        |
| Less: significant items attributable to equity holders of the Company                                               | 385.9        | 57.5         |
| <b>Net underlying profit attributable to equity holders of the Company – continuing and discontinued operations</b> | <b>850.3</b> | <b>654.1</b> |

# Operating Assets and Liabilities

## 8. Trade and other receivables and Contract assets

### Accounting policy

Trade receivables are initially recognised at the fair value of the invoice sent to the customer and subsequently at the amounts considered recoverable less provision for expected credit loss allowance (amortised cost). Trade receivables are generally due for settlement no more than 30 to 60 days from the date of recognition with the exception of certain customers with alternative settlement terms.

SGH has an established credit policy under which new customers are analysed individually for creditworthiness before SGH's standard payment, delivery terms and conditions are offered. SGH's review includes external ratings, when available. Purchase limits are established for each customer and these limits are reviewed annually or upon request. Customers that fail to meet SGH's benchmark creditworthiness may transact with SGH upon lodging of a bank guarantee as a security document or on a strictly pre-paid (cleared funds) only basis.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. Under the expected credit loss model, an impairment provision for receivables is established based on the expected credit losses over the lifetime of the financial asset. The calculation of expected credit loss considers the impact of past events and current and future economic conditions. The amount of the loss allowance is recognised in profit or loss as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

|                                                    | 2024<br>\$m    | 2023 <sup>^</sup><br>\$m |
|----------------------------------------------------|----------------|--------------------------|
| <b>CURRENT</b>                                     |                |                          |
| Trade receivables                                  | 1,253.6        | 1,305.4                  |
| Other receivables                                  | 97.1           | 174.7                    |
| Loss allowance                                     | (30.6)         | (24.4)                   |
| <b>Total trade and other receivables – current</b> | <b>1,320.1</b> | <b>1,455.7</b>           |
| Contract assets                                    | 202.2          | 173.9                    |
| Loss allowance                                     | (1.1)          | (0.3)                    |
| <b>Total contract assets – current</b>             | <b>201.1</b>   | <b>173.6</b>             |
| <b>NON-CURRENT</b>                                 |                |                          |
| Other receivables                                  | 3.5            | 20.0                     |
| <b>Total other receivables – non-current</b>       | <b>3.5</b>     | <b>20.0</b>              |

<sup>^</sup> Comparative has been restated to align with current year presentation.

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The creation and release of the allowance for expected credit loss has been included in other expenses in profit or loss. For further detail on SGH's expected exposure to credit risk refer to Note 21: Financial risk management.

In the prior year, Other receivables (current) included \$65.6 million for cash collateral provided in relation SGH's equity-settled swap for Boral shares which has been settled during the year. Other receivables also includes amounts owing by associated entities, of which \$12.9 million is current and \$2.5 million is non-current (2023: nil and \$19.0 million respectively).

Contract assets relate to revenue earned from ongoing service contracts in WesTrac and Boral. As such, the balances of this account vary and depend on the number of ongoing refurbishment services at the end of the year.

## 9. Trade and other payables

### Accounting policy

|                                                                        | 2024<br>\$m    | 2023<br>\$m    |
|------------------------------------------------------------------------|----------------|----------------|
| <b>CURRENT</b>                                                         |                |                |
| Trade payables                                                         | 586.7          | 560.0          |
| Other payables                                                         | 154.6          | 187.1          |
| Accrual for Boral share purchases through compulsory share acquisition | 334.8          | –              |
| Accruals                                                               | 380.2          | 375.3          |
| Accruals – cash settled share based payments                           | 3.4            | 2.2            |
| <b>Total trade and other payables – current</b>                        | <b>1,459.7</b> | <b>1,124.6</b> |

SGH's trade payables and other payables are due to mature within one year. Due to the short term nature of these payables their carrying value is assumed to approximate their fair value.

Payments received in advance of services being rendered by Boral are recognised as contract liabilities within trade payables of \$28.1 million (2023: \$37.7 million), with the majority expected to be recognised as revenue in the next financial year.

The Company has entered into a Deed of Cross Guarantee with certain subsidiaries as described in Note 30: Controlled entities. Under the terms of the Deed, the Company has guaranteed the repayment of all current and future creditors in the event that any of the entities party to the Deed are wound up. Details of the consolidated financial position of the Company and parties to the Deed are set out in Note 30.

## 10. Inventories

### Accounting policy

Inventories are measured at the lower of cost and net realisable value. Cost is based on the actual costs, with the exception of exchange component inventory and parts inventory for which cost is based on weighted average cost, and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location. Net realisable value is determined on the basis of SGH's normal selling pattern. Expenses for marketing, selling and distribution to customers are estimated and are deducted to establish net realisable value. For land development projects, cost includes the cost of acquisition, development and holding costs during development. Costs incurred after completion of development are expensed as incurred.

### CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENT

Management is required to make judgements regarding writedowns to determine the net realisable value of inventory.

These writedowns consider factors such as the age and condition of goods, machine population in service for parts as well as recent market data and rights to return parts to original equipment manufacturers, to assess the estimated future demand for the goods.

|                                        | 2024<br>\$m    | 2023<br>\$m    |
|----------------------------------------|----------------|----------------|
| <b>CURRENT</b>                         |                |                |
| Raw materials – at cost                | 104.4          | 126.6          |
| Work-in-progress – at cost             | 238.2          | 147.2          |
| Finished goods                         |                |                |
| – at cost                              | 1,636.0        | 1,203.8        |
| – at net realisable value              | 10.7           | 17.9           |
| Total finished goods                   | 1,646.7        | 1,221.7        |
| Land development projects              | 1.8            | 5.5            |
| <b>Total inventories – current</b>     | <b>1,991.1</b> | <b>1,501.0</b> |
| <b>NON-CURRENT</b>                     |                |                |
| Land development projects              | 346.8          | 345.7          |
| <b>Total inventories – non-current</b> | <b>346.8</b>   | <b>345.7</b>   |

Land development projects includes \$1.1 million (2023: \$1.6 million) of development costs capitalised during the year.

## 11. Investments accounted for using the equity method

### Accounting policy

Investments accounted for using the equity method comprise investments in associates and joint ventures (equity accounted investees).

Under the equity method, where SGH has in substance an ownership interest as a result of transactions giving access to returns associated with ownership, such as equity settled swaps, SGH takes into account eventual exercise of potential voting rights in determining ownership interest.

# Operating Assets and Liabilities

## 11. Investments accounted for using the equity method (continued)

### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

#### Control, joint control or significant influence

Significant judgement and assumptions are made in determining whether an entity has control, joint control or significant influence over another entity and the type of the joint arrangement. In considering the classification, management considers whether control, significant influence or joint control exists, the nature and structure of the relationship and other facts and circumstances.

#### Beach Energy Limited (Beach Energy)

SGH holds a 30.0 per cent (2023: 30.0 per cent) interest in Beach Energy and has two representative directors on the Beach Energy board, one of whom is the Chairman of Beach Energy. SGH continues to classify its investment as an associate. SGH has the ability to significantly influence, but not control or jointly control, the financial and operating decisions through its investment and board representation.

#### Seven West Media Limited (Seven West Media)

SGH has classified its investment in Seven West Media as an associate based on its 40.2 per cent (2023: 39.8 per cent) ownership interest and equivalent voting rights. SGH has one representative director on the Seven West Media board. Management have concluded that SGH has the ability to significantly influence, but not control or jointly control, the financial and operating decisions of Seven West Media.

#### Impairment of investments accounted for using the equity method

In accordance with AASB 136: Impairment of Assets, the recoverable amount of assets is the greater of its value-in-use (VIU) and its fair value less cost of disposal (FVLCD). In the absence of quoted market prices, an asset's VIU is calculated by estimating the present value of future cash flows using an asset specific discount rate. These calculations also require the use of assumptions regarding profit margins, growth rates, discount rates and terminal value.

In determining the amount of impairment for equity accounted investees that are listed, management has made judgements in identifying financial assets that are impaired due to industry factors or whose decline in fair value below original cost is considered significant or prolonged. A significant decline is assessed based on the percentage decline from acquisition cost of the share, while a prolonged decline is based on the length of the time over which the share price has been depressed below cost. Management considers a decline of 30 per cent to be significant and a period of 12 months to be prolonged.

| Investee                                                     | Principal activities                             | Country of incorporation | Balance date | OWNERSHIP INTEREST |        |
|--------------------------------------------------------------|--------------------------------------------------|--------------------------|--------------|--------------------|--------|
|                                                              |                                                  |                          |              | 2024 %             | 2023 % |
| ASSOCIATES                                                   |                                                  |                          |              |                    |        |
| Beach Energy Limited                                         | Oil and gas exploration, development, production | Australia                | 30 Jun       | 30.0               | 30.0   |
| Bitumen Importers Australia Pty Limited <sup>(a)</sup>       | Bitumen importer                                 | Australia                | 30 Jun       | 50.0               | 50.0   |
| ConnectSydney Pty Ltd <sup>(a)</sup>                         | Road maintenance                                 | Australia                | 30 Jun       | 38.5               | 38.5   |
| Energy Power Systems Australia Pty Ltd                       | Distribution and rental of Cat engine products   | Australia                | 30 Jun       | 40.0               | 40.0   |
| Flyash Australia Pty Ltd <sup>(a)</sup>                      | Fly ash collection                               | Australia                | 31 Dec       | 50.0               | 50.0   |
| Mo's Mobiles Pty Limited                                     | Mobile phone retailer                            | Australia                | 30 Jun       | 25.0               | 25.0   |
| Penrith Lakes Development Corporation Limited <sup>(a)</sup> | Property development                             | Australia                | 30 Jun       | 40.0               | 40.0   |
| Seven West Media Limited <sup>(b)</sup>                      | Media                                            | Australia                | 30 Jun       | 40.2               | 39.8   |
| South Australian Road Services Pty Limited <sup>(a)</sup>    | Road maintenance                                 | Australia                | 30 Jun       | 50.0               | 50.0   |
| South East Asphalt Pty Limited <sup>(a)</sup>                | Asphalt road maintenance                         | Australia                | 30 Jun       | 50.0               | 50.0   |
| Sunstate Cement Limited <sup>(a)</sup>                       | Cement manufacturer                              | Australia                | 30 Jun       | 50.0               | 50.0   |
| JOINT VENTURES                                               |                                                  |                          |              |                    |        |
| Flagship Property Holdings Pty Limited                       | Property management                              | Australia                | 31 Dec       | 46.6               | 46.6   |
| Kings Square Pty Ltd                                         | Property development                             | Australia                | 30 Jun       | 50.0               | 50.0   |
| Kings Square No. 4 Unit Trust                                | Property development                             | Australia                | 30 Jun       | 50.0               | 50.0   |

(a) Ownership interest reflects Boral's ownership, of which SGH had a 95.1 per cent interest, including Boral acceptances to 30 June 2024 (2023: 72.6 per cent interest).

(b) During the year, Seven West Media bought shares on-market and subsequently cancelled the shares. This increased SGH's ownership interest in Seven West Media to 40.2 per cent.

The country of incorporation of the above associates and joint ventures is also their principal place of business.

|                                                                | 2024<br>\$m    | 2023<br>\$m    |
|----------------------------------------------------------------|----------------|----------------|
| <b>INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>       |                |                |
| Investments in associates                                      |                |                |
| Beach Energy Limited                                           | 1,069.7        | 1,239.4        |
| Seven West Media Limited                                       | 111.4          | 232.0          |
| Individually immaterial associates                             | 139.1          | 223.6          |
| Investments in joint ventures                                  |                |                |
| Individually immaterial joint ventures                         | 5.3            | 6.3            |
| <b>Total investments accounted for using the equity method</b> | <b>1,325.5</b> | <b>1,701.3</b> |

Beach Energy is a listed oil and gas exploration, development and production company based in Australia with investments in the resource industry. SGH's investment in Beach Energy is held for strategic purposes and is disclosed within the Energy segment.

Seven West Media is the leading listed national multi-platform media business based in Australia. SGH's investment in Seven West Media is held for strategic purposes and disclosed within the Media investments segment.

|                                                               | 2024<br>\$m    | 2023<br>\$m  |
|---------------------------------------------------------------|----------------|--------------|
| <b>SHARE OF RESULTS FROM EQUITY ACCOUNTED INVESTEEES</b>      |                |              |
| Investments in associates                                     |                |              |
| Beach Energy Limited                                          | (142.7)        | 120.9        |
| Seven West Media Limited                                      | 17.7           | 57.7         |
| Individually immaterial associates                            | 6.8            | 21.7         |
| Investments in joint ventures                                 |                |              |
| Individually immaterial joint ventures                        | –              | (0.7)        |
| <b>Total share of results from equity accounted investees</b> | <b>(118.2)</b> | <b>199.6</b> |

In the prior year, a bargain purchase gain of \$2.3 million was recognised as a result of the change in ownership of Seven West Media arising from a change in the number of shares on issue. The share of results from equity accounted investees does not include this gain, which has been separately included within the Media Segment in Note 2: Operating segments.

|                                                                                  | 2024<br>\$m | 2023<br>\$m |
|----------------------------------------------------------------------------------|-------------|-------------|
| <b>MARKET VALUES OF LISTED INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b> |             |             |
| Beach Energy Limited                                                             |             |             |
| Book value                                                                       | 1,069.7     | 1,239.4     |
| Market value                                                                     | 1,016.9     | 924.4       |
| Seven West Media Limited                                                         |             |             |
| Book value                                                                       | 111.4       | 232.0       |
| Market value                                                                     | 111.4       | 232.0       |

An impairment of \$134.3 million (2023: \$75.9 million) relating to SGH's investment in Seven West Media was recognised in profit or loss during the year. A further \$1.0 million (2023: nil) impairment expense was recognised in relation to an immaterial joint venture. These amounts are disclosed within Significant items.

During the year, SGH received cash dividends and distributions from equity accounted investees of \$38.3 million (2023: \$44.8 million).

# Operating Assets and Liabilities

## 11. Investments accounted for using the equity method (continued)

The summarised financial information for SGH's material associates is detailed below. The information disclosed reflects the amounts presented in the financial statements of the relevant associate and not SGH's share of those amounts.

|                                                             | ASSOCIATE<br>BEACH ENERGY |                | ASSOCIATE<br>SEVEN WEST MEDIA |              |
|-------------------------------------------------------------|---------------------------|----------------|-------------------------------|--------------|
|                                                             | 2024<br>\$m               | 2023<br>\$m    | 2024<br>\$m                   | 2023<br>\$m  |
| <b>SUMMARISED FINANCIAL INFORMATION OF INVESTEES (100%)</b> |                           |                |                               |              |
| <b>Summarised Statement of Financial Position</b>           |                           |                |                               |              |
| Current assets                                              |                           |                |                               |              |
| Cash and cash equivalents                                   | 172.0                     | 218.9          | 54.5                          | 57.4         |
| Other current assets                                        | 513.6                     | 451.2          | 410.6                         | 446.0        |
| Total current assets                                        | 685.6                     | 670.1          | 465.1                         | 503.4        |
| Non-current assets                                          |                           |                |                               |              |
| Goodwill                                                    | 6.1                       | 57.1           | –                             | –            |
| Intangible assets                                           | 20.5                      | 20.5           | 718.1                         | 714.8        |
| Other non-current assets                                    | 4,787.0                   | 5,147.2        | 294.7                         | 282.6        |
| Total non-current assets                                    | 4,813.6                   | 5,224.8        | 1,012.8                       | 997.4        |
| Current liabilities                                         |                           |                |                               |              |
| Financial liabilities <sup>(a)</sup>                        | 12.4                      | 11.0           | 15.6                          | 13.5         |
| Other current liabilities                                   | 369.4                     | 433.2          | 314.7                         | 373.8        |
| Total current liabilities                                   | 381.8                     | 444.2          | 330.3                         | 387.3        |
| Non-current liabilities                                     |                           |                |                               |              |
| Financial liabilities <sup>(a)</sup>                        | 30.2                      | 14.2           | 500.0                         | 484.3        |
| Other non-current liabilities                               | 1,774.7                   | 1,558.6        | 244.1                         | 250.4        |
| Total non-current liabilities                               | 1,804.9                   | 1,572.8        | 744.1                         | 734.7        |
| <b>Net assets</b>                                           | <b>3,312.5</b>            | <b>3,877.9</b> | <b>403.5</b>                  | <b>378.8</b> |
| SGH's share (%)                                             | 30.02%                    | 30.02%         | 40.20%                        | 39.83%       |
| SGH's share of net assets                                   | 994.4                     | 1,164.1        | 162.2                         | 150.9        |
| Share of impairment not recognised as previously impaired   | –                         | –              | 571.0                         | 571.0        |
| Adjustment to align accounting policies                     | –                         | –              | (18.5)                        | (18.5)       |
| Share of rights issue not taken up                          | –                         | –              | (125.2)                       | (125.2)      |
| Change in ownership interest                                | 73.3                      | 73.3           | 153.0                         | 153.0        |
| Impairment                                                  | –                         | –              | (646.4)                       | (512.1)      |
| Other                                                       | 2.0                       | 2.0            | 15.3                          | 12.9         |
| <b>Carrying amount</b>                                      | <b>1,069.7</b>            | <b>1,239.4</b> | <b>111.4</b>                  | <b>232.0</b> |
| <b>Summarised Statement of Comprehensive Income</b>         |                           |                |                               |              |
| Revenue                                                     | 1,797.6                   | 1,646.4        | 1,416.0                       | 1,487.4      |
| Depreciation and amortisation                               | (408.7)                   | (391.7)        | (132.2)                       | (139.5)      |
| Net interest expense                                        | (33.3)                    | (27.0)         | (39.2)                        | (35.2)       |
| Income tax benefit/(expense)                                | 179.1                     | (158.5)        | (21.8)                        | (50.3)       |
| Profit for the year                                         | (475.3)                   | 400.8          | 45.3                          | 145.7        |
| Other comprehensive income                                  | (1.0)                     | 3.0            | (19.0)                        | (10.1)       |
| <b>Total comprehensive income for the year</b>              | <b>(476.3)</b>            | <b>403.8</b>   | <b>26.3</b>                   | <b>135.6</b> |
| <b>Dividends received by SGH</b>                            | <b>27.4</b>               | <b>20.5</b>    | <b>–</b>                      | <b>–</b>     |

(a) Financial liabilities excluding trade and other payables and provisions.

## 12. Right of use assets and lease liabilities

### Accounting policy

SGH assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether the contract is dependent on an identified asset, whether SGH obtains substantially all the economic benefits from the use of that asset, and whether SGH has the right to direct the use of the asset.

### SGH as a lessee

SGH recognises a right of use asset and a lease liability at the lease commencement date which is the date that the underlying asset is available for use by the lessee.

The right of use asset is initially measured at cost, comprising the initial lease liability, any lease payments already made less lease incentives received, initial direct costs and any dilapidation or restoration costs. The right of use asset is subsequently depreciated on a straight line basis over the shorter of the lease term or the useful life of the underlying asset. The right of use asset is tested for impairment if there are any indicators of impairment.

The lease liability is measured at the present value of the lease payments using an appropriate discount rate. Lease payments can include fixed payments, variable payments that depend on a specified rate or index, extension option payments or purchase options if SGH is reasonably certain to exercise the option and termination payments if the lease term reflects SGH exercising a break option.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured with a corresponding adjustment to the right of use asset when there is a change in future lease payments resulting from a rent review, a change in an index or rate such as inflation, or a change in SGH's assessment of whether it is reasonably certain to exercise a purchase or extension option or not exercise a break option.

Leases of low value assets and short term leases of 12 months or less are expensed to the profit or loss, as are variable payments dependent on performance or usage, 'out of contract' payments and non-lease service components.

### SGH as a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Where SGH is an intermediate lessor, the sub-lease classification is assessed with reference to the head lease right of use asset. Amounts due from lessees under finance leases are recorded as receivables at the amount of SGH's net investment into the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on SGH's net investment in the lease. Rental income from operating leases is recognised on a straight line basis over the term of the lease.

### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Management exercises judgement in determining the likelihood of exercising break or extension options in determining the lease term. Break and extension options are included to provide operational flexibility should the economic outlook for an asset be different to expectations. At commencement of the lease, break or extension options are not normally considered reasonably certain to be exercised, unless there is a valid business reason otherwise.

# Operating Assets and Liabilities

## 12. Right of use assets and lease liabilities (continued)

### Movement in right of use assets

|                                                 | Land and<br>buildings<br>\$m | Plant and<br>equipment<br>\$m | Hire fleet<br>\$m | Motor<br>vehicles<br>\$m | Total<br>\$m |
|-------------------------------------------------|------------------------------|-------------------------------|-------------------|--------------------------|--------------|
| <b>YEAR ENDED 30 JUNE 2024</b>                  |                              |                               |                   |                          |              |
| <b>Carrying amount at beginning of the year</b> | <b>606.6</b>                 | <b>35.1</b>                   | <b>3.1</b>        | <b>67.0</b>              | <b>711.8</b> |
| Additions                                       | 13.8                         | 2.6                           | 0.9               | 31.6                     | 48.9         |
| Modifications                                   | 49.7                         | –                             | 3.0               | 10.8                     | 63.5         |
| Impairment                                      | (0.5)                        | –                             | –                 | (0.3)                    | (0.8)        |
| Disposals                                       | (1.6)                        | (0.8)                         | (0.2)             | (3.6)                    | (6.2)        |
| Depreciation                                    | (65.7)                       | (7.4)                         | (4.0)             | (30.0)                   | (107.1)      |
| Amounts disposed in sale of business            | (3.8)                        | –                             | –                 | (0.5)                    | (4.3)        |
| Transfers                                       | 0.1                          | 0.5                           | –                 | 0.3                      | 0.9          |
| <b>Carrying amount at end of the year</b>       | <b>598.6</b>                 | <b>30.0</b>                   | <b>2.8</b>        | <b>75.3</b>              | <b>706.7</b> |
| At cost                                         | 1,071.1                      | 49.6                          | 24.9              | 172.4                    | 1,318.0      |
| Accumulated depreciation                        | (472.5)                      | (19.6)                        | (22.1)            | (97.1)                   | (611.3)      |
| <b>Total right of use assets</b>                | <b>598.6</b>                 | <b>30.0</b>                   | <b>2.8</b>        | <b>75.3</b>              | <b>706.7</b> |

### YEAR ENDED 30 JUNE 2023

|                                                 |              |             |            |             |              |
|-------------------------------------------------|--------------|-------------|------------|-------------|--------------|
| <b>Carrying amount at beginning of the year</b> | <b>605.0</b> | <b>34.5</b> | <b>8.0</b> | <b>59.4</b> | <b>706.9</b> |
| Additions                                       | 15.8         | 5.0         | 0.2        | 32.0        | 53.0         |
| Modifications                                   | 49.1         | 0.2         | 0.8        | 6.1         | 56.2         |
| Impairment                                      | (0.4)        | (1.5)       | –          | (0.2)       | (2.1)        |
| Disposals                                       | (0.3)        | (0.3)       | –          | (2.1)       | (2.7)        |
| Depreciation                                    | (62.7)       | (5.1)       | (5.9)      | (28.2)      | (101.9)      |
| Transfers                                       | –            | 2.3         | –          | –           | 2.3          |
| Exchange differences                            | 0.1          | –           | –          | –           | 0.1          |
| <b>Carrying amount at end of the year</b>       | <b>606.6</b> | <b>35.1</b> | <b>3.1</b> | <b>67.0</b> | <b>711.8</b> |
| At cost                                         | 1,086.1      | 61.5        | 33.2       | 182.9       | 1,363.7      |
| Accumulated depreciation                        | (479.5)      | (26.4)      | (30.1)     | (115.9)     | (651.9)      |
| <b>Total right of use assets</b>                | <b>606.6</b> | <b>35.1</b> | <b>3.1</b> | <b>67.0</b> | <b>711.8</b> |

|                                                                                  | Note | 2024<br>\$m    | 2023<br>\$m    |
|----------------------------------------------------------------------------------|------|----------------|----------------|
| <b>Amounts recognised in profit or loss</b>                                      |      |                |                |
| Depreciation expense on right of use assets                                      |      | 107.1          | 101.9          |
| Interest expense on lease liabilities                                            | 5    | 60.9           | 57.1           |
| Expense relating to short-term leases                                            |      | 78.9           | 79.0           |
| Expense relating to leases of low value assets                                   |      | 9.3            | 8.2            |
| <b>Lease liabilities</b>                                                         |      |                |                |
| Amounts due for settlement within 12 months (shown under current liabilities)    |      | 73.9           | 71.3           |
| Amounts due for settlement after 12 months (shown under non-current liabilities) |      | 916.2          | 913.2          |
| <b>Total lease liabilities</b>                                                   |      | <b>990.1</b>   | <b>984.5</b>   |
| <b>Lease Liabilities (undiscounted) maturity analysis:</b>                       |      |                |                |
| Not later than one year                                                          |      | 136.6          | 133.2          |
| Later than one year but not later than two years                                 |      | 124.2          | 115.3          |
| Later than two years but not later than five years                               |      | 303.4          | 291.0          |
| Later than five years but not later than ten years                               |      | 375.9          | 379.4          |
| Later than ten years but not later than 20 years                                 |      | 616.7          | 625.2          |
| Later than 20 years                                                              |      | 49.3           | 92.4           |
| <b>Total undiscounted lease liabilities</b>                                      |      | <b>1,606.1</b> | <b>1,636.5</b> |

## 13. Property, plant and equipment

### Accounting policy

Property, plant and equipment is measured at historical cost less accumulated depreciation and impairment losses.

Freehold land is not depreciated. The cost of improvements to or on leasehold properties is amortised over the shorter of the unexpired period of the lease or the estimated useful life of the improvement to SGH.

