



Safer.  
Healthier.  
Prosperous.  
Together.

SUSTAINABILITY REPORT 2022



# We continue to work together, towards a safer and healthier world.

## About this report

### Scope

This report is published for key stakeholders to understand ALS' sustainability approach, actions, performance and key material issues for the 12-month period ending 31 March 2022.

The report was approved by the ALS Board of Directors on 29 March 2022. ALS Limited (ABN 92 009 657 489) is the ultimate holding company of the ALS group of companies. In this report, unless otherwise stated, references to 'ALS', the 'Company', the 'Group', 'we', 'us' and 'our' refer to ALS Limited and its controlled entities.

The information in this report covers all sites and facilities wholly owned and operated by ALS, or operated by ALS in a joint venture.

All dollar figures in this report are expressed in AUD currency unless otherwise stated.

### Reporting Approach

The ALS Sustainability Report 2022 references the Global Reporting Initiative (GRI). The GRI guidelines provide a globally accepted framework of principles and indicators for reporting an organisation's economic, environmental and social position, practices and performance. This report includes indicators from the GRI Disclosures that are considered material to the business, i.e. issues that have the potential to impact our ability to achieve our business strategy or affect our reputation, or they are of material concern to our stakeholders. For additional information on the materiality assessment process refer to page 13.

This report aligns with the Sustainability Accounting Standards Board (SASB) Professional Services Sustainability Accounting Standard (mapping outline to SASB on page 76) and, where appropriate throughout the report, a United Nations' Sustainable Development Goal (SDG) icon highlights where a material ALS activity aligns with a specific SDG.

### Other Company Documents

In addition to this report, we provide details about different aspects of our sustainability program in various publications, including the Annual Report and our Corporate Governance Statement, which outlines our approach to governance and risk management. Both of these documents are available at [alsglobal.com/en/investor-relations](https://alsglobal.com/en/investor-relations). Copies of our core company policies can be found at [alsglobal.com/en/corporate-governance](https://alsglobal.com/en/corporate-governance).

### Forward-looking Statements

Where this report contains forward-looking statements, including statements of current intention, statements of opinion and predictions as to possible future events and future financial prospects, these statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements, and the outcomes are not all within ALS' control. Readers are cautioned not to put undue reliance on forward-looking statements. Statements about past performance are not necessarily indicative of future performance.

### Report Feedback

To help us improve our report, we welcome your feedback [alsglobal.com/en/sustainability-feedback](https://alsglobal.com/en/sustainability-feedback).



## Inside this report



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### Our approach

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### People

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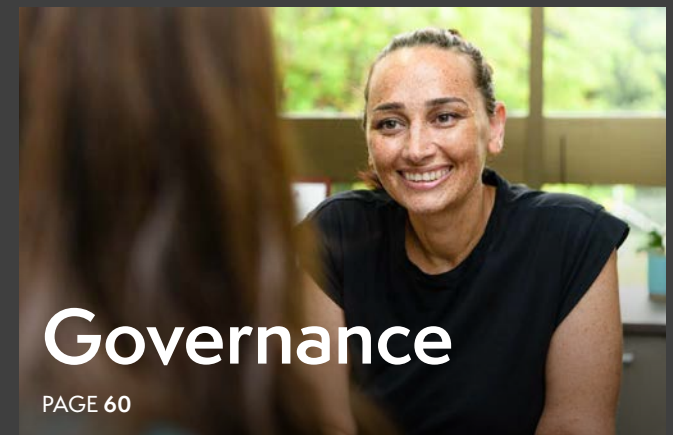
### Environment

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### Society

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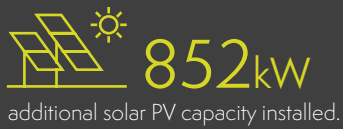
### Governance

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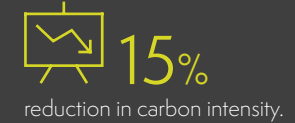
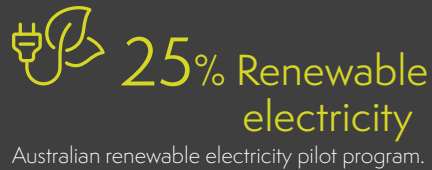


## Sustainability at a glance

INTRODUCTION



HIGHLIGHTS



OUR APPROACH



PEOPLE

ENVIRONMENT

SOCIETY

GOVERNANCE



# ALS Group Scorecard



## PEOPLE

### Health & safety

Safety Culture / Life Saving Rules  
Wellbeing

#### 2022 TARGET

No fatalities  
LTIFR <0.90 <sup>(1)</sup>  
TRIFR <1.88 <sup>(1)</sup>  
PPI Scorecard of 90 points or greater

#### RESULTS

✓ 0 fatalities  
✓ LTIFR = 0.42 <sup>(1)</sup>  
✓ TRIFR = 1.52 <sup>(1)</sup>  
✓ 129 points

#### 2023 TARGET

No fatalities  
Maintain industry leading LTIFR <sup>(1)</sup>  
TRIFR <1.44 <sup>(1)</sup>  
PPI Scorecard of 90 points or greater

### Diversity & equity

Respecting differences / Supportive Work Environment

>50% total new female professional hires  
>50% female participation in iLEAD  
>40% female participation in Executive Development program

✓  
✗  
✗

54%  
38%  
37%

>50% total new female professional hires  
>50% female participation in iLEAD  
>40% female participation in Executive Development program

### Training & development

Investing in talent development

100% of Compulsory training sessions completed

✓

100%

100% of Compulsory training sessions completed

### Climate Change

CO<sub>2</sub> & Green House Gas emissions / Task Force Climate Related Financial Disclosures (TCFD) / Efficient buildings, plant & equipment

>3% reduction in scope 1 and scope 2 carbon intensity  
Scope 1 emissions – collect and report on motor vehicle fuel and gas burnt on ALS Facilities

✓  
✓

15%  
Completed

Corporate Target: Achieve carbon neutrality in FY2023 <sup>(2)</sup>  
Business Streams Target 6% reduction in scope 1 and scope 2 carbon intensity

### Waste reduction

Resource conservation / Regulated Waste

Complete yearly business stream waste initiatives

✓

Completed

Complete yearly business stream waste initiatives

### Operational Environmental Performance

Management of adverse environmental emissions / Efficient operations

No unresolved complaints of negative air, noise, or land impact from surrounding neighbours  
Nil Environmental prosecutions  
No reported spill or reportable uncontrolled releases

