

**THIESS**



**2021**

CLIMATE  
REPORT



**Acknowledgement of Country**

This report was produced on the lands of the Yuggera and Turrbal People. At Thies, we honour and respect Aboriginal and Torres Strait Islander Peoples as having the longest continuous culture on earth.

We recognise Aboriginal and Torres Strait Islander Peoples as the Traditional Owners and Custodians of this land, and pay our respects to the Elders past, present and emerging for they embrace the memories, traditions, and culture of Australia.

As a global services provider, we acknowledge and respect the history and contributions of First Nations peoples. Across our offices and sites, we recognise and value our responsibility to live and work on country, and with communities, respectfully and with care.



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**About this report**

This report uses the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to detail our ambitions on climate action and test the resilience of our business to the impacts of climate change. Thies's 2021 Sustainability Report includes further detail on our commitments and our progress towards integrating Environment, Social and Governance (ESG) considerations into our decision making. The Thies Sustainability Report is publicly available on our website.



## Introduction

Thiess acknowledges that the pace of transition toward a low-carbon economy is accelerating and immediate action to address climate-related risks and opportunities is necessary. As a leading mining services provider, we have a key role to play in supporting this transition and are committed to the ongoing improvement of our climate disclosures and alignment to the TCFD recommendations.

This is Thiess' first standalone Climate Report since introducing [Elliott Advisors](#) as our 50 per cent shareholder alongside [CIMIC](#). It is informed by the TCFD recommendations as part of our commitment to lead sustainable, responsible mining services and partner with our [stakeholders](#) in the global climate transition. Thiess has signed the TCFD Statement of Support to publicly demonstrate our commitment to taking action on climate-related disclosures.

Thiess recognises climate change is a collective issue which impacts our people, our environment and our global economy. We accept the science of climate change and support the Paris Agreement's goals to reach [net-zero emissions](#) by 2050 and limit global temperatures in line with a 1.5-degree future.

The Sixth Assessment [Intergovernmental Panel on Climate Change \(IPCC\) Report](#) and the 2021 United Nations Climate Change Conference (COP26) in Glasgow reiterates the negative global impacts of climate change and the need to accelerate the decarbonisation of our economy. While this paradigm shift represents both risks and opportunities for Thiess, our demonstrated capabilities and breadth of experience place us in a strong position to successfully navigate our business through this shift and achieve our Vision to become the world's leading mining services provider.

Thiess recognises that a large part of our portfolio is linked to thermal coal mining, which is particularly exposed in the transition towards a low-carbon economy. We commit to effectively navigating the transition while creating value for our stakeholders by reducing emissions, accelerating commodity diversification and using Thiess' strengths to diversify our service offerings.

Thiess will achieve net zero for our [Scope 1](#) and [2](#) emissions by 2050, including taking a [science-based approach to setting interim emissions reduction targets from 2022](#). We will also rebalance our [thermal coal portfolio to no more than 25 per cent by end of 2027](#) this report defines our goals in more detail, including the challenges we anticipate and the work we need to deliver to achieve them.

We will continue to provide responsible mining services to metallurgical coal mines as we navigate the transition to lower-emission steel. We recognise the importance of supporting our employees and the communities we operate in as we decarbonise, and we will continue to support them by facilitating a just transition to a low-carbon future.

We will diversify and grow our business across commodities and services, including:

- Growing our pipeline to offer mining services for new economy minerals and metals such as copper and nickel, which are essential to renewable energy, electrification and mobility transformation
- Pursuing foundational elements and investigating subsequent growth services associated with asset management, technology and consulting
- Building our new [Thiess Rehabilitation](#) business to service the growing rehabilitation and mine closure market with our industry-recognised mined land rehabilitation capabilities.

We are committed to building on the results of the climate-related risk and opportunities workshops, which we conducted in 2021. As part of this, we will undertake climate scenario analysis in 2022, for transition risk, and in 2023, for physical risk. This will improve our understanding of our business resilience in different climate futures, inform our approach to climate risk management, and refine our business strategy and financial planning processes.

# Governance

Thiess' Governance structure, outlined below, ensures oversight and management of climate-related risks and opportunities and that business decisions are incorporated into the activities of management, Board and Board sub-committees.



Thiess' Board of Directors (Board) has ultimate responsibility for setting our strategic approach to sustainability and action on climate and strategic management of climate-related risks and opportunities. These risks and opportunities are regularly discussed at monthly board meetings, where ESG is a standing agenda item, and included in Thiess' quarterly Management Report. Throughout 2021, the Audit & Risk Committee met bimonthly, with the Enterprise Risk Report and other risk matters existing as a standing agenda item. This Committee assisted the Board in fulfilling its responsibilities relating to corporate and risk management governance and financial reporting, including climate and sustainability risks and commodity diversification. The Audit & Risk Committee is also responsible for embedding climate risk into the enterprise risk management (ERM) approach.

In 2022, the Thiess Board has approved the formation of a new Board Committee – the Sustainability, Safety & Compliance Committee. This Committee will assist the Board in the oversight of all of Thiess' material sustainability issues, including climate change. The function and composition of the current Management HSE Committee and ESG Working Group will evolve to support the function of the new Board Committee. Relevant charters will be updated in 2022 to include detailed roles and responsibilities for the Board's oversight of climate and management's role in assessing and managing climate-related risks and opportunities. A charter for the Sustainability, Safety & Compliance Committee will be developed in 2022 to state how the Committee oversee implementation of Thiess' Sustainability Master Plan, monitor Thiess' Action on Climate Roadmap, and consider climate-related issues in strategy, financial and business planning and monitoring processes.