Depreciation on the following assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

|                        |                |
|------------------------|----------------|
| Buildings              | 10 – 100 years |
| Leasehold improvements | 1 – 25 years   |
| Hire fleet             | 3 – 13 years   |
| Plant and equipment    | 2 – 20 years   |

Mineral reserves, licences and quarry stripping assets are depreciated over the expected life of the identified resources using the units of production method.

Mineral reserves, licences and quarry stripping 1 – 100+ years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimation of useful lives of assets has been based on historical experience. In addition, the condition of assets is assessed at least annually and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

### Movement in property, plant and equipment

|                                                 | Freehold<br>land and<br>buildings<br>\$m | Leasehold<br>improve-<br>ments<br>\$m | Mineral<br>reserves,<br>licences<br>and quarry<br>stripping<br>\$m | Hire<br>fleet<br>\$m | Plant and<br>equipment<br>\$m | Total<br>\$m   |
|-------------------------------------------------|------------------------------------------|---------------------------------------|--------------------------------------------------------------------|----------------------|-------------------------------|----------------|
| <b>YEAR ENDED 30 JUNE 2024</b>                  |                                          |                                       |                                                                    |                      |                               |                |
| <b>Carrying amount at beginning of the year</b> | <b>1,076.7</b>                           | <b>67.0</b>                           | <b>292.6</b>                                                       | <b>940.0</b>         | <b>1,121.6</b>                | <b>3,497.9</b> |
| Additions                                       | 3.6                                      | 3.6                                   | 55.5                                                               | 272.1                | 226.5                         | 561.3          |
| Transfer                                        | 35.9                                     | (0.1)                                 | 38.3                                                               | 19.7                 | (71.4)                        | 22.4           |
| Disposals                                       | (2.5)                                    | –                                     | –                                                                  | (22.0)               | (2.7)                         | (27.2)         |
| Depreciation                                    | (22.1)                                   | (7.9)                                 | (33.4)                                                             | (167.1)              | (160.0)                       | (390.5)        |
| Exchange differences                            | –                                        | –                                     | –                                                                  | 0.3                  | 0.1                           | 0.4            |
| Amounts disposed in sale of business            | –                                        | –                                     | –                                                                  | (17.0)               | (3.7)                         | (20.7)         |
| Other <sup>(a)</sup>                            | –                                        | –                                     | –                                                                  | –                    | (1.5)                         | (1.5)          |
| <b>Carrying amount at end of the year</b>       | <b>1,091.6</b>                           | <b>62.6</b>                           | <b>353.0</b>                                                       | <b>1,026.0</b>       | <b>1,108.9</b>                | <b>3,642.1</b> |
| At cost                                         | 1,321.3                                  | 148.0                                 | 667.4                                                              | 2,068.5              | 3,834.6                       | 8,039.8        |
| Accumulated depreciation                        | (229.7)                                  | (85.4)                                | (314.4)                                                            | (1,042.5)            | (2,725.7)                     | (4,397.7)      |
| <b>Total property, plant and equipment</b>      | <b>1,091.6</b>                           | <b>62.6</b>                           | <b>353.0</b>                                                       | <b>1,026.0</b>       | <b>1,108.9</b>                | <b>3,642.1</b> |

(a) Other includes net transfer from inventory, impairments or reclassifications.

# Operating Assets and Liabilities

## 13. Property, plant and equipment (continued)

| YEAR ENDED 30 JUNE 2023                         | Freehold land and buildings<br>\$m | Leasehold improvements<br>\$m | Mineral reserves, licences and quarry stripping<br>\$m | Hire fleet<br>\$m | Plant and equipment<br>\$m | Total<br>\$m   |
|-------------------------------------------------|------------------------------------|-------------------------------|--------------------------------------------------------|-------------------|----------------------------|----------------|
| <b>Carrying amount at beginning of the year</b> | <b>1,044.8</b>                     | <b>40.6</b>                   | <b>291.3</b>                                           | <b>869.4</b>      | <b>1,178.6</b>             | <b>3,424.7</b> |
| Additions                                       | 0.7                                | 16.7                          | 15.5                                                   | 248.5             | 230.2                      | 511.6          |
| Transfer                                        | 65.1                               | 16.9                          | 13.8                                                   | 7.8               | (115.0)                    | (11.4)         |
| Disposals                                       | (0.1)                              | –                             | –                                                      | (20.6)            | (3.1)                      | (23.8)         |
| Depreciation                                    | (33.9)                             | (7.2)                         | (27.9)                                                 | (165.7)           | (166.1)                    | (400.8)        |
| Exchange differences                            | 0.2                                | –                             | –                                                      | 0.5               | 0.1                        | 0.8            |
| Other <sup>(a)</sup>                            | (0.1)                              | –                             | (0.1)                                                  | 0.1               | (3.1)                      | (3.2)          |
| <b>Carrying amount at end of the year</b>       | <b>1,076.7</b>                     | <b>67.0</b>                   | <b>292.6</b>                                           | <b>940.0</b>      | <b>1,121.6</b>             | <b>3,497.9</b> |
| At cost                                         | 1,283.4                            | 145.1                         | 573.9                                                  | 2,046.1           | 3,724.6                    | 7,773.1        |
| Accumulated depreciation                        | (206.7)                            | (78.1)                        | (281.3)                                                | (1,106.1)         | (2,603.0)                  | (4,275.2)      |
| <b>Total property, plant and equipment</b>      | <b>1,076.7</b>                     | <b>67.0</b>                   | <b>292.6</b>                                           | <b>940.0</b>      | <b>1,121.6</b>             | <b>3,497.9</b> |

(a) Other includes net transfer from inventory, impairments and reclassifications.

## 14. Producing and development assets

### Accounting policy

Producing and development assets are carried at historical cost less accumulated depreciation.

### Development costs

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including any unsuccessful development or delineation wells, is capitalised within development assets.

### Depreciation/amortisation

Producing oil and gas properties are depreciated/amortised on a unit of production basis over the total proved developed and undeveloped reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight-line method is applied.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

### Assessment of recoverable amount and key assumptions used

Producing and development asset valuations are based on the expected production profile of reserves and resources and various estimates and assumptions. For the purposes of assessing impairment, the recoverable amount of an asset or cash generating unit (CGU) is based on the greater of its FVLCD and its VIU, using a discount rate specific to the asset. Where the carrying value is less than the recoverable value, an impairment is expensed in the profit or loss.

The estimated future cash flows for the VIU calculation are based on various estimates, the most significant of which are reserves, future production profiles, commodity prices, operating costs and any future development costs necessary to produce the resources.

The cash flow projections for Longtom reflect the expected production profile of reserves and resources, processing and tolling costs, assumed capital expenditure required to maintain the asset and a long-term gas price assumption of \$15/GJ. The discount rate applied to the forecast cash flows is based on the weighted average cost of capital adjusted for risks where appropriate including the functional currency of the asset and the risk profile of the country in which the asset operates. A post-tax discount rate of 9.1 per cent (2023: 9.1 per cent) has been applied.

The cash flow projections for the Crux Joint Operation (Crux JO) include assumptions on the expected production profile of reserves and resources, tolling revenue expected referable to third party processing of their reserves via Crux infrastructure, facility design, project development cost (including input price escalation), a long-term oil price assumption and discount rate. A Brent oil price of US\$72/bbl (2023: US\$72/bbl) has been used to estimate a long-term LNG price and post-tax discount rate of 8.2 per cent (2023: 8.2 per cent) has been applied to the estimated future cash flows.

### Project development costs

Estimates of project development costs are integral to cash flow projections. SGH's best estimate of project development costs is made with reference to internally derived cost estimates or joint venture project development budgets. These estimates and budgets require assumptions to be made regarding cost of construction and installation of surface and subsurface assets, including design, engineering, procurement and input price escalation, labour and vessel availability and the project schedule. The project schedule may require modification for items including, but not limited to, task dependencies, changes in scope, seasonable weather factors and timing of regulatory approvals. Cash flow projections include a level of cost contingency to account for project uncertainty. An adverse change to SGH's estimates of project development costs, if it were to occur, may require an adjustment to the carrying amount of producing and development assets.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### Estimates of quantity and quality of reserves and resources

The estimated quantity and quality of reserves and resources are integral to the calculation of amortisation expense and the assessment of the recoverable amount of assets. Estimated reserve and resource quantities and quality is based on interpretations of geological and geophysical models and assessments of technical feasibility and commercial viability of future production. These estimates require assumptions to be made regarding future development and production costs, commodity prices and exchange rates. The estimates of reserves and resources may change from period to period, and as additional geological data is generated or obtained from the operator during the course of the operations. Reserves and resource estimates are prepared in accordance with relevant guidelines, including SPE-PRMS guidelines prepared by the Society of Petroleum Engineers.

### Pipeline and gas processing availability

The Longtom gas and condensate field is connected to the Patricia Baleen pipeline and the Orbost Gas Plant. The estimated cash flows are predicated on achieving contractual access to this infrastructure in order to transport and process gas and condensate produced by the field. Discussions in respect of securing access to these facilities are ongoing, and should this not be secured, it is reasonably possible that an adjustment to the carrying amount of the Longtom asset of \$119.6 million (2023: \$119.6 million) could be required.

### Estimation of commodity prices

SGH's best estimate of future commodity prices is made with reference to internally derived forecast data, current spot prices, external market analysts forecast and forward curves. Future commodity price assumptions impact the recoverability of carrying values and are reviewed at least annually.

### Climate change

Current climate change legislation is considered in estimating future cash flows including the impact of current climate change legislation, including the Safeguard Mechanism. Climate change risks may result in a proportion of reserves becoming incapable of economic extraction, demand for hydrocarbons decreasing due to policy, regulation including carbon pricing, legal, technological, market or societal responses to climate change and physical aspects related to extreme weather events or climate change. SGH continues to monitor climate related policy and its impact on the Financial Report.

## Movement in producing and development assets

|                                                 | 2024<br>\$m  | 2023<br>\$m  |
|-------------------------------------------------|--------------|--------------|
| <b>Carrying amount at beginning of the year</b> | <b>476.5</b> | <b>365.7</b> |
| Additions                                       | 151.2        | 110.8        |
| <b>Carrying amount at end of the year</b>       | <b>627.7</b> | <b>476.5</b> |
| At cost                                         | 772.2        | 620.9        |
| Accumulated depreciation                        | (23.3)       | (23.3)       |
| Accumulated impairment                          | (121.2)      | (121.1)      |
| <b>Total producing and development assets</b>   | <b>627.7</b> | <b>476.5</b> |

SGH's operating interests in producing and development assets are held through SGH's wholly-owned subsidiaries as follows:

- the Longtom gas and condensate field located in the Gippsland Basin off the coast of Victoria through SGH Energy VICP54 Pty Limited;
- the Crux AC/L10 gas and condensate project located in the Browse Basin off the coast of Western Australia through SGH Energy WA Pty Limited; and
- the Bivins Ranch oil and gas asset located in the Texas Panhandle region of the United States through Seven Network (United States) Inc.

| Asset        | Operator of joint operation | UNINCORPORATED INTEREST |           |
|--------------|-----------------------------|-------------------------|-----------|
|              |                             | 2024<br>%               | 2023<br>% |
| Crux AC/L10  | Shell Australia Pty Ltd     | 15.5                    | 15.5      |
| Bivins Ranch | Presidio Petroleum LLC      | 11.2                    | 11.2      |

The Crux AC/L10 natural gas and condensate field is off the coast of Western Australia. The Crux asset is a primary source of back fill gas supply to the Shell Operated Prelude floating LNG facility (Prelude) with which Crux has a documented processing agreement. Both the Prelude and Crux projects are operated by Shell Australia. Final investment decision was reached in respect of the Crux asset in May 2022 and drilling commenced in April 2024.

# Operating Assets and Liabilities

## 14. Producing and development assets (continued)

### Impairment assessment

As at 30 June 2024, SGH performed an impairment review of its producing and development assets in accordance with AASB 136: Impairment of Assets. The review concluded that legislative changes relating to the Safeguard Mechanism effective 1 July 2023, coupled with the revision of the Crux JO project capital expenditure estimate prepared by Shell as the operator in the year, was an indicator of impairment. Accordingly, a full impairment test was conducted with the recoverable value of the Crux JO assessed utilising a VIU discounted cash flow model.

The lack of agreement to date on access to third-party facilities to transport and process gas and condensate in relation to the Longtom asset was also considered an indicator of impairment. Accordingly, a full impairment test was also conducted, with the recoverable value of Longtom assessed utilising a VIU discounted cash flow model.

The estimated future cash flows for the VIU calculation for both Crux and Longtom are based on various estimates, the most significant of which are resources, production profiles, commodity prices, operating costs, tolling and processing arrangements, any future development costs necessary to produce the reserves, the capital cost of bringing the asset into production and timing of production.

The estimated Longtom cash flows are predicated on achieving contractual access to infrastructure to transport and process gas and condensate produced by the field with discussions ongoing with the relevant counterparty. Contracted agreements are already in place with Prelude JV for the processing of Crux JO volumes at the Prelude FLNG facility. The value of future cash flows were estimated using the assumptions below which have regard to observable market data including forward curves, external market forecasts and specific target market supply/demand dynamics. The following assumptions were used in the assessment of the recoverable amount for the year:

- average of the JKM and Brent linked LNG forecast in CY27, which equates to an average LNG price for the Crux JO of US\$9.50/MMbtu indexed at 2.5 per cent;
- uncontracted long-term East Coast gas price assumption of \$15/GJ indexed at 2.5 per cent for the Longtom asset;
- Brent oil price of US\$72/bbl;
- AUD/USD exchange rate of A\$/US\$0.65;
- tolling revenue will be received by the Crux JO to allow the processing of third party volumes via Crux infrastructure;
- Australian Carbon Credit Unit (ACCU) pricing assumption of US\$40/tonne, escalated by 2.5 per cent;
- weighted average cost of capital of 8.2 per cent for Crux and 9.1 per cent for Longtom; and
- commencement of production in CY27 for Crux JO and restart of production in FY29 for Longtom.

The carrying value of the Crux and Longtom assets have been reassessed using these updated estimates and, based on this assessment, there is no impairment required as at 30 June 2024. The carrying value of Bivins Ranch has previously been impaired in full and there have not been any trigger events indicating that the Bivins Ranch impairment may be reversed.

### Longtom sensitivity analysis

In the event circumstances vary from the assumptions used in the impairment assessment, the recoverable amount of the Longtom asset could change and result in adjustment to the carrying amount of the asset. Sensitivity analysis has been performed applying the following possible changes in key assumptions:

- Reserves - 10 per cent decrease in reserves;
- Gas and oil price assumptions - 10 per cent decrease in oil and gas pricing assumption;
- Post-tax discount rate - one per cent increase in post-tax discount rate; and
- Deferred restart of Longtom production by four years.

Based on sensitivity analysis performed, no reasonable change in the key assumptions above would give rise to an impairment of the Longtom asset at 30 June 2024. Should infrastructure access not ultimately be secured by ~2051, it is reasonably probable that an adjustment to the carrying amount of the Longtom asset would be required. The key assumptions (including access, restart and key economic variables) used in the impairment model were reviewed by an independent oil and gas expert, who concluded that the critical assumptions were reasonable.

### Crux sensitivity analysis

In the event circumstances vary from the assumptions used in the impairment assessment, the recoverable amount of the Crux asset could change and result in adjustment to the carrying amount of the asset. Sensitivity analysis has been performed applying the following possible changes in key assumptions:

- LNG pricing assumption - 10 per cent decrease;
- Oil price assumption - 10 per cent decrease in Brent;
- Post-tax discount rate - one per cent increase;
- Crux capital expenditure - 15 per cent increase; and
- Carbon price increase by US\$10 per ACCU.

Based on sensitivity analysis performed, the 10 per cent decrease in either the LNG or Brent pricing assumptions, and/or one per cent increase in post-tax discount rate would give rise to an impairment of the Crux JO asset at 30 June 2024.

Contingent liabilities in respect of joint venture operations are detailed in Note 26: Contingent liabilities and development expenditure commitments and capital commitments in respect of joint venture operations are detailed in Note 27: Commitments.

## 15. Intangible assets

### Accounting policy

#### Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of SGH's share of the net identifiable assets of the acquired subsidiary/equity accounted investee at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is not amortised, but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to CGUs (or groups of CGUs) for the purpose of impairment testing. Each of those CGUs (or groups of CGUs) represents SGH's investment in each country of operation by each operating segment.

#### Distribution networks

The distribution networks of SGH are considered by the Directors to be identifiable intangible assets.

The Directors are of the opinion that the distribution networks have an indefinite useful life, and as such the distribution networks are not subject to amortisation but rather are tested annually for impairment or more frequently if events or changes in circumstances indicate impairment. The basis for the classification of indefinite life is that the dealership agreements do not require specific renewal over set intervals thus the distribution rights continue uninterrupted unless a cause to terminate is triggered.

#### Brand names

Brand names have been assessed as having an indefinite useful life and as a result are not amortised. Instead, brand names are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and are carried at cost less accumulated impairment losses.

#### Impairment of intangible assets

Goodwill and intangible assets that have an indefinite life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its FVLCD and its VIU. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Non-financial assets other than goodwill that have been impaired are reviewed for possible reversal of the impairment at each reporting date. Impairment losses are recognised in profit or loss unless the asset has previously been revalued, in which case the impairment is recognised as a reversal to the extent of that previous revaluation with any excess recognised in profit or loss.

### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

#### Dependency on key suppliers

WesTrac is dependent on Caterpillar to maintain its authorisation as an authorised dealer of Caterpillar equipment and parts in Western Australia and New South Wales/Australian Capital Territory. WesTrac has maintained a strong relationship with Caterpillar and although WesTrac expects this relationship to continue, as is customary in dealer agreements with Caterpillar, the dealer agreement can be terminated by either party upon 90 days notice at any time.

WesTrac is dependent on Caterpillar for timely supply of equipment and parts from their global manufacturing factories and distribution warehouses. During periods of intense demand or in the event of disruption to Caterpillar's business there may be delays in the supply of equipment and parts to WesTrac. This has not in the past proven to be an impediment to WesTrac.

Management judgement is required to estimate the impact of the loss of key suppliers on future earnings, supporting existing goodwill and intangible assets.

#### Impairment of intangible assets

In accordance with AASB 136: Impairment of Assets, the recoverable amount of an asset or CGU is the greater of its FVLCD and its VIU. In the absence of quoted market prices, an asset's or CGU's FVLCD or VIU is calculated by estimating the present value of future cash flows using an asset specific discount rate. These calculations also require the use of assumptions regarding profit margins, growth rates, discount rates and terminal value.

# Operating Assets and Liabilities

## 15. Intangible assets (continued)

### Movement in intangible assets

|                                                 | Goodwill<br>\$m | Distribution<br>network<br>\$m | Brand<br>names<br>\$m | Other <sup>(a)</sup><br>\$m | Total<br>\$m   |
|-------------------------------------------------|-----------------|--------------------------------|-----------------------|-----------------------------|----------------|
| <b>YEAR ENDED 30 JUNE 2024</b>                  |                 |                                |                       |                             |                |
| <b>Carrying amount at beginning of the year</b> | <b>1,652.4</b>  | <b>328.8</b>                   | <b>207.6</b>          | <b>33.4</b>                 | <b>2,222.2</b> |
| Additions                                       | 4.3             | –                              | –                     | 1.8                         | 6.1            |
| Disposals                                       | –               | –                              | –                     | (0.1)                       | (0.1)          |
| Amortisation                                    | –               | –                              | –                     | (7.8)                       | (7.8)          |
| <b>Carrying amount at end of the year</b>       | <b>1,656.7</b>  | <b>328.8</b>                   | <b>207.6</b>          | <b>27.3</b>                 | <b>2,220.4</b> |
| At cost                                         | 2,385.1         | 328.8                          | 207.6                 | 95.9                        | 3,017.4        |
| Accumulated impairment                          | (728.4)         | –                              | –                     | –                           | (728.4)        |
| Accumulated amortisation                        | –               | –                              | –                     | (68.6)                      | (68.6)         |
| <b>Total intangible assets</b>                  | <b>1,656.7</b>  | <b>328.8</b>                   | <b>207.6</b>          | <b>27.3</b>                 | <b>2,220.4</b> |
| <b>YEAR ENDED 30 JUNE 2023</b>                  |                 |                                |                       |                             |                |
| <b>Carrying amount at beginning of the year</b> | <b>1,652.4</b>  | <b>328.8</b>                   | <b>207.6</b>          | <b>40.2</b>                 | <b>2,229.0</b> |
| Additions                                       | –               | –                              | –                     | 3.2                         | 3.2            |
| Disposals                                       | –               | –                              | –                     | (1.1)                       | (1.1)          |
| Amortisation                                    | –               | –                              | –                     | (8.9)                       | (8.9)          |
| <b>Carrying amount at end of the year</b>       | <b>1,652.4</b>  | <b>328.8</b>                   | <b>207.6</b>          | <b>33.4</b>                 | <b>2,222.2</b> |
| At cost                                         | 2,380.8         | 328.8                          | 207.6                 | 94.2                        | 3,011.4        |
| Accumulated impairment                          | (728.4)         | –                              | –                     | –                           | (728.4)        |
| Accumulated amortisation                        | –               | –                              | –                     | (60.8)                      | (60.8)         |
| <b>Total intangible assets</b>                  | <b>1,652.4</b>  | <b>328.8</b>                   | <b>207.6</b>          | <b>33.4</b>                 | <b>2,222.2</b> |

(a) Other includes the following finite lived intangibles; intellectual property, contracts from acquisition (useful life 5 years) and software (useful life 4–10 years).

### Impairment of intangible assets

#### Impairment tests for goodwill, distribution network and brand names

Goodwill, distribution network and brand name costs are allocated to SGH's CGUs identified according to the appropriate operating segment. A segment level summary of the allocation is presented below.

|                                                             | Goodwill<br>\$m | Distribution<br>network<br>\$m | Brand<br>names<br>\$m | Total<br>\$m   |
|-------------------------------------------------------------|-----------------|--------------------------------|-----------------------|----------------|
| <b>YEAR ENDED 30 JUNE 2024</b>                              |                 |                                |                       |                |
| WesTrac                                                     | 98.2            | 326.8                          | –                     | 425.0          |
| Boral                                                       | 504.3           | –                              | 81.2                  | 585.5          |
| Coates                                                      | 1,054.2         | 2.0                            | 126.4                 | 1,182.6        |
| <b>Total goodwill, distribution network and brand names</b> | <b>1,656.7</b>  | <b>328.8</b>                   | <b>207.6</b>          | <b>2,193.1</b> |
| <b>YEAR ENDED 30 JUNE 2023</b>                              |                 |                                |                       |                |
| WesTrac                                                     | 98.2            | 326.8                          | –                     | 425.0          |
| Boral                                                       | 504.3           | –                              | 81.2                  | 585.5          |
| Coates                                                      | 1,049.9         | 2.0                            | 126.4                 | 1,178.3        |
| <b>Total goodwill, distribution network and brand names</b> | <b>1,652.4</b>  | <b>328.8</b>                   | <b>207.6</b>          | <b>2,188.8</b> |

#### Goodwill, distribution network and brand names

The carrying amount of goodwill and other indefinite life intangibles is tested for impairment annually at 30 June and whenever there is an indicator that the asset or CGU may be impaired. Where an asset or CGU is deemed to be impaired, it is written down to its recoverable amount. The recoverable amount is based on value-in-use calculations. These recoverable amount calculations use discounted cash flow projections based on financial budgets and forecasts approved by management. Cash flow projections utilised for value-in-use financial budgets cover a five year period with a growth rate used to extrapolate cash flow projections for subsequent years.

### Key assumptions used for value-in-use calculations

|         | 2024<br>Growth<br>rate <sup>(a)</sup><br>% | 2024<br>Discount rate<br>(pre-tax)<br>% | 2023<br>Growth<br>rate <sup>(a)</sup><br>% | 2023<br>Discount rate<br>(pre-tax)<br>% |
|---------|--------------------------------------------|-----------------------------------------|--------------------------------------------|-----------------------------------------|
| WesTrac | 2.0                                        | 11.96                                   | 2.0                                        | 12.57                                   |
| Boral   | 2.5                                        | 13.01                                   | 2.5                                        | 12.14                                   |
| Coates  | 2.0                                        | 13.67                                   | 2.0                                        | 12.86                                   |

(a) The weighted average growth rate used to extrapolate cash flows beyond the budget or forecast period.

Growth rate assumptions have been determined with reference to historical company experience and expectations of long-term operating conditions. The growth rates do not exceed long-term industry growth rates for the industry in which the business operates. Discount rate assumptions above reflect SGH's estimate of the time value of money and specific risks to the relevant segments and the countries in which they operate. In determining appropriate discount rates, consideration has been given to the estimated Weighted Average Cost of Capital for SGH, adjusted for business specific risks to the CGU.

### Sensitivity analysis

Based on sensitivity analysis performed no reasonable change in the key assumptions above would give rise to an impairment for WesTrac, Boral or Coates.

