

Austal Limited
Environmental, Social and
Governance (ESG) Report

2023



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Letter from the CEO



It gives me great pleasure to introduce Austal's Sustainability Report for FY23. This standalone report showcases our ongoing commitment to incorporating Environmental, Social and Governance ("ESG") principles into every aspect of our business.

Over the past year, we have made substantial strides in our sustainability strategy and performance, which has formed the foundation of our notable operational and financial accomplishments.

Austal has been at the forefront of exploring cutting-edge technologies of the future, encompassing zero-emissions vessels, artificial intelligence, advanced sustainment systems, alternative fuel use for vessels and eco-friendly shipbuilding materials. Our Growth Strategy 2050 sets the roadmap for integrating sustainable development priorities into our operations, business planning, and investment decision-making. This has led us to align our business strategies and operations with the interests and needs of our stakeholders, customers and communities.

As the global climate continues to change, organisations across different industries face escalating risks that can have profound implications. Austal recognises that identifying and evaluating these climate-related challenges is important to secure its long-term viability and prosperity. In FY23, members of the Sustainability Committee participated in a climate risk workshop to identify and prioritise climate-related physical and transition risks and opportunities. Through this workshop, we gained a better understanding of key climate risks and opportunities that could potentially affect our business.

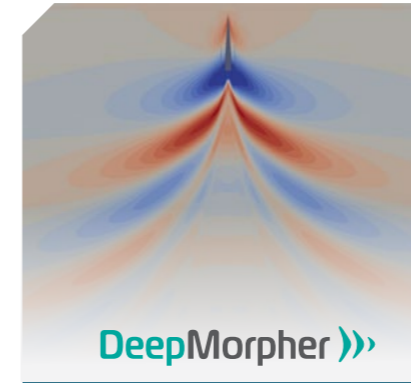
After setting greenhouse gas emissions targets last year, we continue to explore opportunities in emissions reduction. One compelling example is the development of an artificial intelligence toolset "DeepMorpher" which enables exploration of broader vessel design spaces, whilst enhancing energy efficiency of vessels. Artificial intelligence and machine learning have broadened and accelerated our optimisation process, delivering more options for energy efficient design for our customers. Austal Australia and the Gotland Company of Sweden have entered into an agreement for the design of a vessel that operates on hydrogen and other fossil-free fuels. This exemplifies our dedication to designing vessels that are prepared for a low-carbon future.

We place strong emphasis on nurturing the growth and welfare of our employees by investing in professional development, talent retention and diversity initiatives. A key enabler of our community engagement in Australia is the Austal Giving platform, which empowers our colleagues to take an active role in volunteering initiatives across our diverse businesses. These social endeavours mark significant milestones on our path towards sustainable development.

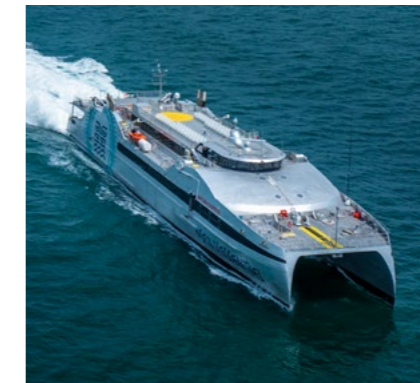
In line with international best practices and frameworks, this ESG Report 2023 demonstrates how our ESG initiatives are contributing to a more sustainable future. As a shipbuilding firm with a presence across multiple regions, we are resolute in our commitment to actively collaborate and involve stakeholders to drive the sustainability agenda in the communities we support.

PADDY GREGG
Austal Chief Executive Officer

FY23 Sustainability Highlights



Developed a new artificial intelligence toolset **DeepMorpher** to optimise ship hull forms and enhance energy efficiency.



Delivered a high-speed catamaran **Apetahi Express** with significant reduction in hull resistance which results in lower fuel consumption.



Entered into an agreement with Rederi AB Gotland of Sweden to design a catamaran that utilises fossil-free fuels such as hydrogen.

Greenhouse gases (GHG) emissions reduction goals¹

By 2030
50% reduction of embodied emissions (Scope 1, 2 and 3-upstream)

By 2050
A Net Zero commitment consistent with **Science Based Targets**

Safety targets

Maintain total Recordable Injuries Rate of **13²**

Zero major non-conformances identified by external audit bodies related to HSE obligations

¹ Our ability to achieve these goals is subject to the availability of low carbon solutions in the market and the pace of technological advancement.

² Based upon 1,000,000 hours worked.

About Austal

Austal¹ is a global shipbuilder, defence prime contractor and maritime technology partner of choice.

Now in its 35th year, Austal has designed, constructed, and supported defence and commercial vessels for the world's leading operators.

Austal's global headquarters is in Henderson, Western Australia, where we began operations in 1988. The Company is listed on the Australian Stock Exchange and trades under the ASX code "ASB".



Since 1988, Austal has contracted more than 350 vessels for 122 operators in 59 countries and employs more than 4,300 staff worldwide.

Austal products and services

Austal has grown to become one of the world's leading integrated designer-builders of naval and commercial vessels, in both steel and aluminium. Austal has successfully designed, constructed and delivered monohull, catamaran, and trimaran commercial vessel platforms, including the world's largest trimaran ferry and multiple defence programs, such as the Littoral Combat Ship and Expeditionary

Fast Transport for the United States Navy. Austal is one of the only foreign-owned prime contractors designing, constructing and sustaining ships for the US Navy. The recent awards of the Towage, Salvage and Rescue Ship (T-ATS) program for US Navy and the Offshore Patrol Cutter (OPC) program for the US Coast Guard confirm our continued presence as a leading shipbuilder in that region.



Austal Shipyards, Service Centres and Offices



AUSTAL USA
MOBILE, USA



AUSTAL AUSTRALIA
HENDERSON,
AUSTRALIA



AUSTAL PHILIPPINES
BALAMBAN,
PHILIPPINES



AUSTAL VIETNAM
VUNG TAU, VIETNAM

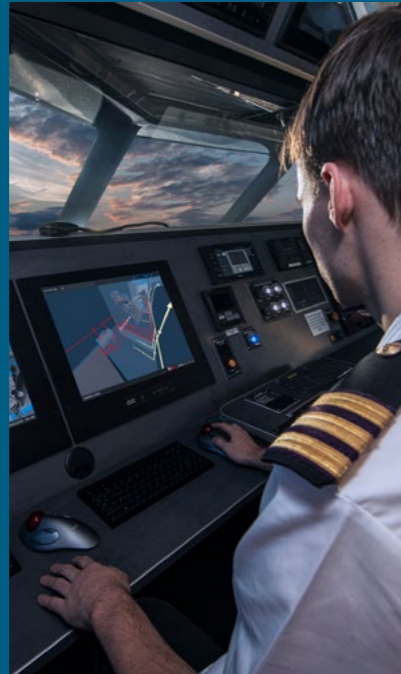
¹ In this report, the terms "Austal", the "Company", "we", "us", "our" and "ourselves" refer to Austal and its entities as a whole.

Strategic Priorities



SHIPBUILDING

Development of defence and commercial vessel platforms. Product range includes vehicle-passenger ferries, patrol boats, high speed support vessels, surface combatants and revolutionary, multi-role vessels.



SYSTEMS

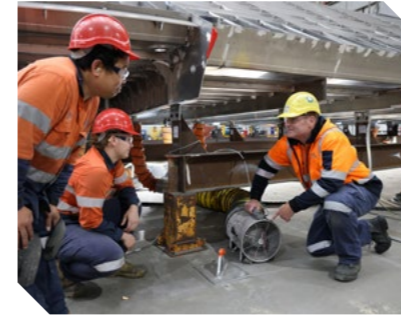
Development and integration of vessel control and information management systems, such as MARINELINK, MARINELINK-Smart, Austal Motion Control and Lifecycle Upkeep Sustainment Intelligence ("LUSI").



SUPPORT

Maritime support services, including crew training and instruction, vessels support and servicing, logistics support and information management systems support.

Our three **strategic priorities** are supported by our **strategic enablers**:



SAFETY

Keeping our people **Safe** at all times and making safety a way of life in our workplace



SECURITY

Modernising our systems and ensuring our data is **Secure**.



PEOPLE

Developing the capabilities of our **People** and ensuring we live the Austal values.



RELATIONSHIPS

Fostering collaborative **Relationships** with our customers and suppliers.



TECHNOLOGY

Leveraging our **Technology**, Intellectual Property and new digital products for differentiation.



PERFORMANCE

Delivering on our commitments and exceeding customer expectations through **Performance** excellence.

The Austal Values

Austal, its Board of Directors (“Board”) and senior management are committed to the best practices of corporate governance, ethical standards, corporate social responsibility and risk management.

In formulating these values, the Board has considered the behaviours essential to build long term sustainable value for our shareholders.

The Board has approved Austal’s Value Statement and has empowered the senior executive team to instil those values across the business. This includes ensuring that all employees receive appropriate training on the values and for senior executives to continually reference and reinforce those values in their interactions with staff.

Customer Focus

Our customer is the focus of everything we do.

Integrity

Every interaction with our customers, our people, and our suppliers is with respect, honesty and transparency.

Excellence

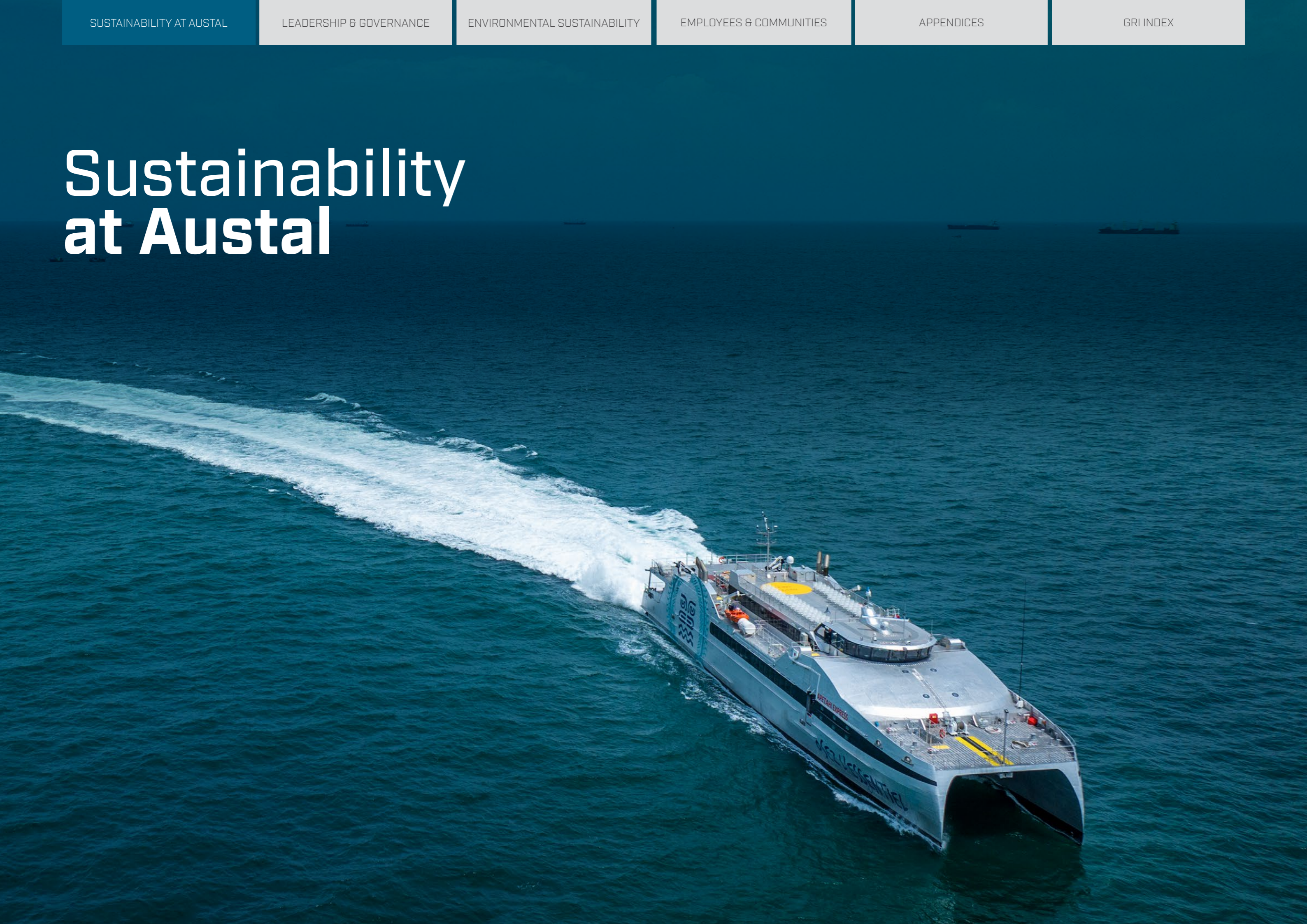
Every day we aim to be the best at what we do. We look for ways to improve customer relationships, designs, productivity, and safety and quality.

Teamwork

We achieve more as a team than as individuals. We value each other’s contribution. We all have a role to play in Austal’s ongoing success.



Sustainability at Austal



Climate Change and the Maritime Industry

Shipbuilding produces vessels with a typical expected life span of 20 to 30 years. Understanding the influences and opportunities to reduce GHG emissions over this long time period is critical to successfully achieving a sustainable business model.

Climate change and energy security is the most significant megatrend related to Austal's business. This presents emerging risks and opportunities to our industry. The coming decades will see significant investments in transitioning the world's energy, transport and manufacturing infrastructure to sustainable zero carbon operations by 2050. These ambitions are signposts to the shipbuilding industry that emerging regulations and environmental pressure from stakeholders will materialise in the near future.

Five key influences are being monitored, with Austal "leaning in" where practical to positively influence change:

1. Legislation: local, regional and global legislation driving energy transition in shipping and maritime mass transport.
2. Financial: financial institutions favouring low GHG products and services.
3. Supporting infrastructure: significant investment in infrastructure to facilitate the energy transition.
4. Societal expectations: stakeholders and the general public are becoming more aware of environmental footprints of products and services.
5. Supporting technology: the pace of change in technological advancement provides more opportunities to low carbon products.

Legislation

In 2023, The International Maritime Organisation ("IMO") revised its GHG strategy that includes reaching net-zero GHG emissions from international shipping close to 2050 and committing to drive uptake of alternative zero and near-zero GHG fuels by 2030. This level of ambition reflects the urgency of reduction GHG emissions from international shipping.

Financial

Liquidity within financial markets has reduced, and we are seeing a conscious shift for vessel owners and operators who are seeking funding to align future facing returns to a reduction in GHG emissions.

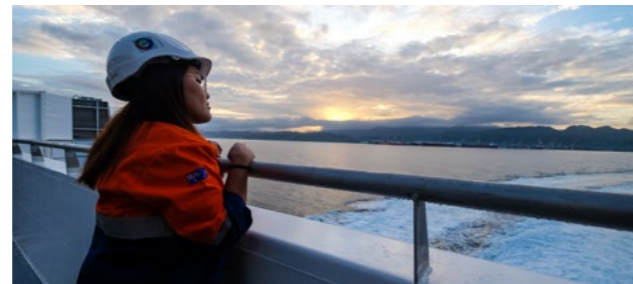
Supporting Infrastructure

As new and different technologies are developed and applied to the maritime sector, there is an increased need for the modification and construction of infrastructure to support those developments. Significant investment is being made to a number of ports to enable the recharging of onboard electricity storage to support maritime transport. We are also seeing growing appetite in infrastructure planning

to cater for the handling of alternative liquid and gaseous fuels. Ensuring the safe storage and handling of these new fuels is at the forefront of this infrastructure transition, with different technologies requiring different safety considerations, and different locations evolving to adopt higher safety standards.

Societal expectations

Societal expectations play a pivotal role by driving individual behaviours, policy changes, and corporate actions to address climate change and promote environmental sustainability. Society is vocal about its support for low carbon emissions and products with reduced environmental footprint.



Supporting Technology

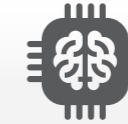
Technological advancement is an enabler, helping to address risks and capture opportunities in a dynamic macro-environment. Driven by technological breakthroughs, we are seeing the potential for autonomy and automation on vessels to achieve

safer, more efficient operations at sea as well as safer and more efficient manufacturing processes in our shipyard. This megatrend reveals how research and technology capabilities are playing key roles in decarbonisation and localisation.



REGIONAL

Increasing importance of the Indo-Pacific region as a nexus of naval operations and demand for commercial maritime transport.



TECHNOLOGY

Arrival of autonomous vessels and increasing automation of manufacturing process to build vessels.



ENVIRONMENTAL

International regulatory, economic and societal pressure to decarbonise all maritime transport by 2050.



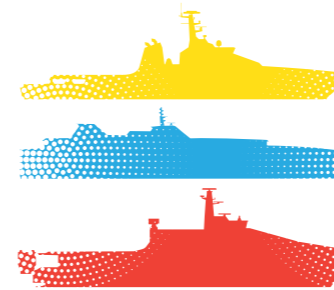
LOCALISATION

Worldwide trend towards building and sustaining vessels locally to foster employment and supply chain resilience.

Austal's Growth Strategy

To address risks and capture potential opportunities driven by the changing global environment, Austal has formulated its Growth Strategy 2050 which includes three strategic priorities: "Expand Shipbuilding", "Enhance Systems" and "Extend Support".

GROWTH STRATEGY 2050



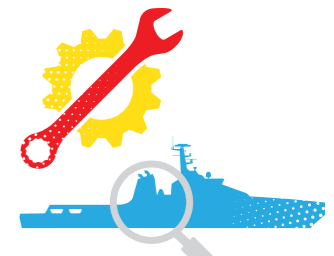
EXPAND SHIPBUILDING

EXPAND our shipbuilding capabilities to be a world leading designer and builder, in both steel and aluminium, of large, complex naval and commercial vessels, including autonomous naval ships and zero emission fast ferries.