✓  
✓  
✓

No unresolved complaints  
No prosecutions  
No reported spills or reported uncontrolled releases

No unresolved complaints of negative air, noise, or land impact from surrounding neighbours  
Nil Environmental prosecutions  
No reported spill or reportable uncontrolled releases

### Economic Contributions

Paying our fair share of tax/ Donations

Total economic contribution > AUD 1.8b

✓

2.1b

Total economic contribution > AUD 2.08b

### Local Contributions

Community Sponsorships  
ALS Cares and Science education support / Local employment

Continue Business Stream community engagement program

✓

Engagement program continued

Continue Business Stream community engagement program

### Human rights

Worker's rights / Modern Slavery Assessments

Human rights assessments on key suppliers completed by hub lab purchasing departments

✓

Completed

Human rights assessments on key suppliers completed by hub lab purchasing departments

### Regulatory compliance

Systems to maintain legal compliance  
Anti-bribery & Anti-corruption

Undertake external assurance assessment on Sustainability Report

✓

Completed

No material Code of Conduct violation

### Enterprise Risk Management

Management of external, strategic, financial and operational risks

Undertake external Cyber Security Analysis

✓

Completed

No material cyber security breach of the ALS IT network that results in significant disruption to key laboratory information systems or finance systems



## SOCIETY



## GOVERNANCE

<sup>(1)</sup> Per million hours worked  
<sup>(2)</sup> Scope 1 and scope 2 emissions



Section 1

# Our approach

## A message from the Chief Executive Officer



Raj Naran  
ALS CEO

I am pleased to present ALS' FY2022 Sustainability Report, our latest update on the Company's progress towards our sustainability goals. As we lived through another year of the pandemic, our businesses and our 18,000 strong team continued to show great resilience. We have operated as an essential industry to deliver critical services to our clients by maintaining our focus on employee health, safety and wellbeing, and adopting responsible financial management practices.

In these uncertain times it is important we focus on the things we can control. Following extensive consultation with the Board, management, employees and other stakeholders during the year, we completed the development of a new five-year Strategic Plan for the company. Through this new plan, ALS is committed to a vision of working together towards a safer, healthier and prosperous world, to build a sustainable future for our employees and communities, inspired by science, innovation and a values-driven culture. Relevant aspects of the strategic plan are cascaded to our sustainability strategy, outlined on page 12 of the report. Safer, Healthier, Together!

As a global leader in scientific analysis, our purpose is to help make the world a better place. Under our new Strategic Plan we will continue to invest for the long term in our core businesses and where we see new and emerging opportunities. We have identified four strategic themes to focus on to achieve our Vision – Client Centricity, Growth, Innovation and Technology, and the ALS Way. The ALS Way is about how we do things. We work as a team to create a diverse, collaborative, and inclusive environment that makes ALS a compelling place to work. Through our teamwork and living our core values, we will make an enduring impact on our communities and the environment.

For FY2022, it is gratifying to see that ALS was able to continue its record growth, increase returns to shareholders and deliver on its sustainability targets. This was partly due to the robust TIC industry that we operate in, but more importantly it is from the disciplined sustainability-focused initiatives implemented by our management team.

As we lived through yet another year of the pandemic, our businesses and our 18,000 strong team continued to show great resilience.



### PEOPLE

Our safety record continues to be a source of pride and for more than a decade has been a strong focus area, with our businesses consistently reaping the benefits of ever-lower injury and illness records.

During the year we achieved a record low Lost Time Injury Frequency Rate (LTIFR) of 0.42, delivered a 18% improvement in the Total Recordable Injury Frequency Rate (TRIFR) to 1.52, and realised a 130% improvement in proactive hazard reporting across the Group.

On page 25 of this report, we are proud to highlight the winner of our inaugural Safety Awards, Coal Services, who achieved the best safety performance across the Group as measured by our Positive Performance Scorecard (PPI). The business stream lead by Adrian Reifenstein - General Manager Coal Services and Lee Ambrose - HSE Lead Coal Services and the entire management team, have truly embodied our core value, "Safe".



## PEOPLE (continued)

As the world moves into the next phase of learning to live with COVID-19, we recognise that a vaccinated population is key to minimising health impacts and returning confidence to the world economies. We are strongly advocating for all ALS employees to become vaccinated and keep their vaccinations up to date. Working through the challenges of the past year has reinforced the importance of regular and meaningful discussions with our staff on safety, mental health, self-esteem and financial security.

We continued to support our people through our Diversity, Equity and Inclusion Programs. Our RISE gender equity program that was successfully piloted across the APAC region was expanded into two new regions, namely North America and EMEA. We also saw the launch of our Women in Leadership Mentoring Program which has a key objective to mentor and ultimately endorse future ALS leaders, and establish a pool of candidates for consideration for future assignments and succession opportunities.



## ENVIRONMENT

**In FY2022, all Business Streams made significant progress to meeting the Group's long-term emission reduction target of a 40% in carbon intensity (scope 1 and 2 emissions) by 2030.**

Our disciplined focus on reducing emissions is reflected in the 15% reduction in carbon intensity delivered during the year. This was achieved by installing 10 new solar PV systems, with a nameplate 852kW capacity, further increasing use of electric and hybrid vehicles across our fleet, replacing more than 6600 conventional lights with LED and purchasing >25% of our electricity needs across Australia and the Czech Republic from approved renewable energy sources.

We are excited about our future endeavours to combat climate change. In FY2022 we executed green bonds under a new USPP funding arrangement, committing over \$30m to complete our green initiatives and projects across ALS.

In FY2022 we committed to carbon neutrality\* from FY2023 onwards.



## SOCIETY

**Within this report, you will find examples of the work ALS does to support its local communities.**

This work includes such initiatives as ALS Cares (our workplace giving program), supporting Science Education through local schools and universities, and participation in neighbourhood clean-up campaigns. We are particularly proud of our continued community partnerships with Youngcare in Australia, The Centre in Houston, and the new partnerships we formed with the Conin Foundation in Latin America and AFK in the UK. We recognise it is important that we create businesses that are not only strong commercially, but also play a positive role in the local communities where our people live and work.



## GOVERNANCE

Through strong governance and support from our Board, we have maintained a focus on our Material Business Risks, include Cyber Security.