All Board sub-committees have a function relating to climate change. The Tender Risk Review Committee consider climate risk and opportunity in the new work pipeline. Climate-related and ESG key performance indicators (KPIs) are also considered in appointment and remuneration recommendations made by the Remuneration & Nomination Committee for decision by the Board. The recent Board appointment decision of Ms Sharon Warburton was recommended by the Committee due to a range of factors, including Sharon's extensive expertise across different sectors, particularly within the resources sector, and her deep experience across sustainability and climate matters. Recommendations on future appointments to the Board and Executive will be made in consideration of the existing skill capabilities and other KPIs such as their understanding of climate risk. Thiess Short-Term Incentive (STI) Plans and bonuses for executives have been linked to safety performance for over a decade. In

2021, STIs were updated to include diversification targets. Our Board has approved further updates to our STI program and, from 2022, will include a broader criteria for sustainability performance.

The Head of Health, Safety & Sustainability and Head of ESG, in the Health, Safety & Sustainability team and Group Manager Risk & Governance, who reports to the General Counsel, and Company Secretary, in the Legal, Risk & Governance team, are key senior management roles supporting the CEO and executive team in assessing and managing climate-related issues.

Thiess' executive management team plays a key role in identifying climate-related impacts on our business operations. Select members also participated in workshops conducted in December 2021 where climate-related risks and opportunities for Thiess were discussed. In addition, Thiess management produce a Monthly Management Report to the Board to inform them on initiatives and business performance. The report includes information which addresses Thiess' emissions profile, performance on alternative fuels or decarbonisation projects and other climate and sustainability related issues. Each quarter analysis of ESG trends and the potential impact on the resources industry are included in the Risk Register which is distributed to the Board.

### Climate change participation

To further inform our sustainability and climate strategic planning, Thiess encourages all its employees, including new hires, to participate in the conversation around climate change and how Thiess addresses this global challenge in the future. In 2021, Thiess management conducted a series of graduate engagement sessions to directly engage and gather further understanding of sustainability issues considered most pressing by individuals entering the workforce. We used this feedback to shape Thiess' Sustainability Master Plan. The Thiess Graduates 'Have your say' sessions will continue in 2022, and will be expanded to capture feedback, inform Thiess' direction and evaluate current sustainability performance.



## Strategy

In January 2021, following the introduction of Elliott Advisors as our 50 per cent shareholder, alongside CIMIC, Thiess' Board of Directors reviewed Thiess' strategy to ensure sustainable and responsible mining services were clearly prioritised. This strengthened our focus on responsibly diversifying and growing our business to support the low-carbon future, decarbonising our operations, and investing in our people and technology.

Thiess is undertaking a further review of our business strategy and aligning it with the goals of the Paris Agreement. We are seizing this opportunity to differentiate and position for long term growth. Core to our approach is creating a technology and sustainability advantage, upskilling and retraining our employees, and working with our stakeholders as we continue to reorientate our focus towards delivering leading sustainable mining services.

We recognise risks and opportunities arising from climate change have a key role in informing all aspects of our current and future strategic and business decision making. We also understand the accelerating pace of transition and the related evolution of markets, technology advancements and legislative and regulatory changes must be at the core of our business strategy.

Our strategy is strongly oriented towards creating value for all our stakeholders, including delivering on Thiess' sustainability commitments to minimise our environmental footprint and enhance social value, and deliver transparent, trusted governance.

### ***Our business strategy is supported by our first public position on climate change.***

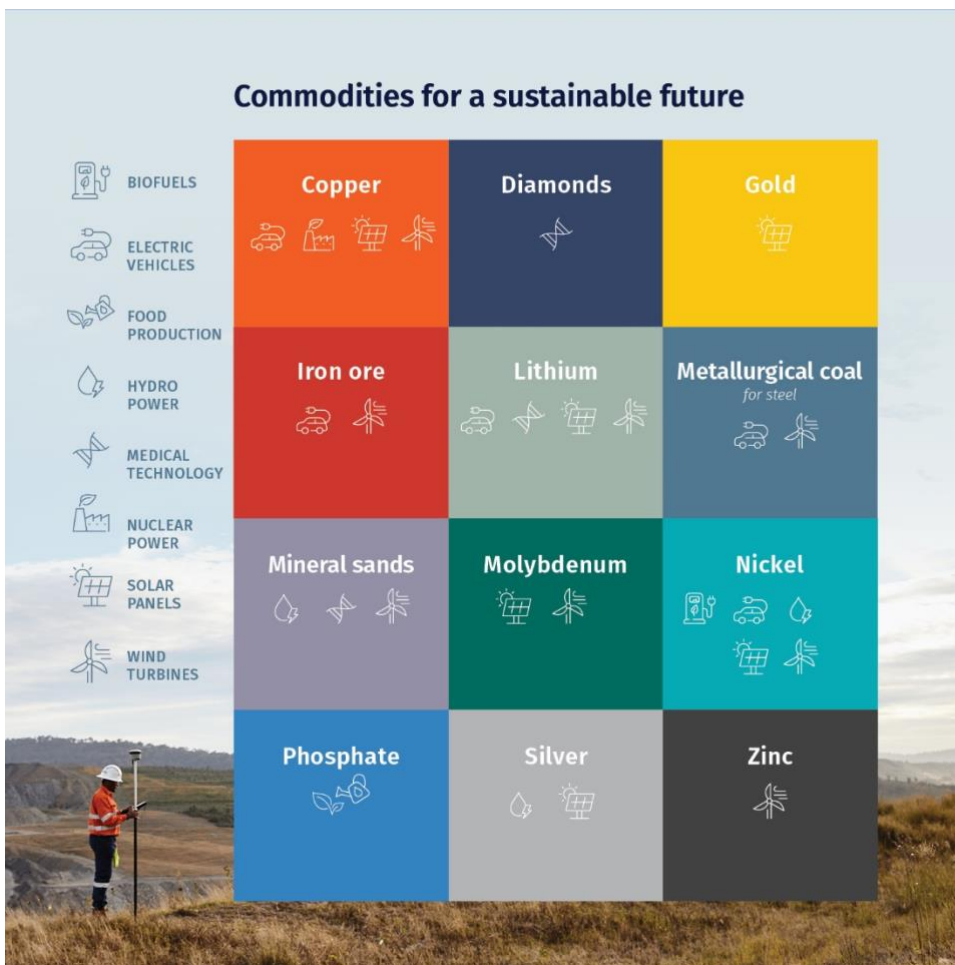
Thiess is committed to achieving net zero in our Scope 1 and 2 emissions by 2050. To deliver on this commitment, we will set science-based emissions reduction targets using [Science Based Targets initiative \(SBTi\)](#) criteria. We are also committed to:

- **Disclosing our approach and progress transparently** by publicly disclosing our Scope 1, 2 and 3 emissions and climate related risks using the TCFD framework and reporting on our performance against our emission targets in our annual Sustainability Report.
- **Decarbonising our mining services** through improved energy efficiency and displacement of fossil fuel energy from our operations, including diesel, to achieve our net-zero target by 2050. We will collaborate with our clients and other partners to invest in technology to transition to a low-emission future. This includes short-term lower-emission transition solutions and long-term zero-emission concepts such as commercially available, large-scale renewable energy electrification, industrial capacity batteries and hydrogen fuel cells to power large mining fleet.
- **Driving growth in commodities essential for a low-carbon future** by using our core capabilities to continue our diversification into commodities and services that are essential for clean energy technology. We will rebalance our thermal coal portfolio to no more than 25 per cent of revenue by end of 2027.
- **Contributing to a just, fair and equitable transition to zero-emission energy** by supporting our clients, people, local communities and governments to navigate the transition. As we rebalance our thermal coal portfolio and support a responsible phase-down of thermal coal, we will take an active role to minimise disruption to employees and communities currently reliant on thermal coal for their livelihoods. We commit to reinvesting into our communities and society more broadly to advance the United Nations Sustainable Development Goals (UN SDGs).
- **Improving Thiess' resilience to climate change** by investing in our climate monitoring to improve our responsiveness to extreme and chronic changes in the climate that could impact our operations, people, communities and the environment.
- **Developing the next generation of talent** to lead efforts towards the decarbonisation of our portfolio and the development and deployment of new technologies to support our transition to net zero.



**Our strategic direction to diversify to support the global clean energy transition**

The step change in global decarbonisation efforts brings a range of new material opportunities for Thies in the context of the services we currently provide, including engineering, extraction, rehabilitation, and asset management for the mining industry. We are well-positioned to leverage our experience and capabilities to capitalise on the shift of markets towards mining commodities and services essential for the low-carbon economy. We are targeting the growing demand for metals such as copper, which underpins the growth in electrification, and nickel and molybdenum used in renewables. We have a strong pipeline of global minerals and metals project opportunities. Our assessment of the addressable market (as of December 2021) identified more than 160 minerals and metals contract opportunities. These opportunities cover 11 different commodities, all of which have a role in clean energy technology, as summarised in the infographic below. These opportunities are expected to come to the market over the next five years across our three operating regions in Australia, Asia and the Americas. Thies has the engineering, asset and workforce management capabilities to capitalise on these opportunities.



We have been operating in the copper industry in Australia since 2005 when we began our work at Prominent Hill. In 2014 we began work at the Encuentro Oxides Project copper mine in Chile, which has a planned lifespan of fifteen years. We have continued to expand through the Oyu Tolgoi underground copper mine in Mongolia since 2016. In addition to our existing copper, gold and nickel operations, Thies secured contracts in 2021 to provide mining services at the Anthill Copper Project in Queensland, Mt Holland Lithium Mine in Western Australia and a base metal project in the USA. We will continue to grow our minerals and metals pipeline as a core component of our commodity diversification strategy.

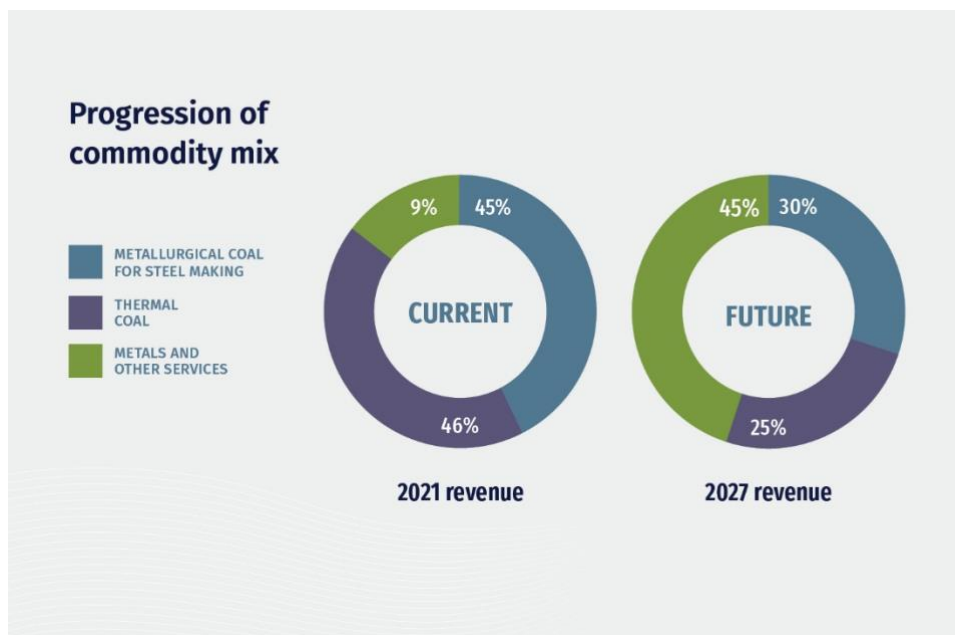
Our refreshed strategy outlines our path to deliver this through the geographical expansion of our current services, converting opportunities from our pipeline of minerals and metals essential for the transition to a low-emission economy. It also includes exploration of new opportunities through inorganic growth and the deployment of services including rehabilitation, asset maintenance, underground and technology and technical consulting, each with a pipeline of opportunities.