## 16. Provisions

### Accounting policy

Provisions are recognised when SGH has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required on settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities assumed in a business combination where the fair value of contingent liabilities of the acquiree are present obligations arising from a past event and the fair values can be reliably estimated, even if it is not probable that an outflow of resources will occur, are included in provisions.

|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Restoration and environmental rehabilitation</b> | <p>A provision for restoration or decommissioning is recognised when there is a legal or constructive obligation to do so. A corresponding restoration or decommissioning asset is created equivalent to the amount of the provision. The amount recognised is the estimated cost of restoration, discounted to its net present value. This is reassessed each year in accordance with local conditions and requirements.</p> <p>The restoration and environmental rehabilitation provision comprises mainly:</p> <ul style="list-style-type: none"> <li>– rehabilitation obligations for decommissioning, removal and repair of site and restoration of quarries;</li> <li>– remediation obligations for any identified environmental contamination of sites owned by SGH, or contamination that SGH has caused, to enable ongoing use of the land as an industrial property or future development;</li> <li>– makegood provisions included in the lease agreements for which SGH has a legal or constructive obligation; and</li> <li>– restoration and decommissioning costs associated with environmental obligations.</li> </ul> |
| <b>Claims</b>                                       | <p>A provision is raised for liabilities arising from the ordinary course of business in relation to claims against SGH, including self-insurance, workers compensation insurance, legal and other claims. Where recoveries are considered virtually certain in respect of such claims, these are included in other receivables.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Other</b>                                        | <p>Other provisions includes provisions for:</p> <ul style="list-style-type: none"> <li>– rationalisation and restructuring which are recognised when steps have been taken to implement a detailed plan, including discussions with affected personnel, with employee related costs recognised over the period of any required future service;</li> <li>– onerous contracts in which the unavoidable cost of meeting the obligations under the contract exceeds the economic benefit expected to be received;</li> <li>– unfavourable contracts acquired in a business combination where the fair value of contracts are unfavourable when compared with current market terms; and</li> <li>– fair value of make-whole costs for debt holders early repayment on fixed term debt on restructure.</li> </ul>                                                                                                                                                                                                                                                                                                                          |

# Operating Assets and Liabilities

## 16. Provisions (continued)

### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

#### Restoration and environmental rehabilitation

Management is required to make judgements regarding content level of disturbance, remaining asset life, removal method, future legislation, reclamation activities required, engineering estimating methodologies, future removal technologies and discount rates to determine the present value of the cash flows.

Most of these decommissioning events are many years in the future and the precise requirements that have to be met when the removal event occurs are uncertain. Changes in the estimates of restoration cost are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to the restoration asset.

#### Oil and gas

SGH holds provisions for the future removal costs of oil and gas production facilities and pipelines at different stages of the development, construction and end of their economic lives. The provision includes the following costs:

- for offshore assets, provision has been made for restoration plans including installation of permanent well barriers, sever casings and conductors, recovery of nearshore subsea flowlines, umbilicals and manifolds. It is currently SGH's intention to leave all subsea pipelines in-situ on the basis of current restoration plans delivering equal or better environmental, safety and well integrity outcomes than removal. In the event that removal of all or a substantial portion was required, SGH estimates the additional cost would lead to an increase to the provision of approximately \$23.0 million (2023: \$22.0 million).
- for non-operated joint venture assets, the provision recorded represents SGH's share of the relevant Joint Venture operator estimate as responsibility for the restoration will reside with the operator who has the best knowledge and understanding of the assets. SGH regularly assesses the operator estimates with the assistance of experts appointed by SGH.

Actual costs and cash outflows can materially differ from the current estimate as a result of changes in regulations and their application, prices, analysis of site conditions, further studies, timing of restoration, achievability of restoration efficiencies (such as joint campaigning or use of vessels in the vicinity) and changes in removal technology.

The discount rate used to determine the present value of future cash flows was 4.0 per cent (2023: 4.0 per cent), based on applicable government bonds with a tenure aligned to the tenure of the liability. If the discount rate was decreased by 0.5 per cent, it would lead to an increase in the provision of approximately \$6.7 million (2023: \$6.8 million).

#### Quarries

SGH holds provisions for the future rehabilitation costs of quarries. SGH's provision includes cost of demolition of quarry plant and equipment and rehabilitation of pits.

Alternate end-use outcomes, such as earth exchange or landfill, is considered in the calculation of the rehabilitation provision. This is based on a range of factors, including whether a current approval for earth exchange or landfill is in place, the location of the quarry, ABS data supporting expected long-term urban development, and underlying demand for earth exchange or landfill over a time period. Whilst SGH believe that the mitigation of outflows is probable, in the event that the expected earth exchange or land fill mitigation of outflows are not fully realised or available, SGH estimates this would lead to an increase to the provision of approximately \$80.0 million (2023: \$70.0 million).

Actual costs and cash outflows can materially differ from the current estimate as a result of changes in regulations and their application, prices, analysis of site conditions, further studies, timing of demolition and restoration, potential for site for earth exchange or landfill and changes in removal or restoration technology.

The discount rate used to determine the present value of future cash flows was 4.0 per cent (2023: 4.0 per cent), based on applicable government bonds with a tenure aligned to the tenure of the liability. If the discount rate was decreased by 0.5 per cent it would lead to an increase to the provision of approximately \$14.2 million (2023: \$12.7 million).

## Movement in provisions

|                                         | Restoration<br>and<br>environmental<br>rehabilitation<br>\$m | Claims<br>\$m | Other<br>\$m | Total<br>\$m |
|-----------------------------------------|--------------------------------------------------------------|---------------|--------------|--------------|
| <b>YEAR ENDED 30 JUNE 2024</b>          |                                                              |               |              |              |
| <b>Balance at beginning of the year</b> | <b>305.3</b>                                                 | <b>76.1</b>   | <b>190.7</b> | <b>572.1</b> |
| Amounts provided for                    | 12.9                                                         | 35.4          | 89.4         | 137.7        |
| Amounts used                            | (7.8)                                                        | (9.2)         | (8.7)        | (25.7)       |
| Release of provision                    | (19.0)                                                       | (25.0)        | (22.7)       | (66.7)       |
| Unwind of discount                      | 7.5                                                          | –             | 2.1          | 9.6          |
| <b>Balance at end of the year</b>       | <b>298.9</b>                                                 | <b>77.3</b>   | <b>250.8</b> | <b>627.0</b> |
| Current                                 | 16.1                                                         | 51.1          | 120.4        | 187.6        |
| Non-current                             | 282.8                                                        | 26.2          | 130.4        | 439.4        |
| <b>Total provisions</b>                 | <b>298.9</b>                                                 | <b>77.3</b>   | <b>250.8</b> | <b>627.0</b> |
| <b>YEAR ENDED 30 JUNE 2023</b>          |                                                              |               |              |              |
| <b>Balance at beginning of the year</b> | <b>296.8</b>                                                 | <b>69.8</b>   | <b>224.6</b> | <b>591.2</b> |
| Amounts provided for                    | 11.3                                                         | 22.3          | 18.9         | 52.5         |
| Amounts used                            | (12.3)                                                       | (10.4)        | (14.0)       | (36.7)       |
| Release of provision                    | –                                                            | –             | (47.2)       | (47.2)       |
| Exchange differences                    | 1.4                                                          | 0.2           | –            | 1.6          |
| Transfer                                | –                                                            | (5.8)         | 5.8          | –            |
| Unwind of discount                      | 8.1                                                          | –             | 2.6          | 10.7         |
| <b>Balance at end of the year</b>       | <b>305.3</b>                                                 | <b>76.1</b>   | <b>190.7</b> | <b>572.1</b> |
| Current                                 | 24.0                                                         | 24.9          | 52.9         | 101.8        |
| Non-current                             | 281.3                                                        | 51.2          | 137.8        | 470.3        |
| <b>Total provisions</b>                 | <b>305.3</b>                                                 | <b>76.1</b>   | <b>190.7</b> | <b>572.1</b> |

## 17. Employee benefits

### Accounting policy

#### Employee benefits

Employee benefits include provisions for annual leave and long service leave and their associated on-costs.

The current provision for long service leave includes all unconditional entitlements where employees have completed the required service period and those where employees are entitled to pro-rata payments in certain circumstances. The majority of the amount is presented as current, since SGH does not have an unconditional right to defer settlement. However, based on past experience, SGH does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms of maturity and currency that match, as closely as possible, the estimated future cash outflows.

|                                              | 2024<br>\$m  | 2023<br>\$m  |
|----------------------------------------------|--------------|--------------|
| <b>CURRENT</b>                               |              |              |
| Annual leave                                 | 93.7         | 93.3         |
| Long service leave                           | 86.5         | 88.2         |
| Other employee benefits                      | 19.8         | 18.0         |
| <b>Total employee benefits – current</b>     | <b>200.0</b> | <b>199.5</b> |
| <b>NON-CURRENT</b>                           |              |              |
| Long service leave                           | 16.4         | 17.4         |
| <b>Total employee benefits – non-current</b> | <b>16.4</b>  | <b>17.4</b>  |

# Operating Assets and Liabilities

## 17. Employee benefits (continued)

### Superannuation contributions

SGH makes contributions on behalf of employees to defined contribution superannuation funds. The amount recognised as an expense was \$134.9 million (2023: \$123.6 million) for the year.

### Share based payments

The fair value of options granted under the Company's cash-settled option plan is recognised as an employee benefit expense with a corresponding increase in liability. The expense and the liability incurred are measured at the fair value of the liability. The liability is recorded within Other payables.

The fair value at grant date is independently determined using Black-Scholes and Binomial option pricing models that take into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity remeasures the fair value of the options, with any changes in value recognised in the profit or loss as a finance expense.

The fair value of equity-based entitlements settled in equity instruments is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is estimated at grant date and recognised over the period during which the employees become unconditionally entitled to the equity instrument.

The amount recognised as an expense is adjusted to reflect the actual number of entitlements that vest, except where forfeiture is only due to share prices not achieving the threshold for vesting.

The amounts recognised as an expense for equity-settled share-based payments during the year was \$9.3 million (2023: \$10.0 million) and is included within Employee benefits expense. A further \$1.2 million (2023: \$1.1 million) was recognised in relation to cash-settled share-based payments and is included within Employee benefits expense and Other payables.

For further detail on the deferred shares under SGH's Short-Term Incentive (STI) plan and the performance rights under SGH's Long-Term Incentive (LTI) plan refer pages 77 to 79 of the Remuneration Report.

### YEAR ENDED 30 JUNE 2024

| Plan                                     | Grant date | Expiry/<br>Vesting date | Fair value | Balance<br>at start<br>of year | Granted        | Forfeited        | Vested           | Balance at<br>end of year |
|------------------------------------------|------------|-------------------------|------------|--------------------------------|----------------|------------------|------------------|---------------------------|
| <b>Deferred shares</b>                   |            |                         |            |                                |                |                  |                  |                           |
| FY25 SGH Equity Retention <sup>1,3</sup> | 28 Jun 24  | 1 Jul 26                | \$35.88    | –                              | 28,028         | –                | –                | 28,028                    |
| FY25 SGH Equity Retention <sup>1,3</sup> | 4 Jun 24   | 1 Jul 26                | \$37.53    | –                              | 110,538        | –                | –                | 110,538                   |
| FY23 STI                                 | 1 Jul 23   | 1 Jul 24                | \$23.83    | –                              | 188,757        | (3,724)          | –                | 185,033                   |
| Retention Plan                           | 14 Oct 22  | 14 Oct 24               | \$16.74    | 65,435                         | –              | (9,780)          | –                | 55,655                    |
| FY22 STI                                 | 1 Jul 22   | 1 Jul 24                | \$15.34    | 243,159                        | –              | (1,983)          | –                | 241,176                   |
| FY21 STI                                 | 1 Jul 21   | 1 Jul 23                | \$19.25    | 161,180                        | –              | –                | (161,180)        | –                         |
| <b>Total</b>                             |            |                         |            | <b>469,774</b>                 | <b>327,323</b> | <b>(15,487)</b>  | <b>(161,180)</b> | <b>620,430</b>            |
| <b>Performance rights</b>                |            |                         |            |                                |                |                  |                  |                           |
| FY24 SGH Equity LTI <sup>2,3</sup>       | 28 Jun 24  | 1 Sep 26                | \$33.47    | –                              | 19,248         | –                | –                | 19,248                    |
| FY24 SGH Equity LTI <sup>2,3</sup>       | 28 Jun 24  | 1 Sep 26                | \$36.64    | –                              | 19,247         | –                | –                | 19,247                    |
| FY24 SGH Equity LTI <sup>2,3</sup>       | 4 Jun 24   | 1 Sep 26                | \$34.74    | –                              | 68,038         | –                | –                | 68,038                    |
| FY24 SGH Equity LTI <sup>2,3</sup>       | 4 Jun 24   | 1 Sep 26                | \$37.86    | –                              | 68,037         | –                | –                | 68,037                    |
| FY24 LTI - TSR                           | 18 Mar 24  | 1 Sep 26                | \$35.13    | –                              | 5,485          | –                | –                | 5,485                     |
| FY24 LTI - EPS                           | 18 Mar 24  | 1 Sep 26                | \$38.14    | –                              | 5,485          | –                | –                | 5,485                     |
| FY24 LTI - TSR                           | 1 Jul 23   | 1 Sep 26                | \$13.73    | –                              | 197,536        | (27,826)         | –                | 169,710                   |
| FY24 LTI - EPS                           | 1 Jul 23   | 1 Sep 26                | \$23.13    | –                              | 197,535        | (27,825)         | –                | 169,710                   |
| FY23 LTI                                 | 1 Jul 22   | 1 Sep 25                | \$8.62     | 575,531                        | –              | (78,462)         | –                | 497,069                   |
| FY22 LTI                                 | 1 Jul 21   | 1 Sep 24                | \$10.86    | 381,843                        | –              | (8,814)          | –                | 373,029                   |
| FY21 LTI                                 | 1 Jul 20   | 1 Sep 23                | \$11.46    | 369,067                        | –              | (46,842)         | (322,225)        | –                         |
| <b>Total</b>                             |            |                         |            | <b>1,326,441</b>               | <b>580,612</b> | <b>(189,769)</b> | <b>(322,225)</b> | <b>1,395,058</b>          |

1. A new SGH Equity Retention Award was issued in lieu of the one-third lapsed portion of the Boral FY23 LTI - TSR rights. Vesting under this award is subject to continued employment over a two-year period, including no notice of termination up to and including 30 June 2026.
2. A new FY24 SGH Equity LTI Award was issued in lieu of the two thirds lapsed portion of the Boral FY24 LTI - TSR and Boral FY24 LTI - EPS rights. Vesting under this award is subject to SGH relative TSR and EPS performance hurdles with vesting determined in August 2026.
3. The number of SGH Equity Awards allocated was determined in accordance with the terms of the SGH Takeover Offer being the number of lapsed Boral rights \* \$6.25 / \$40.77 (being the Boral and SGH share price respectively communicated in the Takeover Offer).

Pursuant to SGH's compulsory acquisition of Boral, the Boral Board considered and resolved to vest all of the deferred share rights issued under Boral's FY23 STI plan and vest a pro-rata number of Boral's unvested performance rights issued under Boral's FY23 and FY24 LTI plans respectively. The Board considered time served and performance to date when determining the LTI vesting outcomes that resulted in two thirds of the FY23 Boral LTI to vest and one third of the FY24 Boral LTI to vest. The remaining rights lapsed and are dealt with as part of the SGH make whole awards included in the Seven Group Holdings Bidders statement for the acquisition of Boral. In addition to vesting of the deferred STI and partial vesting of the LTI, the Boral CEO's Sign-on retention award vested in full in line with his contractual arrangements that provided for full vesting in the event of a change in control and delisting event and the Boral CEO no longer reports to the Board.

| Plan                               | Grant date | Vesting date | Balance at start of year | Granted          | Forfeited          | Vested             | Balance at end of year |
|------------------------------------|------------|--------------|--------------------------|------------------|--------------------|--------------------|------------------------|
| <b>Boral equity</b>                |            |              |                          |                  |                    |                    |                        |
| FY24 LTI - TSR <sup>6</sup>        | 1 Sep 23   | 4 Jun 24     | –                        | 951,044          | (661,493)          | (289,551)          | –                      |
| FY24 LTI - EPS <sup>6</sup>        | 1 Sep 23   | 4 Jun 24     | –                        | 951,044          | (661,493)          | (289,551)          | –                      |
| FY23 - Deferred STI <sup>2,5</sup> | 1 Sep 23   | 4 Jun 24     | –                        | 842,178          | (93,199)           | (748,979)          | –                      |
| CFO Sign-on <sup>4</sup>           | 30 Jan 23  | 30 Jan 25    | 92,969                   | –                | (92,969)           | –                  | –                      |
| FY23 LTI - TSR - CEO <sup>1</sup>  | 10 Oct 22  | 4 Jun 24     | 548,507                  | –                | (182,835)          | (365,672)          | –                      |
| CEO Sign-on <sup>2,3</sup>         | 10 Oct 22  | 4 Jun 24     | 262,992                  | –                | –                  | (262,992)          | –                      |
| CEO Sign-on <sup>2,3</sup>         | 10 Oct 22  | 4 Jun 24     | 262,992                  | –                | –                  | (262,992)          | –                      |
| FY23 LTI - TSR <sup>1</sup>        | 1 Sep 22   | 4 Jun 24     | 2,560,544                | –                | (1,081,751)        | (1,478,793)        | –                      |
| Deferred equity                    | 30 Jun 22  | 1 Jan 24     | 20,750                   | –                | –                  | (20,750)           | –                      |
| Deferred equity                    | 1 Jan 22   | 1 Jan 24     | 28,496                   | –                | –                  | (28,496)           | –                      |
| TSR <sup>7</sup>                   | 30 Jun 22  | 1 Sep 24     | 137,464                  | –                | –                  | –                  | 137,464                |
| TSR <sup>7</sup>                   | 1 Sep 21   | 1 Sep 24     | 188,777                  | –                | –                  | –                  | 188,777                |
| ROFE                               | 30 Jun 22  | 1 Sep 23     | 212,536                  | –                | –                  | (212,536)          | –                      |
| TSR                                | 30 Jun 22  | 1 Sep 23     | 1,156,874                | –                | –                  | (1,156,874)        | –                      |
| ROFE                               | 1 Sep 20   | 1 Sep 23     | 291,878                  | –                | –                  | (291,878)          | –                      |
| TSR                                | 1 Sep 20   | 1 Sep 23     | 1,588,598                | –                | –                  | (1,588,598)        | –                      |
| <b>Total</b>                       |            |              | <b>7,353,377</b>         | <b>2,744,266</b> | <b>(2,773,740)</b> | <b>(6,997,662)</b> | <b>326,241</b>         |

- Following the compulsory acquisition of Boral by SGH on 4 June 2024, the Boral Board vested two thirds of the FY23 LTI - TSR rights. The remaining rights lapsed and employees were granted SGH Equity Retention Awards as part of the SGH make whole awards set out in the SGH Bidders Statement.
- Following the compulsory acquisition of Boral by SGH on 4 June 2024, CEO Sign-on awards and FY23 - Deferred STI were vested in full by the Boral Board.
- Following the completion of the compulsory acquisition and to encourage retention of the Boral CEO over the transition period, a special equity retention award equivalent of 150% of the Boral CEO's Fixed Remuneration was awarded in July 2024. Under the award, 60,144 SGH share rights convert to ordinary shares on 1 July 2027, subject to his ongoing employment and no notice of separation up to and including this date.
- CFO Sign-on award lapsed following the resignation of Ms Shaw in January 2024.
- FY23 - Deferred STI grant date fair value of \$4.80.
- Following the compulsory acquisition of Boral by SGH on 4 June 2024, the Boral Board vested one third of the FY24 LTI - TSR and FY24 LTI - EPS rights. The remaining rights lapsed and employees were granted FY24 SGH Equity LTI Awards as part of the SGH make whole awards set out in the SGH Bidders Statement.
- Under the Corporations Act vesting of these rights is subject to shareholder approval at an Annual General Meeting.

## 17. Employee benefits (continued)

YEAR ENDED 30 JUNE 2023

| Plan                      | Grant date | Expiry/<br>Vesting date | Fair value | Balance<br>at start<br>of year | Granted          | Forfeited          | Vested           | Balance at<br>end of year |
|---------------------------|------------|-------------------------|------------|--------------------------------|------------------|--------------------|------------------|---------------------------|
| <b>Deferred shares</b>    |            |                         |            |                                |                  |                    |                  |                           |
| Retention Plan            | 14 Oct 22  | 14 Oct 24               | \$16.74    | –                              | 68,710           | (3,275)            | –                | 65,435                    |
| FY22 STI                  | 1 Jul 22   | 1 Jul 24                | \$15.34    | –                              | 245,275          | (2,116)            | –                | 243,159                   |
| FY21 STI                  | 1 Jul 21   | 1 Jul 23                | \$19.25    | 162,358                        | –                | (1,178)            | –                | 161,180                   |
| FY20 STI                  | 1 Jul 20   | 1 Jul 22                | \$16.08    | 169,177                        | –                | –                  | (169,177)        | –                         |
| <b>Total</b>              |            |                         |            | <b>331,535</b>                 | <b>313,985</b>   | <b>(6,569)</b>     | <b>(169,177)</b> | <b>469,774</b>            |
| <b>Performance rights</b> |            |                         |            |                                |                  |                    |                  |                           |
| FY23 LTI - TSR            | 1 Jul 22   | 1 Sep 25                | \$8.62     | –                              | 588,075          | (12,544)           | –                | 575,531                   |
| FY22 LTI - TSR            | 1 Jul 21   | 1 Sep 24                | \$10.86    | 397,891                        | –                | (16,048)           | –                | 381,843                   |
| FY21 LTI - TSR            | 1 Jul 20   | 1 Sep 23                | \$11.46    | 380,265                        | –                | (11,198)           | –                | 369,067                   |
| FY20 LTI - TSR            | 1 Jul 19   | 1 Sep 22                | \$10.53    | 296,808                        | –                | (296,808)          | –                | –                         |
| <b>Total</b>              |            |                         |            | <b>1,074,964</b>               | <b>588,075</b>   | <b>(336,598)</b>   | <b>–</b>         | <b>1,326,441</b>          |
| <b>Boral equity</b>       |            |                         |            |                                |                  |                    |                  |                           |
| CFO Sign-on               | 30 Jan 23  | 30 Jan 25               |            | –                              | 92,969           | –                  | –                | 92,969                    |
| FY23 LTI - TSR - CEO      | 10 Oct 22  | 1 Sep 25                |            | –                              | 548,507          | –                  | –                | 548,507                   |
| CEO Sign-on               | 10 Oct 22  | 10 Oct 25               |            | –                              | 262,992          | –                  | –                | 262,992                   |
| CEO Sign-on               | 10 Oct 22  | 10 Oct 24               |            | –                              | 262,992          | –                  | –                | 262,992                   |
| FY23 LTI - TSR            | 1 Sep 22   | 1 Sep 25                |            | –                              | 2,824,839        | (264,295)          | –                | 2,560,544                 |
| Deferred equity           | 30 Jun 22  | 1 Jan 24                |            | 20,750                         | –                | –                  | –                | 20,750                    |
| Deferred equity           | 1 Jan 22   | 1 Jan 24                |            | 28,496                         | –                | –                  | –                | 28,496                    |
| TSR                       | 30 Jun 22  | 1 Sep 24                |            | 274,927                        | –                | (137,463)          | –                | 137,464                   |
| TSR                       | 1 Sep 21   | 1 Sep 24                |            | 377,553                        | –                | (188,776)          | –                | 188,777                   |
| TSR                       | 30 Jun 22  | 1 Sep 23                |            | 1,621,537                      | –                | (464,663)          | –                | 1,156,874                 |
| ROFE                      | 30 Jun 22  | 1 Sep 23                |            | 807,284                        | –                | (594,748)          | –                | 212,536                   |
| TSR                       | 1 Sep 20   | 1 Sep 23                |            | 2,226,791                      | –                | (638,193)          | –                | 1,588,598                 |
| ROFE                      | 1 Sep 20   | 1 Sep 23                |            | 1,108,593                      | –                | (816,715)          | –                | 291,878                   |
| TSR                       | 30 Jun 22  | 1 Sep 22                |            | 955,201                        | –                | (955,201)          | –                | –                         |
| ROFE                      | 30 Jun 22  | 1 Sep 22                |            | 477,580                        | –                | (477,580)          | –                | –                         |
| TSR                       | 1 Sep 19   | 1 Sep 22                |            | 1,311,718                      | –                | (1,311,718)        | –                | –                         |
| ROFE                      | 1 Sep 19   | 1 Sep 22                |            | 655,856                        | –                | (655,856)          | –                | –                         |
| <b>Total</b>              |            |                         |            | <b>9,866,286</b>               | <b>3,992,299</b> | <b>(6,505,208)</b> | <b>–</b>         | <b>7,353,377</b>          |

# Cash Management

## 18. Cash and cash equivalents

### Accounting policy

Bank balances includes cash on hand and deposits held at call with financial institutions. Call deposits include other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

|                                  | 2024<br>\$m  | 2023<br>\$m  |
|----------------------------------|--------------|--------------|
| Bank balances                    | 380.8        | 288.6        |
| Call deposits                    | 273.5        | 587.9        |
| <b>Cash and cash equivalents</b> | <b>654.3</b> | <b>876.5</b> |

## 19. Notes to the cash flow statement

|                                                                                                | 2024<br>\$m  | 2023<br>\$m    |
|------------------------------------------------------------------------------------------------|--------------|----------------|
| <b>Reconciliation of profit for the year to net cash flows related to operating activities</b> |              |                |
| <b>Profit for the year</b>                                                                     | <b>522.1</b> | <b>646.5</b>   |
| Income tax expense                                                                             | 243.7        | 208.8          |
| Income taxes paid                                                                              | (235.7)      | (84.0)         |
| Depreciation and amortisation:                                                                 |              |                |
| Right of use assets                                                                            | 107.1        | 101.9          |
| Property, plant and equipment                                                                  | 390.5        | 400.8          |
| Intangible assets                                                                              | 7.8          | 8.9            |
| Capitalised borrowing costs amortised                                                          | 5.0          | 6.5            |
| Employee share movements in equity                                                             | 9.3          | 10.0           |
| Gain on sale of property, plant and equipment                                                  | (17.2)       | (15.1)         |
| Gain on disposal of discontinued operations                                                    | –            | (18.9)         |
| Net gain on disposal of controlled entities                                                    | (76.3)       | –              |
| Impairment of equity accounted investees                                                       | 135.3        | 75.9           |
| Fair value adjustments on acquisition of Boral                                                 | 84.0         | –              |
| Fair value movement of Boral compulsory acquisition liability                                  | (11.7)       | –              |
| Gain arising from investment in equity accounted investee                                      | –            | (2.3)          |
| Share of results from equity accounted investees                                               | 118.2        | (199.6)        |
| Gain on settlement of interest bearing liabilities                                             | –            | (11.2)         |
| Dividends and distributions received from equity accounted investees                           | 38.3         | 44.8           |
| Unwind of interest on convertible note and exchangeable bond                                   | 6.1          | 8.5            |
| Accrual for Boral share purchases through compulsory share acquisition                         | (334.8)      | –              |
| Accrued investing flows for property, plant and equipment and other investments                | (212.3)      | (78.0)         |
| Other                                                                                          | (4.1)        | 6.1            |
| Movement in:                                                                                   |              |                |
| Trade and other receivables                                                                    | 124.6        | (114.6)        |
| Inventories                                                                                    | (490.1)      | (153.4)        |
| Other assets                                                                                   | 38.7         | (50.7)         |
| Trade and other payables and deferred income                                                   | 305.2        | 414.1          |
| Provisions and employee benefits                                                               | 54.4         | (11.4)         |
| <b>Net operating cash flows</b>                                                                | <b>808.2</b> | <b>1,193.6</b> |

The movement in Trade and other payables contains an increase in relation to the accrual for Boral share purchases through compulsory share acquisition. This liability has been included as a reconciling item in the above table as it is not related to an operating activity. During the prior year, \$96.0 million was incurred as non-cash investing expenditure in relation to SGH's investment in Boral. Refer to Note 20: Interest bearing loans and borrowings for further detail.