The increasingly digital world we live in and the growing threat of cyber risks is lifting customer and community expectations around how data, security and privacy is managed. During the year ALS invested in advanced network monitoring services, external vulnerability and penetration testing, and in building resilience through regular testing of our disaster recovery plans for our critical infrastructure.

This year we voluntarily returned COVID-19 related government subsidies of \$3 million in Australia (under the job keeper program) and \$20.5 million in Canada.



## Economic Performance

Demonstrating our focus on sustainable performance for shareholders, I am pleased to report that we further improved shareholder returns. We exceeded our original profit guidance range for year-end 2022, reporting a net profit after tax of \$190.5m, an increase of 12.3% on FY2021. Our strong performance enabled the Board to declare a 30% partially franked dividend of 32.8 cents per share. This represented a full year payout ratio of 60% of net profit after tax, consistent with our dividend policy. For our broader stakeholder group (which includes our employees, local suppliers and governments) we provided an economic contribution of \$2.1b. This comprised more than \$958m in salaries and wages, over

\$945m with local suppliers during the year, and \$106m in corporate income taxes spread across the countries and communities in which we operate. We were also pleased to add over 1,800 additional jobs as we invested in our businesses for the future and to meet increased demand and activity through the year.

We are proud of the continued recognition we receive for our approach to ESG. In July 2021, the Australian Council of Superannuation Investors rated our ESG disclosures as 'Leading' for the third year in a row. Furthermore, we received an "AA" rating from MSCI and 3.2 out of 5 from FTSE Russell rating agencies.

\* Scope 1 and scope 2 emissions

Our future targets will include a new bold goal to reach climate neutrality in FY2023\*.



### Looking to the Future

In the year ahead, I am confident we will achieve the ambitious targets we have set ourselves. These targets are outlined on page 5 of the report in our Sustainability Scorecard. Our focus will remain on the issues that are most material for our business, where we have identified opportunities under our strategic plan, and in the areas in which we have the expertise to make a meaningful impact.

These future targets will include a new bold goal to reach climate neutrality in FY2023\*. This will be achieved through our continued investment in real emission reduction programs, sourcing > 90% of our global electricity needs from renewable sources, and the adoption of carbon offsets for the remaining residual emissions that we cannot immediately address.

Our ESG scorecard reinforces responsibility and accountability for our sustainability, in linking certain sustainability metrics with remuneration.

Finally, we would like to take this opportunity to thank all our 18,000+ employees, business partners, clients and shareholders for their support in FY2022 and for making our company more sustainable.

We recognise that the key to our long-term success involves looking after our employees and our clients, taking care of the environment, always behaving with honesty and integrity, and investing in the local communities in which we live and work. We are excited about the future and look forward to reporting back to you next year on our progress against our new strategic plan and our key performance targets.

We appreciate your interest in our approach to sustainability. Please take some time to share your comments on this report via our online survey, available on our website [alsglobal.com/en/sustainability](https://alsglobal.com/en/sustainability). This will assist us in our goal of continuous improvement.

Raj Naran  
ALS CEO

\* Scope 1 and scope 2 emissions

# How We Do Things

## A global leader in testing.

For more than 40 years, ALS has provided testing and technical solutions to clients all over the world in a wide range of industries.

We have built our global reputation by embracing the latest technologies and innovative methodologies to deliver high-quality testing services to clients. ALS is able to leverage a multifaceted international team while remaining agile enough to provide local expertise and personalised solutions to every one of our clients.

### Our mission

At ALS, we are using the power of testing to solve complex challenges. With a passion for science, we serve clients with data-driven insights for a safer and healthier world.

### Our culture

We are committed to the integrity, reliability, and innovation which supports our delivery of the highest level of quality work and customer service. Our people are of the utmost value to us, which is why we ensure safety, diversity and inclusion at our workplaces across the globe. Being a global leader requires the right talent, which is why we also value leadership, education, and professional development for the betterment of our employees and our company.

### Our purpose

We aim to relentlessly expand the way science is deployed across all areas of human endeavour, serving clients without exception as the most trusted partner. Through science, assurance and sustainability, our purpose is helping make the world a better place.

A company admired by the communities in which we operate and a company that our employees, customers and shareholders are proud to be associated with.

## CORE VALUES

By living out these values, we create a rich, diverse and exceptional environment for our employees and, by extension, for our clients and community at large.



SAFE



RESILIENT



CURIOUS



COMMITTED



CARING



HONEST

## CORPORATE POLICIES

Code of Conduct • Compliance Policy • Environmental Policy  
Health & Safety Policy • Risk Management Policy

These are our key Corporate policies to guide our decisions for a positive and safe working environment, and are a subset of our 50 Corporate policies that make up our governance program.

## CORPORATE PROGRAMS

Life Saving Rules • Compliance Portal • HSE Foundation Standard  
Risk Management Framework • Group HSE, Compliance and Risk Strategic Plan

Corporate tools and programs to help ALS businesses manage their compliance and risk obligations.