### Metallurgical coal for steel making in the global energy transition

We recognise that metallurgical coal is a key contributor in the production of steel and that the global innovation effort to decarbonise steel production could put downward pressure on the demand for our metallurgical coal services in the medium to long term. While we embrace the pace of transition and are committed to playing our role in the decarbonisation of operations and phasing down of fossil fuels, we will continue to provide responsible mining services to metallurgical coal mines during the transition to low-emission steel. Steel plays a critical role in clean energy technology such as wind turbines and electric vehicles; and in infrastructure development that supports advancement of the UN SDGs.

### Thermal coal in the global energy transition

Thiess recognises that a large part of our portfolio is linked to thermal coal mining and is particularly exposed to the accelerating transition towards a low-carbon economy. This is evidenced by the International Energy Agency's World Energy Outlook 2021 report, which identified global demand for thermal coal is expected to decrease in all potential decarbonisation pathways. Thiess' thermal coal mining operations are also distributed across various geographical regions including Indonesia, regional Australia and Mongolia, where both metallurgical coal for steel making and thermal coal for energy are mined. While we will continue to provide responsible mining services to thermal coal mine owners and will support employees who are part of our current team providing services to thermal coal mines, we are committed to diversifying our portfolio through both organic and inorganic growth to access new markets. Thiess is committed to continue rebalancing our portfolio to reduce the proportion of revenue from thermal coal to no more than 25 per cent by end of 2027. This will be achieved by our diversification pathway and our commitment to a just, fair and equitable transition to zero-emission energy. As part of this, we will take an active role to minimise disruption to employees and communities currently reliant on thermal coal for their livelihoods and explore options such as providing upskilling opportunities and redeployment, as contracts close.



### Decarbonising our operations

Thiess recognises the profile of our current services is emissions intensive, and our refreshed strategy is premised on reducing the emissions intensity of our business in the longer term. These targets will be supported by actions to mitigate our contribution to climate change and build resilience to climate-related risks. This includes leveraging Thiess' culture of energy efficiency and investment in a zero-emission future through battery electric vehicles, truck trolley technology and hydrogen fuel cells. We will also focus on the transition to lower-carbon fuels and electrification, commenced by joining the Charge on Innovation Challenge in 2021 to investigate large-scale truck electrification. This will be supported by a lower-emission dual-fuel truck technology trial in 2022. We will also start the transition of our light vehicles, offices and rebuild centres to low-carbon or carbon-free energy in 2022. Our commitment to expanding renewable energy services will support our reduction in Scope 2 emissions by increasing power generated by renewable energy to mines of the future. We will explore opportunities to partner with organisations leading the way in sequestration capabilities and investigate the use of high-quality carbon offsets sourced from credible carbon markets, to mitigate some hard to abate emissions.



**Evolving our business strategy with updated climate risk and opportunity insights**

In December 2021, we conducted workshops with representatives from across our global operations to identify, prioritise and validate the most important climate risks and opportunities for Thiess over the short (2021-2027), medium (2027-2035) and long term (2035-beyond). These timeframes reflect that transition risks are expected to materialise in the short to medium term, while zero-emission mining fleet technology matures, and countries continue to work towards interim emissions reduction targets to meet 2050 net-zero commitments. Although climate-related physical risks are increasingly prevalent and are already impacting Thiess’ operations today, the full magnitude of their consequences is likely to be felt more acutely in the medium to long term. Please refer to the Risk Management section for how Thiess identifies and manages climate-related risks and opportunities.

Thiess is committed to undertaking scenario analysis in 2022 to assess the financial impact of key climate-related risks and opportunities for our business. We also intend to integrate the risks and opportunities that have been identified through our workshops, listed in the below table, and the outputs of our 2022 scenario analysis into our enterprise risk management (ERM) framework, to help understand the financial and operational implications of climate risks and opportunities for Thiess. Our climate risk management approach will ultimately inform our decision-making and underpin our overall business strategy.

	Risk/opportunity	Impacts for Thiess	Action plan for Thiess
<b>Transition</b>			
<b>Financial</b>			
R	Reduced access to capital due to thermal coal exposure and emissions intensity of current business operations	Decreased access to equity and debt markets  Increased insurance premiums	Continue to evolve and implement portfolio diversification strategy to service low-carbon economy commodities (eg nickel, copper, lithium and gold)  Evaluate strategic growth options with emissions generation and abatement profile assessment and shadow price of carbon  Rebalance thermal coal portfolio to no more than 25 per cent by end of 2027  Set emissions reduction targets based on SBTi methods and implement decarbonisation plan for Scope 1 and 2 emissions  Map <a href="#">Scope 3</a> emissions across value chain and determine emissions reduction opportunities  Develop emissions offset strategy for remaining, hard to abate emissions
<b>Policy and Regulation</b>			
R/O	Increased climate change regulation (carbon taxes, cross-border carbon tariffs, net-zero commitments) impacting Thiess, our clients, and their supply markets	Increased costs of operations  Enhanced reporting and compliance obligations  Impacts to competitiveness of our clients’ mining operations	Set emissions reduction targets based on SBTi methods and implement decarbonisation plan for Scope 1 and 2 emissions  Map Scope 3 emissions across value chain and determine emissions reduction opportunities  Undertake climate scenario analysis in line with the TCFD recommendations  Update current regulation monitoring processes to improve understanding of global climate policy landscape  Collaborate with stakeholders and governments to proactively monitor, understand and shape policy initiatives
<b>Market</b>			
R	Reduced demand for thermal coal and thermal coal mining service opportunities	Reduced revenue  Enhanced need for diversification	Continue to evolve and implement portfolio diversification strategy to service low-carbon economy commodities (eg nickel, copper, lithium and gold)  Extend service offerings (eg environmental services - mine rehabilitation)  Rebalance thermal coal portfolio to no more than 25 per cent by end of 2027  Maintain commitment to current contracted thermal coal mines and support a just transition and economic stability in these regions as coal is responsibly phased down