# Cash Management

## 20. Interest bearing loans and borrowings

### Accounting policy

Borrowings are classified as current liabilities unless SGH has an unconditional right to defer settlement for at least 12 months after the reporting date.

|                                                                   | 2024<br>\$m    | 2023<br>\$m    |
|-------------------------------------------------------------------|----------------|----------------|
| <b>CURRENT</b>                                                    |                |                |
| Interest bearing liabilities                                      | 701.5          | 367.4          |
| Fixed term US dollar notes and bonds                              | –              | 83.0           |
| Convertible note                                                  | 0.1            | –              |
| <b>Total interest bearing loans and borrowings – current</b>      | <b>701.6</b>   | <b>450.4</b>   |
| <b>NON-CURRENT</b>                                                |                |                |
| Interest bearing liabilities                                      | 1,258.1        | 1,565.4        |
| Convertible notes                                                 | –              | 44.1           |
| Exchangeable bond                                                 | –              | 221.4          |
| Fixed term US dollar notes and bonds                              | 3,095.5        | 2,687.5        |
| Fair value adjustment – cross currency swaps                      | (54.0)         | (58.2)         |
| Less: capitalised borrowing costs net of accumulated amortisation | (14.7)         | (17.4)         |
| <b>Total interest bearing loans and borrowings – non-current</b>  | <b>4,284.9</b> | <b>4,442.8</b> |

At 30 June 2024, SGH had available undrawn borrowing facilities of \$1,148.2 million (2023: \$1,226.0 million). SGH's interest bearing liabilities (including derivatives) as at 30 June 2024 had a weighted average interest rate of 5.7 per cent (2023: 5.6 per cent) including margins and unused line fees.

Details of the fair values of each of the borrowings as well as SGH's exposure to interest rate, foreign currency and liquidity risk related to interest bearing loans and borrowings is disclosed in Note 21: Financial risk management.

### Interest bearing liabilities

Current interest bearing liabilities include SGH's short-term working capital facilities, remaining convertible note and \$700.0 million bridge facility, which was fully repaid in July 2024. In the prior year, it also included SGH's equity-settled swap for Boral shares which was settled during the year.

Non-current interest bearing liabilities include amounts drawn from SGH's revolving syndicated loan facility, long-term Inventory Rental Assistance Program Facility and subsidiary bank debt.

### Syndicated loan facility

The syndicated loan facility comprises four tranches. The facility is unsecured and is supported by guarantees by the Company and certain subsidiaries within SGH. Tranche A of the syndicated loan facility provides a \$578.0 million limit until September 2028, Tranche B provides \$1,030.0 million limit until September 2027 and Tranche C provides a \$280.0 million limit until April 2027. Tranche D had a limit of \$700.0 million and was fully repaid in July 2024 utilising the proceeds from the new Tranche E which provides \$600.0 million limit until July 2030.

### Convertible notes and Exchangeable bond

The Company issued 3,500 convertible notes (Notes) on 5 March 2018 at a nominal value of \$350.0 million and paying a cash coupon of 2.2 per cent per annum. Shareholder approval was obtained at the Company's 2018 Annual General Meeting. The Notes are listed on the Singapore Exchange and mature in March 2025 at their nominal value. The fair value of the liability for the Notes was calculated with reference to market interest rates for an equivalent corporate bond without a conversion feature. During the year, \$46.3 million of Notes were converted into ordinary shares. One Note remains outstanding at 30 June 2024, with a face value of \$100,000, maturing in March 2025.

In October 2021, Exchangeable bond (Bonds) of \$250.0 million were issued. The Bonds had a fixed coupon of 4.625 per cent per annum and were exchangeable into fully paid ordinary shares of Boral Limited. The fair value of the liability for the Bonds was calculated with reference to market interest rates for an equivalent corporate bond without a conversion feature with the equity component recognised in the Equity reserve. The Bonds had a maturity of October 2027, with a note holder early redemption option in October 2025. In May 2024, \$249.8 million of the total principal amount of the Company's Exchangeable bond (Bonds) were exchanged into Boral shares and cancelled due to the exercise of Exchange Rights by Noteholders in accordance with the terms of the Bonds. In June 2024, the remaining \$0.2 million in principal amount was repurchased by the Issuer and cancelled. There are no Bonds outstanding at 30 June 2024.

## 20. Interest bearing loans and borrowings (continued)

### Fixed term US dollar notes

The Private Placement notes are unsecured and issued in US Dollar and Australian Dollar. The US144A notes are issued in US Dollars. Principal and coupon payments for the US Dollar denominated notes issued by WesTrac and Coates are hedged by cross currency interest rate swaps. The US Dollar denominated notes issued by Boral are hedged by cross currency interest rate swaps. SGH has issued USPP notes denominated in US currency of US \$1,153.0 million (2023: US\$1,137.0 million) and A\$1,052.8 million (2023: A\$753.8 million) with maturities ranging from 2026 to 2041. US144A notes total US\$200.0 million (2023: US\$200.0 million), maturing in 2028. Interest is payable half yearly in arrears. The amount and maturity of the notes, including the effective hedge position, is summarised below.

| Notes                               | Agreement | 2024<br>Amount<br>US\$m | 2024<br>Spot<br>amount<br>A\$m | 2023<br>Amount<br>US\$m | 2023<br>Spot<br>amount<br>A\$m | 2024<br>Hedge<br>amount<br>A\$m | Interest<br>rate<br>(incl. margin)<br>% | Maturity<br>date |
|-------------------------------------|-----------|-------------------------|--------------------------------|-------------------------|--------------------------------|---------------------------------|-----------------------------------------|------------------|
| <b>US\$ PRIVATE PLACEMENT NOTES</b> |           |                         |                                |                         |                                |                                 |                                         |                  |
| WesTrac Series B                    | 2011      | –                       | –                              | 55.0                    | 83.0                           | 53.6                            | 6.60%                                   | 7 Jul 23         |
| WesTrac Series C                    | 2011      | 75.0                    | 113.2                          | 75.0                    | 113.1                          | 73.1                            | 6.52%                                   | 7 Jun 26         |
| WesTrac Series D                    | 2011      | 100.0                   | 151.1                          | 100.0                   | 151.0                          | 97.4                            | 6.67%                                   | 7 Jul 26         |
| WesTrac Series A                    | 2020      | 75.0                    | 113.2                          | 75.0                    | 113.1                          | 115.2                           | 8.01%                                   | 7 Jul 27         |
| WesTrac Series B                    | 2020      | 75.0                    | 113.2                          | 75.0                    | 113.1                          | 115.2                           | 8.19%                                   | 7 Jul 32         |
| WesTrac Series C                    | 2024      | 71.0                    | 107.2                          | –                       | –                              | 111.7                           | 7.84%                                   | 7 Jan 36         |
| Boral Series A                      | 2018      | 41.0                    | 61.9                           | 41.0                    | 61.8                           | 61.9                            | 4.16%                                   | 1 May 27         |
| Boral Series B                      | 2018      | 24.0                    | 36.2                           | 24.0                    | 36.2                           | 36.2                            | 4.31%                                   | 1 Mar 30         |
| Boral Series C                      | 2018      | 225.0                   | 339.7                          | 225.0                   | 339.4                          | 339.7                           | 4.05%                                   | 16 Apr 26        |
| Boral Series B                      | 2020      | 100.0                   | 151.1                          | 100.0                   | 150.8                          | 151.0                           | 4.58%                                   | 28 May 27        |
| Coates Series A                     | 2022      | 125.0                   | 188.7                          | 125.0                   | 188.5                          | 171.9                           | 3.84%                                   | 12 Jan 29        |
| Coates Series B                     | 2022      | 108.0                   | 163.0                          | 108.0                   | 162.9                          | 148.5                           | 4.17%                                   | 12 Jan 32        |
| Coates Series C                     | 2022      | 134.0                   | 202.3                          | 134.0                   | 202.1                          | 184.2                           | 4.38%                                   | 12 Jan 34        |
| <b>US\$ 144A NOTES</b>              |           |                         |                                |                         |                                |                                 |                                         |                  |
| Boral Series B                      | 2017      | 200.0                   | 301.9                          | 200.0                   | 301.7                          | 307.1                           | 5.15%                                   | 1 May 28         |
| <b>Total US\$ Notes</b>             |           | <b>1,353.0</b>          | <b>2,042.7</b>                 | <b>1,337.0</b>          | <b>2,016.7</b>                 | <b>1,961.3</b>                  | <b>5.27%</b>                            |                  |
| <b>A\$ PRIVATE PLACEMENT NOTES</b>  |           |                         |                                |                         |                                |                                 |                                         |                  |
| WesTrac Series E                    | 2011      | –                       | 48.8                           | –                       | 48.8                           | 48.8                            | 7.96%                                   | 7 Jul 41         |
| WesTrac Series C                    | 2020      | –                       | 230.0                          | –                       | 230.0                          | 230.0                           | 4.27%                                   | 7 Jul 30         |
| WesTrac Series A                    | 2021      | –                       | 75.0                           | –                       | 75.0                           | 75.0                            | 3.12%                                   | 23 Aug 31        |
| WesTrac Series A                    | 2024      | –                       | 178.0                          | –                       | –                              | 178.0                           | 7.24%                                   | 7 Jan 31         |
| WesTrac Series B                    | 2024      | –                       | 121.0                          | –                       | –                              | 121.0                           | 7.73%                                   | 7 Jan 36         |
| Coates Series D                     | 2022      | –                       | 140.0                          | –                       | 140.0                          | 140.0                           | 3.76%                                   | 12 Jan 29        |
| Coates Series E                     | 2022      | –                       | 130.0                          | –                       | 130.0                          | 130.0                           | 4.09%                                   | 12 Jan 32        |
| Coates Series F                     | 2022      | –                       | 130.0                          | –                       | 130.0                          | 130.0                           | 4.30%                                   | 12 Jan 34        |
| <b>Total A\$ Notes</b>              |           | <b>–</b>                | <b>1,052.8</b>                 | <b>–</b>                | <b>753.8</b>                   | <b>1,052.8</b>                  | <b>5.17%</b>                            |                  |

### Reconciliation of liabilities arising from financing activities

Changes in SGH's liabilities arising from financing activities, including both cash and non-cash changes, are detailed below. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in SGH's consolidated cash flow statement from financing activities.

|                                                    | At<br>Jun 2023<br>\$m | Financing<br>cash flows<br>\$m | Effect of<br>exchange<br>rates<br>\$m | Other <sup>(a)</sup><br>\$m | At<br>Jun 2024<br>\$m |
|----------------------------------------------------|-----------------------|--------------------------------|---------------------------------------|-----------------------------|-----------------------|
| <b>INTEREST BEARING LOANS AND BORROWINGS</b>       |                       |                                |                                       |                             |                       |
| Interest bearing liabilities                       | 1,932.8               | 92.4                           | –                                     | (65.6)                      | 1,959.6               |
| Fixed term US dollar notes and bonds               | 2,770.5               | 357.4                          | (32.4)                                | –                           | 3,095.5               |
| Convertible notes                                  | 44.1                  | –                              | –                                     | (44.0)                      | 0.1                   |
| Exchangeable bond                                  | 221.4                 | (0.4)                          | –                                     | (221.0)                     | –                     |
| Capitalised borrowing costs                        | (17.4)                | (5.0)                          | –                                     | 7.7                         | (14.7)                |
| Fair value adjustment                              | (58.2)                | –                              | –                                     | 4.2                         | (54.0)                |
| <b>Total interest bearing loans and borrowings</b> | <b>4,893.2</b>        | <b>444.4</b>                   | <b>(32.4)</b>                         | <b>(318.7)</b>              | <b>4,986.5</b>        |
| <b>LEASE LIABILITIES</b>                           |                       |                                |                                       |                             |                       |
| Lease liabilities                                  | 984.5                 | (90.3)                         | 0.1                                   | 95.8                        | 990.1                 |
| <b>Total lease liabilities</b>                     | <b>984.5</b>          | <b>(90.3)</b>                  | <b>0.1</b>                            | <b>95.8</b>                 | <b>990.1</b>          |
| <b>Total</b>                                       | <b>5,877.7</b>        | <b>354.1</b>                   | <b>(32.3)</b>                         | <b>(222.9)</b>              | <b>5,976.6</b>        |

(a) Other includes non-cash reduction to Convertible notes and Exchangeable bond related to early conversions into equity and discount unwind of Convertible notes and Exchangeable bond. Refer to Note 12: Right of use assets and lease liabilities for further detail on leases.

# Financial Assets and Liabilities

## 21. Financial risk management

### Overview

Risk management policies are established to identify and demonstrate that SGH understands and manages risk and seeks to ensure that there is consistency to the methods used in assessing, monitoring and communicating risks so that risk management efforts are aligned with SGH's strategic and business objectives.

SGH has exposure to the following risks through the normal course of its operations and from its use of financial instruments:

- (a) Market risk
- (b) Liquidity risk
- (c) Credit risk

The following presents information, both qualitative and quantitative, about SGH's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Board has established a sound system of risk oversight and management and internal control which includes the establishment of the Audit & Risk Committee (ARC). The ARC has been constituted with the function of assisting the Board to ensure that its corporate governance and oversight responsibilities are fulfilled in relation to risk management and compliance with applicable laws and regulations.

The ARC is responsible for reviewing, evaluating and making recommendations to the Board in relation to:

- assessing the risk management, compliance and control environment as it relates to the external and internal audit plans;
- overseeing financial reporting; and
- evaluating internal and external audit.

### Accounting policy

SGH classifies its investments in the following categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income (FVTOCI) and amortised cost financial assets. The classification depends on SGH's business model for managing the financial asset as well as its contractual cash flow characteristics.

Management determines the classification of its investments at initial recognition. In the case of financial assets classified as FVTOCI, this designation is irrevocable.

### Financial assets at fair value through other comprehensive income

SGH's existing listed and unlisted equity securities have been designated as financial assets at fair value through OCI.

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either financial assets held for trading which are acquired principally for the purpose of selling with the intention of making a profit or financial assets that are managed and have their performance regularly evaluated by management and the Directors on a fair value basis. Derivatives are also categorised as held for trading unless they are designated as hedges.

### Recognition and de-recognition

Regular purchases and sales of investments are recognised on trade date – the date on which SGH commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and SGH has transferred substantially all the risks and rewards of ownership.

### Subsequent measurement

Financial assets at fair value through profit or loss and financial assets at FVTOCI are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category, are presented in the profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets is recognised in the profit or loss as other income.

Gains or losses arising from changes in the value of financial assets at FVTOCI category are taken to the fair value through OCI reserve. In accordance with AASB 9, any gain or losses realised on the sale of these assets remain in the fair value reserve rather than being transferred to the profit or loss.

## 21. Financial risk management (continued)

At the reporting date SGH held the following financial instruments:

|                                                                                                            | Note | 2024<br>\$m      | 2023<br>\$m      |
|------------------------------------------------------------------------------------------------------------|------|------------------|------------------|
| <b>Financial assets/(liabilities)</b>                                                                      |      |                  |                  |
| Cash and cash equivalents                                                                                  | 18   | 654.3            | 876.5            |
| Financial assets/(liabilities) carried at amortised cost                                                   |      |                  |                  |
| Trade and other receivables and Contract assets                                                            | 8    | 1,524.7          | 1,649.3          |
| Trade and other payables (excluding accruals)                                                              |      | (749.2)          | (749.1)          |
| Fixed term US dollar notes                                                                                 | 20   | (3,095.5)        | (2,770.5)        |
| Fair value adjustment relating to US dollar notes                                                          | 20   | 54.0             | 58.2             |
| Convertible notes and Exchangeable bond                                                                    | 20   | (0.1)            | (265.5)          |
| Interest bearing loans and borrowings                                                                      | 20   | (1,959.6)        | (1,932.8)        |
| Financial assets carried at fair value through other comprehensive income                                  |      |                  |                  |
| Unlisted equity securities                                                                                 | 22   | 66.1             | 96.2             |
| Derivative financial instruments designated and effective and carried at fair value through profit or loss |      |                  |                  |
| Derivative financial assets                                                                                | 23   | 150.5            | 188.1            |
| Derivative financial liabilities                                                                           | 23   | (70.9)           | (69.0)           |
| <b>Total financial assets and financial liabilities</b>                                                    |      | <b>(3,425.7)</b> | <b>(2,918.6)</b> |

### (a) Market risk

SGH is exposed to market risk through foreign exchange, interest rate, equity price, commodity price and energy price risk.

#### (i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

SGH is exposed to fluctuations in foreign currency, predominantly in United States Dollar (USD).

SGH will seek to minimise exposure to foreign exchange risk by initially seeking contracts effectively denominated in AUD where possible. Where this is not possible SGH will manage foreign exchange risk as follows:

- in certain circumstances SGH invoices customers in USD. Where SGH invoices in USD it may seek to match the USD receipt with USD denominated vendor payments. As a result, an economic hedge is created by minimising exposure to changes in the AUD/USD exchange rate. Payments and receipts are made from and to SGH's USD denominated bank account.
- external forward contracts and options are used to manage foreign exchange risk. Contracts are entered into on a transaction by transaction basis to hedge specific purchases, sales and borrowings.

SGH's foreign exchange risk from recognised assets and liabilities arises primarily from long-term USD denominated borrowings (refer to Note 20: Interest bearing loans and borrowings). SGH effectively hedges its long-term foreign denominated borrowings using a combination of designated forward exchange contracts and cross currency swaps. At times, the Company may choose to hold cash positions in USD to hedge against anticipated weakening in the AUD.

The financial statements for foreign group companies that have a functional currency different from Australian Dollars are translated into Australian Dollars on consolidation. Exchange differences arising from the translation are taken to reserves and as such the individual account balances of the SGH companies are excluded from the table below.

Excluding assets and liabilities for SGH's foreign entities translated, SGH's exposure to foreign currency risk was as follows, based on notional amounts other than derivative financial instruments which are shown at fair value:

| FOREIGN CURRENCY RISK            | 2024<br>US\$m | 2023<br>US\$m |
|----------------------------------|---------------|---------------|
| Cash and cash equivalents        | 57.8          | 31.0          |
| Trade and other receivables      | 161.3         | 69.2          |
| Trade and other payables         | (262.9)       | (391.8)       |
| Borrowings                       | (1,353.0)     | (1,237.0)     |
| Unlisted equity securities       | 43.8          | 63.8          |
| Derivative financial instruments | 73.6          | 104.2         |
| Closing exchange rates (a)       | 0.6624        | 0.6630        |

(a) Closing rate per the Reserve Bank of Australia at 4pm (AEST) on 30 June 2024.

# Financial Assets and Liabilities

## Sensitivity analysis

As at 30 June 2024, the closing AUD/USD exchange rate was 0.6624 (2023: 0.6630) as reported by the Reserve Bank of Australia. A foreign currency sensitivity of +/- five per cent has been selected and is considered reasonable given the historical AUD/USD exchange rates prevailing in the year ended 30 June 2024. During the year, the average AUD/USD exchange rate was 0.6556 (2023: 0.6734) and traded within a range of 0.6278 to 0.6889 (2023: 0.6230 to 0.7150).

At 30 June 2024, had the AUD/USD exchange rate moved by five per cent, with all other variables held constant, post tax profit/(loss) and equity would have been affected as illustrated in the table below:

| JUDGEMENT OF REASONABLY POSSIBLE MOVEMENTS | 2024<br>Profit/(loss)<br>\$m | 2024<br>Equity<br>\$m | 2023<br>Profit/(loss)<br>\$m | 2023<br>Equity<br>\$m |
|--------------------------------------------|------------------------------|-----------------------|------------------------------|-----------------------|
| AUD to USD +5%                             | 3.8                          | 0.1                   | 15.5                         | (6.6)                 |
| AUD to USD -5%                             | (4.3)                        | 0.4                   | (17.1)                       | 11.8                  |

A sensitivity of five per cent is considered reasonable given the current level of prices and the volatility observed both on a historical basis and market expectations for future movements.

Adverse versus favourable movements are determined relative to the net underlying exposure. An adverse movement in exchange rates implies an increase in SGH's foreign currency exposure leading to deterioration in SGH's financial position. A favourable movement in exchange rates implies a decrease in SGH's foreign currency exposure and an improvement in SGH's financial position.

SGH's exposure to other foreign exchange movements is not material.

## (ii) Interest rate risk

SGH's exposure to interest rate risk arises from AUD cash deposits and short to medium term borrowings which are at variable interest rates in AUD. Generally, long-term fixed rate borrowings are obtained in the USA and Australia, while shorter term variable borrowings are denominated in Australian currency and expose SGH to interest rate risk. SGH manages this risk by using derivative financial instruments including interest rate swaps and collars to hedge interest rate exposure.

As at 30 June 2024, 48 per cent (2023: 46 per cent) of SGH's total borrowings were subject to fixed interest rates or were effectively hedged with derivative financial instruments.

At 30 June 2024, SGH had the following mix of financial assets and liabilities exposed to Australian and United States variable interest rate risk.

|                              | 2024<br>\$m      | 2023<br>\$m      |
|------------------------------|------------------|------------------|
| <b>Financial assets</b>      |                  |                  |
| Cash and cash equivalents    | 650.7            | 288.6            |
|                              | <b>650.7</b>     | <b>288.6</b>     |
| <b>Financial liabilities</b> |                  |                  |
| Interest bearing liabilities | (2,600.5)        | (2,656.9)        |
|                              | <b>(2,600.5)</b> | <b>(2,656.9)</b> |

The following table shows the annualised impact on profit or loss and equity of interest bearing assets and liabilities if floating interest rates at balance date had been one per cent (100 basis points) higher or lower for the year, with all other variables held constant.

|                                                                                                                  | 2024<br>Profit/(loss)<br>\$m | 2024<br>Equity<br>\$m | 2023<br>Profit/(loss)<br>\$m | 2023<br>Equity<br>\$m |
|------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------|------------------------------|-----------------------|
| If interest rates were 1% (100 basis points) higher with all other variables held constant – increase/(decrease) | (13.8)                       | (9.6)                 | (17.6)                       | (16.9)                |
| If interest rates were 1% (100 basis points) lower with all other variables held constant – increase/(decrease)  | 13.8                         | 10.1                  | 17.6                         | 18.0                  |

As a result of the regulatory reform on benchmark rates, LIBOR was replaced by an alternative benchmark rate from 1 July 2023. Existing interest rate derivatives that had referenced the US Dollar London Interbank Offer Rate (USD LIBOR) were replaced with the Secured Overnight Financing Rate (SOFR). There is no change to SGH's risk management activities as a result of the reform.

## 21. Financial risk management (continued)

### (iii) Equity price risk

Equity price risk refers to the risk that the value of a financial instrument or its associated cash flows will fluctuate due to changes in the underlying share prices.

SGH has exposure to equity price risk arising from its portfolio of listed equity securities. SGH utilises derivatives to hedge this exposure as well as to gain economic exposure to equity securities.

SGH may also be exposed to equity price risk through its holdings of listed investments accounted for using the equity method and as part of SGH's impairment assessment process.

The following table shows the impact on the profit or loss and equity of SGH if equity prices (excluding equity accounted investments) at balance date had been 20.0 per cent higher or lower, with all other variables held constant (2023: 20.0 per cent). A sensitivity of 20.0 per cent is considered reasonable given the current level of prices and the volatility observed both on a historical basis and market expectations for future movement.

|                                                                                              | 2024<br>Profit/(loss)<br>\$m | 2024<br>Equity<br>\$m | 2023<br>Profit/(loss)<br>\$m | 2023<br>Equity<br>\$m |
|----------------------------------------------------------------------------------------------|------------------------------|-----------------------|------------------------------|-----------------------|
| If share prices were 20% higher with all other variables held constant – increase/(decrease) | –                            | 4.2                   | –                            | 7.6                   |
| If share prices were 20% lower with all other variables held constant – increase/(decrease)  | –                            | (4.2)                 | –                            | (7.6)                 |

### (iv) Commodity and energy price risk

Commodity price risk is the risk that SGH is exposed to fluctuations in commodity prices. SGH has an operating interest in oil and gas assets located in Australia and the United States of America. These investments expose SGH to commodity price risk from fluctuations in the prices of oil, natural gas and other condensates and natural gas liquids (NGLs). SGH does not currently hedge its exposure to energy price risk relating to the future sale of these energy products. SGH is exposed to price risk relating to the purchase of electricity, diesel, natural gas, coal, clinker and other oil and gas based products. SGH hedges a portion of these exposures using fixed price contracts, swaps and options.