ENHANCE SYSTEMS

ENHANCE our systems and digital products to become Australia's sovereign supplier of naval vessel systems, the global leader in fleet life cycle management solutions for complex assets and a regional champion of Industry 4.0 in shipbuilding.



EXTEND SUPPORT

EXTEND our support and sustainment services to become the leading Indo-Pacific regional supplier to the US Navy, the Australian Commonwealth across all Defence domains and regional navies wherever Austal has a shipyard presence.

This report addresses Austal's response to shaping the future of our business through main chapters: Environmental Sustainability, Employees & Communities and Governance & Business Ethics.

Leading in Autonomous Capability

In the rapidly evolving technological landscape, achieving leadership in autonomous capability has become a pivotal goal for Austal.

Autonomous vessel capability has been identified as an area of strategic importance by the US Navy. Austal USA has partnered with L3Harris Technologies in the United States to deliver autonomous capabilities. Austal USA has delivered the largest surface ship with autonomous capability, Expeditionary Fast Transport USNS Apalachicola, to the US Navy fleet.



Expeditionary Fast Transport USNS Apalachicola (EPF-13)

This vessel can operate for up to 30 days without human intervention, which opens up so many opportunities for unmanned missions in various operations, as an autonomous prototype. Austal USA is working to advance its autonomous capability with the ongoing development of the US Navy's Overlord Unmanned Surface Vehicle ("OUSV") program, which includes the 60-metre modified crewboat design Vanguard OUSV and Mariner OUSVs. Austal is constructing the L3Harris-awarded Vanguard in its Mobile, Alabama facility. Additionally, Austal USA will upgrade L3's Mariner with its Machinery Control System which allows the ship to be minimally manned by centralising machinery operations to the bridge.

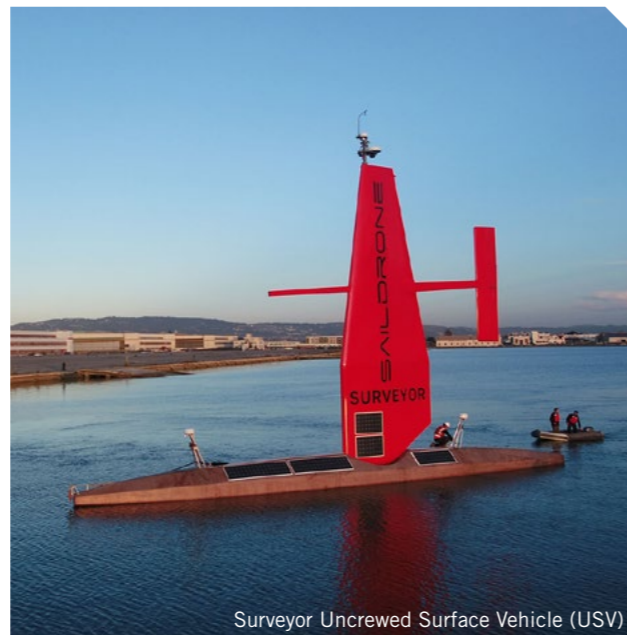
Austal USA is also one of six of US Defense contractors who have been engaged to undertake the concept design for the US Navy's Large Unmanned Surface Vessels, involving a prototype of an unmanned ship that is capable of semi-autonomous operation.



Austal USA's Large Unmanned Surface Vessel (LUSV)

The LUSV design contract is expected to lead to a competitive tendering of a construction contract as the program develops. Austal's EPF-13, the largest US Navy ship to have been successfully operated autonomously, provides the concept of a large autonomous platform capable of executing autonomy missions such as logistics, tendering and adjunct magazine mission profiles and will form the basis of Austal's design proposal.

In January 2023, Austal USA and Saildrone, Inc. entered an exclusive Teaming Agreement to produce 'Surveyor' uncrewed surface vehicles ("USV"). The 65-foot autonomous USVs are designed for deep ocean mapping and intelligence, surveillance, and reconnaissance applications, above and below the surface. This partnership has recently been extended to allow us to bring Saildrone Surveyor manufacturing at Austal Australia, constructing in parallel with Austal USA.



Surveyor Uncrewed Surface Vehicle (USV)

The development of autonomous vessels demonstrates Austal's capability to integrate autonomous technology into proven designs and create effective unmanned surface vessels.

Autonomous systems in Australia – the PBAT Sentinel Project

In Australia, Austal is modifying a decommissioned Armidale-class Patrol Boat ("ACPB") to test and evaluate autonomous and remotely operated systems for the Royal Australian Navy. The transformed ACPB has been re-named Patrol Boat Autonomous ("PBAT") 'Sentinel'.

PBAT couples Austal's experience as the designer and manufacturer of the ACPB, with subcontractor L3Harris' experience in navigation technology. Co-funded between Austal and Trusted Autonomous Systems, the project is sponsored by Warfare Innovation Navy within the Commonwealth of Australia.

The PBAT Sentinel Project aims to:

- » Significantly progress the concept of remote operations and the autonomous certification approach.
- » Increase the understanding of vessel machinery systems, communication, and navigation systems to be made autonomous.
- » Investigate and understand the sustained

operation of shipboard mechanical systems without crew intervention, including systems of redundancy and reliability to support operations at sea for extended periods.

» Provide input to long-term risk reduction for future naval projects, considering remote or autonomous vessels. This will be extended to other sensors and autonomous vehicles once the initial trial is complete.

» Transfer lessons learned on the application of remote or autonomous systems to the Royal Australian Navy's current fleet to potentially optimise crew workload. Remote and autonomous operation has the potential to reduce crew workload and increase operational safety by reducing human error.

Sea trials have commenced to test and demonstrate the technology. Successful outcomes of the sea trials may lead to further phases of research and development with the Commonwealth.

"PBAT has been an exciting opportunity and challenge, allowing me to develop myself as both an engineer and a leader at Austal. The project's uniqueness lies in the intersection of multiple areas, such as engaging technical and soft skills, devising compliance strategies for existing and future regulations, and contributing to the development of autonomous systems and other forward-looking concepts."

Jacob Bailey, Project Engineer



PBAT Sentinel

Austal VOLTA Series - Proven Platforms with pathways to Zero Emissions

Austal believes that the future of a net zero fast ferry, built from green aluminium and powered by zero emission energy, is closer to becoming a reality than most realise.

Since our launch of the VOLTA series of electric-powered high speed ferry solutions in 2021, Austal have introduced three high speed ferry designs: Passenger Express 46V, 43V and 32 V. Austal's VOLTA series is a complete, customisable electric-powered transport solution that has been designed from the hull up to offer a smarter, affordable alternative for ferry operators. We have worked to integrate state-of-the-art electric drive and lithium-ion battery technology with lightweight, low-resistance, optimised hull forms to enable zero emission high-speed ferries.

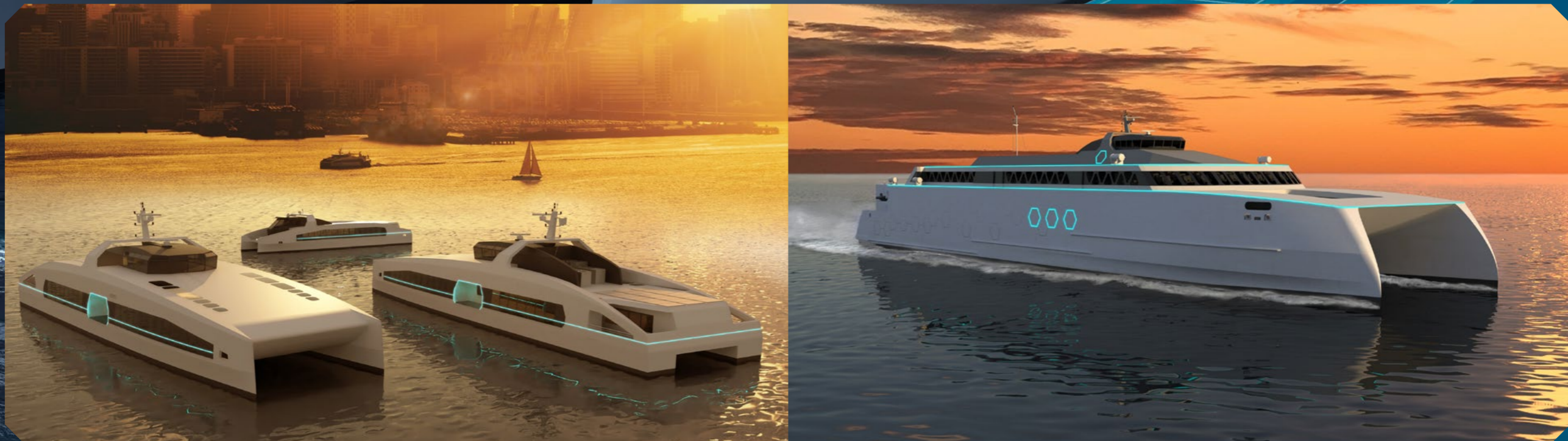
Austal's VOLTA series offers a sustainable solution:

- » **Our planet** – Zero emissions, reduced noise and low wave wash.
- » **Our community** – Cleaner, more reliable, safer and quieter.
- » **Our clients** – Reduced energy consumption, maintenance costs and total cost of ownership.

Austal plans to expand the VOLTA series, developing additional models for both commercial and defence applications, including autonomous vessels. We will also continue research and development into emerging propulsion technology, to deliver zero emission marine solutions globally.

For more information on VOLTA, please refer to our dedicated website volta.austal.com

VOLTA

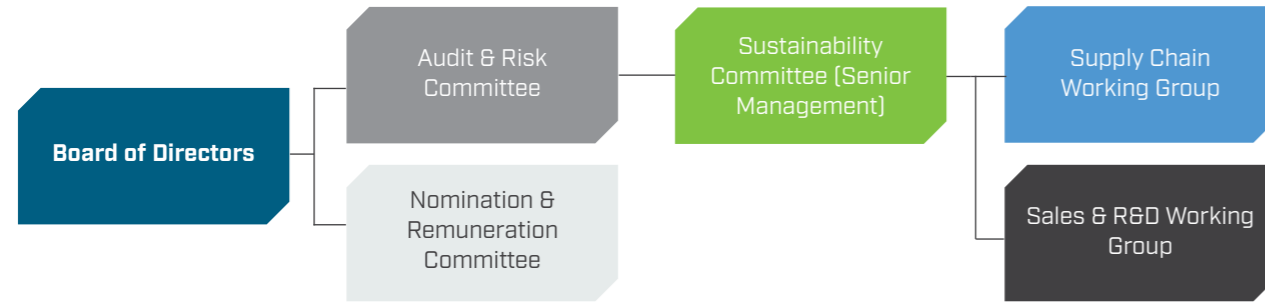


Sustainability Governance

The Austal Board holds overall accountability for Austal’s ESG strategies and performance. To ensure effective management of ESG issues, Austal established a dedicated Sustainability Committee.

Comprised of senior members each of our core businesses and geographical locations, the Sustainability Committee meets regularly to discuss ESG strategies, policies, material topics and practices. The Sustainability Committee reports key

findings and recommendations to the Board-level Audit & Risk Committee. During FY23, working groups involving Supply Chain, Sales and Research & Development were established to investigate and action various the initiatives that were proposed by Sustainability Committee in FY22 to achieve reductions in GHG emissions. The Sustainability Committee reports to the Audit & Risk Committee on a regular basis.



Stakeholder engagement

We aim to develop a process for broad stakeholder engagement on material topics identified in the next reporting cycle for FY24. For this reporting cycle, we

considered the views of our key stakeholders, based on existing engagements and conversations related to sustainability.



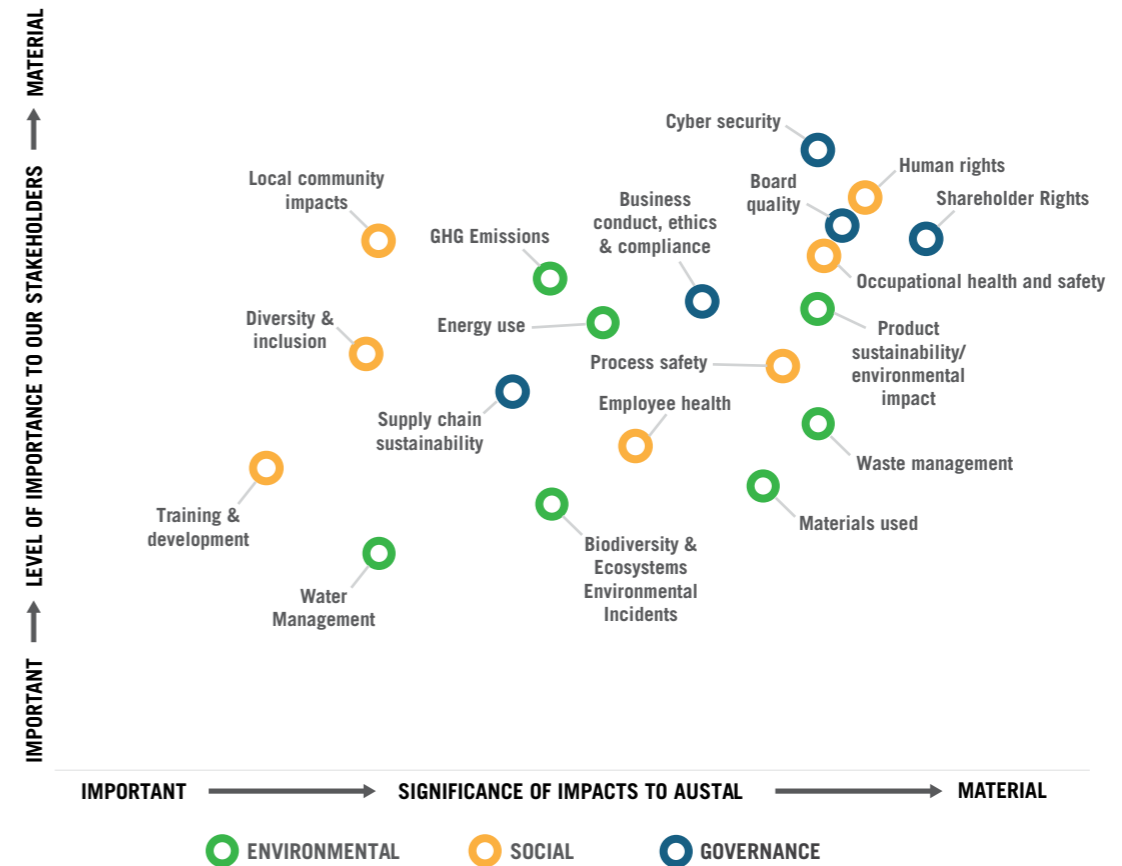
Materiality Assessment

To inform Austal’s sustainability strategy, we identified issues most material to the long-term success of our business.

In FY21, we engaged external consultants to conduct a materiality assessment workshop with our key business unit leaders. We considered a number of material issues that reflect the impact of our business on the world around us. Through discussions and

careful consideration, we arrived at a materiality assessment matrix which includes 19 material topics. All topics have been prioritised by ranking their importance.

The materiality matrix below was completed in accordance with the Global Reporting Initiative (“GRI”) Standards and was approved by Austal’s leadership team.



In FY24 we will undertake a new materiality assessment to align with GRI Standards 2021. This will include identification, assessment and prioritisation on ESG-related impacts to determine a list of material topics.

Environmental Sustainability



Environmental Sustainability

Our Approach to Environmental Sustainability

Implementing environmental stewardship is increasingly important to align with regulatory requirements, safeguard reputation and address stakeholder expectations. Austal is committed to managing the environmental impact of our operations and products and contributing to the global transition to a low-carbon economy.

Each of Austal's operational sites has a dedicated Health, Safety and Environmental team who evaluates operational practices against environmental indicators and seeks improvement opportunities. The teams are tasked with ensuring that our business is conducted in a manner designed to promote a culture where environmental issues are a primary consideration within the business. The Research and Development team at Austal is responsible for developing beneficial climate-related strategies and other environmental stewardship opportunities around both the vessel production process and the product itself. The Supply Chain team at Austal is responsible for identifying and sourcing materials that contribute to our low emissions reduction ambitions.



Austal Australia maintains an environmental management system that conforms to recognised standards such as ISO 14001, integrated within the Austal Business Management System. Our goal in FY24 is to include ISO 14001 for all of Austal Australasia's operations. For more information about ISO Certification in various locations, please refer to our Appendices and Austal's website.

Austal Australasia's Environmental Policy outlines its commitments to best practices in environmental management. The principles that underpin our environmental commitments include:

- » Environmental sustainability presents opportunities for Austal our customers and stakeholders.
- » Environmental management should be integrated into our everyday operations.

- » Natural resources should be conserved where possible, by reusing and recycling materials.
- » Positive actions taken through caring for the environment means proactively preventing harm.