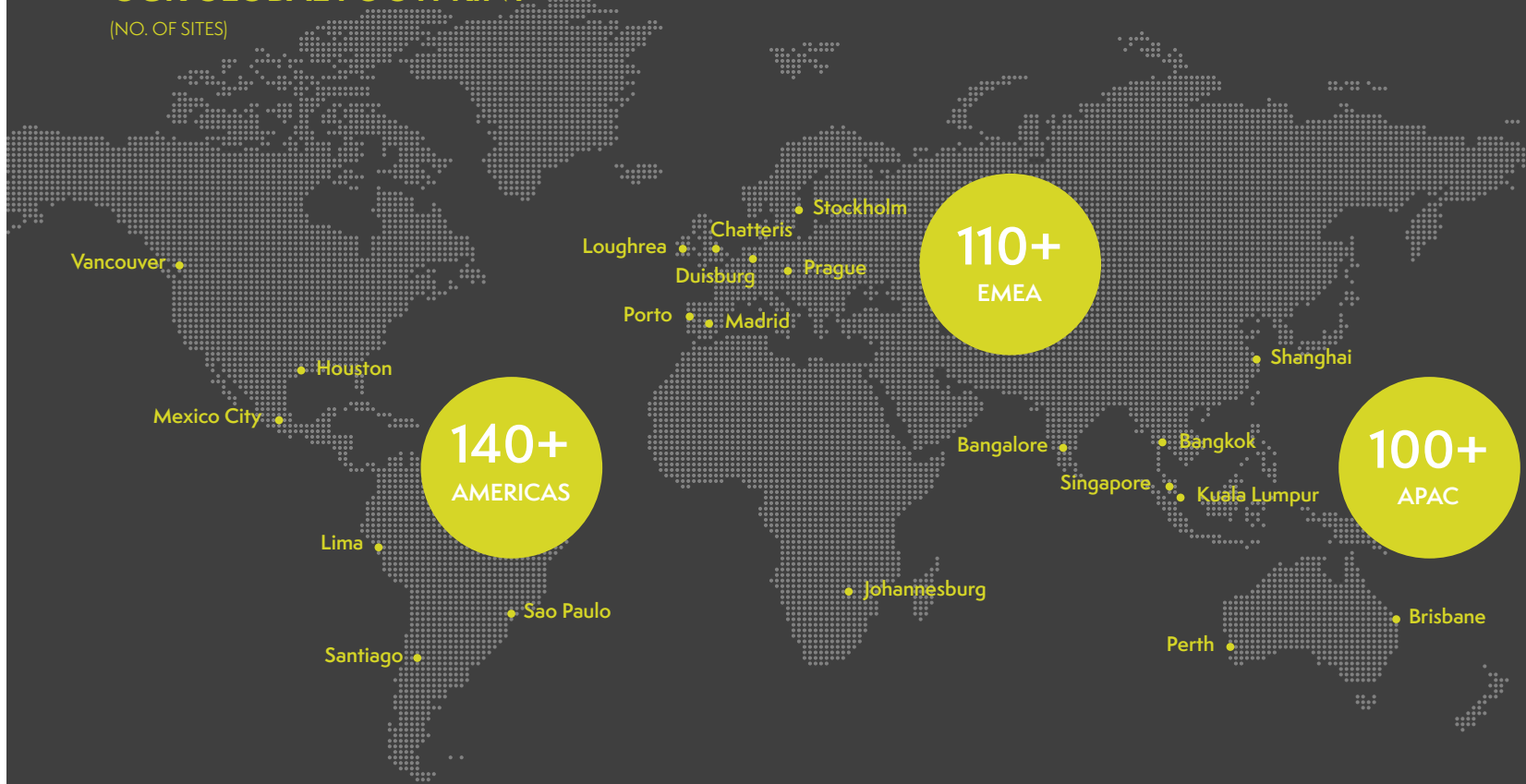
## LOCAL MANAGEMENT PROCEDURES AND PRACTICES

HSE procedures and practices to embed corporate programs at a local level taking into account regional legislation requirements.

# Overview of the Business

## OUR GLOBAL FOOTPRINT

(NO. OF SITES)



**70+**  
Countries

**350+**  
Locations

**40+**  
Years of strong performance

**18k+**  
Staff worldwide

**2.1b+**  
Global revenue

## OUR SERVICES

### Environmental & Occupational Hygiene

- Air Quality
- Water Quality
- Analysis of Solid Matrices & Biota

### Mining & Commodities

- Mine Site Operations
- Geochemistry
- Coal
- Metallurgy
- Trade & Inspection

### Asset Integrity & Reliability

- Asset Reliability & Maintenance

### Food & Beverage

- Food Safety & Quality Testing
- Technical Services, Audit & Training

### Pharmaceutical & Healthcare

- Pharmaceutical Services
- Analytical Services

### Personal Care & OTC

- Quality Control
- Efficacy Testing
- Safety Testing

# Sustainability Strategy

INTRODUCTION  
HIGHLIGHTS  
OUR APPROACH  
PEOPLE  
ENVIRONMENT  
SOCIETY  
GOVERNANCE

## OUR MISSION

At ALS, we are using the power of testing to solve complex challenges. With a passion for science, we serve clients with data-driven insights for a safer and healthier world.

## KEY SUSTAINABILITY THEMES FROM ALS STRATEGIC PLAN

### Client-centric

Clients trust our intimate knowledge of needs and workflows to produce responsive and differentiated solutions.

### Growth

We are a leading independent global company, We operate in targeted geographies and have achieved profitable growth in sustainable market segments.

### Innovation and Technology

We are a leader in added value solutions for our clients. We foster a culture of curiosity and innovation, never afraid to have a go and try something new. Our advanced data management and analytics expertise contributes materially to our service value.

### The ALS Way

We work as a team to create a diverse, collaborative, and inclusive environment that is a compelling place to work. Through our teamwork and living our core values, we make an enduring impact on our people, our communities and the environment.

Safer.  
Healthier.  
Prosperous.  
Together.

## OUR FRAMEWORK



### PEOPLE

Placing our employees first.



### ENVIRONMENT

Taking steps to reduce our footprint.



### SOCIETY

Global services. Local partners.



### GOVERNANCE

Operating ethically and responsibly.

## OUR GOAL

**INVEST** in real emission reduction programs.

**SOURCE** >90% global electricity needs from renewable sources.

**ADOPT** carbon offsets for remaining residual emissions.



**CARBON NEUTRALITY IN 2023\***

\* Scope 1 and scope 2 emissions

We are committed to maintaining the strong and sustainable growth strategies which have made ALS a successful company.

## Materiality

ALS businesses and partnerships span across major sectors including environmental & occupational hygiene, mining & commodities, equipment reliability, food & beverage, pharmaceutical & healthcare, and personal care & over-the-counter.

We are well recognised internationally by both our customers and competitors for the delivery of high-quality testing services and are committed to maintaining the strong and sustainable growth strategies which have made ALS a successful company. Post pandemic, an organisation's sustainability and success is even more reliant on effectively preparing for and responding to increasingly dynamic operating environments and social undercurrents.

Each year we engage with stakeholders to assist us in the identification and understanding of the impacts we have or could have on the economy, environment or people.





## Employees

This year we welcomed another 1,800+ employees to ALS. We are committed to retaining, attracting and engaging employees with the knowledge and skills required to continue our growth.

We use multiple channels to engage with our staff including ALSnet (our internal intranet), social networks such as Yammer and LinkedIn, the ALS Integrity+Compliance Helpline (Whistleblower program), and via our website or group emails. ALS conducts regular employee surveys to measure engagement, attributes and concerns. This ensures alignment with our strategic objectives, workplace culture and high employee engagement aspiration. Our last survey was conducted in 2019, and we plan to run another in 2022 as we communicate and implement ALS' strategic plan and transition from the pandemic. Survey results will be used to define workplace programs and talent strategies to position ALS as the employer of choice in our industry. The development and release of the new ALS five-year strategy to employees provided a valuable opportunity for authentic conversation and enabled a greater understanding of issues and their relative importance.