The following table shows the impact on the profit or loss and equity of SGH if commodity prices at balance date had been 10.0 per cent higher or lower, with all other variables held constant (2023: 10.0 per cent). A sensitivity of 10.0 per cent is considered a reasonable estimate of a short-term commodity price dislocation.

|                                                                                                  | 2024<br>Profit/(loss)<br>\$m | 2024<br>Equity<br>\$m | 2023<br>Profit/(loss)<br>\$m | 2023<br>Equity<br>\$m |
|--------------------------------------------------------------------------------------------------|------------------------------|-----------------------|------------------------------|-----------------------|
| If commodity prices were 10% higher with all other variables held constant – increase/(decrease) | –                            | 10.7                  | –                            | 8.7                   |
| If commodity prices were 10% lower with all other variables held constant – increase/(decrease)  | –                            | (10.7)                | –                            | (8.7)                 |

In November 2022, Boral entered into a solar power purchase agreement for a period of ten years from the commencement of commercial production expected from January 2025. The agreement is not a physical electricity supply contract. It operates as a contract for difference where a payment is made between the parties based on the differential between the NSW electricity spot price and an agreed fixed price. The contract is a derivative and is measured at fair value through profit or loss.

### (b) Liquidity risk

Liquidity risk refers to the risk that SGH is unable to meet its financial commitments as and when they fall due.

SGH employs a prudent liquidity risk management approach. This involves maintaining a large amount of liquid reserves (cash deposits, listed shares and available credit lines) that can be drawn or sold at short notice to meet SGH's financial commitments. Management monitors SGH's ongoing cash flow requirements on a daily basis. Due to the dynamic nature of the underlying businesses, SGH aims to maintain flexibility in funding by keeping credit lines committed and available.

SGH's foreign exchange risk arises primarily from:

- borrowings denominated in a foreign currency; and
- firm commitments of highly probable forecast transactions for receipts and payments settled in foreign currency.

## Financial Assets and Liabilities

### Financing arrangements

SGH had access to the following undrawn borrowing facilities at the reporting date:

|                                        | 2024<br>\$m    | 2023<br>\$m    |
|----------------------------------------|----------------|----------------|
| <b>FLOATING RATE</b>                   |                |                |
| Expiring within one year               | 253.2          | 304.3          |
| Expiring beyond one year               | 895.0          | 921.7          |
|                                        | <b>1,148.2</b> | <b>1,226.0</b> |
| <b>ADDITIONAL LIQUIDITY</b>            |                |                |
| Cash and cash equivalents              | 654.3          | 876.5          |
| Unutilised short dated lines of credit | 9.1            | 6.5            |
|                                        | <b>663.4</b>   | <b>883.0</b>   |

Subject to continued compliance with facility terms, the facilities may be drawn at any time. The average maturity for drawn facilities is 4.1 years (2023: 4.6 years) and 2.3 years (2023: 2.9 years) for undrawn facilities.

### Maturities of financial liabilities

The table below analyses SGH's financial liabilities (including derivative financial instruments) into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. Gross cash flows include principal, coupon and premium (on put options) payments at contracted rates. The amounts disclosed are the contracted undiscounted cash flows.

|                                                  | Within<br>1 year<br>\$m | Between 1<br>and 2 years<br>\$m | Between 2<br>and 5 years<br>\$m | Over 5<br>years<br>\$m | Total<br>contractual<br>cash flows<br>\$m | Carrying<br>amount<br>\$m |
|--------------------------------------------------|-------------------------|---------------------------------|---------------------------------|------------------------|-------------------------------------------|---------------------------|
| <b>YEAR ENDED 30 JUNE 2024</b>                   |                         |                                 |                                 |                        |                                           |                           |
| Trade and other payables<br>(excluding accruals) | 741.3                   | 7.9                             | –                               | –                      | 749.2                                     | 749.2                     |
| Borrowings – variable rate                       |                         |                                 |                                 |                        |                                           |                           |
| – principal (including derivative)               | 701.4                   | 73.5                            | 1,470.6                         | 265.9                  | 2,511.4                                   | 2,521.3                   |
| – coupon interest and derivative                 | 141.4                   | 110.3                           | 177.5                           | 81.4                   | 510.6                                     | –                         |
| Borrowings – fixed rate                          |                         |                                 |                                 |                        |                                           |                           |
| – principal (including derivative)               | 0.1                     | –                               | 311.9                           | 2,097.3                | 2,409.3                                   | 2,394.5                   |
| – coupon interest and derivative                 | 115.3                   | 115.3                           | 345.8                           | 480.5                  | 1,056.9                                   | –                         |
|                                                  | <b>1,699.5</b>          | <b>307.0</b>                    | <b>2,305.8</b>                  | <b>2,925.1</b>         | <b>7,237.4</b>                            | <b>5,665.0</b>            |
| <b>YEAR ENDED 30 JUNE 2023</b>                   |                         |                                 |                                 |                        |                                           |                           |
| Trade and other payables<br>(excluding accruals) | 747.1                   | 2.0                             | –                               | –                      | 749.1                                     | 749.1                     |
| Borrowings – variable rate                       |                         |                                 |                                 |                        |                                           |                           |
| – principal (including derivative)               | 422.2                   | 413.6                           | 1,436.4                         | 265.9                  | 2,538.1                                   | 2,548.9                   |
| – coupon interest and derivative                 | 147.6                   | 106.6                           | 226.8                           | 102.9                  | 583.9                                     | –                         |
| Borrowings – fixed rate                          |                         |                                 |                                 |                        |                                           |                           |
| – principal (including derivative)               | –                       | 46.4                            | 250.0                           | 1,997.5                | 2,293.9                                   | 2,229.1                   |
| – coupon interest and derivative                 | 96.9                    | 96.9                            | 281.9                           | 411.8                  | 887.5                                     | –                         |
|                                                  | <b>1,413.8</b>          | <b>665.5</b>                    | <b>2,195.1</b>                  | <b>2,778.1</b>         | <b>7,052.5</b>                            | <b>5,527.1</b>            |

### (c) Credit risk

Credit risk is the risk of financial loss to SGH if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from SGH's receivables, cash and cash equivalents and investment securities.

SGH's maximum exposure to credit risk at the reporting date was:

|                                                 | Note | 2024<br>\$m    | 2023<br>\$m    |
|-------------------------------------------------|------|----------------|----------------|
| Cash and cash equivalents                       | 18   | 654.3          | 876.5          |
| Trade and other receivables and Contract assets | 8    | 1,524.7        | 1,649.3        |
| Unlisted equity securities                      |      | 66.1           | 96.2           |
| Derivative financial instruments                | 22   | 150.5          | 188.1          |
|                                                 |      | <b>2,395.6</b> | <b>2,810.1</b> |

SGH's and the Company's exposure to credit risk is predominately in Australia.

## 21. Financial risk management (continued)

### **Expected credit loss and ageing – trade receivables**

SGH's exposure to expected credit loss and ageing in relation to trade receivables is outlined below.

The ageing analysis of these trade receivables is as follows:

|                                         | 2024<br>\$m  | 2023<br>\$m  |
|-----------------------------------------|--------------|--------------|
| Past due 1–30 days                      | 142.0        | 118.4        |
| Past due 31–60 days                     | 19.7         | 32.4         |
| Past due 61–90 days                     | 7.7          | 13.5         |
| > 91 days                               | 21.1         | 27.6         |
| <b>Total trade receivables past due</b> | <b>190.5</b> | <b>191.9</b> |

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

|                                                        | 2024<br>\$m | 2023<br>\$m |
|--------------------------------------------------------|-------------|-------------|
| Balance at beginning of the year                       | 24.4        | 18.8        |
| Impairment loss recognised in profit or loss           | 16.1        | 10.4        |
| Receivables expensed as uncollectable during the year  | (9.4)       | (4.8)       |
| Amounts disposed in relation to disposal of businesses | (0.5)       | –           |
| <b>Balance at end of the year</b>                      | <b>30.6</b> | <b>24.4</b> |

In certain circumstances SGH enters into guarantees as part of ordinary trading operations. These guarantees are included within financial guarantees in Note 26: Contingent liabilities.

### **(d) Fair value measurements**

#### **Financial instruments measured at fair value**

The fair value of:

- financial instruments traded in active markets are based on quoted market prices at the reporting date. The quoted market prices used for financial assets held by SGH are the closing bid prices for the assets. SGH has elected that the fair value adjustments on SGH's listed and unlisted equity securities recorded in other comprehensive income and not subsequently reclassified to profit or loss.
- forward foreign exchange contracts are determined using quoted forward exchange rates at the reporting date.
- interest rate swaps and collars and cross currency interest rate swaps are calculated using the present value of the estimated future cash flows of these instruments.
- commodity and energy derivatives are determined using quoted commodity prices and forward rates at the reporting date.
- equity derivatives are calculated based on the closing bid price of the underlying equities.

SGH has a power purchase agreement with a fair value of \$1.9 million at 30 June 2024 (2023: \$2.2 million) included within Commodity swaps and options used for hedging. This has valuation inputs in Level 3 of the hierarchy. Refer section (a)(iv) Commodity and energy price risk within this Note for further detail.

#### **Financial instruments not measured at fair value**

The interest rates used to discount estimated cash flows relating to the fixed term US dollar notes were 5.5 to 6.7 per cent (2023: 5.5 to 7.2 per cent) and are based on the government yield curve at the reporting date plus an adequate credit spread.

SGH uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – fair value is estimated using quoted prices in active markets.

Level 2 – fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).

Level 3 – fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The methods used in estimating fair value of financial assets and liabilities are disclosed on the following page.

## Financial Assets and Liabilities

|                                                         | Note | Level in fair value hierarchy | 2024 Carrying amount \$m | 2024 Fair value \$m | 2023 Carrying amount \$m | 2023 Fair value \$m |
|---------------------------------------------------------|------|-------------------------------|--------------------------|---------------------|--------------------------|---------------------|
| <b>Financial assets measured at fair value</b>          |      |                               |                          |                     |                          |                     |
| Unlisted equity securities                              |      | 3                             | 66.1                     | 66.1                | 96.2                     | 96.2                |
| Forward foreign exchange contracts                      | 22   | 2                             | 2.8                      | 2.8                 | 8.3                      | 8.3                 |
| Commodity swaps and options                             | 22   | 2/3                           | 9.1                      | 9.1                 | 3.4                      | 3.4                 |
| Cross currency swaps                                    | 22   | 2                             | 138.6                    | 138.6               | 176.4                    | 176.4               |
|                                                         |      |                               | <b>216.6</b>             | <b>216.6</b>        | <b>284.3</b>             | <b>284.3</b>        |
| <b>Financial assets not measured at fair value</b>      |      |                               |                          |                     |                          |                     |
| Cash and cash equivalents                               | 18   | –                             | 654.3                    | 654.3               | 876.5                    | 876.5               |
| Trade and other receivables and Contract assets         | 8    | –                             | 1,524.7                  | 1,524.7             | 1,649.3                  | 1,649.3             |
|                                                         |      |                               | <b>2,179.0</b>           | <b>2,179.0</b>      | <b>2,525.8</b>           | <b>2,525.8</b>      |
| <b>Financial liabilities measured at fair value</b>     |      |                               |                          |                     |                          |                     |
| Forward foreign exchange contracts                      | 22   | 2                             | 1.5                      | 1.5                 | 3.2                      | 3.2                 |
| Commodity swaps and options                             | 22   | 2                             | 1.5                      | 1.5                 | 4.8                      | 4.8                 |
| Cross currency swaps                                    | 22   | 2                             | 56.6                     | 56.6                | 49.0                     | 49.0                |
| Interest rate swaps and options                         | 22   | –                             | 11.2                     | 11.2                | 12.0                     | 12.0                |
|                                                         |      |                               | <b>70.8</b>              | <b>70.8</b>         | <b>69.0</b>              | <b>69.0</b>         |
| <b>Financial liabilities not measured at fair value</b> |      |                               |                          |                     |                          |                     |
| Trade and other payables (excluding accruals)           |      | –                             | 749.2                    | 749.2               | 749.1                    | 749.1               |
| Fixed term US dollar notes                              | 20   | 2                             | 3,095.5                  | 3,000.2             | 2,770.5                  | 2,530.5             |
| Fair value adjustment relating to US dollar notes       | 20   | –                             | (54.0)                   | (54.0)              | (58.2)                   | (58.2)              |
| Convertible note and Exchangeable bond                  | 20   | 2                             | 0.1                      | 0.1                 | 265.5                    | 265.1               |
| Other borrowings                                        | 20   | 2                             | 1,959.6                  | 1,959.6             | 1,932.8                  | 1,932.8             |
|                                                         |      |                               | <b>5,750.4</b>           | <b>5,655.1</b>      | <b>5,659.7</b>           | <b>5,419.3</b>      |

There were no transfers between the fair value hierarchy levels during the year.

### Valuation techniques – Level 3

#### Unlisted equity securities

Unlisted equity securities comprise SGH's investment in an unlisted investment fund (investment fund), which is accounted for as a financial asset measured at fair value through other comprehensive income. Whilst this investment fund invests in both foreign listed and unlisted equity securities, the investment is not quoted in an active market and accordingly the fair value of this investment is included within Level 3 of the hierarchy.

Audited information is obtained from the investment fund regarding the fair value of the investment. SGH recognises any movement in the fair value of the investment in equity through the fair value reserve. The methodology followed by the investment fund in fair valuing its underlying investments is outlined below.

Under the market based method, the investment fund's manager determines comparable public companies (peers) based on industry size, leverage and strategy and calculates an appropriate trading multiple for each comparable company identified. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the investee company to measure the fair value.

## 21. Financial risk management (continued)

### Valuation process for Level 3 valuations

The valuation of unlisted equity securities is performed on a quarterly basis by the investment fund's manager and reviewed by their investment committee. The valuations are also subject to quality assurance procedures performed within the investment fund.

The investment fund manager verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents and market information. In addition, the accuracy of the computation is tested. The latest valuation is also compared with the valuations in the four preceding quarters as well as with the valuations of the two preceding annual periods. If fair value changes (positive or negative) are more than certain thresholds set, the changes are further considered by the fund's investment committee.

The fund's investment committee considers the appropriateness of the valuation methods and inputs, and may request that alternate valuation methods are applied to support the valuations arising from the method chosen. Any changes in valuation methods are discussed and agreed with the investment partners. The investment fund presents the valuation results on a quarterly basis to SGH. The report includes a discussion of the major assumptions used in the valuations, with an emphasis on the more significant investments and investments with fair value changes outside of the relevant thresholds set out above. SGH's investment committee regularly reviews this information and assesses the performance of SGH's investment.

### Quantitative information on significant unobservable inputs – Level 3

| Description                 | Valuation technique | Unobservable input                    | 2024 Range | 2023 Range |
|-----------------------------|---------------------|---------------------------------------|------------|------------|
| Unlisted equity investments | Recent transactions | Not applicable                        | n/a        | n/a        |
|                             |                     | Average P/E multiple of peers         | 27.0–31.7x | 31.7x      |
|                             |                     | Discount for lack of liquidity        | 25%        | 25%        |
|                             | EBITDA multiple     | Average EBITDA multiple of peers      | 11.7       | 11.7x      |
|                             |                     | Discount for lack of liquidity        | 25%        | 25%        |
|                             | EV/sales multiple   | Average price/sales multiple of peers | 2.2–6.2x   | 2.6–4.1x   |
|                             |                     | Discount for lack of liquidity        | 25%        | 25%        |
|                             |                     |                                       |            |            |

### Reconciliation – Level 3

The following table shows a reconciliation of movements in the fair value of unlisted equity securities categorised within Level 3.

|                                       | 2024 \$m    | 2023 \$m    |
|---------------------------------------|-------------|-------------|
| Balance at the beginning of the year  | 96.2        | 110.7       |
| Contributions, net of capital returns | (10.7)      | (0.3)       |
| Fair value losses                     | (19.4)      | (14.2)      |
| <b>Balance at the end of the year</b> | <b>66.1</b> | <b>96.2</b> |

### (e) Master Netting or Similar Arrangements

SGH enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances, e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because SGH does not have any currently legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as a default on the bank loans or other credit events.

### (f) Capital management

SGH manages its capital to safeguard SGH's ability to continue as a going concern and to maintain an optimal capital structure while maximising shareholder value. As such, the Board regularly reviews SGH's capital structure in order to take advantage of favourable costs of capital and returns on assets. SGH maintains a diversified capital base with a mixture of equity and debt funding. Equity funding comprises ordinary shares.

SGH's dividend policy is to distribute cash from operating activities after financing costs, subject to the retention of adequate cash reserves to capitalise on investment opportunities. Dividends are franked to the greatest extent possible.

Refer to Note 25: Dividends for details of dividends paid and proposed but not provided for during the year.

# Financial Assets and Liabilities

## 22. Derivative financial instruments

### Accounting policy

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

SGH designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

SGH documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. SGH also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

### Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within interest expense, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in the profit or loss within other income or other expenses.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

### Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income in the cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Amounts accumulated in other comprehensive income are recycled in the profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within interest expense.

The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in profit or loss within sales. However, when the forecast transaction that is hedged results in the recognition of a non financial asset (for example, inventory or property, plant and equipment), the gains and losses previously deferred in other comprehensive income are transferred from other comprehensive income and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as a cost of goods sold in the case of inventory, or as depreciation in the case of property, plant and equipment.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to profit or loss.

## 22. Derivative financial instruments (continued)

|                                             | 2024<br>\$m   | 2023<br>\$m   |
|---------------------------------------------|---------------|---------------|
| <b>CURRENT ASSETS</b>                       |               |               |
| Cross currency interest rate swaps          | –             | 29.4          |
| Forward foreign exchange contracts          | 2.8           | 7.7           |
| Commodity swaps and options                 | 5.6           | 0.6           |
|                                             | <b>8.4</b>    | <b>37.7</b>   |
| <b>NON-CURRENT ASSETS</b>                   |               |               |
| Cross currency interest rate swaps          | 138.6         | 147.0         |
| Forward foreign exchange contracts          | –             | 0.6           |
| Commodity swaps and options                 | 3.5           | 2.8           |
|                                             | <b>142.1</b>  | <b>150.4</b>  |
| <b>CURRENT LIABILITIES</b>                  |               |               |
| Forward foreign exchange contracts          | (1.5)         | (3.2)         |
| Commodity swaps and options                 | (1.5)         | (4.4)         |
|                                             | <b>(3.0)</b>  | <b>(7.6)</b>  |
| <b>NON-CURRENT LIABILITIES</b>              |               |               |
| Cross currency interest rate swaps          | (56.7)        | (49.0)        |
| Interest rate swaps and collars             | (11.2)        | (12.0)        |
| Commodity swaps and options                 | –             | (0.4)         |
|                                             | <b>(67.9)</b> | <b>(61.4)</b> |
| <b>Net derivative financial instruments</b> | <b>79.6</b>   | <b>119.1</b>  |

SGH is a party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rates, foreign exchange rates, commodity and energy prices in accordance with SGH's financial risk management policies. SGH also enters into equity derivatives from time to time to hedge the value of listed investments or to gain exposure to certain market sectors. Refer to Note 21: Financial risk management for further details.

### Interest rate swaps

SGH's policy is to hedge a portion of its interest bearing liabilities from exposure to changes in interest rates. The gain or loss from remeasuring the hedging instruments to fair value is deferred in equity in the hedge reserve and reclassified into profit or loss when the hedged interest expense is recognised. To the extent that the hedge is ineffective or undesignated, the fair value movement is recognised as fair value through profit or loss.

### Forward foreign exchange contracts

SGH has entered into forward foreign currency exchange contracts to hedge USD denominated debt in conjunction with cross currency swaps. From time to time SGH also enters into forward foreign exchange contracts to hedge certain known trading commitments and capital expenditure predominantly denominated in US Dollars. The terms of these commitments are generally shorter than one year.

### Commodity swaps

SGH uses commodity swaps and options to hedge a component of exposure to commodity and energy price risk. The maximum permitted term for a hedge transaction is two years.

### Power purchase agreement

Boral entered into a virtual solar power purchase agreement (PPA) in November 2022 for a period of ten years from the commencement of commercial production, expected from January 2025. The solar farm is situated in Wellington North, NSW. Boral has no involvement in financing, operating or maintaining the solar farm. Boral will buy 7.4 per cent of total generation from LightsourceBP Solar farm with a nameplate capacity of 330MWAC. Boral's expected share is 60,000 MWhs which represents ~17 per cent of Boral's current electricity consumption. The PPA is not a physical electricity supply contract. It operates as a "contract for differences" (CfD) whereby the parties have agreed to a 'Bundled Price'. If the NSW electricity spot price is higher than the Bundled Price then the LightsourceBP will pay the difference to Boral and vice versa. The CfD is a derivative and is required to be fair valued at each reporting date with any movements recorded in the profit or loss. Boral will also obtain the related large-scale generation certificates (LGC).

The key inputs impacting the value of the derivative are the strike price, the contract period, forward NSW electricity spot prices (Level 3 unobservable input), future estimates of Boral's share of solar output and the credit worthiness of the service provider. The 30 June 2024 PPA derivative payable was valued at \$1.9 million (June 2023: \$2.2 million). The profit impact from a reasonably possible movement in spot electricity prices (+/- 10 per cent) is +/- \$3.5 million.

## Financial Assets and Liabilities

### Cross currency swaps

SGH has obligations to repay the principal and interest relating to USD denominated debt. SGH enters into cross currency swap contracts to hedge these obligations.

At 30 June 2024, SGH held various types of derivative financial instruments that were designated as cash flow hedges of future forecast transactions. These were hedging of:

- future foreign currency operational payments by forward exchange contracts;
- future foreign currency principal and coupon payments by forward exchange contracts;
- future commodity payments by forward exchange contracts;
- future foreign currency capital expenditure by forward exchange contracts; or
- future interest payments by interest rate derivative contracts.

### Derivatives that do not qualify for hedge accounting

Certain derivative instruments may not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss. The effective portion of the cumulative net change in the value of derivative financial instruments designated as a cash flow hedge are included in the hedge reserve. The periods in which the related cash flows are expected to occur are summarised below.

|                                                            | Within<br>1 year<br>\$m | Between<br>1 to 5 years<br>\$m | Over<br>5 years<br>\$m | Total<br>\$m  |
|------------------------------------------------------------|-------------------------|--------------------------------|------------------------|---------------|
| <b>YEAR ENDED 30 JUNE 2024</b>                             |                         |                                |                        |               |
| <b>Contracts to hedge</b>                                  |                         |                                |                        |               |
| Future operational (sales and purchases)                   | 1.3                     | –                              | –                      | 1.3           |
| Future principal and interest on borrowings                | 13.5                    | (54.3)                         | 24.9                   | (15.9)        |
| Future commodity and energy purchases                      | 4.1                     | 3.5                            | –                      | 7.6           |
| <b>Total net gain/(loss) included in the hedge reserve</b> | <b>18.9</b>             | <b>(50.8)</b>                  | <b>24.9</b>            | <b>(7.0)</b>  |
| <b>YEAR ENDED 30 JUNE 2023</b>                             |                         |                                |                        |               |
| <b>Contracts to hedge</b>                                  |                         |                                |                        |               |
| Future operational (sales and purchases)                   | 4.5                     | 0.6                            | –                      | 5.1           |
| Future principal and interest on borrowings                | (20.7)                  | (38.5)                         | 16.8                   | (42.4)        |
| Future commodity and energy purchases                      | (3.8)                   | 2.4                            | –                      | (1.4)         |
| <b>Total net (loss)/gain included in the hedge reserve</b> | <b>(20.0)</b>           | <b>(35.5)</b>                  | <b>16.8</b>            | <b>(38.7)</b> |

Boral's power purchase agreement with a carrying value of \$1.9 million (2023:\$2.2 million) is not hedge accounted and is not included in the above table.