We look at environmental management through two lenses:

OPERATIONS	PRODUCTS
 <p>» We are looking to find efficiencies within our operations and manage risks associated with energy use, waste, pollution and water management.</p>	 <p>» We are committed to improving the sustainability of our products, from the assessment of materials we use for production, to fuel efficiency and reduction in greenhouse gas emissions.</p> <p>» We are looking at reviewing the environmental impact of our products throughout their lifecycle to assess footprints and find efficiencies.</p>

Climate Change

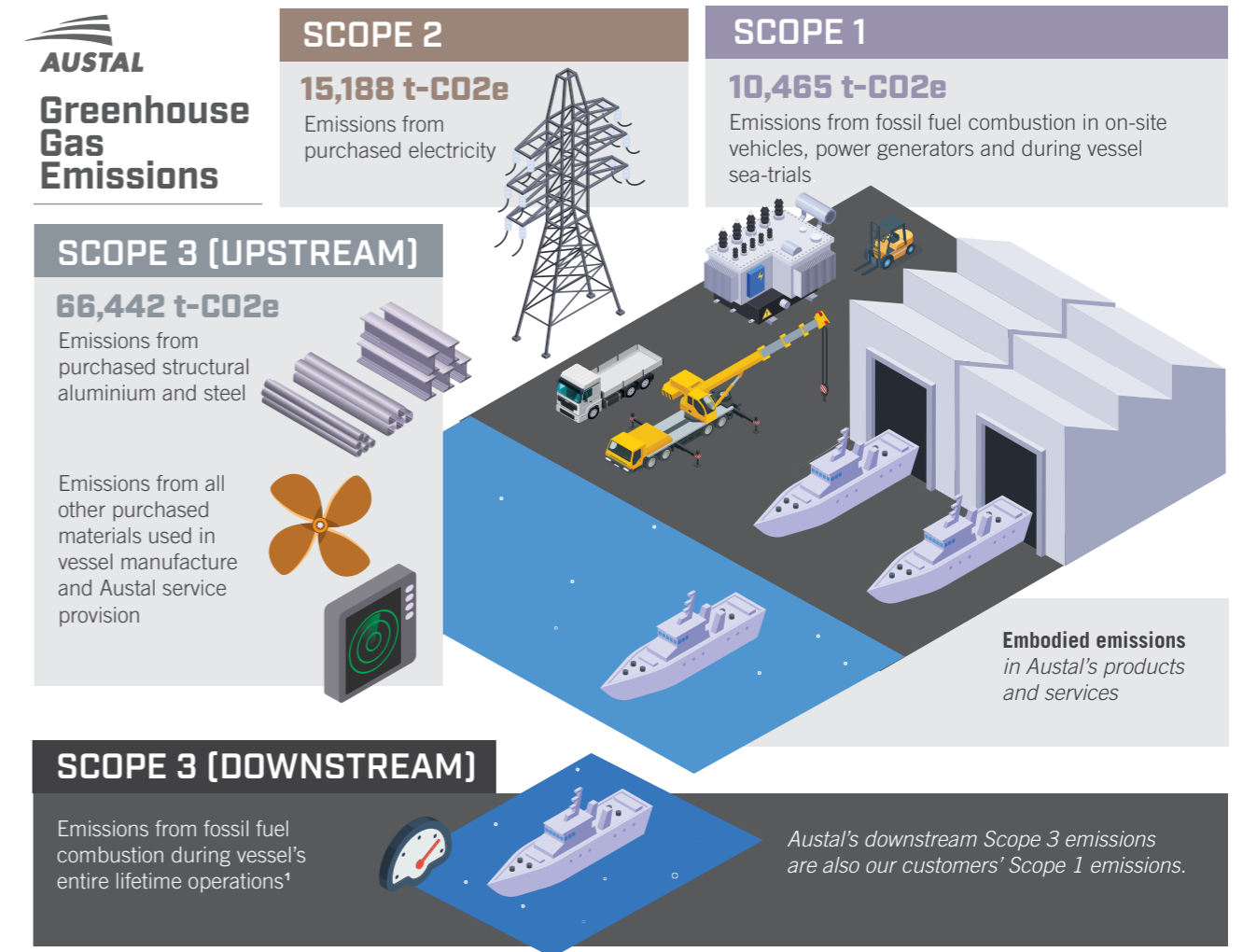
Climate change can have significant impact on businesses and communities. To address potential climate risks, adaptation and mitigation measures are required while reducing GHG emissions. Austal acknowledges that taking effective action against climate change is vital for achieving a net-zero

emissions future, and this entails its commitment to timely decarbonisation efforts. In FY23, Austal completed an assessment to identify climate-related risks and opportunities. We are building climate resilience through management of climate-related risks and opportunities.

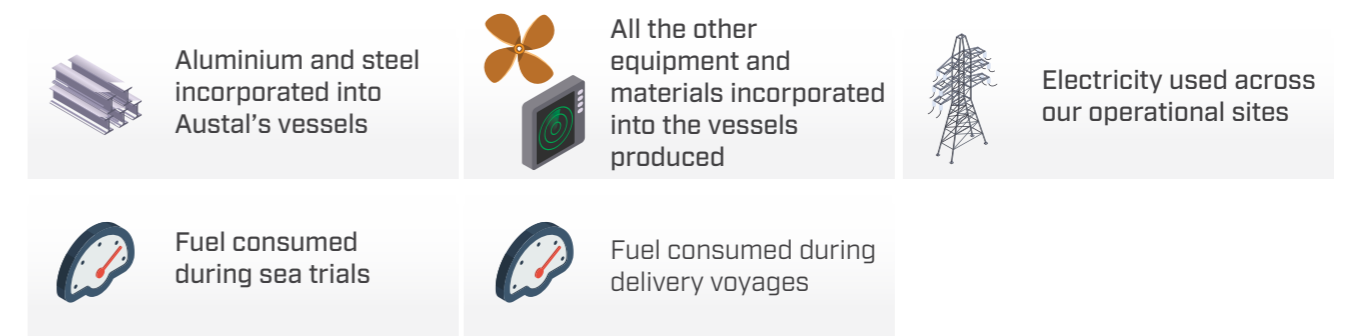
Greenhouse Gas Emissions

Establishing and maintaining Austal's GHG emission profile helps to understand the key areas for emissions reduction. We conduct annual assessments on scope 1, 2 and 3 GHG emissions. Our reporting scope of GHG emissions covers our global operations,

encompassing Australia, Philippines, Vietnam and the United States. The detailed approach we have taken in calculating GHG emissions for this financial year is included in the Appendices.



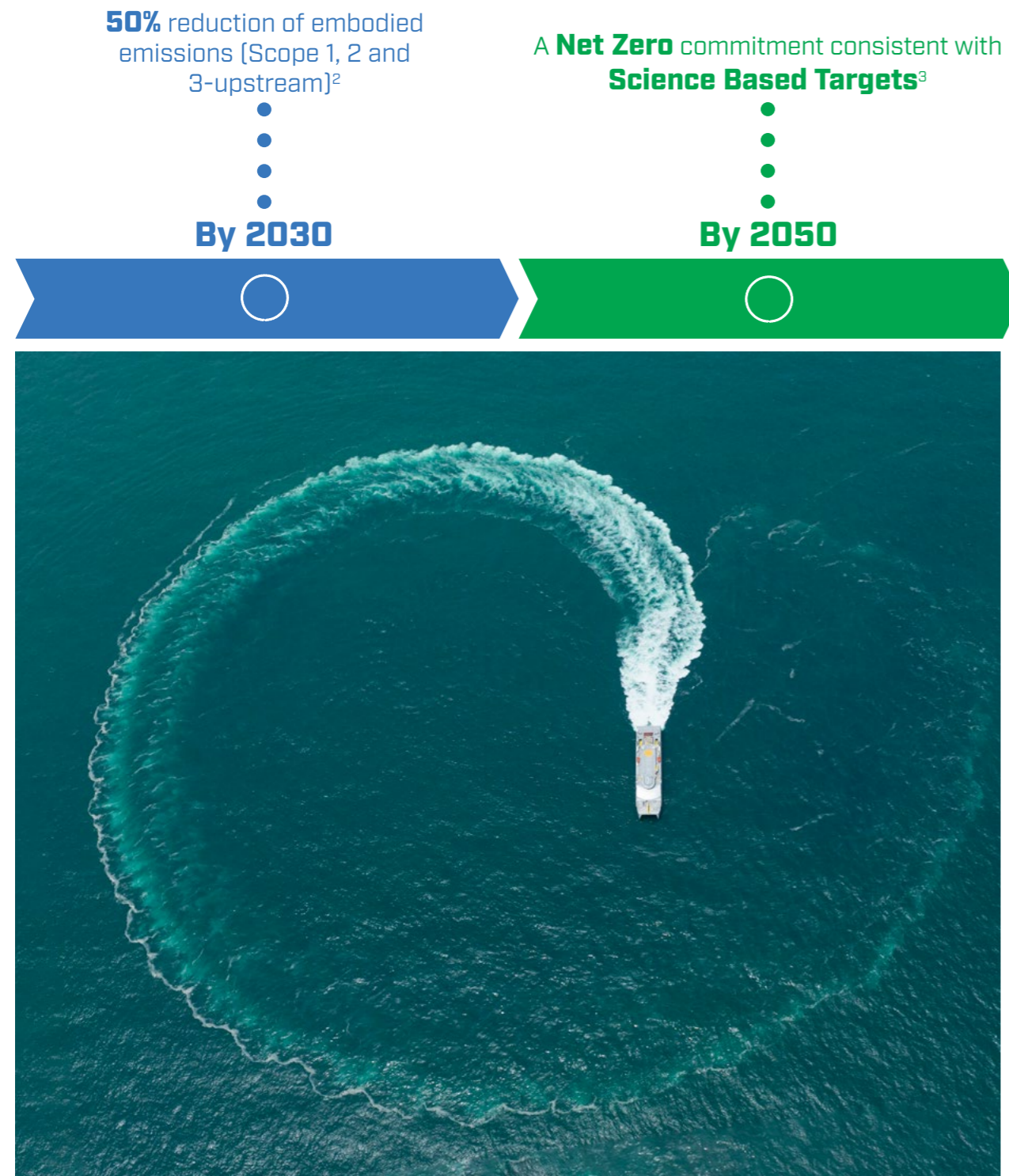
The majority of Austal's GHG footprint in the manufacture and delivery of its products and services are emissions associated with:



¹ Please refer to Appendix – GHG Emissions – Methodology and Assumptions.

Greenhouse Gas Emissions Ambition

Last year, Austal established GHG emissions reduction goals¹ to enhance climate resilience and support the transition to a low-carbon economy. In FY22 we established GHG emissions reduction targets:



¹ Our ability to achieve these goals is subject to the availability of low carbon solutions in the market and the pace of technological advancement.

² The target includes embodied carbon emissions of the vessels Austal builds from a FY21 baseline.

³ Science Based Targets is driven by the Science Based Targets initiative, an international coalition of non-profit organisations and businesses promoting best practices for emissions reduction in line with the Paris Agreement, which aims to limit global warming to 1.5°C.

Climate risks and opportunities

This year, Austal completed a climate risk assessment to understand the impact of climate-related risks and opportunities. Members of the Sustainability Committee were invited to a climate risk workshop with the assistance of external third party experts, to help to identify and assess climate-related physical and transition risks and opportunities. Risk consequences in categories including policy and legal, technology, market, reputation and physical were considered. Climate opportunities in categories

including resource efficiency, energy source, products and services, markets and resilience were also assessed. Time horizons were also considered for these climate risks and opportunities. Based on Austal's Enterprise Risk Management Framework, the identified climate risks were assessed and prioritised to formulate overall risk ratings for each climate risks. Key climate risks and opportunities that could potentially affect our business are listed in the table below.

Climate Risks	Short term	Medium term	Long term
Transition risks			
Changing product requirements	X	X	X
Costs to transition to lower emissions technology		X	X
New carbon tax border payments on products	X	X	
Uncertainty in market signals, inability to meet changing customer requirements	X	X	
Uncertainty in technology pathways, energy and materials	X	X	X
Physical risks			
Typhoons/Super storms (particularly in the Philippines and Mobile)	X	X	X
Opportunities			
Carbon tax incentivising spend on new technologies and vessels for customers		X	X
Development of new products and services through Research & Development and innovation. Growth and entry into new markets as a differentiator.		X	X

Reducing Austal's GHG emissions

Austal is actively exploring and implementing a range of initiatives to reduce its own carbon footprint and the lifecycle GHG emissions intensity of its products.

Austal's approach to reducing GHG emissions includes the investigation, implementation or potential application of the following initiatives:

Scope 1 and 2

- » Adopting greater use of simulation to improve overall efficiency of vessels and reduce duration of sea trials.
- » Implementing energy efficiency programs to reduce electricity use in shipyards.
- » Installing solar power in shipyards to generate renewable electricity on-site.
- » Purchasing renewable electricity for remaining power demand.

Scope 3 upstream

- » Purchasing "green aluminium" produced from renewable electricity from suppliers incorporating higher quantities of recycled aluminium.
- » Increasing share of steel vessel build and/or source low carbon aluminium.
- » Selectively sourcing major equipment and materials from suppliers with lower carbon emissions

Scope 3 downstream

- » Designing a range of low and zero carbon emissions vessels, including expanding the size, speed and range of battery electric vessels and utilising "green hydrogen" or other renewably sourced fuels, such as ammonia, methanol and hybrid combinations.

- » Improving the efficiency of Austal's diesel powered vessels through ongoing engineering and research and development efforts to reduce the weight and improve the resistance through water.
- » Developing the MARINELINK-Smart data analytics and machine learning system to provide real time, vessel-specific optimization advice to crews to reduce fuel consumption as well as improve passenger comfort

Austal is also considering upgrade options that could be offered to existing vessel customers, once we have designed and proven the integration of effective battery, hybrid, or alternative fuel powertrains.

Upgrading the powertrain of existing vessels would serve to reduce the through life Scope 3 emissions of vessels already delivered, including potentially vessels delivered in the reporting period where the key assumption in the numbers reported has been that they will continue to burn diesel through a 25-year life without any change in energy source or operational optimisation to improve efficiency.

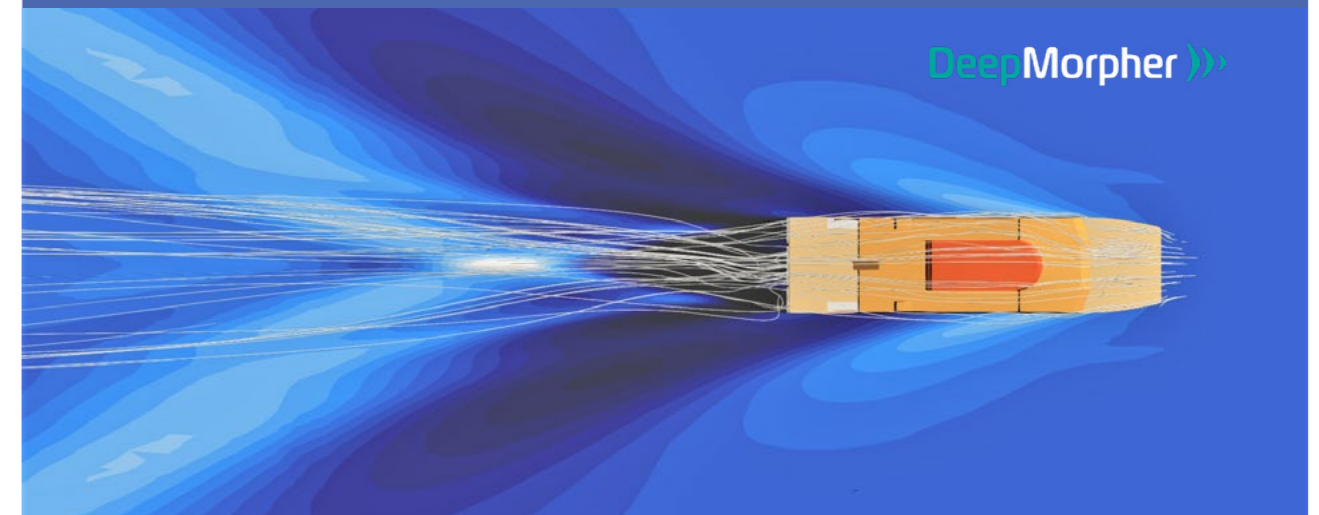
To maximize our impact and deliver these initiatives, we will have to work closely with suppliers and customers to design and build more efficient vessels and entirely new integrated solutions. These solutions span the vessel design and equipment as well as the shore-based infrastructure for re-charging batteries and/or re-fuelling with alternative fuels. The design and engineering challenges, as well as financing challenges, are considerably more complex than traditional diesel-powered boats. Austal believes it is uniquely positioned to help customers meet this challenge and thereby address their own Scope 1 emissions reduction.



Optimising vessel energy efficiency through artificial intelligence

As technology, policy landscape and climate awareness continue to evolve, the demand for energy-efficient vessels is forecasted to grow. This year, Austal developed a new artificial intelligence ("AI") toolset, DeepMorpher, to explore broader design spaces whilst significantly reducing resource requirements for complex hull optimisation routines. DeepMorpher allows Austal's designers to efficiently investigate and optimise conceptually different hull forms beyond those in their traditional product range. By further

optimising ship hull forms and maximising hull form efficiency, Austal can deliver vessels with higher energy efficiency, reducing the Scope 1 emissions of our customers. While DeepMorpher has been developed primarily for optimising ship hull forms, it can also be used for arbitrary shape optimisation including many other maritime, aerospace or engineering applications. AI and machine learning have broadened and accelerated our optimisation process, delivering more options for energy efficient design for our customers.



Incorporating emissions reduction elements in vessel design

In response to climate change, vessel design is evolving to incorporate innovative emissions reduction elements. Austal Vietnam delivered a new high-speed catamaran "Apetahi Express" to the Degage Group of French Polynesia in June 2023. During the design of Apetahi Express, the Degage Group placed an emphasis on reducing carbon emissions and improving fuel efficiency. We undertook a study to select and prioritise

the implementation of design initiatives that would result in improved fuel efficiency and reduced emissions. By optimising the aluminium hull design, Austal has achieved a significant reduction in resistance that not only lowers fuel consumption but also improves seakeeping and delivers a more comfortable ride for passengers. This is a proven case for Austal to provide lower carbon solutions in vessel design and building.





Designing hydrogen powered vessels

Exploring alternatives to conventional fossil fuel-powered vessels is essential during the energy transition. An example of Austal's continued commitment to progressing this transition is the agreement between Austal Australia and Rederi AB Gotland of Sweden. We have entered into an agreement for Austal to design the Gotland Horizon X, a 130-metre catamaran that will be able to operate on hydrogen and other fossil-free fuels and will be used in the traffic between the Swedish mainland and the island of Gotland. The vessel will have capacity for 1650 passengers and 450 vehicles and run at speeds of up to 35 knots.