	Risk/opportunity	Impacts for Thiess	Action plan for Thiess
<b>Transition</b>			
O	Increased demand for low-carbon economy commodities	<p>New revenue streams (eg transition metals)</p> <p>Access new markets and increase diversity of portfolio (eg expanding nickel, copper and gold mining services)</p> <p>Increased market share through relationships with new customers and suppliers</p>	<p>Continue to evolve and implement portfolio diversification strategy to service low-carbon economy commodities (eg nickel, copper, lithium and gold)</p> <p>Extend service offerings (eg environmental services - mine rehabilitation)</p> <p>Rebalance thermal coal portfolio to no more than 25 per cent by end of 2027</p> <p>Maintain commitment to current contracted thermal coal mines and support a just transition and economic stability in these regions as coal is responsibly phased down</p>
O	Increased demand for rehabilitation services	Increased revenue from rehabilitating de-commissioned and abandoned mines	Ongoing execution of approved Thiess Rehabilitation business plan
<b>Reputation</b>			
O	Alignment with workforce expectations of climate action	<p>Improved employee attraction and retention</p> <p>Reduced recruitment costs and increased productivity</p>	<p>Expand 'Have your say' sustainability engagement sessions to engage with and empower employees on climate change action and environmental management</p> <p>Promote collaboration across workforce to achieve sustainability goals and implement decarbonisation initiatives using our Thiess One HSE Culture and behaviour framework</p> <p>Develop and implement training and awareness program to upskill employees in climate risk</p>
O	Drive recognition as a leader in the new economy (due to existing expertise and brand recognition)	Enhanced client and supplier trust (increased contract win-rate and market share)	<p>Engage with existing clients on portfolio diversification opportunities</p> <p>Continue to evolve and implement portfolio diversification strategy to service low-carbon economy commodities (eg nickel, copper, lithium and gold)</p> <p>Extend service offerings (eg rehabilitation, asset maintenance, underground and technology and technical consulting)</p>
R	Additional skills and resources required to transition to the low-carbon economy	Unable to meet market changes and client needs due to reduced workforce capability and limited required skillsets for low-carbon economy commodities	<p>Mapping of technical and operational skills required for refreshed strategy to determine potential skills gaps</p> <p>People related processes to address any skills gaps including training to upskill and retrain current and future employees and specialist recruitment</p>
<b>Technology</b>			
O	Supply chain innovation and partnership	<p>Increased market presence and trust from partnering with clients and OEMs on low-carbon supply chain solutions</p> <p>Reduced Scope 3 emissions across supply chain, increasing market competitiveness</p>	<p>Maintain deep relationships with OEMs, build insights from their zero-emission mining roadmaps into Thiess' asset decarbonisation plans</p> <p>Strengthen existing and build new relationships with technology and innovation partners to contribute to sustainable mining practices</p> <p>Map Scope 3 emissions across value chain and determine emissions reduction opportunities in partnership with supply chain partners</p> <p>Implement Scope 1 and 2 decarbonisation plan</p> <p>Work with supply chain partners to contribute to sustainable mining practices</p>
O	Advances in low-emission and emission reduction technology	<p>Reduced costs associated with more energy efficient technology</p> <p>Reduce exposure to emissions regulation and potential to generate carbon credits (eg fugitive methane capture)</p>	Map technology opportunities to reduce emissions across operations and include in decarbonisation plans
O	Technological advancements in water security	Reduced costs associated with increased water efficiency and reduced wastage	Implement water management framework aligned with key industry standards e.g., Towards Sustainable Mining (TSM) Water Stewardship Protocol

	Risk/opportunity	Impacts for Thiess	Action plan for Thiess
<b>Transition</b>			
<b>Physical</b>			
<b>Acute/Chronic</b>			
<b>R/O</b>	Exacerbation of extreme weather conditions	<p>Increased interruptions and delays reducing productivity (eg equipment unable to operate in flooding or extreme heat)</p> <p>Increased operating expenses and insurance premiums (eg damage to assets or facilities)</p> <p>Extreme weather impacting workforce health and productivity (eg heat stress, absenteeism)</p>	<p>Conduct climate physical risk scenario analysis to understand exposure across all geographical locations</p> <p>Implement measures for resilience against location-specific physical risks</p>
<b>R</b>	Physical climate-risk related tender/project requirements	<p>Decreased market competitiveness</p> <p>Reduced pipeline revenue (eg losing bids as unable to meet client climate-related requirements)</p>	<p>Tender Risk Review Committee to continue to address climate risk in new work process. Periodic evaluation of effectiveness of processes to ensure ongoing improvement</p> <p>Continue to engage with current clients on climate risks and opportunities facing their business and operations</p> <p>Continue to integrate climate strategy, adaptation and resilience across all projects and tenders</p>



## Risk management

Thiess' approach to the management of climate-related risks is defined in our Thiess Governance System, which contains policies, standards and procedures to address all types of risks and ensures we are resilient to any existing and emerging potential impacts.