## Clients

We seek feedback from our clients through emails, website channels, telephone calls and in person throughout the year. As COVID-19 vaccination rates increased and infection rates decreased, in some regions we were able to meet face to face with clients and attend conferences while we continued webinar programs across our businesses. Working closely with our clients provides greater opportunity for innovation, improvements to efficiency and the long-term sustainability and competitiveness of both parties.

## Government and Regulators

During FY2022, we liaised with national and local governments in relation to a range of issues that affect our businesses and the TIC Industry more broadly. Consultation through industry forums keeps us informed on key government focus areas and supports our work with regulators to illustrate industry standard practices. This year we voluntarily returned COVID-19 related government subsidies of \$3 million in Australia (under the job keeper program) and \$20.5 million in Canada.

## Media

ALS engages with external media organisations directly and through our corporate media advisors. We work with international, national and local media organisations to ensure high standards of transparency, and communicate on issues relating to corporate governance, financial and operational performance. Our engagement with media organisations includes ASX and press releases to coincide with financial results announcements. We use online and social media channels such as LinkedIn and the ALS website for other major events as appropriate.

## Shareholders

The Company maintains a Head of Investor Relations position to provide a resource dedicated to building enhanced engagement between ALS and its investors. The Head of Investor Relations plays a key role in communicating clear, accurate, credible and consistent information about the Company to both retail and institutional investors. The Head of Investor Relations implements an annual program of investor engagement underpinned by domestic and international post-results (full year and interim) teleconferences and meetings with financial analysts and institutional investors. Shareholders are also encouraged to participate in the Annual General Meeting (AGM) to ensure a high level of accountability and identification with the Company's strategies and goals.

## Suppliers

ALS recognise that by closely working with our suppliers we can contribute to innovation, efficiency and the long-term sustainability and competitiveness of all parties. Each Business Stream completes new supplier assessments to ensure any potential supplier is aligned with ALS' Code of Conduct and meets expected behaviours.

**By closely working with our suppliers we contribute to innovation, efficiency and long-term sustainability.**

## Materiality Review

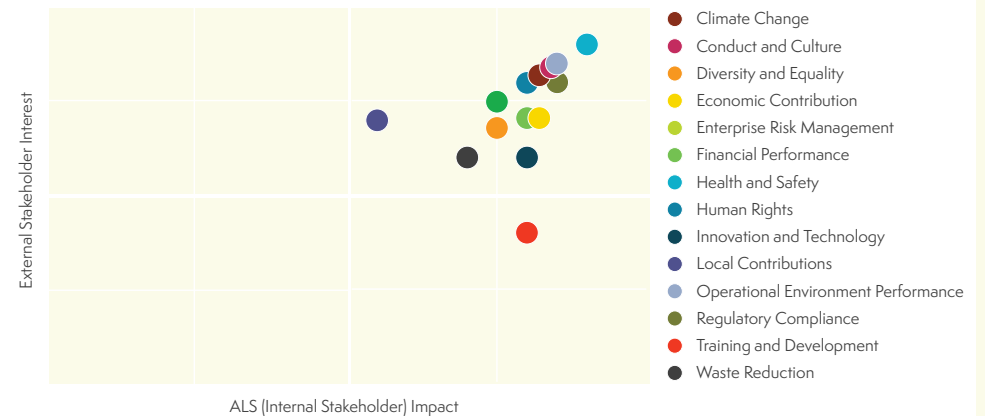
Active participation helps us stay informed and enables us to work with industry associations in contributing to positive sustainability related activities.

This year our materiality review was completed in parallel with an ALS Strategy review which reaffirmed the four pillars of People, Environment, Society, and Governance. The Strategy workshops extensively discussed ALS sustainability topics including:

- creating value for all stakeholders including employees and communities,
- helping make a safer and healthier world,
- keeping our employees and the community safe,
- being socially responsible,
- producing diversified revenue and EBIT growth,
- building technical innovation, and
- being identified as an employer of choice.

The ALS Strategy review also gave rise to ALS' new Mission and Vision statements which provided improved context to critically review stakeholder issues and assess the associated risks and opportunities. We then ranked our material issues against the axis of external stakeholder interest and ALS (internal stakeholder) impact.

Figure 1: Materiality



Additional stakeholder feedback and potential impacts that were incorporated into the FY2022 Materiality review include:

- the ongoing pandemic and associated workplace and societal changes,
- general investment and community calls for a 'green' recovery from the pandemic,
- review of GRI and SASB Standards, and
- investor feedback via ALS Head of Investor Relations.

We reviewed the significance of those impacts to determine the topics which are most important to our sustainable business performance and to our stakeholders. The material topics are provided to the Sustainability and Innovation Committee.

We also assessed our actual and potential ability to either create positive impacts or to mitigate negative impacts that relate to United Nations Sustainable Development Goal targets.



# Materiality Matrix

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## PEOPLE

### Health & Safety

Safety Culture / Life Saving Rules  
Wellbeing

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### Diversity & Equity

Respecting differences / Supportive Work Environment

27



### Training & Development

Investing in talent development

32



## ENVIRONMENT

### Climate Change

CO<sub>2</sub> & Green House Gas emissions / Task Force on Climate-related  
Financial Disclosures (TCFD) / Efficient buildings,  
plant & equipment

34



### Waste Reduction

Resource conservation / Regulated waste

46



### Operational Environmental Performance

Management of adverse environmental emissions  
Efficient operations

51



## SOCIETY

### Economic Contributions

Paying our fair share of tax  
Donations

53



### Local Contributions

ALS Cares  
Science education support programs  
Local employment

55



### Human Rights

Worker's rights / Modern Slavery Assessments

58



### Financial Performance

Maximise return for shareholders

64



## GOVERNANCE

### Conduct and Culture

Data integrity & traceability  
Ethical business conduct

65



### Regulatory Compliance

Systems to maintain legal compliance  
Anti-bribery & Anti-corruption

66



### Enterprise Risk Management

Management of external, strategic, financial and operational risks

68

### Innovation & Technology

Strategy, Investment & Collaboration / Service lifecycle management

69





Right Solutions - Right Partner  
alsglobal.com

# Global Operations



CHATTERIS

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Section 2

# People

INTRODUCTION

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Every employee at ALS is responsible for their own safety and the safety of those beside them.