"The technology and design provide a level of future proofing as the gas turbine provides fuel flexibility and using a steam turbine in combined cycle maximizes efficiency. This concept is a novel approach to the challenge of lowering the emissions of high-speed vessels in the northern European market."

Luke Pretlove, Technical Manager and Naval Architect

This is another demonstration of Austal's commitment to designing, building and sustaining future-ready fast ferries.

Materials Used in Our Products

An Austal vessel is a complex manufactured product that integrates structural materials, such as aluminium and steel, and thousands of fabricated and purchased components and equipment, such as electrical wiring, fuel systems and engines, HVAC plants, seating, windows, and kitchen and toilet facilities.

In selecting materials for incorporation into our products, we consider material longevity, durability, and reparability to ensure the vessels we construct are of high quality as well as efficient and long-lasting. Our aim is to manufacture vessels that are highly economical and sustainable over their lifecycle. For instance, in Austal USA over 50% of steel billet made is from post-consumer or industrial recycled scrap.

Aluminium

Austal is the largest global manufacturer of aluminium vessels. Aluminium is light, strong and durable. For higher speed vessels it offers better fuel economy compared with a steel hull vessel, with fuel consumption many times lower for a vessel of similar

size attempting to travel at the same speed.

Aluminium suffers from little to no corrosion. Marine grade aluminium ensures that protective coatings are not required on all hull surfaces, limiting materials used for the construction of our ships. Correctly designed aluminium structures will operate effectively for up to 30 years without any structural issues or the need for a single coat of paint. Furthermore, aluminium is highly economical to recycle.

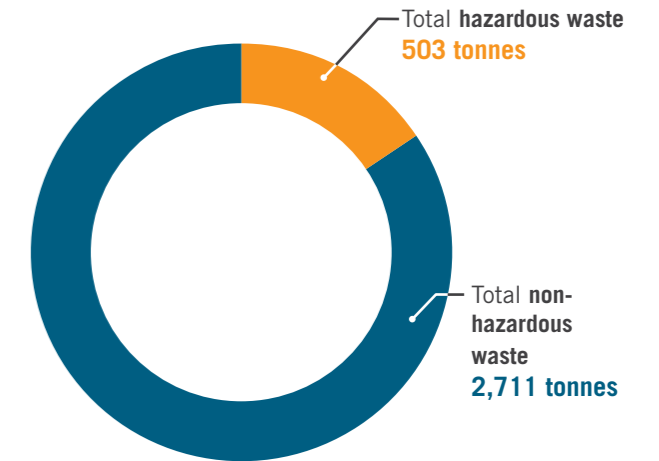
We recognise however, that producing aluminium is energy intensive when compared with steel. Such environmental impact is accounted for in our upstream Scope 3 GHG emissions while the benefit of lower weight aluminium in reducing diesel consumption is reflected in our downstream Scope 3.

Austal will seek to reduce the footprint of the aluminium used in its vessels, particularly through sourcing "green aluminium", noting that sourcing flexibility is restricted due to Austal's requirement for specific grades of marine quality aluminium.

Waste Management

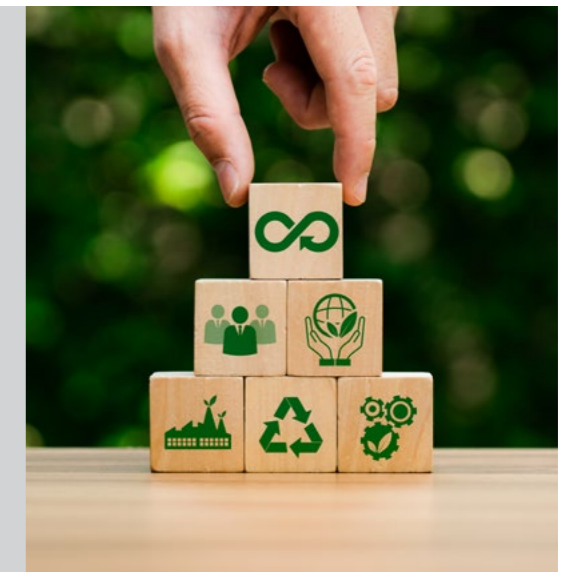
Any waste generated during construction, maintenance and service of vessels as well as office operations, is managed according to the environmental laws and regulations established in the countries we operate in. We apply our Health Safety Environment and Quality ("HSEQ") risk management principles to manage significant impacts from waste we generate. Waste Management plans, guidelines and procedures are developed specific to each of our locations to management waste such as aluminium and steel scraps.

Wherever possible, waste handled beyond our facilities is handled according to the waste management hierarchy: avoid, reduce, reuse, recycle, recover energy and dispose.



Minimising Waste in Our Operations

Austal is focused on reducing its waste generation and promoting its recycling and recovery practices. At Austal Philippines' material recovery facility, Austal Philippines continued to implement waste diversion by separating reusable or recyclable waste from disposable waste. Austal Vietnam participated in a battery recycling and community contribution program. Austal USA implemented hazardous waste recycling practices such as transforming aerosol cans from hazardous waste to recyclable waste. In the future, Austal Australia is exploring future opportunities with our suppliers to divert waste from landfill through waste to energy technologies.



Water Management

Austal's primary source of water is third-party produced water. There is no significant water use required for the processes related to our shipbuilding methodology. Surface water management procedures are in place to prevent pollution. Austal USA has developed and implemented a Spill Prevention Control and Countermeasures Plan, and Storm Water Pollution Prevention Plan to prevent contamination of water runoff. All water used by Austal is diverted to local treatment plants. We adhere to national and local standards for wastewater management. Water consumption is monitored and recorded in each of our facilities to establish normal ranges of

water consumption. This has proven to be effective in our shipyard in the Philippines, where such a system allowed for easy detection of abnormalities so that issues can be easily rectified to prevent wastage. Furthermore, rainwater is collected at Austal Philippines' facility with an annual saving of approximately 290 m³.

All future activities that require use of third-party water for shipbuilding would have to be permitted by local environmental agencies, with appropriate processes implemented by Austal throughout the manufacturing process.

Employees & Communities



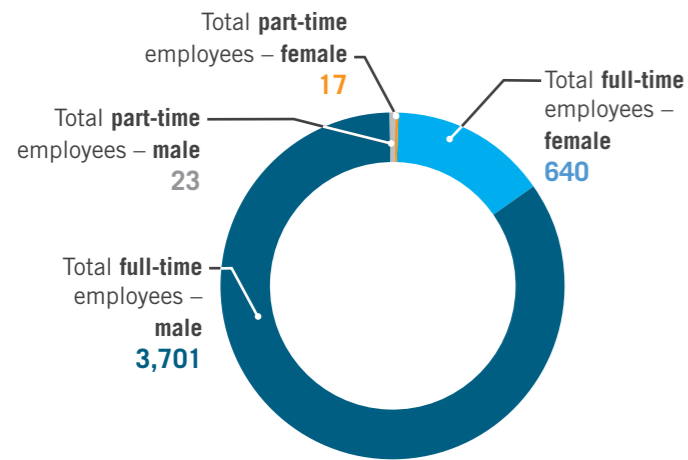
Employees

As a company that operates across different countries, Austal is dedicated to ensuring that all Austal employees are treated equitably and with dignity, work in a safe and inclusive environment with opportunities for growth.

Global workforce



Employees by type of contract and gender



Employment Benefits

Austal offers all employees the assurance of health care, injury and invalidity coverage, as well as paid flexibility for parental leave, medical and personal leave and vacations. In our countries of operation, each entity provides employment benefits in line with local employment regulations for common employment benefit categories. Further to that, we also provide additional benefit programs to respond to the needs of our employees in the unique environment they operate in. Examples include:

- » In Australia, employees are invited to obtain Austal shares from the Austal Group Employee Share Plan. We also offer our employees a range of benefits such as access to the employee assistance program and the option to cash out their leave.
- » In the USA, we offer life and health insurance as well as an employment assistance program for our employees to use at their discretion through an external provider.
- » In the Philippines, we offer our full-time employees with medical insurance, monthly food

allowance and daily meal allowance at work. We also offer our employees at supervisory levels an annual housing allowance. Probationary staff are also given a relocation allowance and travel expenses.

- » In Vietnam, accident and health insurance for full time employees and one of their nominated family members. Employees are also offered daily meal allowance.



Austal Philippines – 5 & 10 year employee awards

Fostering a Culture of Appreciation

Austal recognises its employees' dedication to excellence and responsible work ethic through employee appreciation programs.

In FY23 the Austal USA Compliance Department rolled out a "Compliance Champions Awards Program". Specifically, the Austal USA Compliance Champions Awards Program has been established to recognise the team efforts of individual departments in demonstrating superior dedication and service to the company Compliance Program. Each quarter the Compliance Department puts forward two nominations and the winner is selected by the Austal USA leadership team. The winning Department is presented with a special trophy that they are able to display until the next Compliance Champions meeting (takes place each quarter). In addition, individual certificates are delivered to both the Compliance Leads in the winning department, as well as other contributors

as deemed appropriate. The winning departments for FY23 were:

- » Health, Safety & Environmental
- » Export Compliance/Trade Controls
- » Communications
- » Supply Chain Management

By recognising the efforts of these outstanding teams, Austal USA reinforces a culture of compliance excellence and fosters a spirit of teamwork and commitment.



At our operations in Australia, each week an employee is nominated and awarded an Austal Values Award for putting Austal's values "Excellence", "Customer Focus", "Integrity" and "Teamwork" into practice.



Austal Philippines also has a Worker of the Month recognition program to award employees with exceptional performances and for embodying the Austal Values. By creating a culture of recognition, we strive to build a motivated, engaged and collaborative workforce.



Promoting Flexible Work

Austal recognises that flexible working practices are essential to maintaining work life balance, improve work efficiency and drive diversity. To accommodate our employees, Austal implements the following flexible work measures:

- » we are increasing employment opportunities for part-time workers.
- » we are offering flexible working hours, such as a nine-day working per fortnight to allow employees to spend more time on non-work-related activities.
- » we are conducting a company-wide review of resources to gain a greater understanding of

current job design and organisational structure and how flexible work arrangements can be implemented across all roles.



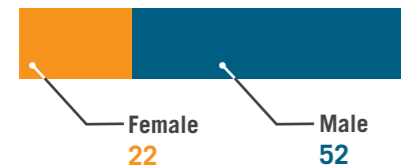
Parental Leave

Austal's parental leave schemes operate across the whole Company. For example, we provide opportunities for employees on extended parental leave to maintain their connection with Austal by offering the option (without any obligation) to receive all-staff communications and to attend

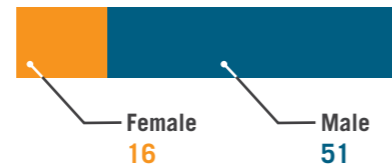
work functions and training programs while on parental leave. In addition to their parental leave entitlements, we continue to pay superannuation for up to 12 months to ensure women are not impacted by having lower super when they retire.

Parental leave per gender

Number of employees who took parental leave: 74



Number of employees who returned to work after parental leave: 67



Diversity and Equal Opportunity

With operations across different regions, Austal acknowledges that cultivating a diverse workforce is essential for driving greater business outcomes.

Diversity is about recognising, respecting and valuing differences based on place of origin, age, gender, cultural heritage, education, physical ability, appearance, language and family responsibilities. Austal has a Diversity Committee, chaired by the CEO, that meets quarterly to discuss, plan and approve initiatives aimed at improving diversity across the business. Executives have key performance indicators ("KPIs") on gender participation within their areas of responsibility, and part of their remuneration is linked to the achievement of those KPIs as part of Austal's "balanced scorecard" approach. Our Equity and Diversity Policy fosters diversity and supports equal opportunity at all levels across the Group.

Our business operations are underpinned by a list of principles:

- » Recruiting and managing on the basis of a person's competence and performance.
- » Creating a culture that empowers and rewards people to act in accordance with this policy.
- » Valuing and respecting the distinctive skills, experiences and perspectives each individual brings to the workplace.
- » Ensuring we have clear reporting processes and procedures in place.
- » Creating an inclusive, productive and safe work environment by taking action to prevent and stop discrimination, harassment and bullying.

Shaping Social Inclusion

Austal aims to promote diversity and inclusion through diversity targets

To achieve this target, Austal is undertaking a range of initiatives:

- » We partner with schools, vocational institutions and external training organisations to drive a higher participation of women in trades traditionally filled by men.
- » Austal Australia's apprentice program has evolved to include a renewed focus on attracting women. We aim for 50% participation in all apprentice intakes for each cohort.
- » We endeavour to ensure that our graduate assessment and selection centres have 50% female participation rates. We provide guidance to our selection panels on understanding their own inherent bias with purpose of increasing the number of women selected for our graduate program.
- » Austal USA implemented an Affirmative Action Program to ensure that appropriate actions are taken to eliminate discrimination against women, protected veterans and



Austal's Diversity Targets



Board composition **30%** female by **2024**



25% of Australian workforce female by **2030**

- individuals with disabilities. This program defines the management responsibilities, policy dissemination and action-oriented programs execution and monitoring for equal employment opportunity. Analytical assessment on areas such as workforce, job group, availability and disparity are also conducted for continuous improvement.
- » Austal Australia provides 10 days paid leave for any employee affected by domestic violence.
- » Commitment to develop a formal policy that outlines our pay equity approach and methodology to be undertaken with current employees and all new hires.

Business unit	% of Senior Management roles filled by women	% of Management roles filled by women	% of professional roles filled by women
Australian operations	16.6%	18.6%	13.2%
US operations	23%	12%	19%
Philippines operations ¹	40%	14.3%	48.2%
Vietnam operations ²	0%	33.3%	31.5%

We are on our way to our ambition of 25% women across the business at Austal Australia.

In FY23, our latest Workplace Gender Equality Agency ("WGEA") Report shows that a total of 15% of the company's total workforce are women. 16% of senior management are women, 18% of operational management are women, 13% in professional role and 3% in trade roles. Austal will continue to work with external

partners, such as recruitment agencies and universities, to bring more female tradesperson, apprentices, graduates and professionals into the business.

We have 20% women in Vietnam, with 12% of those in Production which is an achievement for a geographical region that does not traditionally have support systems for women or women with family responsibilities.

¹ The percentages at this location have increased due to overall reductions in the workforce for FY23. We expect that these percentages will decrease with the award of new contracts which will require a ramp up in production workforce headcount, which is predominantly male-based.

² As above.

Austal Vietnam Shipbuilding Training Programs

With our aim at being an employer of choice for women in Vung Tau city, Austal Vietnam developed and deployed shipbuilding training programs across all trades (fabrication, electrical, fitout, piping & mechanical) and have had 18 women trainees to join these programs in FY23.

13 trainees have successfully completed the training and became B class tradesperson and they are now continuing their journey to learn and become A class tradesperson in the near future.



Share of Workers and Equal Remuneration and Participation

At Austal, employment and remuneration are based on merit, qualifications, skills and experience. We strive to ensure that equally qualified personnel can be confident of their standing and value to our Company, regardless of their gender, marital or family status, sexual orientation, gender identity, disabilities, ethnicity, cultural background, socio-economic background, age, religious beliefs or other values.

We also welcome the employment of personnel with particular needs (for example, in Australia,

persons with hearing impairments), both through the Australian Commonwealth Rehabilitation Service and through direct recruitment. The business provides an Auslan (Australian sign language) interpreter who uses manual communication and gestures instead of sound to express the thoughts and meaning of speakers for the benefit of deaf employees where required (e.g. Australia 'all hands' communications events).



Training and Education

Austal recognises that training and education is vital to fostering a responsible and resilient future for the Company. We offer various training programs that support on-the-job learning, from onboarding and refresher training on the safe operation of machinery and tools, to specialised programs such as pipefitting and blueprint reading. Austal USA works with the Mobile Chamber of Commerce to further develop partnerships with local schools and specific training programs such as the Williamson High school Maritime Academy. We have also received requests from schools in Alabama to host some of their students for summer internships and to be a part of its youth apprenticeship program.

Austal USA's 4-year apprenticeship program and trade assistant training program aim to develop a sustainable core workforce with trade knowledge necessary to fill vital workforce gaps. We will continue to provide young people a structured workplace learning opportunity that positions them well to permanently enter the workforce.

Austal Australia partners with around 25 education institutions to provide vocational training programs, apprenticeships and work experience for students and graduates who are keen to enter the ship building industry.

Austal Australia has had a long-standing relationship with South Metropolitan TAFE since 2007. We work closely with TAFE to ensure our employees who are part of our Austal Apprenticeship Program are getting the best theory and practical training to becoming the best tradesperson they can be. At Austal we offer four apprenticeships in Electrical, Fabrication

(Boilermaking/Welding), Cabinet Making, and Mechanical Fitting over a 42 to 48 month period. Our apprentices attend TAFE on a 2-week block release or as a day release and have the opportunity to showcase their skills in a safe workplace environment at Austal, being supervised by some of our best tradespeople.

We host up to 100 school or TAFE students annually for trade work experience. During the 2-week on-site work experience, students can learn valuable skillsets such as electrical, fabrication and welding, cabinet making or marine fitting. Our direct supervisors provide feedback to students on the way they applied themselves throughout the 2-week program and the behaviours relating to the Austal Values. This program also provides opportunities for student to advance to our 42 to 48-month Austal Apprenticeship programs. Austal Australia is also one of the key industry partners who participate in the Defence Industry Pathways Program ("DIPP") jointly developed by South Metropolitan TAFE and the Royal Australian Navy. DIPP is a 12-month traineeship that exposes graduates to a number of fields prior to deciding on a maritime defence pathway for the future.