## 22. Derivative financial instruments (continued)

| HEDGE ACCOUNTING<br>YEAR ENDED 30 JUNE 2024                                   | Notional<br>amount<br>of hedging<br>instrument<br>& hedged<br>item | CARRYING AMOUNT                  |               |                    |                                                       |                                             | Hedge<br>ineffective-<br>ness<br>recognised<br>in profit<br>or loss<br>\$m | Amount<br>reclassified<br>from hedge<br>profit<br>or loss<br>\$m |
|-------------------------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------|---------------|--------------------|-------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------------------|------------------------------------------------------------------|
|                                                                               |                                                                    | Hedge<br>rates                   | Assets<br>\$m | Liabilities<br>\$m | Change in<br>value of<br>hedging<br>instrument<br>\$m | Change in<br>value of<br>hedged item<br>\$m |                                                                            |                                                                  |
| Cash flow hedges                                                              |                                                                    |                                  |               |                    |                                                       |                                             |                                                                            |                                                                  |
| Operational (sales and purchases) – foreign exchange contracts (up to 1 year) | AUD 462.4                                                          | AUD/USD<br>0.69-0.64             | 2.2           | (1.9)              | (0.1)                                                 | 0.1                                         | –                                                                          | (2.3)                                                            |
| Gross currency interest rate swaps (up to 3 years)                            | AUD 170.5                                                          | AUD/USD<br>1.03                  | 94.0          | –                  | (29.7)                                                | 31.8                                        | –                                                                          | 3.5                                                              |
| Gross currency interest rate swaps (up to 7 years)                            | AUD 867.4                                                          | AUD/USD<br>0.68                  | 16.6          | (0.6)              | (0.9)                                                 | 0.9                                         | –                                                                          | 2.8                                                              |
| Gross currency interest rate swaps (up to 10 years)                           | AUD 230.4                                                          | AUD/USD<br>0.65                  | –             | (6.8)              | 4.8                                                   | (6.8)                                       | 2.0                                                                        | (8.9)                                                            |
| Gross currency interest rate swaps (up to 11 years)                           | AUD 504.6                                                          | AUD/USD<br>0.73                  | 28.0          | –                  | 45.5                                                  | (48.6)                                      | –                                                                          | (3.7)                                                            |
| Gross currency interest rate swaps (up to 12 years)                           | AUD 112.0                                                          | AUD/USD<br>0.64                  | –             | (8.3)              | (4.9)                                                 | 5.5                                         | 0.6                                                                        | –                                                                |
| USD diesel costs – commodity swaps (up to 2 years)                            | AUD 75.9                                                           | 86.84 - 109.29<br>USD/<br>Barrel | 4.7           | (0.3)              | 5.7                                                   | (5.7)                                       | –                                                                          | 3.2                                                              |
| USD coal costs – commodity swaps (up to 2 years)                              | AUD 10.7                                                           | USD/MT<br>144.7                  | –             | (0.5)              | (0.2)                                                 | 0.2                                         | –                                                                          | (1.7)                                                            |
| Electricity costs – commodity swaps and options (up to 2 years)               | AUD 19.1                                                           | AUD/MWh<br>47.25 - 159           | 2.5           | (0.2)              | 4.4                                                   | (4.4)                                       | –                                                                          | (8.0)                                                            |
| Natural gas costs – commodity options (up to 2 years)                         | AUD 2.4                                                            | AUD/Gj<br>19.5                   | –             | (0.6)              | (0.4)                                                 | 0.4                                         | –                                                                          | (1.4)                                                            |
| Capital expenditure – foreign exchange contracts (up to 1 year)               | AUD 0.2                                                            | AUD/EUR<br>0.60–0.61             | –             | –                  | –                                                     | –                                           | –                                                                          | –                                                                |
| Capital expenditure – foreign exchange contracts (up to 1 year)               | AUD –                                                              | AUD/JPY<br>97.79                 | –             | –                  | 0.1                                                   | (0.1)                                       | –                                                                          | (1.4)                                                            |
| Capital expenditure – foreign exchange contracts (up to 1 year)               | AUD 55.0                                                           | AUD/USD<br>0.65-0.68             | 0.9           | (0.2)              | 0.8                                                   | (0.8)                                       | –                                                                          | 0.1                                                              |
| Foreign currency borrowings - 144A/Reg S senior notes and USPP senior notes   | AUD 590.0                                                          | Fixed<br>3.75 - 4.58             | –             | –                  | –                                                     | –                                           | –                                                                          | –                                                                |
| Fair value hedges                                                             |                                                                    |                                  |               |                    |                                                       |                                             |                                                                            |                                                                  |
| Gross currency interest rate swaps (up to 3 years)                            | AUD 170.5                                                          | AUD/USD<br>1.03                  | –             | (3.0)              | (0.1)                                                 | 5.3                                         | (0.2)                                                                      | –                                                                |
| Gross currency interest rate swaps (up to 10 years)                           | AUD 230.4                                                          | AUD/USD<br>0.65                  | –             | (38.0)             | (0.8)                                                 | 2.8                                         | 1.2                                                                        | –                                                                |
| Interest on USD borrowings – interest rate swaps (up to 7 years)              | AUD 100.0                                                          | 6.95-6.97%                       | –             | (11.2)             | 0.9                                                   | (0.9)                                       | –                                                                          | (4.3)                                                            |

# Capital Structure

## 23. Capital

### Accounting policy

#### Contributed equity

Ordinary shares, convertible notes and other equity securities are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in other comprehensive income and presented as contributed equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs is recognised as a deduction from equity.

#### Treasury shares

Treasury shares consist of shares held in trust for SGH's executives in relation to employee equity benefits.

|                                                             | 2024<br>\$m    | 2023<br>\$m    |
|-------------------------------------------------------------|----------------|----------------|
| <b>CONTRIBUTED EQUITY</b>                                   |                |                |
| 400,343,655 ordinary shares, fully paid (2023: 363,260,588) | 4,802.6        | 3,382.2        |
| Convertible notes, fully paid                               | –              | 4.2            |
| 1,001,045 treasury shares, fully paid (2023: 459,450)       | (40.2)         | (11.1)         |
| <b>Balance at end of the year</b>                           | <b>4,762.4</b> | <b>3,375.3</b> |
| <b>MOVEMENT IN ORDINARY SHARES</b>                          |                |                |
| Balance at beginning of the year                            | 3,382.2        | 3,382.2        |
| Shares issued during the year - convertible notes           | 44.7           | –              |
| Shares issued during the year - Boral takeover              | 1,371.5        | –              |
| Transfer of convertible notes within contributed equity     | 4.2            | –              |
| <b>Balance at end of the year</b>                           | <b>4,802.6</b> | <b>3,382.2</b> |
| <b>MOVEMENT IN TREASURY SHARES</b>                          |                |                |
| Balance at beginning of the year                            | (11.1)         | (3.4)          |
| Shares vested and transferred to employees                  | 11.7           | 3.4            |
| On-market share acquisition                                 | (40.8)         | (11.1)         |
| <b>Balance at end of the year</b>                           | <b>(40.2)</b>  | <b>(11.1)</b>  |

The Company does not have authorised share capital or par value in respect of its issued shares. All issued shares are fully paid. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds on liquidation.

#### Ordinary shares

During the year, the Company issued shares under the Boral takeover, with 0.1116 SGH shares being issued for each Boral share acquired. As a result, 35,153,902 SGH shares were issued. Refer to Note 28: Events subsequent to balance date for further detail on shares issues subsequent to year-end in relation to the Boral takeover.

#### Convertible notes

The Company issued 3,500 convertible notes (Notes) on 5 March 2018 at a nominal value of \$350.0 million and paying a cash coupon of 2.2 per cent per annum. The Notes are listed on the Singapore Exchange and mature in March 2025 at their nominal value. Alternatively, they can be converted into ordinary shares at the holder's option at a conversion price of \$24 per ordinary share (subject to adjustments as stipulated in the terms of the convertible note). Shareholder approval was granted at the Company's 2018 Annual General Meeting in November 2018, thereby converting the derivative liability to shareholder equity.

During the year, 463 Notes were converted, resulting in 1,929,165 ordinary shares being issued at \$24 per share. At 30 June 2024, one Note remains (2023: 464 Notes). Refer to Note 20: Interest bearing liabilities and borrowings for further details.

#### Treasury shares

The Company acquired 1,025,000 shares on market for \$40.8 million (2023: 458,000 shares on market for \$11.1 million) to satisfy employee share scheme obligations in future periods.

## 24. Reserves

### Nature and purpose of reserves

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Acquisitions reserve</b>                 | The acquisitions reserve is used to record the difference between the fair value of consideration paid for the non-controlling interest of subsidiaries and the book value of those subsidiaries' share of net assets at date of acquisition.                                                                                                                                                                                                                 |
| <b>Equity benefits reserve</b>              | The equity benefits reserve is used to record the value of equity benefits provided to employees as part of their remuneration.                                                                                                                                                                                                                                                                                                                               |
| <b>Common control reserve</b>               | The acquisition of WesTrac Group by the Company during the period ended 30 June 2010 was accounted for as a common control transaction. As a consequence, the difference between the fair value of the consideration paid and the existing book values of assets and liabilities of the WesTrac Group was debited to a common control reserve. Upon disposal of all interests in WesTrac Group by SGH this reserve would be transferred to retained earnings. |
| <b>Hedge reserve</b>                        | The hedge reserve records the effective portion of the cumulative net change in fair value of hedging instruments related to cash flow hedged transactions that have not yet occurred.                                                                                                                                                                                                                                                                        |
| <b>Fair value through OCI reserve</b>       | SGH has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income under AASB 9. The net change in the fair value of financial assets measured at fair value through other comprehensive income (FVTOCI) will be shown in this reserve and not be subsequently reclassified to profit or loss.                                                                                                  |
| <b>Foreign currency translation reserve</b> | The foreign currency (FX) translation reserve records the foreign currency differences arising from the translation of the financial statements of foreign operations.                                                                                                                                                                                                                                                                                        |
| <b>Equity reserve</b>                       | The equity reserve records the difference arising on the Exchangeable bond embedded option to convert the liability into equity.                                                                                                                                                                                                                                                                                                                              |

| YEAR ENDED 30 JUNE 2024                                                                   | Acqui-<br>sitions<br>reserve<br>\$m | Equity<br>benefits<br>reserve<br>\$m | Common<br>control<br>reserve<br>\$m | Hedge<br>reserve<br>\$m | Fair value<br>through OCI<br>reserve<br>\$m | FX<br>translation<br>reserve<br>\$m | Equity<br>reserve<br>\$m | Total<br>\$m     |
|-------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|-------------------------|---------------------------------------------|-------------------------------------|--------------------------|------------------|
| <b>As at 1 July 2023</b>                                                                  | <b>(989.2)</b>                      | <b>(13.9)</b>                        | <b>(642.6)</b>                      | <b>(7.4)</b>            | <b>100.8</b>                                | <b>3.2</b>                          | <b>22.5</b>              | <b>(1,526.6)</b> |
| Fair value movement on financial assets measured at FVTOCI                                | –                                   | –                                    | –                                   | –                       | (14.5)                                      | –                                   | –                        | (14.5)           |
| Deferred tax effect of net gain on financial asset measured at FVTOCI                     | –                                   | –                                    | –                                   | –                       | 4.4                                         | –                                   | –                        | 4.4              |
| Net loss on cash flow hedges                                                              | –                                   | –                                    | –                                   | (9.6)                   | –                                           | –                                   | –                        | (9.6)            |
| Tax effect of net loss on cash flow hedges                                                | –                                   | –                                    | –                                   | 3.8                     | –                                           | –                                   | –                        | 3.8              |
| Movement in reserves of equity accounted investees                                        | –                                   | –                                    | –                                   | –                       | (2.9)                                       | (0.7)                               | –                        | (3.6)            |
| Acquisition of non-controlling interest                                                   | (1,475.5)                           | –                                    | –                                   | –                       | –                                           | –                                   | –                        | (1,475.5)        |
| Non-controlling interest on partial disposal of controlled entity without loss of control | 24.1                                | –                                    | –                                   | –                       | –                                           | –                                   | –                        | 24.1             |
| Recycling of FX translation reserve                                                       | –                                   | –                                    | –                                   | –                       | –                                           | (13.6)                              | –                        | (13.6)           |
| Currency translation differences                                                          | –                                   | –                                    | –                                   | –                       | –                                           | 0.2                                 | –                        | 0.2              |
| Share based payments from controlled entity                                               | –                                   | (18.0)                               | –                                   | –                       | –                                           | –                                   | –                        | (18.0)           |
| Share based payments                                                                      | –                                   | 9.3                                  | –                                   | –                       | –                                           | –                                   | –                        | 9.3              |
| Share based payment options settled                                                       | –                                   | (11.7)                               | –                                   | –                       | –                                           | –                                   | –                        | (11.7)           |
| <b>As at 30 June 2024</b>                                                                 | <b>(2,440.6)</b>                    | <b>(34.3)</b>                        | <b>(642.6)</b>                      | <b>(13.2)</b>           | <b>87.8</b>                                 | <b>(10.9)</b>                       | <b>22.5</b>              | <b>(3,031.3)</b> |

# Capital Structure

| YEAR ENDED 30 JUNE 2023                                               | Acqui-<br>sitions<br>reserve<br>\$m | Equity<br>benefits<br>reserve<br>\$m | Common<br>control<br>reserve<br>\$m | Hedge<br>reserve<br>\$m | Fair value<br>through OCI<br>reserve<br>\$m | FX<br>translation<br>reserve<br>\$m | Equity<br>reserve<br>\$m | Total<br>\$m     |
|-----------------------------------------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|-------------------------|---------------------------------------------|-------------------------------------|--------------------------|------------------|
| <b>As at 1 July 2022</b>                                              | <b>(936.2)</b>                      | <b>(20.5)</b>                        | <b>(642.6)</b>                      | <b>(12.0)</b>           | <b>114.2</b>                                | <b>1.3</b>                          | <b>–</b>                 | <b>(1,495.8)</b> |
| Fair value movement on financial assets measured at FVTOCI            | –                                   | –                                    | –                                   | –                       | (14.3)                                      | –                                   | –                        | (14.3)           |
| Deferred tax effect of net gain on financial asset measured at FVTOCI | –                                   | –                                    | –                                   | –                       | (5.0)                                       | –                                   | –                        | (5.0)            |
| Net loss on cash flow hedges                                          | –                                   | –                                    | –                                   | (33.6)                  | –                                           | –                                   | –                        | (33.6)           |
| Tax effect of net loss on cash flow hedges                            | –                                   | –                                    | –                                   | 10.1                    | –                                           | –                                   | –                        | 10.1             |
| Movement in reserves of equity accounted investees                    | –                                   | –                                    | –                                   | –                       | 5.9                                         | 1.1                                 | –                        | 7.0              |
| Acquisition of non-controlling interest                               | (24.9)                              | –                                    | –                                   | –                       | –                                           | –                                   | –                        | (24.9)           |
| Transfer                                                              | (28.1)                              | –                                    | –                                   | 28.1                    | –                                           | –                                   | –                        | –                |
| Currency translation differences                                      | –                                   | –                                    | –                                   | –                       | –                                           | 0.8                                 | –                        | 0.8              |
| Recognition of exchangeable bond                                      | –                                   | –                                    | –                                   | –                       | –                                           | –                                   | 22.7                     | 22.7             |
| Repurchase of convertible notes                                       | –                                   | –                                    | –                                   | –                       | –                                           | –                                   | (0.2)                    | (0.2)            |
| Share based payments                                                  | –                                   | 10.0                                 | –                                   | –                       | –                                           | –                                   | –                        | 10.0             |
| Share based payment options settled                                   | –                                   | (3.4)                                | –                                   | –                       | –                                           | –                                   | –                        | (3.4)            |
| <b>As at 30 June 2023</b>                                             | <b>(989.2)</b>                      | <b>(13.9)</b>                        | <b>(642.6)</b>                      | <b>(7.4)</b>            | <b>100.8</b>                                | <b>3.2</b>                          | <b>22.5</b>              | <b>(1,526.6)</b> |

## 25. Dividends

| YEAR ENDED 30 JUNE 2024                                                        | Date of<br>payment | Franked/<br>unfranked | Amount<br>per share | Total<br>\$m |
|--------------------------------------------------------------------------------|--------------------|-----------------------|---------------------|--------------|
| <b>DIVIDENDS PAID</b>                                                          |                    |                       |                     |              |
| <b>Ordinary shares</b>                                                         |                    |                       |                     |              |
| Final dividend in respect of 2023 year                                         | 13 Oct 23          | Franked               | \$0.23              | 83.6         |
| Interim dividend                                                               | 12 Apr 24          | Franked               | \$0.23              | 84.0         |
|                                                                                |                    |                       |                     | <b>167.6</b> |
| <b>Subsequent event</b>                                                        |                    |                       |                     |              |
| Current period final dividend on ordinary shares proposed but not provided for |                    |                       |                     |              |
| <b>Ordinary shares</b>                                                         |                    |                       |                     |              |
| Final dividend in respect of 2024 year                                         | 2 Sep 24           | Franked               | \$0.30              | 122.1        |
| <b>Balance of franking account at 30%</b>                                      |                    |                       |                     | <b>450.4</b> |
| <b>YEAR ENDED 30 JUNE 2023</b>                                                 |                    |                       |                     |              |
| <b>DIVIDENDS PAID</b>                                                          |                    |                       |                     |              |
| <b>Ordinary shares</b>                                                         |                    |                       |                     |              |
| Final dividend in respect of 2022 year                                         | 28 Oct 22          | Franked               | \$0.23              | 83.5         |
| Interim dividend                                                               | 5 May 23           | Franked               | \$0.23              | 83.6         |
|                                                                                |                    |                       |                     | <b>167.1</b> |
| <b>Ordinary shares</b>                                                         |                    |                       |                     |              |
| Final dividend in respect of 2023 year                                         | 13 Oct 23          | Franked               | \$0.23              | 83.6         |
| <b>Balance of franking account at 30%</b>                                      |                    |                       |                     | <b>299.6</b> |

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. The impact on the dividend franking account of dividends proposed after the balance sheet date but not recognised as a liability is to reduce it by \$52.3 million (2023: \$35.8 million).

# Unrecognised Items

## 26. Contingent liabilities

The nature of SGH's and equity accounted investees' activities are such that, from time to time, claims are received or made by SGH. The Directors are of the opinion that no claims are expected to have a material adverse effect on the financial statements of SGH and as such do not require disclosure as a contingent liability.

### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

#### Environmental risk and regulation

SGH and the industries in which it operates are subject to a broad range of environmental laws, regulations and standards (including certain licensing requirements) including air, soil and water quality, waste handling and disposal. This could expose SGH to legal liabilities or place limitations on the development of its operations. In addition, there is a risk that property utilised by SGH from time to time may be contaminated by materials harmful to human health (such as hazardous chemicals). In these situations SGH may be required to undertake remedial works on contaminated sites and may be exposed to third party compensation claims and other environmental liabilities. Management judgement is therefore required to estimate the impact of such factors on future earnings supporting existing goodwill and intangible assets.

#### Performance guarantees

Performance guarantees of \$113.2 million (2023: \$113.1 million) relate to guarantees provided to customers in support of equipment and contract performance.

#### Financial guarantees

SGH has issued a number of financial guarantees to third parties for various operational and financing purposes, totalling \$33.4 million (2023: \$36.1 million). To the extent that the Directors expect these third party guarantees to be called upon, a provision has been recorded in the consolidated statement of financial position as at 30 June 2024.

SGH has entered into a number of financial guarantees in relation to subsidiary debt facilities and other financing arrangements.

#### Bank guarantees

SGH has granted indemnities to banks to cover bank guarantees given on behalf of controlled entities to a maximum exposure of \$44.6 million (2023: \$34.5 million).

#### Indemnities

The Company has provided a limited indemnity in relation to potential claims on Directors of acquired subsidiaries prior to them becoming part of SGH. This obligation has been partially insured.

#### Environmental contingent liabilities

SGH's activities involve the extraction of resources as well as the processing and subsequent handling of materials that could contaminate the environment. As a consequence of these activities, SGH has incurred and may continue to incur costs associated with closure, remediation, aftercare and monitoring. Provisions have been recognised for the sites where obligations are known to exist, and the cost can be reliably measured. However, additional costs may be incurred due to factors outside SGH's current knowledge or control, such as changes in the laws and regulations that govern land use and environmental protection across the various jurisdictions in which SGH operates.

#### Boral shareholder class action

Boral continues to defend two shareholder class action proceeds filed against it in the Federal Court of Australia by Maurice Blackburn and Phi Finney McDonald which are currently being case-managed together. It is not possible to determine the ultimate impact, if any, of the proceedings on Boral. Boral, in conjunction with its insurer, continues to vigorously defend the proceedings.

# Unrecognised Items

## 27. Commitments

|                                                                                                                                             | 2024<br>\$m  | 2023<br>\$m  |
|---------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Capital expenditure commitments</b>                                                                                                      |              |              |
| <b>Payable:</b>                                                                                                                             |              |              |
| Not later than one year                                                                                                                     | 160.8        | 185.4        |
| Later than one year but not later than five years                                                                                           | 4.6          | 4.5          |
|                                                                                                                                             | <b>165.4</b> | <b>189.9</b> |
| <b>Development and exploration expenditure commitments</b>                                                                                  |              |              |
| <b>Payable:</b>                                                                                                                             |              |              |
| Not later than one year                                                                                                                     | 95.1         | 101.3        |
| Later than one year but not later than five years                                                                                           | 111.8        | 120.0        |
|                                                                                                                                             | <b>206.9</b> | <b>221.3</b> |
| The above commitments include development and exploration expenditure commitments relating to joint venture operations in relation to Crux: |              |              |
| Not later than one year                                                                                                                     | 95.1         | 101.3        |
| Later than one year but not later than five years                                                                                           | 93.1         | 101.3        |
|                                                                                                                                             | <b>188.2</b> | <b>202.6</b> |
| <b>Other commitments</b>                                                                                                                    |              |              |
| <b>Payable:</b>                                                                                                                             |              |              |
| Not later than one year                                                                                                                     | 1.1          | 1.5          |
|                                                                                                                                             | <b>1.1</b>   | <b>1.5</b>   |

Development commitments relate to joint operations for Crux. Exploration expenditure commitments relate to exploration permits WA-377P (cancelled 22 December 2020). Estimates for future development and exploration expenditure commitments are based on joint venture estimated contracted development costs and estimated exploration costs determined in current dollars translated into Australian dollars on an undiscounted basis. The exploration obligations may vary significantly as a result of renegotiations with relevant parties, including regulators in relation to any Good Standing agreement on expired or cancelled permits.

Other commitments includes SGH's commitment to invest in an unlisted investment fund.

## 28. Events subsequent to balance date

Other than as outlined below, there has not arisen in the interval between 30 June 2024 and the date of this Report any other event that would have had a material effect on the Financial Statements as at 30 June 2024.

In July 2024, SGH secured funding under a \$600 million Asian Term Loan which matures in July 2030. The \$700.0 million Bridge facility was fully repaid by utilising the proceeds from this Asian Term Loan and surplus cash.

In February 2018, William E Robinson, the former owner of a windows business in the USA which was acquired by Boral in 2017, filed claims against Boral alleging losses related to that acquisition, and seeking damages of not less than US\$450 million as well as punitive damages. The claim went to trial by jury, where it was dismissed as a matter of law. The matter was appealed to the Dallas Court of Appeals, who in June 2024 ruled in favour of Boral. In July 2024, William E Robinson petitioned the Texas Supreme Court to allow an appeal of his case against Boral. Should the Supreme Court allow the petition the matter will be heard by the Texas Supreme Court.

In July 2024, a subsidiary of Boral commenced legal proceedings in the Supreme Court of NSW against Landfill Operations Pty Limited (a subsidiary of Cleanaway) seeking damages for alleged breaches by that company of the Operating Agreement which governs the Cleanaway landfill operations at Deer Park in Victoria.

Following the Enterprise gas field coming online in June 2024, early pressure data indicates a smaller resource pool than originally estimated. This has resulting in a 2P reserves revision of 11.5 MMboe being reflected in Beach Energy's audited annual reserves statement released 12 August 2024.

On 4 July 2024, SGH via its controlled entity Network Investment Holdings Pty Limited, completed its acquisition of all outstanding ordinary shares in Boral. As a result, 6,654,321 SGH shares were issued subsequent to year end and cash consideration of \$85.9 million was paid in cash for the Boral shares. On the same date, Boral became part of Seven Group Holdings Limited's tax-consolidated group. Boral shares were removed from the official list of the Australian Securities Exchange on 5 July 2024.

### Movement in share prices of listed investments

Subsequent to year end, there has been movement in the share prices of listed investments and as a result, the value of SGH's investments have varied from what is presented in this financial report. The market value of listed investments at 13 August 2024 compared to their market value at 30 June 2024 is outlined below.

|                                                          | MARKET VALUE             |                        |
|----------------------------------------------------------|--------------------------|------------------------|
|                                                          | 13 August<br>2024<br>\$m | 30 June<br>2024<br>\$m |
| Listed investments accounted for using the equity method | 962.5                    | 1,128.3                |

# Group Structure

## 29. Parent entity disclosures

As at and throughout the year ended 30 June 2024 the parent company of SGH was Seven Group Holdings Limited. The individual financial statements for the parent entity show the following aggregate amounts.

|                                                               | COMPANY        |                |
|---------------------------------------------------------------|----------------|----------------|
|                                                               | 2024<br>\$m    | 2023<br>\$m    |
| <b>Financial position of parent entity at end of the year</b> |                |                |
| Current assets                                                | 2,496.9        | 875.7          |
| Total assets                                                  | 5,528.1        | 3,966.6        |
| Current liabilities                                           | 80.7           | 32.3           |
| Total liabilities                                             | 92.3           | 299.7          |
| <b>Total equity of the parent entity comprising of:</b>       |                |                |
| Contributed equity                                            | 4,762.4        | 3,375.3        |
| Reserves                                                      | 29.5           | 34.8           |
| Retained earnings                                             | 643.9          | 256.8          |
| <b>Total shareholders equity</b>                              | <b>5,435.8</b> | <b>3,666.9</b> |
| <b>Result of the parent entity</b>                            |                |                |
| Profit for the year                                           | 554.7          | 170.3          |
| <b>Total comprehensive income for the year</b>                | <b>554.7</b>   | <b>170.3</b>   |
| <b>Other information</b>                                      |                |                |
| Contingent liabilities of the parent entity <sup>(a)</sup>    | 137.1          | 139.7          |

(a) Relates to financial guarantees provided to third parties by the parent entity for subsidiary debt facilities and other financing arrangements. These facilities are held by entities that are outside of the Deed of Cross Guarantee disclosed in Note 30: Controlled entities.

### Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts with certain subsidiaries. Further details of the Deed of Cross Guarantee and the subsidiaries subject to the Deed are disclosed in Note 30: Controlled entities.

In addition to the contingent liabilities shown above, the parent entity guarantees a number of debt facilities held by various controlled entities who are part of the Deed of Cross Guarantee.