Thiess' Risk Management Policy is under review by our Audit & Risk Committee, and sets out the requirements to identify, analyse, evaluate, treat, monitor, review and report risks which have the potential to impact Thiess' sustainability performance, people, third parties and communities (in which Thiess works within), and the environment, as well as Thiess' operations, financial outcomes and reputation. Climate risk is specifically addressed under sustainability.

Risks likely to impact the future of Thiess' operations are identified, analysed and presented to the Audit & Risk Committee in Thiess' quarterly Risk Register. The Risk Register is an enterprise risk assessment which assesses and monitors current and emerging risks across Thiess' operations and addresses key controls and actions to mitigate the impacts of these risks. This Register is an output from quarterly workshops held with leadership in operational management and functional disciplines where mitigation activities are identified and captured for existing and emerging risks. This is then disseminated to the CEO, CFO and executive team for consultation and feedback and is ultimately provided to the Audit & Risk Committee with recommendations for all pertinent risks, including climate-related risks. The Register forms part of the Management Report submitted to the Board on a quarterly basis. In 2022, Thiess will commit to further integrate specific climate-related risks and outputs from the risks and opportunities workshops conducted in December 2021 into the Risk Register. The identification and management of sustainability and climate risks described above will become the role of the Sustainability, Safety & Compliance Committee for all non-financial risks, when the new Committee is established in mid-2022.

The risks identified in the Risk Register form part of the risk management framework which is continuously monitored and embedded into Thiess' existing processes and aligned to short and long-term objectives. In 2021, Thiess established an ESG Working Group who met monthly to develop Thiess' Sustainability Master Plan to address Thiess material sustainability issues, including climate, emissions and decarbonisation. They also support the executive team and Board in the development, execution, and monitoring of Thiess' sustainability strategic approach. The function and composition of the ESG Working Group will evolve to support the function of the new Sustainability, Safety & Compliance Board Committee.

In December 2021, we undertook a collaborative process, supported by external consultants, to identify climate-related risks and opportunities to inform climate reporting. The process included:

- Conducting workshops with relevant stakeholders across the business, including executive leadership, to identify current and future climate change risks and opportunities
- Leveraging the above results to assess and prioritise the most critical climate change related risks and opportunities applicable to Thiess. We are committed to including the outputs from the 2021 workshops in our scenario analysis to be performed in 2022
- Presenting these results to the CEO and incorporating into Thiess' refreshed Business Strategy.

Thiess also use Versik Maplecroft Global Risk Dashboard and Country Risk Intelligence to track a range of indicators including climate change, biodiversity, water stress, drought and flood hazard, and environmental regulatory framework at the country level each quarter. Insights are used to update the Board through a Monthly Management Report, the Audit & Risk Committee through the Enterprise Risk Reports and used to inform regional leadership teams.

Please refer to the Strategy section for disclosure on Thiess' actual and potential climate-related risks and opportunities, potential impacts and action plan to address.

## Metrics and targets

Thiess is committed to minimising our environmental footprint by identifying and proactively managing risks, working closely with our stakeholders to minimise the environmental impact of our operation, and investing in short and long-term actions to assist the transition to a low-carbon economy and create lasting value.

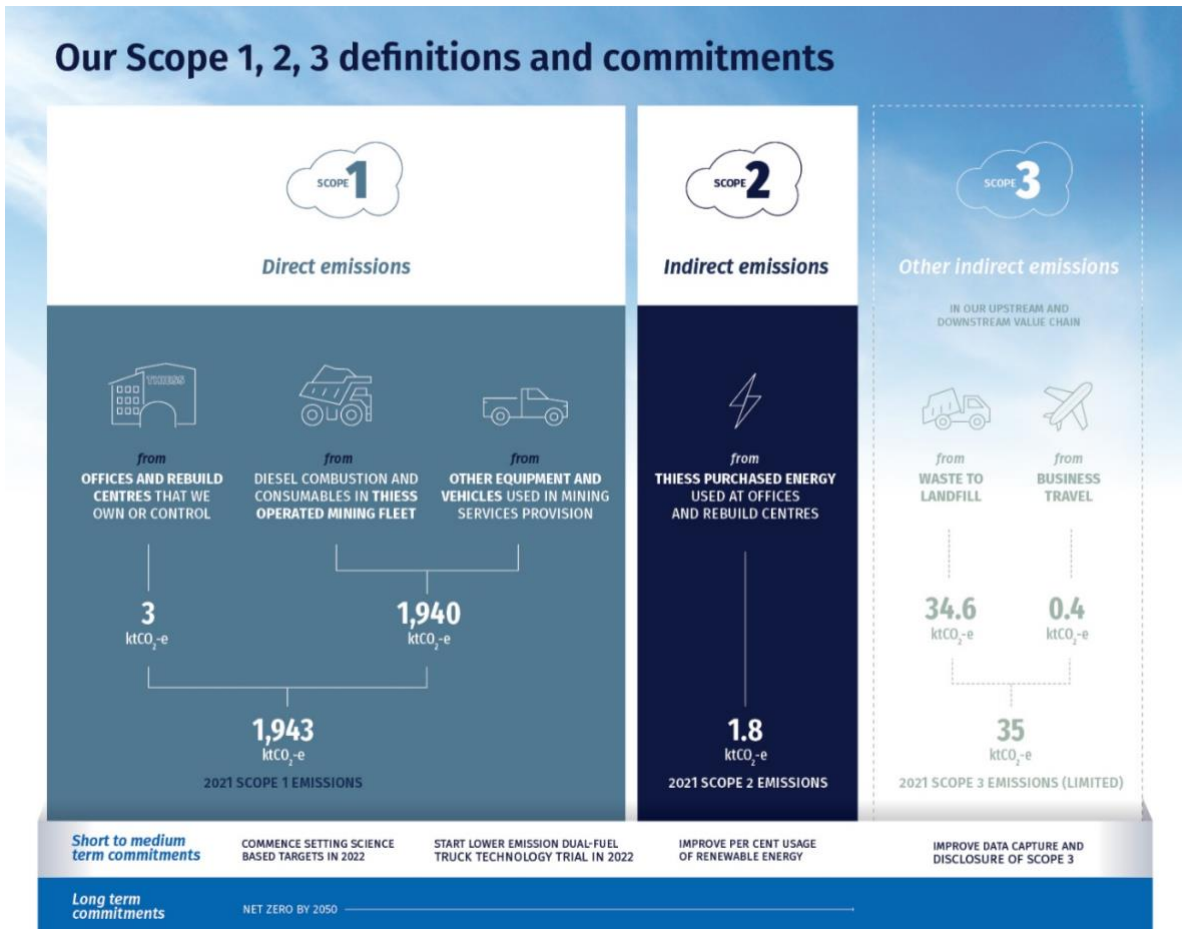
Our key goals and commitments include:

- Starting in 2022, setting science-based emission reduction targets
- By end of 2027, rebalancing our thermal coal portfolio to no more than 25 per cent of revenue.
- By 2050, achieving net zero for our Scope 1 and 2 emissions.

Our 2021 Sustainability Report includes commitments to a range of sustainability short and longer-term targets. It also includes our intent to drive a year-on-year improvement in our sustainability performance across our three sustainability commitments: minimised environmental footprint, enhanced social value, and transparent, trusted governance.

In 2021, we started our journey to net zero by clearly defining our emissions profile and applying the Global Reporting Initiative (GRI) greenhouse gas emissions reporting standard. For our Scope 1 emissions, we are including all emissions from the offices and rebuild centres we control, as well as direct emissions from fuel combustion in the mining equipment we operate, regardless of who has operational control. Our Scope 2 emissions are limited to the relatively small amounts of energy purchased by Thiess and used at our offices and rebuild centres. Thiess is in the early stages of understanding and disclosing our Scope 3 emissions. In 2021, we disclosed our Scope 3 emissions from waste sent to landfill and business travel as a first step in demonstrating our commitment to improving and broadening our disclosures. We acknowledge these represent a small component of the emissions in our value chain. We are committed to improving data capture and disclosure of Scope 3 emissions from 2022 and working with our value chain partners to identify opportunities to reduce emissions, as outlined in our Action on Climate Roadmap.

Details on how Thiess defines our Scope 1, 2, 3 emissions, high level commitments and a summary of our 2021 emission profile are provided below.



In 2021, Thies invested in our emissions data platform to capture, visualise and show historical trends of Scope 1 fleet emissions at every project across Thies' global operations. The platform currently shows absolute emissions and emissions per tonne of material moved. It will allow operational management and leadership to easily view and take action to improve energy efficiency at our operations. Throughout 2022, we will continue to invest in the functionality of the platform and train more employees to use the platform to make decisions.

Thies also use a range of metrics to assess effectiveness of its management of climate-related risks and opportunities and evaluate performance in line with its strategy and risk management process. Our 2019 to 2021 emissions metrics are summarised in the table below. Please refer to our 2021 Sustainability Report for the full list of Thies sustainability performance metrics.

Metric	Unit	2019	2020	2021
Total energy consumption	GJ	32,327,915	30,148,629	27,683,851
Scope 1 for Thies owned/controlled offices and rebuild centres	GJ	39,036	37,072	39,995
Scope 1 for diesel used in Thies operated mining fleet and in provision of mining services	GJ	32,274,485	30,099,551	27,635,680
Scope 2	GJ	14,394	12,006	8,176
Total Scope 1 emissions	ktCO <sub>2</sub> -e	2,268	2,116	1,943
Scope 1 emissions for Thies owned/controlled offices and rebuild centres	ktCO <sub>2</sub> -e	2.74	2.60	2.81
Scope 1 emissions for diesel used in Thies operated mining fleet and in provision of mining services	ktCO <sub>2</sub> -e	2,266	2,113	1,940
Scope 2 emissions	ktCO <sub>2</sub> -e	3.17	2.68	1.81
Scope 3 emissions	ktCO <sub>2</sub> -e	43.67	38.88	35.00
Scope 1 emissions Intensity	ktCO <sub>2</sub> -e / \$m	0.59	0.59	0.60





## Our forward-looking Action on Climate Roadmap

This is Thiess' first stand-alone Climate Report. We are committed to continuously improving our understanding and disclosing the implications of climate change on our business into the future.

We have developed Thiess' Action on Climate Roadmap for progressing on our journey to disclose against the TCFD recommendations and to outline our commitments to further prioritise our action on climate change.