Austal Vietnam has shipbuilding training programs in fabrication, electrical, fitout, piping and mechanical. In FY23, thirteen trainees have successfully completed the training and became B class tradesperson. They are now continuing their learning journey aiming to become A class tradesperson in the near future.

Austal Australia Work Experience Program in 2023



Austal Australia Apprentice Program in 2023



Austal Australia DIPP in 2023






Building Skills for the Future of Work

The Austal Australasia's Graduate Development Program ("AGDP") is a 3-year structured program that aims to identify, develop and broaden the skills, knowledge and competencies of our graduates so that they are able to realise their full potential. Our AGDP covers the following areas:

- » Electrical Engineering
- » Business and Commerce
- » Technology and ICT
- » Mechanical Engineering
- » Naval Architects

Periodic placements are provided across multiple functions - including Production, Procurement, Design, Engineering, Commercial, and Programs - at our Australian, Vietnam and Philippines operations. We assign our senior leaders as mentors throughout the graduate program. Graduates will also be given the opportunity to conduct a research or improvement project and present findings to our executive leadership team. This program makes Austal an excellent choice for those who are talented, passionate and seeking a rewarding career in a dynamic and progressive environment.

 Graduate Program in 2022 **9** graduates

A Graduate Success Story – Spotlight on Pragma Gupta, In-Service Support Engineer, Austal Trinidad

Pragma commenced the AGDP in January 2020, having graduated from the Australian Maritime College with a degree in Naval Architecture (Bachelor of Engineering Honours). Pragma undertook five placements across the business in the areas of Design & Development, Production, the Guardian Class Patrol Boat Program and Risk Management, with her final inter-state rotation in In-Service Support at Austal Cairns. This experience provided Pragma with a comprehensive overview of Austal's business operations, enriching her acumen and deepening her understanding of whole of business process. As a result, she has developed a well-rounded skill set that has prepared her for future challenges and responsibilities within the company.

"Two rotations particularly stood out to me: my placement with Legal where I assisted to develop and enhance our approach to program risk management, as well as my time with Design & Development where I created

a speed correlation and prediction tool and presented my work to the executive leadership team. Through the various rotations and opportunities to represent Austal at various events and engagements I have developed valuable relationships with peers, colleagues and leaders across the company."

Pragma graduated from the AGDP in late 2022, accepting a full-time role with the company that has seen her relocate from Australia to Trinidad. As a Cape Class Patrol Vessel In-Service Engineer, her role involves overseeing the technical integrity and compliance of the vessels while coordinating and leading training programs for the Trinidad and Tobago Coast Guard. She recently assisted in overseeing docking and maintenance activities of a vessel during dry dock in the Dominican Republic.

"As I continue to progress in my career with Austal, I aspire to take on challenging roles and responsibilities, contribute to the company's success and make a positive impact on projects and initiatives while upholding the Austal values."



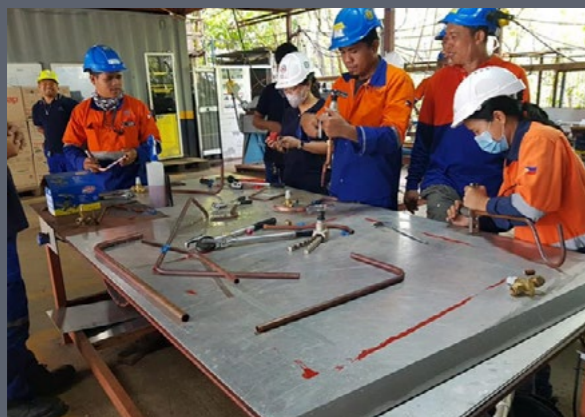
Introducing engineering fundamentals to students

Providing students with exposure to real-world work experience helps enhance their understanding and preparing them for future careers. Austal Philippines welcomed students and instructors from two universities in the Philippines and gave them three site tours in November and December 2022. Ship building electrical and ship mechanical systems designs were presented. We have also conducted work demonstrations such as basic welding and fabrication.

Austal Philippines also provides on-the-job training programs for Naval Architecture &

Marine Engineering students from University of Cebu Maritime Education and Training Center and Industrial Engineering students from Cebu Technological University. In FY23, 20 students graduated from the on-the-job training programs.

Austal Vietnam supports university students and graduates with work experience programs. In FY23, we welcomed 6 students from universities in Da Nang and Ho Chi Minh City who are keen to enter the shipbuilding industry. We will continue to partner with educational institutions to provide professional development opportunities to students.



Occupational health and safety

Austal's long-term success hinges on the health and safety of its people.

Safety

Austal's Health & Safety and Environment ("HSE") teams have developed policies, procedures and training programs that reflect accredited HSEQ standards. In Australia, Austal's HSE policies align with ISO Integrated Management System (i.e. ISO 9001, 45001 and 14001). Austal Australia sites are certified with ISO 45001 Occupational Health and Safety Management Systems. Plans are to achieve ISO 45001 for our operations in the Philippines and Vietnam by FY24. The Austal Australia Risk Management Framework is designed in accordance with ISO31000: Risk Management – Principles and guidelines. Austal USA's programs align with the US Occupational Safety and Health Administration requirements for workplace safety and health. These standards overlay the health and safety requirements for our Vietnam and Philippines operations.

The HSE team has also developed extensive HSE risk registers and ensure mitigation measures for each facility are planned and implemented. HSE risks and mitigation measures are regularly reviewed and updated, with regular HSE audits to ensure effective implementation.

Austal Australasia has an HSE Event Management Procedure implemented across all sites and projects to ensure that accidents and incidents are properly investigated and corrective action can be taken to prevent their reoccurrence. Our HSE database is in place to record, investigate and follow-up incidents. All incidents are investigated within 48 hours of them occurring. Austal Australasia conducts investigation and cause analysis on reported incidents on a regular basis. This year we focused on hand injury prevention objectives after identifying hand injury incident trending. Our management and safety representative teams will continue to prioritise safety risk identification to ensure a safe working environment.

Austal Australasia has developed the following safety targets for FY24:



Maintain total Recordable Injuries Rate of 13¹

Zero major non-conformances identified by external audit bodies related to HSE obligations



Our beliefs

- » Health and safety is everyone's responsibility
- » All accidents are preventable
- » Our behaviour as leaders influences health and safety
- » Anyone can stop an unsafe act
- » Lessons learnt and continuous improvement are vital to effective safety management

¹ Based upon 1,000,000 hours worked.

Worker training on occupational health and safety

Austal goes to great lengths to educate the entire workforce – from executive management to tradespeople – on the importance of safety and health by requiring management involvement in all significant HSE incidents. Our employees across Austal Australasia must undergo a HSE Induction and if applicable the project site-specific inductions

before they can commence work. At Austal Australia all supervisors and above must complete a mandatory OHS for Supervisors course which includes their legal responsibilities. High risk work is only undertaken once an employee has achieved a formal competency assessment.

Fostering a safety-oriented culture

During the Australian National Safe Work Month in October 2022, Austal Australia held its annual safety campaign. This campaign seeks innovations implemented in the last 12 months that contribute to ongoing health and safety performance. We selected one innovative case of improving ventilation, access and egress in confined space of a ship hull. Chris Reeve, Austal's operational champion, has demonstrated ingenuity, leadership, and responsibility for the welfare of his team through the successful implementation of his tank ventilation solution, a solution which is now standard practice at Austal. This showcase of safety enhancement was submitted to the 2023 Comcare National Workplace Health & Safety Awards Program and National Strength and Conditioning Association - National Safety Awards program.



"My supervisor, Chris Reeve, has made my work environment easier and safer to complete my welding tasks. Since Chris' ventilation design, there has been a significant reduction in fumes and smoke, making my work area considerably more visible. Furthermore, due to the reduction in smoke and fumes, my welding equipment has been lasting longer between replacement and filter changes."

Winston Valiente - Austal Welder

Enhancing safety risk identification and mitigation

Continuous improvement on safety hazards assessment and mitigation is critical for maintaining a safe work environment. This year, Austal Philippines introduced several safety programs that enable employees to strengthen their capabilities in health and safety hazards identification, evaluation, effectiveness monitoring and review existing measures. The enhancement measures are:

» Job Safety Environment Analysis - Implemented mandatory attendance of all supervisors to undertake internal training on Job Safety Environment Analysis.

- » Work Permit - Every high-risk task can only be undertaken after satisfactorily complying with all the yard work permit requirements.
- » Take 5 Safety – Take 5 safety is a 5-step procedure construction workers use to prevent accidents and overall make their working environments safer. Prior to commencing tasks, prestart check and review of specific safety hazards are conducted by individual or workgroup at the worksite.

Health and wellbeing

Austal supports employee health and wellbeing by a range of programs and initiatives. In FY23, Austal Australia developed a Psychosocial Management Procedure following risk assessment of psychosocial hazards in the workplace. In FY24, management and work groups will be trained in psychosocial management processes. Austal USA and Austal Australia have established Employee Assistance Programs that offer free confidential counselling for employees, providing them with supportive

resources to address personal or work-related issues. Austal Philippines employed an occupational health nurse to conduct regular health assessments and provide medical assistance to employees. A mental health awareness session was also held to promote understanding and support for mental well-being among employees. In FY24, we plan to review and enhance health monitoring and surveillance practices, particularly for high-risk activities such as heavy metal fabrication, painting and blasting.



Our community and partners

Austal endeavours to create value for its communities by developing strong long-term relationships.

Australia

Austal Giving

Austal Australia has established Austal Giving, a platform for our employees to aid in community and charitable programs. Our dedicated Austal Giving Committee leads and manages community

programs to ensure we make a real difference in our local communities. Through a robust review process, applications are critically assessed for compliance against Austal's support criteria.



Below are some highlights of the aid provided in FY23.



Foodbank

Last year, Foodbank sourced the equivalent of 82 million meals for 2,950 charity partners, providing food relief to more than a million people each month. Foodbank's work makes a positive difference in the lives of Australians, with recipients of food and grocery relief reporting they feel less hungry, are able to focus and concentrate, are less stressed and more hopeful. Foodbank not only plays a lead role in fighting hunger, but also a vitally important role in tackling Australia's \$36.6 billion food waste problem and helping the environment. Austal Giving organised the 4th Foodbank volunteer day on Friday 6th of May 2023. 16 Austal staff volunteered in their kitchen and warehouse, preparing over 1000 meals.



Recovery and Restoration Veterans Transition Centre ["RRTC"] - A Place and Space Where No Veteran Is Alone

We understand the importance of supporting ex-Defence personnel in need during their transition to civilian life. Located in natural bushland in the Darling Ranges southeast of Perth. The Recovery and Restoration Veterans Transition Centre ("RRTC") initiative provides free short-term accommodation, employment assistance and counselling services for ex-Defence personnel. This year, we provided support on design drawing, material procurement and renovation of three buildings, one communal mess room/function space and kitchen, and two dormitory buildings at the Jarrahdale facility. We are glad that we can utilise our skills to support positive transformation to the lives of veterans.



Anglicare WA Young Hearts Program

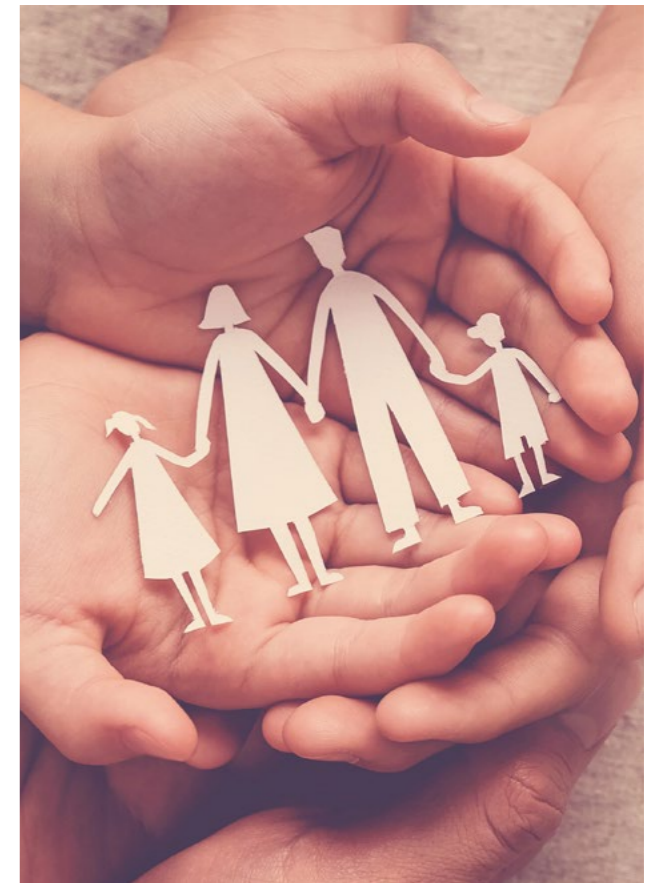
Young Hearts Program delivers free counselling to children and young people who have experienced family and domestic violence. It operates out of Rockingham, Mandurah, and Albany.

Austal Giving continued to assist Anglicare WA to build support for the Young Hearts Program including introducing Austal suppliers to the program.

Austal Giving Committee attended a Corporate Volunteer Day held by Anglicare WA at their Rockingham Centre in March 2023 and donated their time and skills to paint some of the office space at the center.

Austal employees also donated toiletry and hygiene products to Anglicare WA to be distributed to jobseekers in Rockingham area (who are homeless) to give them a better chance of success. They also spent time learning more about the services provided and the impact the contribution is having in our local community.

The Austal Giving contribution supports counsellors, substantially reducing waiting times for these vital services.



Spinnaker Health Research Foundation

Austal employees can participate in the Freo Doctor lottery weekly proceeds to Spinnaker Health Research Foundation (SHRF) and Austal Giving match employee contributions. SHRF (formerly Fremantle Hospital Medical Research Foundation) funds critical research at Fiona Stanley Hospital and Fremantle Hospital.

This year Austal Giving matched contributions from Austal staff participating in the Freo Doctor Lottery and donated \$12,900 to Sarah Clarke, Medical Scientist at Pathwest, Fiona Stanley Hospital whose project will develop a new blood test to identify high risk multiple myeloma. This test has the potential to alleviate negative treatment impacts as well as improve the accuracy of dosage to maintain optimum health and quality of life.

In April 2023 Austal Giving and SHRF hosted a fundraising event (Fire Up for Men's Health) at Henderson Site to increase awareness to Men's

Health related issues with all donations going to Men's Health Research. The event was attended by employees during their lunch break and had the opportunity to chat to the Spinnaker team. SHRF will engage with Austal Giving regularly to facilitate communication and awareness for Austal staff in relation to various health initiatives.



TELETHON KIDS INSTITUTE Telethon Kids Institute, Djaalinj Waakinj Ear Portal Program

Every year 650,000 Australian children suffer from recurrent or chronic middle ear infections called otitis media. Telethon Kids Institute research has shown close to 50% of aboriginal children suffer from chronic middle ear infections in the first 6 months of age. We support Telethon Kids Institute's Djaalinj Waakinj Ear Portal Program ("DWEPP") to provide faster diagnosis and treatment of middle ear infections in Aboriginal children in the Cockburn and South Metro area. Austal Giving representatives visited the Cockburn Integrated Health centre during a DWEPP clinic day and met with key staff and surgeons involved in the program. The program currently has 220 children participating with twice as many appointments being conducted this year than last. The work being done by the team has reduced the treatment time from years to approximately 3 months. This is resulting in children more engaged in education as they can now hear correctly

"By supporting the Djaalinj Waakinj Ear Portal Program, Austal is proud to enact substantive and impactful transformations within local families and communities. This commitment serves as a testament to our unwavering dedication to enhancing quality of life and the pivotal role we assume in nurturing a future wherein each child can flourish without being impeded by auditory impediments."

Mathew Preedy – Head of Production – Austal Giving Chair



United States of America

Austal USA is an active member of the Mobile, Alabama community. We have been partnering with a number of local schools and workforce councils to build relationships and participate in discussions that promote both diversity in the workplace and workforce development. Below are a few highlights of FY23.

Skills USA Welding Competition

SkillsUSA is a national non-profit organisation in the United States that focuses on preparing students for careers in trade, technical, and skilled service occupations. One of the programs is welding competition where students from local high school and post-secondary compete against each other. Austal USA hosted the post-secondary competition at its maritime training centre. Contestants participated in a timed competition designed to test their ability to use various welding tools and processes. By supporting this competition, we aim to foster industry collaboration and inspire the next generation of skilled welders.



Support Blue Star Salute Foundation

Blue Star Salute Foundation is a non-profit organisation who honours American military veterans specific to Alabama. Austal USA is a sponsor of Alabama's 18th Annual Blue Star Salute and Armed Forces Day events. Blue Star Salute is a concerted effort by local, state and national military, political, veteran and caring citizen groups and organizations who have set aside A Blue Star Salute Day as a particularly significant appreciation day to America's military services. Through this sponsorship, we showed appreciation for the brave men and women who serve in America's military services.



Philippines

International Coastal Clean Up Day

International Coastal Cleanup Day is an annual event dedicated to preserving and safeguarding our planet's coastal environments. Held on the third Saturday of September each year, this global initiative brings together volunteers from around the world to join hands in a collective effort to clean up beaches, shorelines, and waterways. On 17 September 2022, volunteers at Austal Philippines participated the event to clean the coastal areas and creeks of Balamban.



Governance & Business Ethics



Governance Structure

The Board of Austal is responsible for guiding and monitoring the Company on behalf of shareholders. Oversight and management of Austal's corporate governance policies and procedures is shared between the Board's Audit & Risk subcommittee and the Board.

Other than those responsibilities specifically reserved by the Board, the operation and administration of the Company is delegated by the Board to the CEO and the executive management team, who are accountable to the Board through the CEO. The Board's functions and responsibilities are set out in the Board Charter which appears in the [Corporate Governance section](#) of our Company's website.