## Serving clients together

**We believe that the people we employ are what makes ALS the great company it is today. The ability to attract, retain and develop talented people with the skills we need now and in the future is critical to both our continued success and our growth.**

With a passion for science, we serve clients with data-driven insights for a safer, healthier and more prosperous world. To ensure we continue to exceed client expectations we strive to employ the most dedicated management and technical teams in the industry. We achieve this by employing people from a range of backgrounds who have the relevant qualifications, laboratory experience and, perhaps most importantly, a commitment to delivering exceptional service.

As a group member of the TIC Council, the services we provide to our clients are predicated on our commitment to safety, quality and environmental stewardship. Our Corporate HSE Management System encompasses all our global sites and is certified to the performance criterion of ISO 45001 and ISO 14001. We ensure our sites maintain the exacting standards prescribed under our HSE Management System by conducting regular internal HSE audits by suitably experienced and/or qualified management systems and HSE auditors. Where required, business divisions or sites may

maintain certification against other standards including ISO 9001 and ISO 17025.

We aim to foster a culture across ALS that challenges the status quo and that embeds curiosity and critical thinking. This will lead to innovation, visibility and sharing across ALS. It will engage our staff through their understanding of the industry direction, initiatives, best practices and incubating of new ideas.

We recognise the importance of providing our staff with the tools they require to do a great job; we identify and recognise high performers and have a strong preference of promoting from within.

Through our teamwork and living our core values, we make an enduring impact on our communities and the environment in which we operate.

### Health and Safety

Fulfilling our responsibility to provide a safe and healthy workplace for all employees, contractors and visitors is essential to our long-term success. ALS has operations in many countries and is supported by a culturally diverse and geographically dispersed workforce.

We are committed to continually improving our health and safety management systems and performance with the goal of identifying,

controlling and eliminating workplace hazards, injury, illness and psychosocial risks. Our Corporate HSE management system framework underpins our commitment to employee safety and wellbeing and our commitment to continuous improvement is evidenced by our leading safety performance. Whilst each state/country where we operate may have specific legislative requirements in relation to HSE, ALS requires each site to meet the ALS HSE Foundation Standards as a minimum.

Displaying consistent safety leadership to employees at all levels is a critical element to providing every worker a safe and healthy workplace. Ensuring that leaders at all levels have a deep, personal motivation for managing safety is crucial. While an individual's own safety and wellbeing is logical, the reality is that leaders should hold personal responsibility for their people and create an environment in which they can operate safely.

Our global workforce adopt our core value of 'Safe' as more than a policy. It is our responsibility, as employees of ALS, to ensure that our colleagues and clients are working in a safe environment, always being aware of possible dangers and taking steps to eliminate them. At ALS, safety is in everyone's job description.

**We must embrace the initiative of Safety Leadership in everything we do. This is very real and vitally important to all of us. We achieve nothing if we do not operate in a safe environment with safety firmly ingrained in the DNA of each and every one of us. Every employee at ALS is responsible for their own safety and the safety of those beside them.**

**After all, Safe is one of our most important core values.**

Raj Naran  
CEO

## Managing HSE Risk

The ALS Board is accountable for reviewing and approving our compliance and risk policies. Our Health and Safety Policy formally communicates our health and safety intentions and direction to our employees from the ALS Board. The ALS Code of Conduct supports the Health and Safety Policy by setting the standards of behaviour and actions expected of all employees. Our Human Rights Policy which outlines our commitment to providing a healthy, safe and secure workplace, also provides a clear message to our stakeholders from the ALS Board and Management team.

Our HSE Foundation Standard provides the platform for our ISO certified corporate health and safety system. The framework is firmly based on the standard principles that can be described as planning, operational controls, checking and corrective actions.

We assess the aspects and impact of our HSE risks using various assessment methods. We also consider the legislation that applies to our business

and then put in place the necessary controls to ensure our compliance. The outcomes of these processes inform our operating procedures, training and performance monitoring programs. Our audit and review processes are conducted at multiple tiers which generate ownership at a local level and provides independent oversight.

The risk management process drives continual improvement in HSE performance through the systematic identification of hazards and opportunities. The process includes:

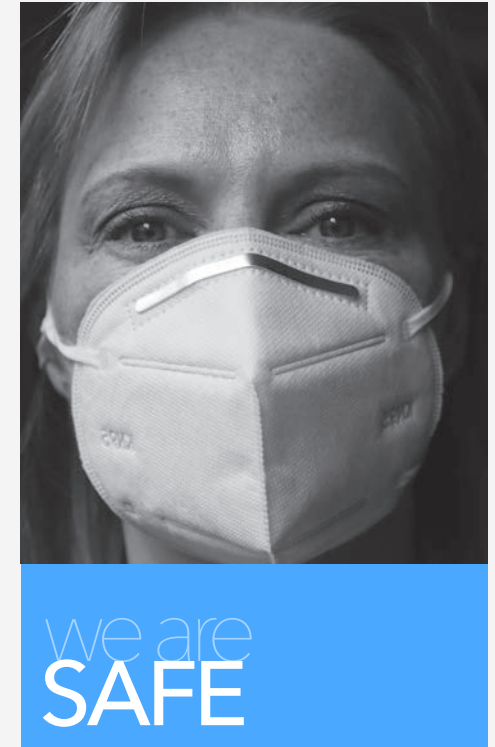
- Assessment of risks using ALS risk management framework.
- Prioritisation of the risks and opportunities, including their subsequent recording in a risk register, reviewed at least annually.
- Implementation of controls in accordance with the Hierarchy of Controls.
- Review of the effectiveness of implemented controls.
- Updating of all relevant documentation reflecting any changes i.e. procedures.

- Monitoring and review of the residual risk.
- Communicating to relevant parties any information on identified hazards, opportunities and controls.

The HSE risk management processes apply as a minimum to site operations, plant and equipment, hazardous substances, and planned and unplanned changes.

In FY2022 the challenges of the pandemic including travel restrictions, supply disruptions, and local waves of infection, resulted in the majority of our Business Stream improvement efforts being directed at incremental advances to reduce risk, rather than re-engineering of processes or significant step changes in our approach.

Our Business Streams are required to review their HSE performance over the previous year and develop an annual plan which includes both corporate and business stream specific targets. Our ESG scorecard reinforces responsibility and accountability for our HSE risk, in linking certain relevant metrics with remuneration.