# Group Structure

## 30. Controlled entities

|                                               |        |                          | OWNERSHIP INTEREST |        |
|-----------------------------------------------|--------|--------------------------|--------------------|--------|
|                                               | Notes  | Country of incorporation | 2024 %             | 2023 % |
| PARENT ENTITY                                 |        |                          |                    |        |
| Seven Group Holdings Limited                  | (a)    | Australia                |                    |        |
| SUBSIDIARIES                                  |        |                          |                    |        |
| All Hire Pty Limited                          |        | Australia                | 100                | 100    |
| Allen's Asphalt Pty Ltd                       | (b)    | Australia                | 95                 | 73     |
| Allight Holdings Pty Limited                  | (a)    | Australia                | 100                | 100    |
| AllightPrimax FZCO                            | (c)    | UAE                      | –                  | 100    |
| Allight Pty Limited                           | (a)    | Australia                | 100                | 100    |
| AllightSykes SA (Proprietary) Limited         |        | South Africa             | 100                | 100    |
| Allplant Services Pty Limited                 |        | Australia                | 100                | 100    |
| Alsafe Premix Concrete Pty Ltd                | (b)    | Australia                | 95                 | 73     |
| Australian Highway Plant Services Pty Limited |        | Australia                | 100                | 100    |
| Barnu Pty Ltd.                                | (b)    | Australia                | 95                 | 73     |
| Bayview Pty Limited                           | (b)    | Australia                | 95                 | 73     |
| Bayview Quarries Pty Limited                  | (b)    | Australia                | 95                 | 73     |
| Bitumax Pty. Limited                          | (b)    | Australia                | 95                 | 73     |
| Bitupave Ltd                                  | (b)    | Australia                | 95                 | 73     |
| Boral (UK) Ltd                                | (b)(d) | UK                       | –                  | 73     |
| Boral Bricks Pty Ltd                          | (b)    | Australia                | 95                 | 73     |
| Boral Bricks Western Australia Pty Ltd        | (b)    | Australia                | 95                 | 73     |
| Boral Building Materials Pty Limited          | (b)    | Australia                | 95                 | 73     |
| Boral Building Products Limited               | (b)    | Australia                | 95                 | 73     |
| Boral Cement Limited                          | (b)    | Australia                | 95                 | 73     |
| Boral Concrete (1992) Limited                 | (b)    | Thailand                 | 95                 | 73     |
| Boral Construction Materials Group Ltd        | (b)    | Australia                | 95                 | 73     |
| Boral Construction Materials Ltd              | (b)    | Australia                | 95                 | 73     |
| Boral Construction Related Businesses Pty Ltd | (b)    | Australia                | 95                 | 73     |
| Boral Contracting Pty Ltd                     | (b)    | Australia                | 95                 | 73     |
| Boral Corporate Services Pty Limited          | (b)    | Australia                | 95                 | 73     |
| Boral Finance Pty Limited                     | (b)    | Australia                | 95                 | 73     |
| Boral Holdings Inc.                           | (b)    | USA                      | 95                 | 73     |
| Boral Industries Inc.                         | (b)(d) | USA                      | –                  | 73     |
| Boral Insurance Pty Limited                   | (b)    | Australia                | 95                 | 73     |
| Boral International Pty Limited               | (b)    | Australia                | 95                 | 73     |
| Boral Investments BV                          | (b)    | Netherlands              | 95                 | 73     |
| Boral Investments Pty Limited                 | (b)    | Australia                | 95                 | 73     |
| Boral IP Holdings (Australia) Pty Limited     | (b)    | Australia                | 95                 | 73     |
| Boral Limited                                 | (b)    | Australia                | 95                 | 73     |
| Boral Masonry Ltd                             | (b)    | Australia                | 95                 | 73     |
| Boral Precast Holdings Pty Ltd                | (b)    | Australia                | 95                 | 73     |
| Boral Recycling Pty Limited                   | (b)    | Australia                | 95                 | 73     |
| Boral Resources (Country) Pty. Limited        | (b)    | Australia                | 95                 | 73     |
| Boral Resources (NSW) Pty Ltd                 | (b)    | Australia                | 95                 | 73     |
| Boral Resources (QLD) Pty. Limited            | (b)    | Australia                | 95                 | 73     |
| Boral Resources (SA) Limited                  | (b)    | Australia                | 95                 | 73     |
| Boral Resources (VIC.) Pty. Limited           | (b)    | Australia                | 95                 | 73     |
| Boral Resources (W.A.) Ltd                    | (b)    | Australia                | 95                 | 73     |
| Boral Shared Business Services Pty Ltd        | (b)    | Australia                | 95                 | 73     |
| Boral Timber Fibre Exports Pty Ltd            | (e)    | Australia                | –                  | 73     |
| Boral Transport Limited                       | (b)    | Australia                | 95                 | 73     |
| Boral USA                                     | (b)    | USA                      | 95                 | 73     |
| C7 Pty Limited                                | (a)    | Australia                | 100                | 100    |
| Certane Pty Limited                           |        | Australia                | 100                | 100    |
| Coates Fleet Pty Limited                      |        | Australia                | 100                | 100    |
| Coates Group Holdings Pty Limited             |        | Australia                | 100                | 100    |
| Coates Group Pty Limited                      |        | Australia                | 100                | 100    |

## 30. Controlled entities (continued)

|                                               | Notes | Country of incorporation | OWNERSHIP INTEREST |        |
|-----------------------------------------------|-------|--------------------------|--------------------|--------|
|                                               |       |                          | 2024 %             | 2023 % |
| Coates Hire (NZ) Limited                      |       | New Zealand              | 100                | 100    |
| Coates Hire Access SPV Pty Limited            |       | Australia                | 100                | 100    |
| Coates Hire Holdco SPV Pty Limited            |       | Australia                | 100                | 100    |
| Coates Hire Limited                           |       | Australia                | 100                | 100    |
| Coates Hire Operations Pty Limited            |       | Australia                | 100                | 100    |
| Coates Hire Overseas Investments Pty Limited  |       | Australia                | 100                | 100    |
| Coates Hire Traffic Solutions Pty Limited     |       | Australia                | 100                | 100    |
| Concrete Pty Ltd                              | (b)   | Australia                | 95                 | 73     |
| Covol Fuels No.2, LLC                         | (b)   | USA                      | 95                 | 73     |
| Dandenong Quarries Pty. Limited               | (b)   | Australia                | 95                 | 73     |
| Davegale Pty Limited                          | (b)   | Australia                | 95                 | 73     |
| De Martin & Gasparini Contractors Pty Limited | (b)   | Australia                | 95                 | 73     |
| De Martin & Gasparini Pty Limited             | (b)   | Australia                | 95                 | 73     |
| De Martin & Gasparini Pumping Pty Limited     | (b)   | Australia                | 95                 | 73     |
| De Martin & Gasparini Queensland Pty Limited  | (b)   | Australia                | 95                 | 73     |
| Direct Target Access Pty Limited              | (a)   | Australia                | 95                 | 100    |
| Dunmore Sand & Soil Pty. Limited              | (b)   | Australia                | 95                 | 73     |
| DWB (NH) Pty Limited                          |       | Australia                | 100                | 100    |
| FGW Pacific Pty Limited                       |       | Australia                | 100                | 100    |
| Flexi Industrial Services Pty Limited         |       | Australia                | 100                | 100    |
| Found Concrete Pty Ltd                        | (b)   | Australia                | 95                 | 73     |
| Headwaters Energy Services Corp.              | (b)   | USA                      | 95                 | 73     |
| Hebburn Pty Limited                           |       | Australia                | 100                | 100    |
| Industrial Investment Holdings Pty Limited    |       | Australia                | 100                | 100    |
| Kimlin Holdings Pty Limited                   |       | Australia                | 100                | 100    |
| Manooka Holdings Pty Limited                  | (a)   | Australia                | 100                | 100    |
| Miltonstar Pty Limited                        | (a)   | Australia                | 100                | 100    |
| Nahi Pty Limited                              |       | Australia                | 100                | 100    |
| National Hire Equipment Pty Limited           |       | Australia                | 100                | 100    |
| National Hire Facilitation Pty Limited        | (a)   | Australia                | 100                | 100    |
| National Hire Finance Pty Limited             |       | Australia                | 100                | 100    |
| National Hire Group Limited                   | (a)   | Australia                | 100                | 100    |
| National Hire Operations Pty Limited          |       | Australia                | 100                | 100    |
| National Hire Properties Pty Limited          |       | Australia                | 100                | 100    |
| National Hire Trading Pty Limited             |       | Australia                | 100                | 100    |
| Ned Finco Pty Limited                         |       | Australia                | 100                | 100    |
| Network Investment Holdings Pty Limited       | (a)   | Australia                | 100                | 100    |
| Point Pty Limited                             | (a)   | Australia                | 100                | 100    |
| Primax USA Inc                                | (c)   | USA                      | –                  | 100    |
| PT AllightSykes                               |       | Indonesia                | 100                | 100    |
| PT Coates Hire Indonesia                      | (f)   | Indonesia                | –                  | 100    |
| PT Coates Services Indonesia                  | (f)   | Indonesia                | –                  | 100    |
| Pump Rentals Pty Limited                      | (a)   | Australia                | 100                | 100    |
| Q-Crete Premix Pty Ltd                        | (b)   | Australia                | 95                 | 73     |
| Realtime Reporters Pty Limited                |       | Australia                | 100                | 100    |
| Road Surfaces Group Pty. Ltd.                 | (b)   | Australia                | 95                 | 73     |
| Seven (National) Pty Limited                  | (a)   | Australia                | 100                | 100    |
| Seven (WAN) Pty Limited                       |       | Australia                | 100                | 100    |
| Seven Broadcast Properties Trust              |       | –                        | 100                | 100    |
| Seven Custodians Pty Limited                  | (a)   | Australia                | 100                | 100    |
| Seven Entertainment Pty Limited               |       | Australia                | 100                | 100    |
| Seven Media Group Pty Limited                 | (a)   | Australia                | 100                | 100    |
| Seven Network (United States) Inc             |       | USA                      | 100                | 100    |
| Seven Network International Limited           | (a)   | Australia                | 100                | 100    |
| Seven Network Investments Pty Limited         | (a)   | Australia                | 100                | 100    |
| Seven Network Limited                         | (a)   | Australia                | 100                | 100    |
| Seven Network Nominees Pty Limited            | (a)   | Australia                | 100                | 100    |

## Group Structure

|                                        | Notes  | Country of incorporation | OWNERSHIP INTEREST |        |
|----------------------------------------|--------|--------------------------|--------------------|--------|
|                                        |        |                          | 2024 %             | 2023 % |
| Seven Resources Pty Limited            | (a)    | Australia                | 100                | 100    |
| SGH Communications Pty Limited         |        | Australia                | 100                | 100    |
| SGH Energy (No 1) Pty Limited          |        | Australia                | 100                | 100    |
| SGH Energy (No 2) Pty Limited          |        | Australia                | 100                | 100    |
| SGH Energy Aust. Pty Limited           |        | Australia                | 100                | 100    |
| SGH Energy NTP66 Pty Ltd               |        | Australia                | 100                | 100    |
| SGH Energy Pty Ltd                     |        | Australia                | 100                | 100    |
| SGH Energy VICP54 Pty Ltd              |        | Australia                | 100                | 100    |
| SGH Energy VICP56 Pty Ltd              |        | Australia                | 100                | 100    |
| SGH Energy WA Pty Ltd                  |        | Australia                | 100                | 100    |
| SGH Energy WA377P Pty Ltd              |        | Australia                | 100                | 100    |
| SGH Productions Pty Limited            | (a)    | Australia                | 100                | 100    |
| Sitech (WA) Pty Limited                |        | Australia                | 51                 | 51     |
| Sitech Solutions Pty Limited           |        | Australia                | 51                 | 51     |
| SmartTech USA, Inc                     | (g)    | USA                      | 51                 | –      |
| SMG Executives Pty Limited             |        | Australia                | 100                | 100    |
| SMG FINCO Pty Limited                  | (a)    | Australia                | 100                | 100    |
| SNZ Pty Limited                        | (a)    | Australia                | 100                | 100    |
| Specialised Investments Pty Limited    |        | Australia                | 100                | 100    |
| Sykes Fleet Services Pty Limited       | (c)    | Australia                | –                  | 100    |
| Sykes Group Pty Limited                | (c)    | Australia                | –                  | 100    |
| Sykes New Zealand Limited              | (c)    | New Zealand              | –                  | 100    |
| Tallglen Pty Limited                   | (a)    | Australia                | 100                | 100    |
| The DWB Trust                          |        | –                        | 100                | 100    |
| Tile Service Company LLC               | (b)(h) | USA                      | –                  | 73     |
| Tru Blu Hire Australia Pty Limited     |        | Australia                | 100                | 100    |
| WA Regional Asset Holdings Pty Limited |        | Australia                | 100                | 100    |
| Warrah Engineering Pty Limited         |        | Australia                | 100                | 100    |
| WesTrac Holdings Pty Limited           | (a)    | Australia                | 100                | 100    |
| WesTrac Pty Limited                    |        | Australia                | 100                | 100    |

(a) Pursuant to ASIC Corporations (Wholly-Owned Companies) Instrument 2016/785 these controlled entities are relieved from the Corporations Act 2001 requirements for the preparation, audit and lodgement of financial reports.

(b) This company was acquired as part of the Boral acquisition. SGH holds a 95.1 per cent interest in Boral, including acceptances to 30 June 2024, with the remaining 4.9 per cent acquired on 4 July 2024. SGH's ownership interest at 30 June 2023 was 72.6 per cent.

(c) This company was divested in December 2023. Refer to Note 31: Disposal of businesses for further detail.

(d) This company was deregistered in June 2024.

(e) This company was deregistered in February 2024.

(f) This company was divested in April 2024. Refer to Note 31: Disposal of businesses for further detail.

(g) This company was incorporated in October 2023.

(h) This company was deregistered in November 2023.

### 30. Controlled entities (continued)

#### Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly-Owned Companies) Instrument 2016/785 (Instrument) the wholly-owned controlled entities marked (a) in the preceding table are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and Directors' reports.

It is a condition of the Instrument that the Company and each of the wholly-owned controlled entities (marked (a)) enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the parties to the Deed under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Corporations Act 2001, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

A combined statement of comprehensive income and combined statement of financial position, comprising the Company and controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, are set out below.

|                                                                                          | COMBINED       |                |
|------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                          | 2024<br>\$m    | 2023<br>\$m    |
| <b>STATEMENT OF COMPREHENSIVE INCOME</b>                                                 |                |                |
| Revenue                                                                                  | 100.4          | 131.4          |
| Other income                                                                             | 656.0          | 314.7          |
| Share of results from equity accounted investees                                         | (125.0)        | 177.9          |
| Impairment of equity accounted investees                                                 | (135.3)        | (75.9)         |
| Expenses excluding depreciation and amortisation                                         | (120.7)        | (156.2)        |
| Depreciation and amortisation                                                            | (2.7)          | (0.6)          |
| <b>Profit before net finance expense and tax</b>                                         | <b>372.7</b>   | <b>391.3</b>   |
| Net finance expenses                                                                     | (142.1)        | (113.0)        |
| <b>Profit before tax</b>                                                                 | <b>230.6</b>   | <b>278.3</b>   |
| Income tax benefit                                                                       | 99.6           | 33.8           |
| <b>Profit for the year</b>                                                               | <b>330.2</b>   | <b>312.1</b>   |
| <b>Other comprehensive income</b>                                                        |                |                |
| <b>Items that will not be reclassified subsequently to profit or loss:</b>               |                |                |
| Net change in financial assets measured at fair value through other comprehensive income | (2.8)          | 8.3            |
| Income tax on items of other comprehensive income                                        | (8.0)          | (11.1)         |
| <b>Total items that will not be reclassified subsequently to profit or loss</b>          | <b>(10.8)</b>  | <b>(2.8)</b>   |
| <b>Items that may be reclassified subsequently to profit or loss:</b>                    |                |                |
| Foreign currency differences for foreign operations                                      | (0.7)          | 1.1            |
| <b>Total items that may be reclassified subsequently to profit or loss</b>               | <b>(0.7)</b>   | <b>1.1</b>     |
| <b>Total comprehensive income for the year</b>                                           | <b>318.7</b>   | <b>310.4</b>   |
| <b>MOVEMENT IN RETAINED EARNINGS</b>                                                     |                |                |
| Retained profits at beginning of the year                                                | 1,143.0        | 998.0          |
| Profit for the year                                                                      | 330.2          | 312.1          |
| Dividends paid during the year                                                           | (167.6)        | (167.1)        |
| <b>Retained earnings at end of the year</b>                                              | <b>1,305.6</b> | <b>1,143.0</b> |

## Group Structure

|                                                   | COMBINED       |                |
|---------------------------------------------------|----------------|----------------|
|                                                   | 2024<br>\$m    | 2023<br>\$m    |
| <b>STATEMENT OF FINANCIAL POSITION</b>            |                |                |
| <b>Current assets</b>                             |                |                |
| Cash and cash equivalents                         | 93.8           | 6.6            |
| Trade and other receivables                       | 7.3            | 89.3           |
| Inventories                                       | –              | 39.6           |
| Other current assets                              | 6.1            | 0.6            |
| Derivative financial instruments                  | 0.9            | –              |
| <b>Total current assets</b>                       | <b>108.1</b>   | <b>136.1</b>   |
| <b>Non-current assets</b>                         |                |                |
| Investments in controlled entities                | 6,626.9        | 4,654.2        |
| Investments accounted for using the equity method | 1,186.4        | 1,477.7        |
| Right of use assets                               | 6.8            | 4.9            |
| Property, plant and equipment                     | 0.8            | 1.7            |
| Intangible assets                                 | 0.6            | 0.6            |
| <b>Total non-current assets</b>                   | <b>7,821.5</b> | <b>6,139.1</b> |
| <b>Total assets</b>                               | <b>7,929.6</b> | <b>6,275.2</b> |
| <b>Current liabilities</b>                        |                |                |
| Trade and other payables                          | 394.1          | 54.7           |
| Lease liabilities                                 | 1.4            | 1.5            |
| Interest bearing loans and liabilities            | 700.1          | 365.5          |
| Loans from related parties                        | 484.9          | 571.5          |
| Current tax liabilities                           | 73.3           | 24.6           |
| Provisions                                        | 66.6           | 4.9            |
| <b>Total current liabilities</b>                  | <b>1,720.4</b> | <b>1,022.7</b> |
| <b>Non-current liabilities</b>                    |                |                |
| Other payables                                    | 7.9            | 2.0            |
| Interest bearing loans and liabilities            | 1,251.7        | 1,819.6        |
| Deferred tax liabilities                          | 47.4           | 74.0           |
| Lease liabilities                                 | 5.5            | 3.5            |
| Provisions                                        | 8.1            | 0.6            |
| <b>Total non-current liabilities</b>              | <b>1,320.6</b> | <b>1,899.7</b> |
| <b>Total liabilities</b>                          | <b>3,041.0</b> | <b>2,922.4</b> |
| <b>Net assets</b>                                 | <b>4,888.6</b> | <b>3,352.8</b> |
| <b>Equity</b>                                     |                |                |
| Issued capital                                    | 4,762.4        | 3,375.3        |
| Reserves                                          | (1,179.4)      | (1,165.5)      |
| Retained earnings                                 | 1,305.6        | 1,143.0        |
| <b>Total equity</b>                               | <b>4,888.6</b> | <b>3,352.8</b> |

## 31. Disposal of businesses

### Disposal of controlled entities

#### Coates Indonesia

On 2 April 2024, the sale of the following controlled entities to Mitsubishi Corporation (Mitsubishi) was completed.

PT Coates Hire Indonesia

PT Coates Services Indonesia

The total consideration for the sale was \$64.4 million, resulting in a net gain on sale of \$43.7 million being recognised in the consolidated statement of profit or loss and other comprehensive income and net cash receipts of \$62.8 million recognised in the consolidated cash flow statement. Included within the gain is \$11.6 million for amounts reclassified from foreign currency translation reserve, offset by transaction costs of \$5.9 million. The results from the disposed operations are immaterial to SGH and are included within the Coates segment.

#### Sykes

On 5 December 2023, the sale of the following controlled entities to Atlas Copco Sickla Holding AB (Atlas) was completed.

AllightPrimax FZCO

Sykes New Zealand Limited

Primax USA Inc

Sykes Fleet Services Pty Limited

Sykes Group Pty Limited

The total consideration for the sale was \$100.8 million, resulting in a net gain on sale of \$32.6 million being recognised in the consolidated statement of profit or loss and other comprehensive income and net cash receipts of \$89.6 million recognised in the consolidated cash flow statement. Included within the gain is \$2.2 million for amounts reclassified from foreign currency translation reserve, offset by transaction costs of \$4.2 million. The results from the disposed operations are immaterial to SGH and are included within the Other Investments segment.

#### Disposal of one per cent interest in Boral

On 30 August 2023, a wholly-owned subsidiary completed the sale of 11.1 million Boral Limited shares at an average price of \$4.90 per share. This reduced SGH's ownership interest in Boral by one per cent to 71.6 per cent. However, subsequent to this transaction, SGH has acquired the remaining shares in Boral. There is no recognition of gains or losses in SGH's earnings as a result of the disposal transaction as the reduction in ownership was reflected as an increase in the non-controlling interest. The net proceeds on disposal of \$54.3 million were received in cash. The difference between the disposal proceeds and the amount transferred to non-controlling interests has been recognised directly in equity.

### Discontinued operations

During the prior year, SGH received settlements and deferred consideration in relation to Boral's previously divested businesses. In the current year, \$2.8 million was received in relation to these businesses.

|                                                                                   | 2024<br>\$m | 2023<br>\$m   |
|-----------------------------------------------------------------------------------|-------------|---------------|
| <b>Loss for the year from discontinued operations</b>                             |             |               |
| Net loss on sale of discontinued operations                                       | –           | (10.9)        |
| <b>Loss before depreciation, amortisation, net finance expense and income tax</b> | <b>–</b>    | <b>(10.9)</b> |
| Depreciation and amortisation                                                     | –           | –             |
| <b>Loss before net finance expense and income tax</b>                             | <b>–</b>    | <b>(10.9)</b> |
| Net finance expense                                                               | –           | –             |
| <b>Loss before income tax</b>                                                     | <b>–</b>    | <b>(10.9)</b> |
| Income tax benefit                                                                | –           | 1.0           |
| <b>Loss for the year from discontinued operations</b>                             | <b>–</b>    | <b>(9.9)</b>  |
| <b>Loss for the year from discontinued operations attributable to:</b>            |             |               |
| Equity holders of the Company                                                     | –           | (7.2)         |
| Non-controlling interest                                                          | –           | (2.7)         |
| <b>Loss for the year from discontinued operations</b>                             | <b>–</b>    | <b>(9.9)</b>  |
| <b>Cash flows from discontinued operations</b>                                    |             |               |
| Net operating cash flows                                                          | 2.8         | –             |
| Net investing cash flows                                                          | –           | 14.5          |
| Net financing cash flows                                                          | –           | –             |
| <b>Net cash flows from discontinued operations</b>                                | <b>2.8</b>  | <b>14.5</b>   |

# Other

## 32. Related party disclosures

### Key Management Personnel compensation

Detailed remuneration disclosures, including movements in equity holdings for Key Management Personnel, are disclosed in the Remuneration Report section of the Director's Report.

The aggregate compensation made to SGH's Key Management Personnel is set out below:

|                                                        | 2024<br>\$000 | 2023<br>\$000 |
|--------------------------------------------------------|---------------|---------------|
| Short-term employee benefits                           | 14,285        | 14,025        |
| Post-employment benefits                               | 309           | 308           |
| Termination benefits                                   | –             | 1,928         |
| Other long-term employee benefits                      | 426           | 289           |
| Share-based payments (equity-settled and cash-settled) | 17,066        | 11,166        |
| <b>Total key management personnel compensation</b>     | <b>32,086</b> | <b>27,716</b> |

No Director has entered into a material contract with SGH in the current or prior year other than those disclosed in the Remuneration Report or this note.

### Director related party transactions

Details of related party transactions with director related entities are outlined on page 90.

### Other transactions with related parties

A number of Directors and KMP of the Company hold directorships in other entities. Several of these entities transacted with SGH on terms and conditions no more favourable than those available on an arm's length basis. Consulting fees of \$0.5 million (2023: \$0.5 million) were paid to a related party, Mr KM Stokes AC, for strategic consulting advice.

### Subsidiaries

Interests in subsidiaries are set out in Note 30: Controlled entities.

### Other related party transactions

The aggregate value of transactions between SGH and its equity accounted investees is outlined below.

|                                                                                                | 2024<br>\$m | 2023<br>\$m |
|------------------------------------------------------------------------------------------------|-------------|-------------|
| Revenue - Associates                                                                           | 42.6        | 55.5        |
| Other income - Associates                                                                      | 0.1         | –           |
| Other expenses - Associates                                                                    | (139.2)     | (166.7)     |
| Outstanding balances arising from transactions with equity accounted investees:                |             |             |
| Trade and other receivables - Associates                                                       | 15.4        | 19.0        |
| Trade and other payables - Associates                                                          | (1.7)       | (7.2)       |
| Contingent liabilities at year end, arising from transactions with equity accounted investees: |             |             |
| Financial guarantees (refer to Note 26: Contingent liabilities)                                | –           | –           |

## Other

### 33. Auditor's remuneration

The Company's external auditor is Deloitte Touche Tohmatsu (Deloitte). The external auditor is only appointed to assignments additional to their statutory audit duties where they are able to maintain their audit independence. All amounts payable to the auditors of the Company were paid by SGH subsidiaries.