As part of its US Government-mandated measures to mitigate the impact of foreign ownership, control and influence (FOCI), Austal's US subsidiary is managed by a separate Board and executive group, although it remains a wholly-owned subsidiary of Austal Limited. The Group CEO and Non-executive Chairman each sit on the Board of Austal USA, along with 3 other experienced Board members:

- » Chris Chadwick, Chairman. Chris' most recent previous roles were as Executive Vice President, President and CEO at Boeing Defense, Space & Security in the USA;
- » Alison Stiller, Board member. Ms Stiller most recently served as Principal Civilian Deputy to the Assistant Secretary of the US Navy for Research, Development and Acquisition;
- » Patrick Allen, Board member. Mr Allen most recently served as Chief Financial Officer of Collins Aerospace, a division of United Technologies (now Raytheon Technologies); and
- » Rusty Murdaugh, President at Austal USA.

Except for a small number of subsidiary companies that have been established in foreign jurisdictions where local laws may dictate the number and nationality of directors, the Non-Executive Chairman and the CEO are also directors of each of Austal's subsidiary companies.

For more details of Board's structure and management of subsidiary companies, please refer to Austal Annual Reports and the Corporate Governance Statement.

Board Diversity

The Board has adopted an [Equity and Diversity policy](#) which is periodically reviewed. The policy was updated in 2021, and again in 2023 to include measurable targets for employing women across the workforce, with targets for the Board including:

- » 30% of Board members to be women by 30 June 2024. The Board has not identified and engaged appropriate additional female Directors in order to meet the previous target by the specified date of 30 June 2023 and has revised the target to 30% of Board members being women. The Board has determined to extend the date for achievement of this target to 30 June 2024 and it will be a focus of the Board to ensure this is met during the next 12 months.

Austal also focuses on improving Board diversity through workplace practices:

- » Making diversity as a relevant consideration for the composition of the Board, including having directors of different ages, ethnicities and backgrounds to help bring different perspectives and experiences to bear and avoid "groupthink" or other cognitive biases in decision-making.



Risk Management at Austal

Risk Governance and Internal Controls

Our Board and its Audit & Risk Management subcommittee shapes and oversees Austal's risk appetite and reviews internal processes and procedures to satisfy itself that management has developed and implemented a sound risk management framework.

Although the Board maintains ultimate responsibility for Austal's risk management framework, it has delegated the specific responsibility of overseeing the Company's risk management framework to its Audit & Risk Committee.

The committee's charter provides that, among other things, it is responsible for:

- » ensuring that appropriate systems and procedures are in place to identify, monitor and mitigate the Company's operational and financial risks (including climate-related risks).
- » monitoring management's internal control programs, processes and policies which deal with the Company's reporting systems.

The Audit and Risk Management Committee Charter can be viewed on the corporate governance section of Austal's website.

In carrying out its risk management duties, the Audit & Risk Committee is entitled to:

- » obtain any information it considers appropriate, from any employee or any external party.
- » interview management and external auditors (with or without management present).
- » seek advice from external consultants or specialists where the committee considers it necessary or appropriate.

The committee will, if necessary, institute special investigations and hire special counsel or experts to assist, if appropriate.

A fundamental objective of management is to ensure that risk management measures are embedded in its operations by investing in appropriate risk management tools and personnel and educating the Company's employees regarding their roles in managing risk.

Risk Management

Austal has processes in place to evaluate and continually improve the effectiveness of our governance, risk management and internal controls. Risk management is considered by the Audit & Risk Committee at each meeting and in between meetings as required.

In FY23 the Board endorsed the implementation of an updated enterprise risk management framework, including appointment of a qualified Risk Manager and the introduction of an enterprise risk matrix capable of assessing risks and opportunities not only in the context of financial, legal and compliance risk, but also to include emerging risks such as cyber-security, privacy and data breached, sustainability and climate change.

The objectives of this enterprise risk management framework are to ensure:

- » that the Board and executive management can make informed and strategic enterprise business decisions that are based on consistent, appropriate and relevant risk assessment;
- » risks at all levels of the business are identified, prioritised and managed in a coordinated and consistent manner; and
- » Strategic planning processes are improved as a result of a structured consideration of risk and potential opportunities.

Management is responsible for promoting and applying the risk management framework throughout the business. The Chief Executive Officer is the champion of risk management across all Austal entities.

In light of its global operations, Austal is exposed to economic and political risks in the form of currency movements and supplier and customer security. The group has in place a robust system of financial and procurement procedures and policies to ensure foreign exchange and procurement risks are managed effectively. These measures, alongside our codes of conduct, guidelines for employment, insurance program, and business management systems, are reviewed regularly and updated as required, and help the company to manage other non-financial risks.

Austal has comprehensive Health, Safety and Environment Management Plans ("HSE Plans") in place, overseen by a dedicated HSE team at each of our facilities. The HSE Plans underpin all of Austal's operations and provide clarity on the Company's general health, safety and environmental strategies.

Risk Review

In addition to our procedural improvement measures, Austal undertakes regular risk reviews to ensure our risk management framework continues to be fit-for-purpose and we are operating with due regard to the risk appetite set by the Board.

A Senior Executive Risk Committee (SERC) has been established to consider material risks and opportunities of a strategic and operational nature which affect Austal at the enterprise level. The enterprise risk management framework has been designed to ensure that the SERC has visibility any material risks that have been identified within each major business and functional area.

The SERC meets on a quarterly basis to conduct a full enterprise risk review to principally address risks under the following categories as they relate to the specific Australian, US, Philippines or Vietnam shipyard operations:

- » business risks inherent to the shipbuilding industry and the sustainability of the business;
- » operating risks associated with sales, design and production;
- » financial and tax risks;

- » legal and compliance risks;
- » specific vessel risks; and
- » contemporary and emerging risks, such as conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change.

The SERC maintains an enterprise risk register that is considered at each Audit & Risk Committee meeting.

In accordance with the updated Enterprise Risk Management framework, the Company undertook two enterprise risk reviews during the financial year ending 30 June 2023.

The output of these reviews forms part of the Board's corporate strategy development to ensure that risks are appropriately managed and that we are able to act on strategic opportunities while minimising the Company's exposure to those risks. The Board reviews the Company's risk management framework regularly as part of its strategic discussions.

Austal has identified a number of matters as posing the most potential risk to the business on an enterprise basis, which are summarised in the Corporate Governance Statement.

Cyber Security

Protecting Austal's intellectual property, our customers' and suppliers' data and other sensitive information is crucial to the stability and long-term success of our business. We are particularly focused on this, noting that our key and largest customers are the Departments of Defence in the USA and Australia.

Our comprehensive cyber security measures range from technical controls across our network, to software and hardware layers and a curriculum of employee training in cyber awareness. These initiatives are structured to meet the recommendations of the Australian Signals Directorate Australian Cyber Security Centre's ("ACSC") Essential Eight mitigation strategies.

Austal is a member of the Australian Government's Defence Industry Security Program ("DISP") and is working actively with several independent accreditation agencies to achieve relevant cyber security certification of its corporate networks, on-vessel systems and proprietary digital products.

Australia, Philippines and Vietnam

Cyber Security Certifications

Austal maintains the internationally recognised ISO 27001 Information Security Management Standard certification. ISO 27001 is designed to help organisations implement an effective information security management system. Austal has dedicated specialist staff responsible for data and IT governance, along with a privacy policy approved by Austal's Board. Our cyber incident response plan is regularly tested. We maintain compliance with all applicable privacy regulations. In addition, we have ongoing staff training on cyber-related matters.

Austal has implemented a myriad of protections across the business, including:

- » firewalls and antivirus
- » vulnerability scans
- » advanced endpoint protection
- » intrusion detection systems
- » encryption of data in transmission
- » multi-factor authentication



Australian Defence Industry Security Program

As a defence provider to the Commonwealth of Australia, we are required to be certified under the Department of Defence's Defence Industry Security Program ("DISP"). The DISP is open to any Australian business in the Defence supply chain and serves as a layer of security assurance. It supports Australian businesses to address risks associated with providing services, products, or capability to the Australian Defence Organisation. The program is intended to address and protect the Defence supply chain from security vulnerabilities by assessing business's processes, procedures, information technology and cyber security, physical security and personnel security. This program provides a layer of protection for the Defence supply chain, allowing for an improvement in resilience, security and assurance of its sourcing arrangement.

There are four key categories under the DISP assessment - Personnel Security, Physical Security, Information & Cyber Security and Security Governance

Austal Australia achieved official DISP Certification Entry Level "Embedded" (the highest level) in 2023. We will apply for Level 1 or 2 Certification where any of our future contracts require us to be certified to that standard.

Austal USA

Austal USA's IT systems and networks are separated by an "air gap" and stand alone from the rest of the Austal Group network systems. We also employ a team of IT security specialists with a dedicated internal IT Security Manager. AUSA undertakes

regular cyber security training and educational exercises with all staff.

As a prime contractor to the US Department of Defence, Austal USA is required to comply with the US National Institute of Standards and Technology SP800-171 Standard ("NIST 800-171"). NIST 800-171 is a codification of the requirements that any non-Federal computer system must follow in order to store, process, or transmit Controlled Unclassified Information or provide security protection for such systems. This document is based on the Federal Information Security Management Act of 2002 Moderate level requirements.

Austal USA has developed a System Security Plan and a Plan of Action and Milestones that is in line with the NIST 800-171. In addition to these plans, compliance with NIST 800-171 requires the company to address 14 security requirement categories in the NIST 800-171. Achieving NIST 800-171 compliance requires Austal to implement and maintain:

- » robust data access policies
- » systems that can scale to protect different kinds of sensitive data
- » risk management in general, including reducing risks of both insider threats and data breaches
- » implementation of a risk management common framework

Austal USA was recorded as fully compliant in an audit by the Defense Contract Management Agency in respect of NIST Standard in March 2020.

Code of Conduct

Our Board acknowledges the importance of all directors, managers, and employees of the Austal Group maintaining the highest standards of corporate governance practice and ethical conduct. Under our [Corporate Governance Statement](#), directors and employees are expected to comply with [Code of Conduct](#). Our [Directors Code of Conduct](#) is also made specifically to carry out their duties and responsibilities effectively and with integrity.

The Corporate Governance Statement and Code of Conduct are reviewed periodically to ensure effectiveness.

Austal's general Code of Conduct promotes ethical and responsible decision-making by directors, managers and employees. All employees undergo training on their obligations under the code, and appropriate and proportionate disciplinary actions result from any breaches.

Reinforcing a Culture of Compliance

Guided by our Compliance Program Charter, Austal USA made significant enhancements to its corporate compliance program this year. Our enhanced corporate compliance program is modelled on the United States Department of Justice framework which encompasses the following 7 key elements:



Standards of Conduct, Policies and Procedures

- » Formulation and dissemination of a new Code of Conduct to Austal USA employees
- » Code is applicable to all Austal USA employees worldwide
- » Code encompasses key compliance principles as well as FAQs from a number of existing compliance and ethics policies



Communication and Education

- » Discussions on compliance in staff meetings have become routine for both production and support employees
- » Attendance of executives during compliance training for new hires
- » Introduced compliance messaging on TVs throughout facility



Reporting and Investigating

- » Code emphasizes employee obligation to report misconduct
- » Began standardising reporting and investigation approach for Human Resources, Health & Safety, and Security departments
- » Launch of a new third-party anonymous tip line for reporting misconduct – available 24/7 worldwide



Responses and Prevention

- » Conducted compliance surveys
- » Benchmarked compliance program against other companies



Compliance Officer and Committee

- » Appointment of a Chief Compliance Officer, Compliance Committee, and a Compliance Department
- » Establishment of formal Compliance Leads within each department
- » Job responsibilities added to Compliance Lead job descriptions to create commonality among Compliance Lead network



Monitoring and Auditing

- » Development of baseline department compliance libraries and compliance risk registers
- » Engaged Compliance Program consultant to provide recommendations for program improvements
- » Engagement with new third party auditor to conduct reviews on defence contracting business systems



Enforcement and Discipline

- » Employees are held accountable for wrongdoing
- » Company routinely recognizes compliance successes
- » Safety compliance is measurable component of employee bonus
- » Exploring ways to incorporate compliance incentives
- » Austal USA has a healthy anonymous reporting culture according to industry benchmarking

Supply Chain Governance

At Austal, we recognise that suppliers play a pivotal role within our business supply chain, and we are deeply committed to fostering collaborative partnerships that contribute to a more responsible and impactful future. Our ESG strategy within our supply chains not only mirrors our ethical values and regulatory obligations, but it also generates advantages that resonate throughout our community and industry.

In the fiscal year 2023, our Supply Chain forged its own bold 1 to 5 Years Strategy, driven by the aspiration of a global supply chain approach that capitalises on Austal's comprehensive supply chain expertise. Aligned with this strategic vision, Austal Australia has set targeted FY24 metrics aimed at engaging with a diverse array of stakeholders, including Small and Medium Enterprises (“SMEs”), veteran-owned, indigenous-owned, and Australian-owned entities in our supply chain.



Indigenous entities: 3% by volume, 2% by value



Veteran entities: 0.5% by volume



Australian entities: 20% by volume and 20% by value

Our procurement principles steer the trajectory of how we navigate and oversee our suppliers' ESG contributions. These procurement principles encompass:

Supplier Engagement and Collaboration: We are dedicated to fortifying communication and collaboration channels with our valued suppliers, ensuring a seamless convergence of ESG goals and practices. Our aim is to inspire suppliers to adopt sustainable methodologies, uphold social responsibility, and embrace ethical governance principles within their operations. By nurturing a shared source of best practices and resources, we foster a collective endeavour to elevate ESG performance throughout our entire supply chain.

Sustainable Sourcing: We are committed to elevating our supplier selection process, with consideration given to those with a proven track record of ESG commitment and a dedication to reducing their

environmental impact. A central pillar of our approach is the emphasis on responsible sourcing, which encompasses the use of recycled materials, waste reduction, and a concerted effort to curb carbon emissions.

Transparency and Reporting: Through the implementation of reporting mechanisms, we strive to monitor and assess ESG metrics across our supply chain. Embarking on a transparency journey, we publicly disclose our ESG achievements and initiatives, nurturing trust and confidence among our valued stakeholders and discerning consumers alike.

Supplier Audits and Assessments: Guided by our commitment to excellence, we conduct routine audits to evaluate suppliers' adherence to ESG practices and standards. Swift action will be taken to address gaps and challenges, facilitated by proactive corrective action plans that drive continuous improvement.

Innovation and Technology: At the forefront of progress, we adopt technologies to amplify traceability, transparency, and accountability across our supply chain.

Diversity and Inclusion: Advocating for diversity, we engage a broad spectrum of suppliers, extending support to local enterprises and nurturing equitable labour practices. We actively encourage our suppliers to embrace policies that champion gender equality and inclusivity within their organisations.

Risk Management: We navigate the supply chain landscape to identify and assess ESG-related risks, spanning from climate considerations to labour rights. Our proactive approach results in the formulation of contingency plans that counter potential disruptions and mitigate risks.

Stakeholder Engagement: We actively engage with various stakeholders including suppliers, customers, and local communities. This engagement grants us valuable insights into ESG expectations and concerns, which we leverage to drive strategic enhancements and underscore our approach to ESG.

Continuous Improvement: We aim to establish a framework of ESG targets and key performance indicators (“KPIs”) to gauge our journey across time. We review and refine our ESG strategies to ensure they are dynamic, adaptive, and aligned with the ever-evolving landscape of challenges and opportunities.

Our Supplier Qualification Procedure serves as our guiding compass. It is a meticulously structured process comprising two pivotal stages:

1. **Supplier Self-Assessment:** Suppliers undergo a comprehensive self-assessment to align with our standards.
2. **Risk-Based Assessment:** Austal conducts a thorough evaluation, assessing potential suppliers against our rigorous criteria.

All new prospective suppliers undergo an initial evaluation to ensure alignment with our prerequisites, encompassing critical environmental and social aspects. Subsequently, suppliers undergo a risk-based assessment, determining their eligibility for qualification. ESG principles are seamlessly integrated into our category management and

strategic sourcing blueprints. Our supplier selection criteria are well-rounded, encompassing aspects of quality, pricing, as well as environmental and social factors. Priority is accorded to entities holding relevant ISO certifications (such as ISO 14001, ISO 45001), and other pertinent documentation highlighting their commitment to environmental protection and health and safety. Once qualified, suppliers are seamlessly integrated into our record-keeping system.

At Austal, we view our suppliers as more than just contributors; they are vital partners on a shared journey towards a brighter, more sustainable future. We stand committed to nurturing these partnerships, bolstered by our robust ESG framework, to foster lasting change and create a positive impact across our industry.

Human Rights

Australasia

Our [Modern Slavery Statement 2023](#) is guided by the Australian Government's Modern Slavery Act 2018, as well as any local requirements in Vietnam and Philippines. It sets out our approach to assessing and responding to the potential for human rights issues to be present in our business. Our ongoing approach to managing human rights risks includes:

Where third parties are identified as being key suppliers to Austal, or where they are domiciled in areas that Austal assesses as higher risk, we undertake a full due diligence assessment before the supplier is accepted. The assessment covers a range of topics including the supplier's regulatory and legal compliance, HR policies and practices, and the integrity of its operations.

During FY23, we undertook the following activities:

- » conducted continuous monitoring of the effectiveness of risk assessment tool embedded in the supplier risk assessment process.
- » provided staff training on human rights topics.
- » in the Philippines and Vietnam, commenced a robust assessment and evaluation of suppliers and contractors who supply Austal with products assessed in the 'High' category of our industry-specific Product Risk Assessment matrix.
- » Austal Australia started a review of into Tier Two and Tier Three suppliers.
- » Commenced onsite assessment and evaluation of Tier Two and Tier Three suppliers in Australia, the Philippines and Vietnam.

In FY24, we are committed to undertake the following activities:

- » Continue with the supplier audits in all locations,

including reactivation of physical on-site inspections of suppliers.