## Mental health and wellbeing



It is the experience of positive perceptions and the presence of constructive conditions in the workplace that enables workers to thrive and achieve their full potential. This year our Corporate team commenced integrating the recently released standard, ISO45003 Occupational Health and Safety Management - Psychological Health and Safety at Work, into our existing HSE Management System.

ALS will apply a prevention approach that is consistent with occupational health and safety prevention principles using the Hierarchy of Control:

1. Prevention – Change the conditions that contribute to the health problems.
2. Identify residual risks and take action.
3. Reduce and mitigate the distress and dysfunction associated with mental disorder.

Our systems, including flexible work arrangements, recognition/reward programs, equity and inclusion programs, risk management programs, whistle-blower program, EAP programs and manager training, support much of these requirements.



## Geochemistry – Reducing risk through standardised controls

This year ALS' Geochemistry team focused on improving the consistency of approach to, and application of, compliance risk controls and mitigation.

One initiative in the program was the introduction of a monthly HSE 'Playbook' that was designed to improve understanding of risks and controls at a site and work section level and to provide greater visibility of the application and effectiveness of those controls to the business stream managers.

The playbook provided monthly activities and training, with each site conducting a self-assessment of their activities.

The scores were aggregated and reported monthly allowing sites to share learnings, identify lower performing sites and apply resources to those sites.

At the end of FY2022 hazard reporting for Geochemistry had increased by 112% and manual handling injuries, which was one of the key target areas for the program, reduced by 12%.



## Reducing the risk of airborne dust exposure

Geochemistry also established a working group to identify, develop and trial improvements aimed at further controlling dust capture in their laboratories. Most geochemistry samples undergo a process of homogenisation and particle size reduction called pulverisation.

Kai Herrin, from the Zillmere Sample Prep facility, was tasked with making improvements to the dust control on the sample pulveriser. The main improvement saw the implementation of an improved vacuum system for the cleaning process. The pulveriser capture booth was also redesigned with a flanged approach to direct the air towards the extraction pipe. This reduces the air turbulence generated when air enters the duct at the back and improves dust capture. The addition of two small flanges at the front of the booth further reduces the escape of dust from the system. This new system has not only resulted in improvements in dust exposure to employees and improved their comfort levels, but has improved overall plant cleanliness and reduced downtime in cleaning.



## Tribology – Continuous improvement reducing repetitive tasks

Our program of regular risk assessment of laboratory processes triggers the identification of improvement opportunities which are investigated and implemented if found to be feasible. Tribology Services have an ongoing commitment to reduce ergonomic-related incidents. Task rotation is an important control to reduce the risk of occupational overuse however, where possible, removal of the hazard through redesign of the process is a more reliable control.

Tribology has installed automated solutions to remove the manual pipetting step from two of their regular test methods. These instruments have minimised the high-frequency pipetting motions and reduced the risks of incidents, benefiting employee safety.



## Reducing fire risks

This year Tribology also reviewed their Fire Prevention and Response Program as part of the business' critical controls. The key elements of the program cover fire safety audits, flammables safety and competence training for tests involving naked flames and fire response. Tribology labs have invested in new technologies and equipment with optimal safety features that reduce the risk of fire.

The engineering of controls has proven to be extremely effective with managing fire risks within the laboratory.

## Hydrographics Australia – Reducing Risk

River and stream hydrographers monitor, measure, analyse and describe the earth's surface and groundwater resources and many aspects of the water cycle, including human use.

Hydrographers work a percentage of their time in offices undertaking computer-based water data evaluation and analysis. Their field expeditions, however, can find them on foot, horseback, underground, in four-wheel-drives, in boats, planes or helicopters.

The hazards hydrographers are potentially exposed to are wide and varied, and quite different to many of our purely laboratory-based employees.

Consistent with our commitment to continuous improvement, this year the hydrographics team has implemented several improvements to strengthen the controls which help keep our people safe.

## Training

The team developed a new training portal to house all training, formal qualifications, inductions and reporting for hydrographic staff as the business continues to grow. The new system has simplified the process to update training records significantly as well as improved reporting functionality. The implementation team consulted with field-based employees to determine what requirements and features they needed from their interactions with clients and with one another.

The portal was developed in conjunction with ALS' global learning platform, ALStar, which manages the employee on-boarding learning and other corporate and companywide compliance and leadership learning. The portals work together to analyse an employee's learning profile and collate all relevant records, providing a useful reporting tool for internal management, quality processes and for our clients. The tool has also improved the forecasting of training requirements enabling more efficient planning and scheduling of training.



## Increased application of mobile data

The team has extended the use of mobile technology. Live data enables staff to effortlessly perform Take 5s, vehicle inspections and workplace safety inspections and automatically upload these onto the ALS servers. It also provides staff with clear Google Maps directions allowing staff to concentrate on driving.

## Manual Handling

The local hydrographics team were planning a project to profile salinity cross sections on the Murray River and recognised the increased risks having to anchor in the same locations every time of over five consecutive days. The control which was identified to reduce this exposure was the use of an electric motor with GPS which allowed the boat to remain on the same spot.

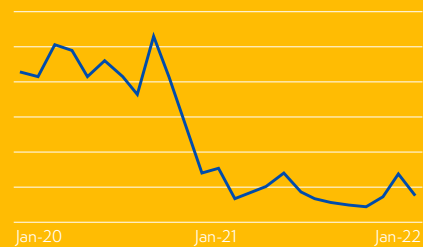
## Coal – Reducing the risk of motor vehicle accidents

In vehicle monitoring systems (IVMS) are fitted to the ALS vehicle fleet. This year an IVMS dashboard was developed to provide tools that enable a manager to more quickly drill down into their fleet / IVMS performance to identify areas of good performance and those that required improvement such as speeding and seatbelt compliance.

The dashboard enables us to understand our IVMS data so that we can continue to improve our driving behaviour and support our Life Saving Rule – Safe Driving.

This divisional event log shows an approximate 75% reduction in actionable events (where driver behaviour modification is required).

Actionable IVMS Items



## Life Sciences EMEA – Reducing exposure to hazardous chemicals

ALS Czech Republic have eliminated safety risks associated with handling mercury. The process to prepare samples for the analysis of organochlorine pesticides by gas chromatography required the addition of a small amount of mercury to remove sulphur compounds which would compromise the analysis.

Mercury is toxic and its use requires strong hazard controls including:

- Regular training of employees on the safe handling of mercury.
- Mercury must be securely stored with documentation of consumption.
- Employees use specific PPE when working with mercury.