Amounts received or due and receivable by auditors of the Company are set out below.

|                                                                                                | 2024<br>\$000 | 2023<br>\$000 |
|------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>Deloitte and related network firms</b>                                                      |               |               |
| Audit or review of financial reports                                                           | 1,794         | 1,766         |
| Other assurance and agreed-upon procedures under other legislation or contractual arrangements | 71            | 101           |
| Other services:                                                                                |               |               |
| Taxation services <sup>(a)</sup>                                                               | 481           | 163           |
| Other taxation services                                                                        | –             | 24            |
| Other advisory services <sup>(b)</sup>                                                         | 162           | –             |
| <b>Total auditor's remuneration</b>                                                            | <b>2,508</b>  | <b>2,054</b>  |

(a) Taxation services relate to compliance, advice provided to Boral in relation to the takeover by Network Investment Holdings Pty Limited and advice and compliance provided in respect of discontinued operations.

(b) Other advisory services relates to services provided in relation to verification of the proforma financial statements contained in the Boral Bidder Statement.

## Consolidated entity disclosure statement

| Entity                                              | Entity type    | BODY CORPORATES              |        | TAX RESIDENCY         |                      |
|-----------------------------------------------------|----------------|------------------------------|--------|-----------------------|----------------------|
|                                                     |                | Place formed or incorporated | % held | Australian or foreign | Foreign jurisdiction |
| <b>PARENT ENTITY</b>                                |                |                              |        |                       |                      |
| Seven Group Holdings Limited                        | Body corporate | Australia                    | 100    | Australia             | –                    |
| <b>SUBSIDIARIES</b>                                 |                |                              |        |                       |                      |
| All Hire Pty Limited                                | Body corporate | Australia                    | 100    | Australia             | –                    |
| Allen's Asphalt Pty Ltd                             | Body corporate | Australia                    | 95     | Australia             | –                    |
| Allight Holdings Pty Limited                        | Body corporate | Australia                    | 100    | Australia             | –                    |
| Allight Pty Limited                                 | Body corporate | Australia                    | 100    | Australia             | –                    |
| AllightSykes SA (Proprietary) Limited               | Body corporate | South Africa                 | 100    | Foreign               | South Africa         |
| Allplant Services Pty Limited                       | Body corporate | Australia                    | 100    | Australia             | –                    |
| Alsafe Premix Concrete Pty Ltd                      | Body corporate | Australia                    | 95     | Australia             | –                    |
| Australian Highway Plant Services Pty Limited       | Body corporate | Australia                    | 100    | Australia             | –                    |
| Barnu Pty Ltd.                                      | Body corporate | Australia                    | 95     | Australia             | –                    |
| Bayview Pty Limited                                 | Body corporate | Australia                    | 95     | Australia             | –                    |
| Bayview Quarries Pty Limited                        | Body corporate | Australia                    | 95     | Australia             | –                    |
| Bitumax Pty. Limited                                | Body corporate | Australia                    | 95     | Australia             | –                    |
| Bitupave Ltd                                        | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Bricks Pty Ltd                                | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Bricks Western Australia Pty Ltd              | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Building Materials Pty Limited                | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Building Products Limited                     | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Cement Limited                                | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Concrete (1992) Limited                       | Body corporate | Thailand                     | 95     | Foreign               | Thailand             |
| Boral Construction Materials Group Ltd              | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Construction Materials Ltd                    | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Construction Related Businesses Pty Ltd       | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Contracting Pty Ltd                           | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Corporate Services Pty Limited <sup>(a)</sup> | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Finance Pty Limited                           | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Holdings Inc.                                 | Body corporate | USA                          | 95     | Foreign               | USA                  |
| Boral Insurance Pty Limited                         | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral International Pty Limited                     | Body corporate | Australia                    | 95     | Australia             | –                    |

| Entity                                             | Entity type    | BODY CORPORATES              |        | TAX RESIDENCY         |                      |
|----------------------------------------------------|----------------|------------------------------|--------|-----------------------|----------------------|
|                                                    |                | Place formed or incorporated | % held | Australian or foreign | Foreign jurisdiction |
| Boral Investments BV                               | Body corporate | Netherlands                  | 95     | Foreign               | Netherlands          |
| Boral Investments Pty Limited                      | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral IP Holdings (Australia) Pty Limited          | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Limited                                      | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Masonry Ltd                                  | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Precast Holdings Pty Ltd                     | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Recycling Pty Limited                        | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Resources (Country) Pty. Limited             | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Resources (NSW) Pty Ltd                      | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Resources (QLD) Pty. Limited <sup>(b)</sup>  | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Resources (SA) Limited                       | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Resources (VIC.) Pty. Limited <sup>(c)</sup> | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Resources (W.A.) Ltd                         | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Shared Business Services Pty Ltd             | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral Transport Limited                            | Body corporate | Australia                    | 95     | Australia             | –                    |
| Boral USA <sup>(d)</sup>                           | Partnership    | –                            | –      | Foreign               | USA                  |
| C7 Pty Limited                                     | Body corporate | Australia                    | 100    | Australia             | –                    |
| Certane Pty Limited <sup>(e)</sup>                 | Body corporate | Australia                    | 100    | Australia             | –                    |
| Coates Fleet Pty Limited                           | Body corporate | Australia                    | 100    | Australia             | –                    |
| Coates Group Holdings Pty Limited                  | Body corporate | Australia                    | 100    | Australia             | –                    |
| Coates Group Pty Limited                           | Body corporate | Australia                    | 100    | Australia             | –                    |
| Coates Hire (NZ) Limited                           | Body corporate | New Zealand                  | 100    | Foreign               | New Zealand          |
| Coates Hire Access SPV Pty Limited                 | Body corporate | Australia                    | 100    | Australia             | –                    |
| Coates Hire Holdco SPV Pty Limited                 | Body corporate | Australia                    | 100    | Australia             | –                    |
| Coates Hire Limited                                | Body corporate | Australia                    | 100    | Australia             | –                    |
| Coates Hire Operations Pty Limited                 | Body corporate | Australia                    | 100    | Australia             | –                    |
| Coates Hire Overseas Investments Pty Limited       | Body corporate | Australia                    | 100    | Australia             | –                    |
| Coates Hire Traffic Solutions Pty Limited          | Body corporate | Australia                    | 100    | Australia             | –                    |
| Concrete Pty Ltd                                   | Body corporate | Australia                    | 95     | Australia             | –                    |
| Covol Fuels No.2, LLC                              | Body corporate | USA                          | 95     | Foreign               | USA                  |
| Dandenong Quarries Pty. Limited                    | Body corporate | Australia                    | 95     | Australia             | –                    |
| Davegale Pty Limited                               | Body corporate | Australia                    | 95     | Australia             | –                    |
| De Martin & Gasparini Contractors Pty Limited      | Body corporate | Australia                    | 95     | Australia             | –                    |
| De Martin & Gasparini Pty Limited                  | Body corporate | Australia                    | 95     | Australia             | –                    |
| De Martin & Gasparini Pumping Pty Limited          | Body corporate | Australia                    | 95     | Australia             | –                    |
| De Martin & Gasparini Queensland Pty Limited       | Body corporate | Australia                    | 95     | Australia             | –                    |
| Direct Target Access Pty Limited                   | Body corporate | Australia                    | 95     | Australia             | –                    |
| Dunmore Sand & Soil Pty. Limited                   | Body corporate | Australia                    | 95     | Australia             | –                    |
| DWB (NH) Pty Limited                               | Body corporate | Australia                    | 100    | Australia             | –                    |
| FGW Pacific Pty Limited                            | Body corporate | Australia                    | 100    | Australia             | –                    |
| Flexi Industrial Services Pty Limited              | Body corporate | Australia                    | 100    | Australia             | –                    |
| Found Concrete Pty Ltd                             | Body corporate | Australia                    | 95     | Australia             | –                    |
| Headwaters Energy Services Corp.                   | Body corporate | USA                          | 95     | Foreign               | USA                  |
| Hebburn Pty Limited                                | Body corporate | Australia                    | 100    | Australia             | –                    |
| Industrial Investment Holdings Pty Limited         | Body corporate | Australia                    | 100    | Australia             | –                    |
| Kimlin Holdings Pty Limited                        | Body corporate | Australia                    | 100    | Australia             | –                    |
| Manooka Holdings Pty Limited                       | Body corporate | Australia                    | 100    | Australia             | –                    |
| Miltonstar Pty Limited                             | Body corporate | Australia                    | 100    | Australia             | –                    |
| Nahi Pty Limited                                   | Body corporate | Australia                    | 100    | Australia             | –                    |
| National Hire Equipment Pty Limited                | Body corporate | Australia                    | 100    | Australia             | –                    |
| National Hire Facilitation Pty Limited             | Body corporate | Australia                    | 100    | Australia             | –                    |
| National Hire Finance Pty Limited                  | Body corporate | Australia                    | 100    | Australia             | –                    |
| National Hire Group Limited                        | Body corporate | Australia                    | 100    | Australia             | –                    |
| National Hire Operations Pty Limited               | Body corporate | Australia                    | 100    | Australia             | –                    |
| National Hire Properties Pty Limited               | Body corporate | Australia                    | 100    | Australia             | –                    |
| National Hire Trading Pty Limited                  | Body corporate | Australia                    | 100    | Australia             | –                    |
| Ned Finco Pty Limited                              | Body corporate | Australia                    | 100    | Australia             | –                    |
| Network Investment Holdings Pty Limited            | Body corporate | Australia                    | 100    | Australia             | –                    |

| Entity                                 | Entity type    | BODY CORPORATES              |        | TAX RESIDENCY         |                      |
|----------------------------------------|----------------|------------------------------|--------|-----------------------|----------------------|
|                                        |                | Place formed or incorporated | % held | Australian or foreign | Foreign jurisdiction |
| Point Pty Limited                      | Body corporate | Australia                    | 100    | Australia             | –                    |
| PT AllightSykes                        | Body corporate | Indonesia                    | 100    | Foreign               | Indonesia            |
| Pump Rentals Pty Limited               | Body corporate | Australia                    | 100    | Australia             | –                    |
| Q-Crete Premix Pty Ltd                 | Body corporate | Australia                    | 95     | Australia             | –                    |
| Realtime Reporters Pty Limited         | Body corporate | Australia                    | 100    | Australia             | –                    |
| Road Surfaces Group Pty. Ltd.          | Body corporate | Australia                    | 95     | Australia             | –                    |
| Seven (National) Pty Limited           | Body corporate | Australia                    | 100    | Australia             | –                    |
| Seven (WAN) Pty Limited                | Body corporate | Australia                    | 100    | Australia             | –                    |
| Seven Broadcast Properties Trust       | Trust          | –                            | –      | Australia             | –                    |
| Seven Custodians Pty Limited           | Body corporate | Australia                    | 100    | Australia             | –                    |
| Seven Entertainment Pty Limited        | Body corporate | Australia                    | 100    | Australia             | –                    |
| Seven Media Group Pty Limited          | Body corporate | Australia                    | 100    | Australia             | –                    |
| Seven Network (United States) Inc      | Body corporate | USA                          | 100    | Foreign               | USA                  |
| Seven Network International Limited    | Body corporate | Australia                    | 100    | Australia             | –                    |
| Seven Network Investments Pty Limited  | Body corporate | Australia                    | 100    | Australia             | –                    |
| Seven Network Limited                  | Body corporate | Australia                    | 100    | Australia             | –                    |
| Seven Network Nominees Pty Limited     | Body corporate | Australia                    | 100    | Australia             | –                    |
| Seven Resources Pty Limited            | Body corporate | Australia                    | 100    | Australia             | –                    |
| SGH Communications Pty Limited         | Body corporate | Australia                    | 100    | Australia             | –                    |
| SGH Energy (No 1) Pty Limited          | Body corporate | Australia                    | 100    | Australia             | –                    |
| SGH Energy (No 2) Pty Limited          | Body corporate | Australia                    | 100    | Australia             | –                    |
| SGH Energy Aust. Pty Limited           | Body corporate | Australia                    | 100    | Australia             | –                    |
| SGH Energy NTP66 Pty Ltd               | Body corporate | Australia                    | 100    | Australia             | –                    |
| SGH Energy Pty Ltd                     | Body corporate | Australia                    | 100    | Australia             | –                    |
| SGH Energy VICP54 Pty Ltd              | Body corporate | Australia                    | 100    | Australia             | –                    |
| SGH Energy VICP56 Pty Ltd              | Body corporate | Australia                    | 100    | Australia             | –                    |
| SGH Energy WA Pty Ltd                  | Body corporate | Australia                    | 100    | Australia             | –                    |
| SGH Energy WA377P Pty Ltd              | Body corporate | Australia                    | 100    | Australia             | –                    |
| SGH Productions Pty Limited            | Body corporate | Australia                    | 100    | Australia             | –                    |
| Sitech (WA) Pty Limited                | Body corporate | Australia                    | 51     | Australia             | –                    |
| Sitech Solutions Pty Limited           | Body corporate | Australia                    | 51     | Australia             | –                    |
| SmartTech USA, Inc                     | Body corporate | USA                          | 51     | Foreign               | USA                  |
| SMG Executives Pty Limited             | Body corporate | Australia                    | 100    | Australia             | –                    |
| SMG FINCO Pty Limited                  | Body corporate | Australia                    | 100    | Australia             | –                    |
| SNZ Pty Limited                        | Body corporate | Australia                    | 100    | Australia             | –                    |
| Specialised Investments Pty Limited    | Body corporate | Australia                    | 100    | Australia             | –                    |
| Tallien Pty Limited                    | Body corporate | Australia                    | 100    | Australia             | –                    |
| The DWB Trust                          | Trust          | –                            | 100    | Australia             | –                    |
| Tru Blu Hire Australia Pty Limited     | Body corporate | Australia                    | 100    | Australia             | –                    |
| WA Regional Asset Holdings Pty Limited | Body corporate | Australia                    | 100    | Australia             | –                    |
| Warrah Engineering Pty Limited         | Body corporate | Australia                    | 100    | Australia             | –                    |
| WesTrac Holdings Pty Limited           | Body corporate | Australia                    | 100    | Australia             | –                    |
| WesTrac Pty Limited                    | Body corporate | Australia                    | 100    | Australia             | –                    |

(a) Boral Corporate Services Pty Ltd is the Trustee for Board Executive Share Plan and the Boral Employee Share Scheme trusts.

(b) Boral Resources (QLD) Pty Ltd is a participant in the Lytton joint venture which is proportionately consolidated.

(c) Boral Resources (VIC) Pty Ltd is a participant in the Heatherton and Delta joint ventures which are proportionately consolidated.

(d) Boral USA is a partnership between Boral International Pty Ltd (99 per cent) and Boral Limited (one per cent).

(e) Certane Pty Limited is the trustee for the Seven Group Equity Incentive Trust.

# Directors' Declaration

**For the year ended 30 June 2024**

1. In the opinion of the Directors of Seven Group Holdings Limited (the Company):
  - (a) the consolidated financial statements and notes that are set out on pages 97 to 159 are in accordance with the Corporations Act 2001, including:
    - (ii) giving a true and fair view of SGH's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
    - (iii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. As at the date of this declaration, there are reasonable grounds to believe that the Company and the group entities identified in Note 30 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to the ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.
3. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director & Chief Executive Officer and the Chief Financial Officer for the financial year ended 30 June 2024.
4. In the opinion of the Directors, the attached Consolidated Entity Disclosure Statement is true and correct.
5. The Directors draw attention to Note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:



**Terry James Davis**  
Chairman

Sydney  
14 August 2024



**Sally Annabelle Chaplain AM**  
Chair of the Audit & Risk Committee

# Independent Auditor's Report



Deloitte Touche Tohmatsu  
ABN 74 490 121 060

Quay Quarter Tower  
50 Bridge Street  
Sydney, NSW, 2000  
Australia

Phone: +61 2 9322 7000  
www.deloitte.com.au

## Independent Auditor's Report to the Members of Seven Group Holdings Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Seven Group Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors' declaration and the Consolidated Entity Disclosure Statement.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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# Independent Auditor's Report



| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | How the scope of our audit responded to the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Recoverability of producing and development assets</b></p> <p>As disclosed in Note 14, the Group has producing and development assets of \$627.7 million, comprising the carrying amount of the Longtom asset and the Crux Joint Operation.</p> <p>Management has identified indicators of impairment in respect of both the Longtom asset and the Crux Joint Operation in the current year, and as a result has carried out impairment testing to assess the recoverable amount of each producing and development asset at 30 June 2024.</p> <p>Management is required to exercise significant judgement in determining the assumptions to be utilised when assessing the recoverable amount of producing and development assets, including:</p> <ul style="list-style-type: none"> <li>Commercial operating assumptions including production profile of expected reserves and resources, facility design, project development cost (including price escalation), pipeline and gas processing availability and market demand;</li> <li>Future commodity prices;</li> <li>Climate change related risk and the impact this may have on asset useful lives and future capital expenditure and carbon offset requirements; and</li> <li>Discount rates applied to forecast cash flows to estimate the recoverable amount of the assets.</li> </ul> | <p>Our procedures performed in conjunction with our valuation specialists included, but were not limited to:</p> <ul style="list-style-type: none"> <li>Critically evaluating management's assessment in accordance with the specific requirements of AASB 136 <i>Impairment of Assets</i> for each producing and development asset as at 30 June 2024 including: <ul style="list-style-type: none"> <li>Evaluating management's process to assess for indicators of impairment of producing and development assets, including testing design and implementation of the relevant controls;</li> <li>Reviewing minutes of meetings of those charged with governance and performing inquiries with executive management to understand the basis for the commercial operating assumptions and agreeing to supporting documentation where relevant;</li> <li>Challenging key inputs and assumptions used in the respective valuation models with reference to any impact of current economic, regulatory and industry factors, including climate change related risk and comparing management's forecast future commodity prices, inflation and discount rates to market observable assumptions and third party reports;</li> <li>Agreeing forecast cash flows, including estimated capital expenditure, to Operator and Board approved forecasts for each producing and development asset; and</li> <li>Performing sensitivity analyses in respect of key assumptions.</li> </ul> </li> <li>Reviewing management's basis and calculation for the restoration liabilities at 30 June 2024; and</li> <li>Assessing the adequacy and appropriateness of the related disclosures in the notes to the financial statements, including relevant sensitivities.</li> </ul> |

## Deloitte.

### *Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# Independent Auditor's Report

## Deloitte.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on the Remuneration Report

#### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2024. In our opinion, the Remuneration Report of Seven Group Holdings Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

## Deloitte.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



DELOITTE TOUCHE TOHMATSU



H Fortescue  
Partner  
Chartered Accountants  
Sydney, 14 August 2024

# Shareholder Information

## Substantial Shareholders – Ordinary Shares

The number of ordinary shares held by the Substantial Shareholders based on the most recent notifications contained in the Company's Register of Substantial Shareholders as at 26 July 2024 are as follows:

| Shareholder                                                                                                                                                                                                                                                                                                                    | Number of Shares | % Held** |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------|
| KM Stokes; North Aston Pty Limited, Wroxby Pty Limited, Tiberius (Seven Investments) Pty Limited and Ashblue Holdings Pty Limited; Tiberius Pty Limited, Redlake Pty Limited and Tiberius group entities; Australian Capital Equity Pty Limited, Clabon Pty Limited and Australian Capital Equity Pty Limited group entities.* | 207,304,349      | 50.93    |

\* Based on number of shares disclosed in the Notice of Change of Interests of Substantial Holder given to ASX on 4 July 2024.

\*\* Based on the number of ordinary shares on issue at 4 July 2024.

## Distribution of Ordinary Shares

| Category (Number of shares)                      | Ordinary Shareholders |
|--------------------------------------------------|-----------------------|
| 1 – 1,000                                        | 33,584                |
| 1,001 – 5,000                                    | 6,325                 |
| 5,001 – 10,000                                   | 721                   |
| 10,001 – 100,000                                 | 363                   |
| 100,001 – and over                               | 47                    |
| Total Number of Holders                          | 41,040                |
| Number of Holdings less than a Marketable Parcel | 904                   |

## Twenty Largest Ordinary Shareholders

| Name of Shareholder                        | No. of Shares | % Held |
|--------------------------------------------|---------------|--------|
| North Aston Pty Limited                    | 137,841,807   | 33.87  |
| Ashblue Holdings Pty Limited               | 69,462,342    | 17.07  |
| HSBC Custody Nominees (Australia) Limited  | 67,203,951    | 16.51  |
| J P Morgan Nominees Australia Pty Limited  | 49,992,648    | 12.28  |
| Citicorp Nominees Pty Limited              | 26,535,302    | 6.52   |
| BNP Paribas Nominees Pty Ltd               | 7,120,531     | 1.75   |
| National Nominees Limited                  | 3,691,321     | 0.91   |
| Boral Limited                              | 3,493,690     | 0.86   |
| Certane CT Pty Ltd                         | 1,622,598     | 0.40   |
| Netwealth Investments Limited              | 802,575       | 0.20   |
| IOOF Investment Services Limited           | 377,010       | 0.09   |
| Palm Beach Nominees Pty Limited            | 314,692       | 0.08   |
| UBS Nominees Pty Ltd                       | 279,871       | 0.07   |
| Uechtritz Foundation Pty Ltd               | 273,069       | 0.07   |
| Mr Barry Martin Lambert                    | 264,547       | 0.06   |
| First Samuel Ltd                           | 264,503       | 0.06   |
| Woodross Nominees Pty Ltd                  | 178,154       | 0.04   |
| Ryan Kerry Stokes                          | 170,848       | 0.04   |
| Invia Custodian Pty Limited                | 161,237       | 0.04   |
| Neweconomy Com Au Nominees Pty Limited     | 159,042       | 0.04   |
| Total Twenty Largest Ordinary Shareholders | 370,209,738   | 90.96  |

## Voting Rights

### Ordinary Shares

On a show of hands, every member present in person or by proxy or attorney, or being a corporation, present by its representative, shall have one vote. On a poll, every member present in person or by proxy or attorney, or being a corporation, present by its representative, shall have one vote for every share held.

## Investor Information

### Shareholder Inquiries

Investors seeking information regarding their shareholding or dividends or wishing to advise of a change of address should contact the Share Registry at:

Boardroom Pty Limited  
Level 8  
210 George Street  
Sydney NSW 2000

GPO Box 3993  
Sydney NSW 2001

Telephone: (02) 9290 9600

Alternatively, visit the online service at [boardroomlimited.com.au](http://boardroomlimited.com.au)

Boardroom Pty Limited has an online service for investors called InvestorServe. This enables investors to make online changes, view balances and transaction history, as well as obtain information about recent dividend payments and download various forms to assist in the management of their holding. To use this service, visit the Boardroom Pty Limited website or [www.investorserve.com.au](http://www.investorserve.com.au).

For other general inquiries visit the website at [www.sevengroup.com.au](http://www.sevengroup.com.au).

## Company Information

### Company Secretary

Warren Walter Coatsworth

### Share Registry

Boardroom Pty Limited  
Level 8  
210 George Street  
Sydney NSW 2000

### Stock Exchange Listing

The Company is listed with the Australian Securities Exchange Limited and the home exchange is Sydney.

The Company is also listed on the Singapore Exchange Limited from 6 March 2018.

### Tax File Number Information

The company is obliged to record Tax File Numbers or exemption details provided by shareholders. While it is not compulsory for shareholders to provide a Tax File Number or exemption details, Seven Group Holdings Limited is obliged to deduct tax from unfranked dividends paid to investors resident in Australia who have not supplied such information. Forms are available upon request from the Share Registry or shareholders can submit their Tax File Number via the Boardroom website.

### The Chess System

Seven Group Holdings Limited operates under CHESS – Clearing House Electronic Subregister System – an Australian Securities Exchange system which permits the electronic transfer and registration of shares. Under CHESS, the company issues a Statement of Holdings to investors, instead of share certificates, and the statement will quote the Holder Identification Number (HIN). The HIN number should be quoted on any correspondence investors have with the Share Registry.

The company will maintain investors' holdings in an Issuer Sponsored facility, which enables investors to maintain their holding without the need to be tied to any particular stockbroker.

### Auditor

Deloitte Touche Tohmatsu  
Quay Quarter Tower  
50 Bridge Street  
Sydney NSW 2000

### Legal Advisors

Herbert Smith Freehills  
ANZ Tower  
161 Castlereagh Street  
Sydney NSW 2000



## Corporate Directory

### Head Office and Registered Office

#### Seven Group Holdings Limited

ABN: 46 142 003 469  
Level 30, 175 Liverpool Street  
Sydney NSW 2000  
02 8777 7574

### Key Operating Businesses

#### WesTrac WA

128-136 Great Eastern Highway  
South Guildford WA 6055  
08 9377 9444

#### WesTrac NSW

1 WesTrac Drive  
Tomago NSW 2322  
02 4964 5000

#### WesTrac ACT

78 Sheppard Street  
Hume ACT 2620  
02 6290 4500

#### Coates – Head Office

Level 1, 201 Coward Street  
Mascot NSW 2020  
13 15 52

#### Coates – East Business Unit

6 Greenhills Avenue  
Moorebank NSW 2170  
13 15 52

#### Coates – South Business Unit

120 South Gippsland Highway  
Dandenong VIC 3175  
13 15 52

#### Coates – North Business Unit

56-61 Meakin Road  
Meadowbrook QLD 4131  
13 15 52

#### Coates – West Business Unit

18 Wheeler Street  
Belmont WA 6104  
13 15 52

#### Boral

Level 3, Triniti 2  
39 Delhi Road  
North Ryde NSW 2113  
02 9220 6300

#### Allight

12 Hoskins Road  
Landsdale WA 6065  
08 9302 7000

#### SGH Energy

Level 4, 160 Harbour Esplanade  
Docklands VIC 3008  
03 8628 7277