- » Continue with staff training on human rights.
- » Revise whistle-blower policy to incorporate more details on human rights abuse reporting via whistle-blower hotline (a form of grievance mechanisms).

The United States

Austal USA has adopted the US Government's prohibition against trafficking in persons as set forth in FAR 52.222-50 as its Anti-Trafficking Policy. The Anti-Trafficking Policy, along with the Anti-Trafficking Compliance Plan, ensures that:

- » Austal employees are aware of the US Government's anti-trafficking prohibitions under applicable laws and regulations.
- » the consequences which may result from engaging in trafficking-related activities.
- » Austal's fair recruitment, wage, and housing practices.
- » Austal's procedures for preventing employees, agents, subcontractors, subcontractor employees, and their agents from engaging in trafficking-related activities.
- » Austal only engages suppliers who have signed up to our Representations and Certifications (the "Reps and Certs"). The Reps and Certs require suppliers to certify that it and its subcontractors and agents have not engaged in human trafficking and that the supplier's policy prohibits the supplier and its employees from engaging in human trafficking, using forced labor, and several other activities detrimental to human rights.

Whistle-blower Policy

Austal's group-wide [Whistleblower Protection Policy](#) gives all directors, officers, employees, contractors, suppliers and associates the ability to speak out if they have concerns about any unlawful, unethical, irresponsible behaviour or misconduct by Austal. Austal has set up an anonymous external helpline to assist the reporting of suspected reportable conduct under the policy.

The CEO is informed of all incidents reported through Austal Limited's Whistleblower framework and determines whether it is appropriate to commence

an investigation. If further investigation or enquiry is required, an investigator is appointed to assess and examine reports. Subsequently, the investigator reports findings to the CEO. The CEO reports any material incidents to the Board. During FY23 Austal Limited did not receive any enquiries or concerns through its whistleblower framework.

The policy is made available to employees, officers, and other parties in the Company's intranet. It is also available on Austal's public website.



Anti-bribery and Corruption Policy

Austal's [Anti-Bribery Procedure](#) and Anti-Bribery Policy set out rules and principles on appropriate business conduct which apply to all directors and employees. This policy provides information and guidance on how to recognise and deal with bribery and corruption issues such as facilitation payments. It also details around authority thresholds and other material that the Austal considers to be commercially sensitive. In addition, we have a formal guideline for our employees when engaging sales agencies and consultants to ensure integrity.

Where appropriate, the General Counsel will investigate reports of bribery in any way connected to an Austal entity or employee. The Board will then consider what action to take as a result of

such investigations, including disciplinary action, termination of business relationships and reports to relevant governmental authorities or regulators where applicable. Austal's General Counsel will maintain a register of all reports made under this Procedure. For more details on internal monitoring system, managerial responsibility, record keeping and other operating guidelines, please refer to Austal's [Anti-Bribery Procedure](#) available at the corporate website.

Internal training on anti-corruption topics such as legislative background, definition of bribery, case studies to ensure staff are aware of key concepts and know when to speak up. There were no breaches or litigation associated with anti-bribery and corruption brought to Austal's attention in FY23.

Product Safety

Our concern for safety is not limited to our own employees and workplace, but extends to our entire shipbuilding value chain, to ensure safety requirements are upheld for our customers.

Austal is obliged to design, contract and maintain all of our vessels in accordance with ship classification societies and flag state requirements. Ship classification can be defined as the verification of the structural strength and integrity of the essential parts of a ship's hull and its appendages, as well as the authentication of the reliability and function of its propulsion and steering systems alongside other features built into the ship to maintain essential onboard services for safe operation. Classification societies classify ships, establish and maintain technical and safety standards for the construction and operation of a vessel, ensure that the ship's design and workings are in accordance with the standards set by their class. This oversight process provides an additional level of assurance in conjunction with our quality procedures, and ensures that our products comply with all safety requirements. Additionally, our clients will not take possession or accept delivery of our vessels unless

all classification society requirements have been met during inspection.

Monitoring of Product Safety

The registration of a ship plays an important role in ensuring safety and security of the ship. Registration grants the ship physical and legal protection of that flag state which may be applied to vital areas such as safety of cargo and life of those on board the ship. As per International Maritime Organization ("IMO") regulations, all ships must be surveyed in order to ensure that the ships under their registers are structurally sound and subscribe to design and safety standards. A classification certificate is also issued which establishes a ship's seaworthiness. This certificate is required to be present on board the ship for any inspections by authorities from time to time. Vessel registration is typically undertaken by vessel owners – including customers of newly-built vessels – and Austal supports this process by complying with all requirements of ship registration, ship classification societies requirements and associated inspections.



Share Trading Policy

All employees, including directors, must comply with Austal's share trading policy. The Board's Audit & Risk Committee reviews the policy annually, which is published on the corporate governance section of our website.

The policy includes the following requirements:

- » A blackout period restricting trading in Company shares for two months prior to the release of half year and full-year reports. Directors and employees are also restricted from trading in Company shares for 24 hours following any announcement by the Company to the Australian Securities Exchange
- » Any director intending to buy or sell shares in the Company or any company in which Austal has an

interest is required to notify the Chairman or the Company Secretary of his/her intentions before proceeding with the transaction

- » A prohibition on dealing in the Austal's securities by any employee if they are in possession of material information which is not available to the share market, but if it were, may impact the value at which the Company's securities are traded
- » In addition, Directors share and update a register of their relevant personal interests outside the company, to maximise visibility of any potential conflicts of interest among the Board.

Shareholder Rights

Austal has an established investor relations program which includes:

- » Analyst briefings
- » Annual General Meeting
- » Annual report
- » Regular release of financial information

Our annual general meeting ("AGM") – which is

usually held in October or November – provides shareholders with the opportunity to vote on resolutions recommended by the Board, hear directly from the Board and CEO, and ask questions of the Board.

The chairman and CEO's AGM presentations and voting results are released to the Australian Securities Exchange and made available on our website.



Appendices



Appendices

About This Report

This report provides an overview of Austal's sustainability approach and performance from 1 July 2022 to 30 June 2023 and was approved by Austal's Board of Directors. It was prepared with reference to the Global Reporting Initiative's Sustainability Reporting Standards 2021 ("GRI Standards"). It covers sustainability topics most relevant to our business activities at this point in time.

The report covers Austal's shipyard operations in Australia, the United States, the Philippines and Vietnam¹. Austal acknowledges that this report includes a focused number of disclosures for the past financial year. We are enhancing our data capture capabilities to increase the scope and breadth of

disclosures as we look to deliver a more thorough overview of the material issues identified. Where we have not been able to provide relevant disclosures in this report, reasons for such omissions are included in the GRI Index table. We continue to enhance our alignment with the recommendations of Task Force on Climate-Related Financial Disclosures ("TCFD"). It is our intention to further align with TCFD and produce an assured and audited report in the long term, as we continue to enhance our data collection processes.

Austal's last ESG report 2022 was published on 12 October 2022.

¹ Does not cover service centres and other offices as they do not have significant impact..

Performance Data Table

	Unit	FY22	FY23
Environmental Performance			
GHG Emissions			
Scope 1			
» Total	Tonnes of CO2e	8,520	10,465 ¹
» Intensity	Tonnes of CO2e / tonnes of steel equivalent structural weight of vessels delivered	2.0	4.2
Scope 2			
» Total	Tonnes of CO2e	15,518	15,188
» Intensity	Tonnes of CO2e / tonnes of steel as structural weight of vessels delivered	3.6	6.1
Scope 3 (Upstream)			
» Total	Tonnes of CO2e	47,849	66,442
» Intensity	Tonnes of CO2e / tonnes of steel equivalent structural weight of vessels delivered	11.1	52.6
Scope 3 (Downstream)			
» Total	Tonnes of CO2e	Not reporting (restated) ²	Not reporting
» Intensity	Tonnes of CO2e / tonnes of steel equivalent structural weight of vessels delivered	Not reporting (restated) ³	Not reporting
Total fuel (diesel) consumption	Litres	2,832,304 ⁴	3,612,274
Total electricity consumption	Gigajoules	152,459 ⁵	159,325
Water			
Total water withdrawal from surface water	Megalitres	0.36	0.36
Total water withdrawal from third-party water	Megalitres	53.07 ⁶	42.72
Waste			
Waste generated			
» Total	Tonnes	5,179	3,214
» Intensity	Kg per 1,000 hours worked	0.51	0.36
Total hazardous waste	Tonnes	545 ⁷	503
Total non-hazardous waste	Tonnes	4,634 ⁸	2,711
» Total waste recycled	Tonnes	3,696	1,920

¹ The increase of scope 1 emissions in FY23 is largely driven by the delivery of two vessels from Austal USA. One of the vessels included additional trails required to demonstrate the new Autonomous systems installed.

² Please refer to GHG Emissions – Methodology and Assumptions.

³ Please refer to GHG Emissions – Methodology and Assumptions.

⁴ Date has been restated to reflect updated records.

⁵ Date has been restated to reflect updated records.

⁶ Date has been restated to reflect updated records.

⁷ Date has been restated to reflect updated records.

⁸ Date has been restated to reflect updated records.

Unit		FY22		FY23	
Social Performance					
Workforce					
		Male	Female	Male	Female
Total employees	Number	4,381	646	3,665	650
<i>By location and gender</i>					
Australia	Number	913	147	744	133
USA	Number	2,939	437	2,572	421
The Philippines	Number	891	102	178	49
Vietnam	Number	253	60	171	47
<i>By employment type and gender</i>					
Full time	Number	4,357	629	3,701	640
Part time	Number	16	17	23	17
<i>By employee category and gender</i>					
Senior management	Number	66	14	50	13
Middle management	Number	376	62	475	60
General	Number	3,941	568	3,152	630
<i>By age group</i>					
Under 30	Number	869		668	
30-50	Number	2,930		2,465	
Over 50	Number	1,228		1,085	
Employee new hires					
<i>By location</i>					
Australia	Number	252		258	
USA	Number	258		1181 ¹	
The Philippines	Number	104		73	
Vietnam	Number	62		62	
<i>By gender</i>					
Male	Number	532		1,083	
Female	Number	144		276	
<i>By age group</i>					
Under 30	Number	209		375	
30-50	Number	377		447	
Over 50	Number	90		132	
Employee turnover					
<i>By location</i>					
Australia	Number	367		336	
USA	Number	715		519	
The Philippines	Number	349		466	
Vietnam	Number	100		92	

¹ The significant increase of employee new hire is due to new projects in FY23.

Unit		FY22		FY23	
Social Performance					
Employee turnover (continued)					
<i>By gender</i>					
Male	Number	1,336		1,181	
Female	Number	195		232	
<i>By age group</i>					
Under 30	Number	349		343	
30-50	Number	919		571	
Over 50	Number	263		126	
Parental leave					
		Male	Female	Male	Female
Employees took parental leave	Number	62	19	52	22
Employees returned to work after parental leave	Number	62	14	51	16
Employees entitled to parental leave	Number	1,076 ¹		3,741 ²	
Average training hours					
<i>By gender</i>					
Male	Number	8.14		11.93	
Female	Number	11.49		8.22	
<i>By employee category</i>					
Senior management	Number	2.63		6.30	
Management	Number	8.43		7.50	
General	Number	8.69		11.78	
Safety					
Number of fatalities from work related injury	Number	0		0	
Rate of fatalities from work-related injury	Fatalities rate per 200,000 hours worked	0		0	
Number of high consequence work related injuries	Number	5 ³		3	
Number of recordable work related injuries	Number	120 ⁴		84	
High-consequence work-related injuries rate	High-consequence work-related injuries rate per 200,000 hours worked	0.10		0.07	
Reportable injury rate ⁵	Recordable injury rate per 200,000 hours worked	2.37		1.88	
Number of hours worked	Number	10,130,320		8,955,883	

¹ Data only includes Austal Australasia.

² Data includes Austal Australasia and Austal USA.

³ Date has been restated to reflect updated records

⁴ Date has been restated to reflect updated records

⁵ To further align with the latest GRI requirement, the calculation method has been revised to rate per 200,000 working hours. Last year's reportable injury rate is restated as 0.93%.

GHG emissions – methodology and assumptions

Austral's yearly GHG emissions are tightly linked to the manufacture and operation of its vessels, we therefore note that Austral's GHG emissions are dependent to a large extent on the number and type of vessels we deliver in any given year.

In developing our methodology, we used an approach that allows us to monitor and hence act to reduce emissions associated with our operations using a set of metrics that will enable comparison year-to-year, despite annual variations in the number of vessel deliveries.

Scope 1 Emissions

Austral's Scope 1 GHG emissions include transport fuel combustion emissions from vessels owned by Austral's generators and fuel used in sea trials for customer vessels; and fugitive emissions from heating, ventilation, and air conditioning ("HVAC") installation.

The emissions factors from diesel combustion used for the Scope 1 estimate is taken from the Australian Government's 2022 National Greenhouse Accounts factors for fuels used for transport energy.

Sea trial emissions include the fuel burned on all sea trials conducted during the FY23 accounting period. For sea trials conducted close to the end of the accounting period where the vessel was not delivered before 30th June 2023, that vessel's Scope 3 emissions are not included in this accounting period and will be included in the following year assuming the vessels is delivered to the customer in that year. Similarly, for vessels delivered early in the accounting period some of the fuel use for sea trials will have occurred in the previous accounting year but is included in the current accounting period's Scope 1 value to align with the year of vessel delivery.

Fugitive emissions from HVAC installation include emissions from HVAC systems installed by Austral in boats delivered in FY23. The emissions have been calculated according to the method and assumptions in the US EPA Greenhouse Gas Inventory Guidance for Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases.

Scope 2 Emissions

Scope 2 emissions encompass emissions from the total MWh of electricity purchased by all Austral entities in the accounting period FY23.

Publicly available average emissions factors have been used to calculate emissions in each geographic location for electricity generated on local grids.

- » Western Australia and Queensland – Australian Government's 2022 National Greenhouse Accounts
- » Philippines factors – 2020 Climate Transparency Report

- » Vietnam – Worldbank 2017 country report
- » United States – US EPA for the SRSO SERC South electricity grid region

Austral's Scope 2 emissions include electricity consumed for vessels under construction in FY23. This includes both vessels delivered and vessels not delivered by 30 June 2023. With that, Austral's Scope 2 emissions will not be completely aligned in time period reporting with the Scope 1 and Scope 3 emissions, which are calculated for the vessels delivered in the FY23 period only.

Scope 3 Emissions

Scope 3 upstream emissions include:

- » Emissions from air travel and car hire on employee business travel.
- » » Production emissions from materials and equipment for all the purchased materials either integrated or consumed in the manufacture of vessels delivered in the 12-month accounting period of FY23. As vessel construction takes place over more than one year, some of these materials and equipment will have been purchased and receipted in the prior financial year but are included in the FY23 CO₂e accounting because this is when the finished vessel was delivered to the customer. The Scope 3 emissions associated with materials purchased in FY23 for use in vessels not delivered in FY23 are not included in the total estimated t CO₂e for this accounting period but will be included in later years when those vessels are completed and delivered to customers.
- » » Purchased aluminium and steel consumed in production of the vessels delivered in FY23. For this reporting cycle the emissions factor associated with the production of aluminium was assumed to be the global average of 11.5 tCO₂e/tonne of aluminium as published by the Aluminium Insider in 2017. The emissions factor for steel was assumed to be 1.85 tCO₂e/tonne of steel, the global average in 2018 as published by the World Steel Association.
- » » Purchased equipment and materials. In addition to the structural steel or aluminium, an Austral vessel is a complex manufactured product that integrates thousands of fabricated and purchased components and equipment. A comprehensive bottom up estimate of the Scope 3 emissions for this complex supply chain has not been performed. Rather, an aggregate assumption of the emissions associated with equipment and materials on a weight basis has been made.

- » Austral assumes that the non-structural elements of a large complex vessel are equivalent in relative proportion of use and nature to those comprising a diesel-powered automobile. The aggregate value thus used of 5.2 tCO₂e/ non-structural tonne of vessel weight is taken from the estimates of Hill, Nikolas et. al. Determining the environmental impacts of conventional and alternatively fuelled vehicles through LCA; Final Report for the European Commission, DG Climate Action, by Ricardo AEA Ltd. July 2020.
- » » Delivery voyage emissions are Scope 3 rather than Scope 1 as Austral is no longer in possession of the vessel. However, it is not considered downstream throughlife emissions as it is delivery rather than normal intended operations. Emission factors for the diesel combustion are from the Australian Government guidelines as per Scope 1.

Scope 3 downstream emissions include:

- » The GHG emissions associated with the operation by its customers of the vessels Austral delivers is part of Austral's downstream Scope 3 emissions. This refers to the through-life emissions from the operation of each vessel. We previously made estimations from an assumed operating speed, the measured fuel usage for the installed engines at that speed and an assumed number of operating hours per year over a 25-year expected operational life of the vessels. However, some of the assumptions are considered as highly uncertain after a revisit of data in FY23. According to Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard, any estimated data should be as accurate as possible to guide the decision-making needs of the company. Currently, we have insufficient data to provide accurate through-life emissions from the operation of each vessel. We will continue to explore opportunities in enhancing our data collection.