### Thiess' Action on Climate Roadmap

Action completed     
 Action started     
 Action scheduled

	H2 2021	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	H2 2024
<b>Governance</b>							
Disclose first TCFD aligned Climate Report							
Sign public Statement of Support for the TCFD recommendations							
Establish new Sustainability, Safety & Compliance Committee and publish charter to website							
Review charter for the Board for action on climate change context							
Executive STI program linked to Action on Climate performance							
Board approval of updated Sustainability Policy							
Revise Thiess Governance System documents, where required, to address management of climate related risk and opportunity (R&O)							
Update current regulation monitoring processes to improve understanding of global climate policy landscape							

	H2 2021	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	H2 2024
<b>Strategy</b>							
Validation of risks and opportunities on refreshed strategy		▶					
Perform climate scenario analysis for transition climate risk							
Perform climate scenario analysis for physical climate risk							
Review project outcomes and practices to ensure they are in line with clients' expectations on climate related issues		▶					
Embed scenario analysis outputs in strategy, business and financial planning processes							
Develop a roadmap to decarbonise our operations		▶					
Implement decarbonisation plan for Scope 1 and 2 emissions	▶						
Adopt shadow carbon pricing in strategic business decision making process							
Evaluate strategic growth options informed by emissions generation and abatement profile assessments and using shadow price of carbon							
Develop and implement training and awareness program to upskill employees in climate risk							
Expand 'Have your say' sustainability engagement sessions	✔						
TSM Climate Change Protocol – planning and implementation		▶					
Launch Thiess Rehabilitation service offering		✔					
Implement portfolio diversification strategy to service low-carbon economy commodities (update annually with latest commodity demand trends)	▶						

	H2 2021	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	H2 2024
<b>Risk Management</b>							
Integrate climate-related R&O from 2021 climate risk workshops into ERM, including stress test of effectiveness of controls		▶					
Test effectiveness of ERM framework and processes in relation to climate risk							
Conduct materiality assessment to understand our stakeholders' views on climate change issues							
Ensure output of scenario analysis is included in ERM							
Ensure outputs of scenario analysis is used to inform strategy and financial planning							
Undertake periodic climate R&O of Thies strategy	✔						

	H2 2021	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	H2 2024
<b>Metrics &amp; Targets</b>							
Disclose Scope 1 and 2 emissions	✔						
Set emissions reduction targets based on SBTi methods		▶					
Map Scope 3 emissions across Thies' value chain	▶						
Annual improvement of Scope 3 emission disclosure		✔					
Evaluate Scope 3 emissions reduction opportunities							
2022 STI program to include Action on Climate Roadmap performance indicators		▶					
Effectiveness review of metrics used for reporting on climate-related issues		▶					
Perform internal assurance of selected sustainability and climate data metrics							
Obtain third-party assurance of selected sustainability and climate data metrics and annual performance							
Evaluate renewable energy options for offices and rebuild centres we own or control and set renewable energy targets		▶					



## Glossary and assumptions

<b>CIMIC</b>	CIMIC holds a 50% equity interest in Thiess. CIMIC is an engineering-led construction, mining, services and public private partnerships company. <a href="http://cimic.com.au">cimic.com.au</a>
<b>Elliott Advisors</b>	Elliott Advisors refers to Elliott Advisors (UK) Ltd who acquired a 50% equity interest in Thiess at the end of December 2020.
<b>Net zero by 2050</b>	Thiess' net zero by 2050 commitment includes Thiess Scope 1 and 2 emissions as defined in CY2021 Sustainability Report. The strategy and emissions reduction pathway to achieve net-zero emission is still to be fully defined. Thiess will start setting emissions reductions pathways, using the Science Based Targets initiative (SBTi) methodology in 2022. Thiess acknowledge that the technology, such as commercially available, largescale renewable energy electrification, industrial capacity batteries and hydrogen fuel cells to power large mining fleet, to achieve zero-emission excavation services does not currently exist. Thiess may require the use of offsets for hard to abate emissions. Thiess intends to pursue cost-effective abatement options before considering offsets.
<b>Science Based Targets initiative (SBTi)</b>	From 2022, Thiess will use the Science Based Targets initiative (SBTi) criteria to begin setting interim greenhouse gas emissions reduction targets and outline our pathway to net-zero Scope 1 and 2 emissions by 2050. Current SBTi exclusions limit companies with >50% total coal revenue from SBTi Race to Zero process at the time of publishing. Thiess intends to use SBTi criteria to work on an emissions reduction target in line with the SBTi's criteria. If there is change in SBTi methodology, Thiess will submit our target to the SBTi for official validation.
<b>(Total) Scope 1 emissions</b>	Total Scope 1 emissions includes all direct emissions from Thiess owned or controlled offices and rebuild centres, as well as direct emissions from diesel combustion and consumables in the mining fleet Thiess operates and other equipment used in mining services provision, regardless of who has operational control.
<b>Scope 2 emissions</b>	Scope 2 includes indirect emissions from Thiess purchased energy (electricity and/or heating, cooling and steam if any) used at Thiess offices and rebuild centres.
<b>Scope 3 emissions</b>	Scope 3 includes indirect emissions not included in Scope 2 that occur outside of Thiess, but both upstream and downstream of our value chain. Scope 3 calculations are currently limited to emissions generated from waste disposal and business travel.
<b>(Thiess) stakeholders</b>	Thiess stakeholders include current and prospective clients, our current and prospective employees, communities and countries that host us, First Nations peoples, partners, suppliers, financiers, insurers, investors, government and regulatory bodies, non-government organisations (NGOs), industry bodies, academic bodies furthering research to improve sustainability of mining, law enforcement and regulatory bodies and certification assessor bodies.
<b>Thermal coal revenue by end of 2027</b>	Thiess' thermal coal target of 25% of revenue by the end of 2027 will be achieved by growing our business in commodities outside of thermal coal. It will require organic and inorganic growth and is subject to identifying appropriate targets to support the growth strategy. Thiess intends to maintain existing levels of revenue from thermal coal services, providing ongoing support to existing clients and exploring strategic new opportunities.
<b>Thiess Rehabilitation</b>	Thiess Rehabilitation is 100% owned by Thiess Pty Ltd offering mine rehabilitation services. <a href="http://thiessrehabilitation.com">thiessrehabilitation.com</a>

**THIESS**

[thiess.com](https://thiess.com)