Industry Associations, Not-for-profit Group Membership and ISO Certifications

List of industry associations, not-for-profit groups and sundry associations of which Austal (and its subsidiaries) is a member or a major contributor in FY22/23

Austal Australia

- » AI Group
- » AIDN
- » American Chamber of Commerce in Australia
- » AMI International
- » Asset Management Council
- » Asset Management Council, Cairns
- » Australia Philippines Business Counsel
- » Australian Commercial Marine Group
- » Australian Defence Magazine
- » Australian Indonesian Business Council
- » Australian Marine Exports Group
- » Australian Naval Institute
- » Australian Shipbuilding and Repair Group
- » Australian Welding institute
- » Best Practice Network
- » CCIWA
- » Chamber of Commerce and Advance Cairns
- » CIPS
- » Defence Teaming Centre
- » Fast Ferry International
- » Federal Labour Business Forum
- » Henderson Alliance
- » Interferry
- » ISO 45001
- » ISO 14001
- » ISO 9001
- » ISO 27001
- » Perth USAsia
- » The 500 Club
- » The Leaders' Forum of Western Australia
- » UNSW endowment scholarship
- » West Australian Philippines Business Council

Austal USA

- » 100 Black Men of Greater Mobile
- » Alabama Credit Union
- » Alabama Kidney Foundation
- » Alzheimer's Association
- » American Cancer Society
- » American Chamber of Commerce in Singapore
- » American Heart Association
- » American Red Cross
- » American Society of Civil Engineers
- » AmeriCorps
- » Anchor Scholarship Foundation
- » Association for Rescue at Sea
- » Autism Society of Alabama
- » Baldwin County Education Coalition
- » Big Brothers Big Sisters
- » Bishop State Community College
- » Blue Star Salute
- » Boy Scouts of America
- » Boys and Girls Club of America
- » Boys and Girls Club of South Alabama
- » Business Council of Alabama
- » Child Advocacy Center - Baldwin
- » Child Advocacy Center - Mobile
- » Children's Aid Society
- » Children's Hospital of Alabama
- » Coastal Alabama Partnership
- » Community Foundation of South Alabama
- » Dauphin Island Sea Lab
- » Distinguished Young Women Foundation
- » Downtown Mobile Alliance
- » Dumas Wesley Community Center
- » Eastern Shore Chamber of Commerce
- » Feeding the Gulf Coast
- » Franklin Primary Health
- » Freshjunkie Production

- » Fuse Project
- » Gary Sinise Foundation
- » Girl Scouts of America
- » Girls in STEM
- » Gulf Coast Corporate Cup
- » Hisp. American Business Assoc. of the Gulf Coast
- » Housing First
- » I Love a Clean San Diego
- » iHeart Media
- » Jake Peavy Foundation
- » Lion's Club
- » Make-a-Wish Foundation
- » Manufacture Alabama
- » McKemie Place
- » Mobile Area Chamber of Commerce
- » Mobile Area Chapter - Kappa Alpha Psi
- » Mobile Area Council of Engineers
- » Mobile Arts Council
- » Mobile Azalea Trail
- » Mobile Bay Area Veterans Day Commission
- » Mobile Baykeepers
- » Mobile Infirmery Health
- » Mobile Police Department
- » Mobile Young Lawyers
- » Mulherin Home
- » National City Chamber of Commerce
- » Navy League of Mobile
- » Navy League of the United States
- » Navy League of the United States – Singapore Council
- » Navy Safe Harbor Foundation
- » Naval War College
- » Our Sister's Closet
- » Partners for Environmental Progress
- » Pascagoula Men's Club
- » Penelope House
- » Prodissee Pantry
- » Propeller Club of Mobile
- » Port of San Diego Ship Repair Association
- » Reagan National Defense Forum - Los Angeles
- » RSA of Alabama

- » Salty Kidz
- » Senior Bowl
- » Senior Companion Program (Mobile Co. Commission)
- » Shipbuilders Council of America
- » Soldier On
- » South Alabama Land Trust
- » South Baldwin Chamber of Commerce
- » Southwest Mobile County Chamber of Commerce
- » St. Jude Children's Hospital
- » Taste of the South
- » U.S. Coast Guard Alumni Association
- » U.S. Coast Guard Foundation
- » U.S. Veteran Affairs Department – Mobile
- » United Through Reading
- » United Way - Baldwin County
- » United Way - San Diego
- » University of Alabama
- » University of South Alabama
- » USA Health
- » Veterans Memorial Recovery Team
- » Victory Health
- » Walk to Defeat ALS
- » Alzheimer's Association

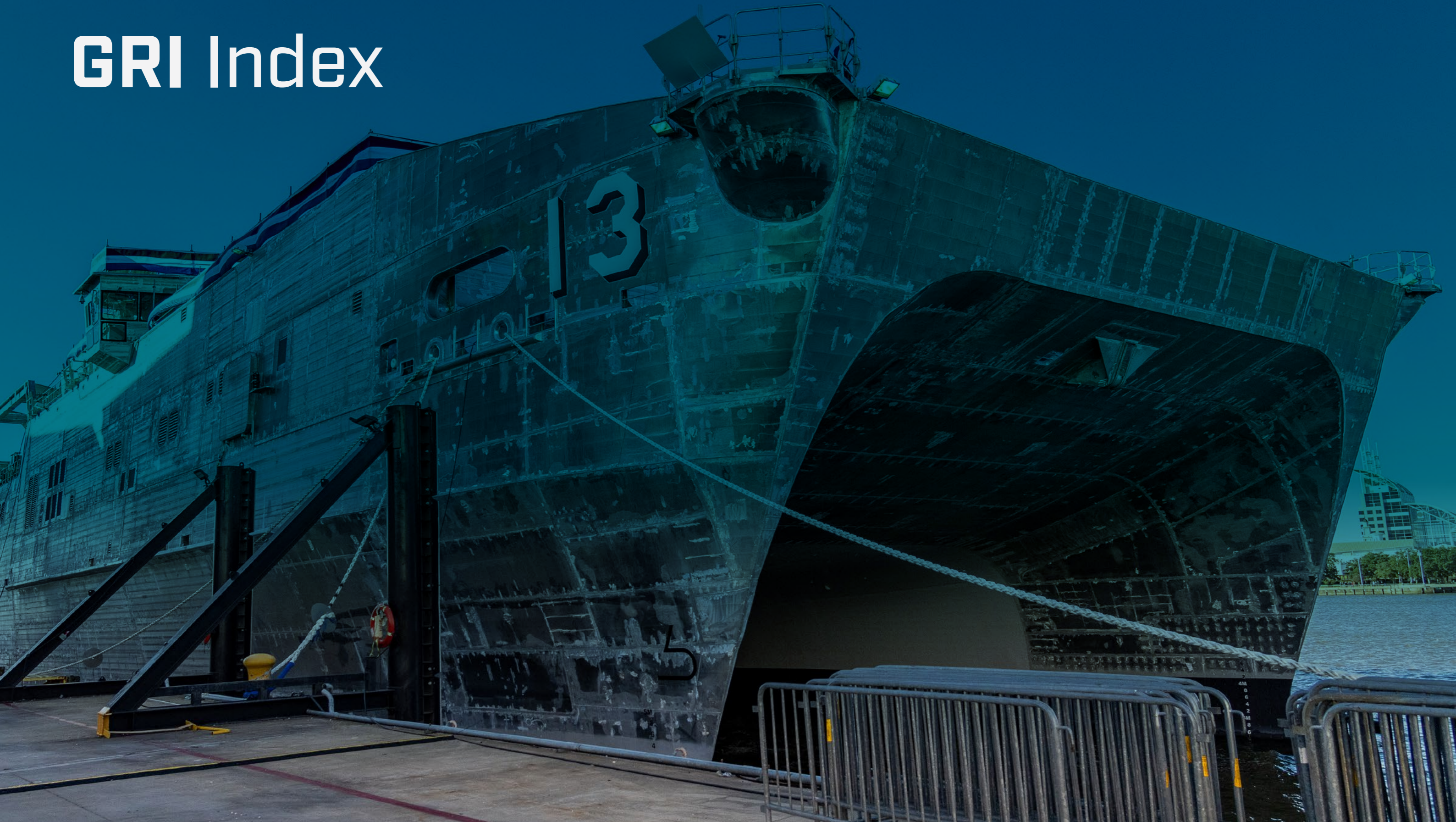
Austal Philippines

- » ANZCham Philippines
- » ISO 14001
- » ISO 9001
- » ISO 27001
- » Mactan Export Processing Zone Chamber of Commerce and Manufacturers
- » People Management Association of the Philippines
- » Philippine Society of Training & Development
- » Shipping Association of the Philippines
- » Shipping Association Cebu

Austal Vietnam

- » ISO 45001
- » ISO 14001
- » ISO 9001
- » ISO 27001

GRI Index



*Name of the main section is given first, followed by the relevant subsection, e.g.: Main section – subsection, subsection.

GRI Standard	Disclosure reference	Disclosure title	Location*	Page	Notes
Organisational profile					
GRI 102: General Disclosures 2016	102-1	Name of the organisation	About Austal	6	
	102-2	Activities, brands, products, and services	About Austal	6	
	102-3	Location of headquarters	About Austal	6	
	102-4	Location of operations	About Austal	7	
	102-5	Ownership and legal form	About Austal	6	
	102-6	Markets served	About Austal	7	
	102-7	Scale of the organisation	About Austal; Employees and communities - Employees	6, 34	Information related to financial performance (net revenue) and quantity of products/ services provided is available in Austal's annual report.
	102-8	Information on employees	Employees and communities - Employees	34	In this reporting cycle, information related to employees are provided at a global level, without regional split.
	102-9	Supply chain	Governance & Business Ethics – Risk Management at Austal, Supply Chain Governance – Human Rights; Environmental Sustainability	53, 58, 24	
	102-10	Significant changes to the organisation and its supply chain	Not applicable		There have been no significant changes to the organisation and its supply chain.
	102-11	Precautionary Principle or approach	Sustainability at Austal – the Austal Values; Governance & Business Ethics – Governance Structure, Risk Management at Austal; Environmental Sustainability – Our Approach to Environmental Sustainability	10, 52, 24	
	102-12	External initiatives	About this Report; Sustainability at Austal - Alignment of the Report with the UN SDGs; Appendix – Industry Associations and Not-for-profit Group Membership	54, 70	
	102-13	Memberships or associations	Appendix - Industry associations and not-for-profit group membership	70	

GRI Standard	Disclosure reference	Disclosure title	Location*	Page	Notes
	102-14	Statement from senior decision-maker	Letter from the CEO	4	
	102-15	Key Impacts, Risks and Opportunities	Sustainability at Austal – Megatrends Affecting the Shipbuilding Industry; Austal's Response to Megatrends	14, 15	
Values and ethical conduct					
	102-16	Values, principles, standards, and norms of behavior	Sustainability at Austal – The Austal Values, Governance & Business Ethics – Code of Conduct, Whistleblower Policy, Antibribery and Corruption Policy	14, 56, 59	
Governance					
	102-18	Governance structure	Governance & Business Ethics – Sustainability Governance	52	
	102-29	Identifying and managing economic, environmental, and social impacts	Governance & Business Ethics – Sustainability Governance	53	
	102-31	Review of economic, environmental, and social topics	Governance & Business Ethics – Sustainability Governance	53	
	102-32	Highest governance body's role in sustainability reporting	About this Report	64	
	205-3	Confirmed incidents of corruption and actions taken	Governance & Business Ethics – Anti-bribery and Corruption Policy	59	
Stakeholder Engagement					
	102-40	List of stakeholder groups	Sustainability at Austal – Stakeholder Engagement	20	
	102-41	Collective bargaining agreements	See notes		Austal respects its employees' right to exercise freedom of association and collective bargaining. Less than one per cent of Austal's workforce is unionised in locations covered by the scope of this report.
	102-42	Identifying and selecting stakeholders	Sustainability at Austal – Stakeholder Engagement	20	Limited stakeholder engagement was conducted for this reporting period as Austal is developing stakeholder engagement practices for ESG reporting.

GRI Standard	Disclosure reference	Disclosure title	Location*	Page	Notes
	102-43	Approach to stakeholder engagement	Sustainability at Austal – Stakeholder Engagement	20	Limited stakeholder engagement was conducted for this reporting period as Austal is developing stakeholder engagement practices for ESG reporting.
	102-44	Key topics and concerns raised	Not Applicable		As limited stakeholder engagement was conducted for this reporting period, a list of key topics and concerns raised is not applicable.
Reporting Practice					
	102-45	Entities included in the consolidated financial statements	Governance & Business Ethics – Governance Structure	52	Entities included in the consolidated financial statements are covered in Austal's annual report. Entities not covered in this report include: Austal Holding China Pty Ltd (ABN 74 612 207); Austal Middle East Pty Ltd (ABN 32 083 203 034); Austal Muscat LLC; Austal UK Ltd (UK Company); Austal Lewek Hercules Inc (Filipino Company)
	102-46	Defining report content and topic boundaries	Sustainability at Austal – Materiality Assessment, Stakeholder Engagement	20,21	
	102-47	List of material topics	Sustainability at Austal – Materiality Assessment	21	
	102-48	Restatement of information	Not Applicable		No restatement of information is included in this report.
	102-49	Changes in reporting	Not Applicable		No significant changes from previous reporting periods in the list of material topics and topic boundaries.
	102-50	Reporting period	About this Report	64	
	102-51	Date of most recent report	About this Report	64	
	102-52	Reporting cycle	About this Report	64	
	102-53	Contact point for questions regarding the report	GRI Index	74	Email address: info@austal.com
	102-54	Claims of reporting in accordance with the GRI Standards	About this Report	64	
	102-55	GRI content index	GRI Index	74	
	102-56	External assurance	About this Report		The report has not been externally assured.

GRI Standard	Disclosure reference	Disclosure title	Location*	Page	Notes
Material Topics					
GRI 300: Environmental					
Emissions					
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundary	Environmental Sustainability – Greenhouse Gas Emissions; Appendix – GHG Emissions -Methodology and Assumptions	25, 68	
	103-2	The management approach and its components	Information Unavailable		Austal is in the process of developing a management approach for this topic; data collection was the focus for this reporting cycle.
	103-3	Evaluation of the management approach	Information Unavailable		
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	Environmental Sustainability – Greenhouse Gas Emissions; Appendix – GHG Emissions -Methodology and Assumptions; Data Performance Table	25, 68, 65	
	305-2	Energy indirect (Scope 2) GHG emissions		25, 68, 65	
	305-3	Other indirect (Scope 3) GHG emissions		25, 68, 65	
Energy					
	103-1	Explanation of the material topic and its Boundary	Environmental Sustainability – Greenhouse Gas Emissions	25	
	103-2	The management approach and its components	Information Unavailable		Austal is in the process of developing a management approach for this topic; data collection was the focus for this reporting cycle.
	103-3	Evaluation of the management approach	Information Unavailable		
GRI 302: Energy	302-1	Energy consumption within the organisation	Performance Data Table	65	
Water and effluents					
	103-1	Explanation of the material topic and its Boundary	Environmental Sustainability – Water Management	31	
	103-2	The management approach and its components			
	103-3	Evaluation of the management approach	Information Unavailable		
GRI 303: Water and effluents	303-1	Interactions with water as a shared resource	Environmental Sustainability - Water	31	
	303-2	Management of water discharge related impacts			
	303-3	Water withdrawal	Performance Data Table	65	

GRI Standard	Disclosure reference	Disclosure title	Location*	Page	Omission
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundary	Environmental Sustainability – Materials Used	30	
	103-2	The management approach and its components	Environmental Sustainability – Materials Used	30	Austral is in the process of evaluating its material use and collecting relevant data; a management approach is to be devised once that is done. Limited information is provided in this reporting cycle.
	103-3	Evaluation of the management approach	Not applicable		Austral is in the process of evaluating its material use and collecting relevant data; a management approach evaluation is to be devised once that is done.
GRI 301: Materials	301-1	Materials used by weight or volume	Information Unavailable		Austral is in the process establishing its data collection processes for this material topic.
	301-2	Recycled input materials used			
	301-3	Reclaimed products and their packaging materials			
Environmental compliance					
GRI 307: Environmental compliance	307-1	Non-compliance with environmental laws and regulations	See notes		Austral complies with local environmental laws and regulations. There have been no fines or sanctions imposed on Austral for non-compliance with such laws.
GRI 400: Social					
Employment					
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundary	Employees and communities	34	
	103-2	The management approach and its components	Employees and communities	34	
	103-3	Evaluation of the management approach	Employees and communities	34	
GRI 401: Employment	401-1	New employee hires and employee turnover	Performance Data Table	66	
	401-2	Benefits provided to full-time employees that are not provided	Employees and Communities - Employees	34	Distinction between benefits for full-time vs. part-time employees unavailable.
	401-3	Parental leave	Performance Data Table	36	Total numbers of employees entitled to parental leave – split by gender is not available; Total number of employees that returned to work in the reporting period after parental leave ended – split by gender not available.

GRI Standard	Disclosure reference	Disclosure title	Location*	Page	Omission
Occupational health and safety					
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundary	Employees and Communities – Occupational Health and Safety	43	
	103-2	The management approach and its components			
	103-3	Evaluation of the management approach			
GRI 403: Occupational health and safety	403-1	Occupational health and safety management system			
	403-2	Hazard identification, risk assessment, and incident investigation			
	403-4	Worker participation, consultation, and communication on occupational health and safety			
	403-5	Worker training on occupational health and safety			
	403-9	Work-related injuries		67	
	403-10	Work-related ill health			
Training and education					
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundary	Employees and communities – Training and education	39	
	103-2	The management approach and its components			
	103-3	Evaluation of the management approach			
GRI 404: Training and education	404-2	Programs for upgrading employee skills and transition assistance programs			

GRI Standard	Disclosure reference	Disclosure title	Location*	Page	Omission
Diversity and equal opportunity					
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundary	Employees and communities – Diversity and equal opportunity	36	
	103-2	The management approach and its components			
	103-3	Evaluation of the management approach			
GRI 405: Diversity and inclusion	405-1	Diversity of governance bodies and employees	Employees and communities – Diversity and equal opportunity; Governance & Business Ethics – Governance structure	36, 52	
Local communities					
GRI 103: Management approach	103-1	Explanation of the material topic and its Boundary	Employees and communities – our community and partners	46	
	103-2	The management approach and its components			
	103-3	Evaluation of the management approach			
GRI 413: Local communities	413-1	Operations with local community engagement, impact assessments, and development programs			

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