Environmental monitoring confirmed that our strict control measures were effective, with mercury exposures well below the permissible limit.

However, non-toxic granular copper has now replaced mercury to clean the extracts prior to analysis. The entire process of changing the extraction agent took more than a year including the necessary quality verifications.

In accordance with the hierarchy of controls, a hazardous chemical substance has been replaced with a safer one.



Geochemistry, Las Bambas

## Geochemistry Las Bambas – Celebrating Success

Our people who work on the Las Bambas mine site created a video to celebrate Miner’s Day and shared it with the rest of the Geochemistry team.

The Las Bambas team closely identify with Miner’s Day, understanding the challenges of working in high altitudes, coldness, 12 hours working shifts, and many days away from family, yet recognising the benefits for themselves and their families.

The video features a song which lyrics include:

- What does it mean to be a miner?
- Being a miner means...
- Leave everything to go up in the mountains to pursue our dreams
- Because when we leave our land we found a mine, that provides opportunities for us
- Opportunities for men and women and for Peruvian families
- Being a mining worker lets us value our culture
- Working for this big family called ALS Las Bambas, we feel it is a blessing to work in this great mine
- Happy Miner’s Day.

## Positive Performance Indicator

ALS introduced the Positive Performance Indicator (PPI) program more than 10 years ago as it recognised that lagging injury statistics are not a reliable metric for safety system performance. The PPI metric promotes and rewards teams that demonstrate a commitment to training, leadership, safety programs and injury prevention. In line with our commitment to continuous improvement the PPI system has evolved, and each year the metrics and targets are reviewed to maintain their relevance and enhance our safety culture.

In FY2022 we redesigned the PPI scorecard to make it more relevant to managers and employees and to support an improved focus on identification of hazards, effective implementation of controls and to better differentiate our businesses that are our high performers.

The program measures performance across five categories.

## Risk Management (Business Specific)

The PPI category of Risk Management is targeted at Business Stream specific risks. Although there are common hazards, for across our businesses, each of our Business Streams have a unique variety of hazards which they have implemented specific controls to manage. In this category the effectiveness of the identified critical controls in each business are assessed.

## Injury Frequency Rates

We recognise the inherent weakness in using injury frequency rates as the sole indicator of safety performance. We include injury metrics in our overall score as they are still deemed important to a number of our external stakeholders.

## Program Compliance

Our program of hazard identification helps ALS to identify opportunities for acute and systemic improvement. This category provides visibility to, and promotes, the timely implementation of improvement actions.

## Training

In FY2022 the training category of the PPI score focused on induction training for new employees and the management of injuries at ALS. We view effective onboarding as essential to providing new employees with an understanding of our culture, the unique hazards of our workplaces and our commitment to a safe workplace.

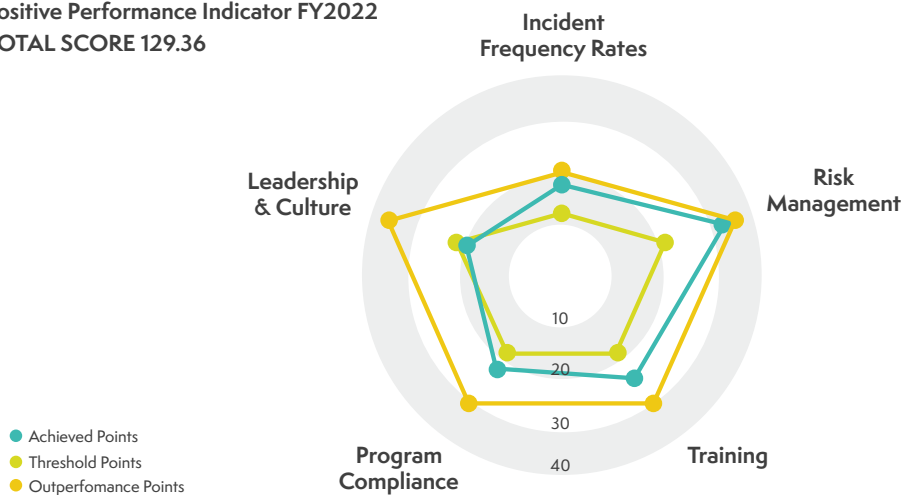
## Leadership and Culture

Visible safety commitment and leadership is an essential component of our safety management system. In this metric we measure the consistency of safety leadership within business units across the reporting period.

Our HSE teams, embedded in each Business Stream, invested considerable time supporting the implementation of the scorecard with initial face-to-face training, development and ongoing support of Business Stream specific reporting, and the quality stewardship of the new metrics.

Since the introduction of the new PPI Scorecard several of the ALS Group level metrics have improved including hazard observation frequency rate, timeliness of action close out and site manager leadership activities.

Positive Performance Indicator FY2022  
TOTAL SCORE 129.36



**130%**

improvement in hazard observation frequency rate.

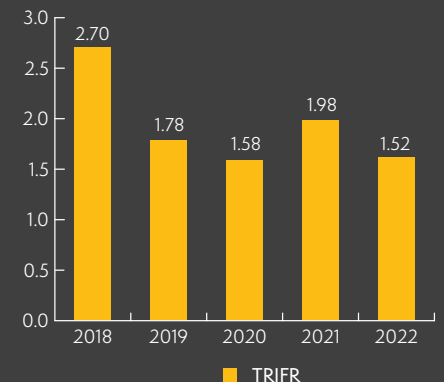
**20%**

reduction in incident closeout time.  
improvement in action closeout timeliness.

## Group Safety Metrics

This year our teams maintained a high level of attention on risk awareness and effective implementation of controls on our core HSE risks. This was done while maintaining the additional employee engagement initiatives that were implemented in FY2021 to refocus our people on risk awareness and to counter the distraction and fatigue associated with the COVID-19 pandemic.

Our employees worked together to proactively identify 130% more hazards than last year. Similarly, the rate at which our employees were impacted by recordable injuries reduced by 23% returning to pre-pandemic levels.



## COVID-19

At the start of the pandemic we implemented standard COVID-19 risk controls across our network of operations. Employees experienced significant change at work and at home in a short period of time, however, this gradually became the new 'normal'.

This year our teams continued to adjust and reinforce our controls in line with local infection and vaccination rates.

For much of this year the rate of change caused by COVID-19 has been much lower than last year, however many people, including our employees experienced pandemic fatigue in the face of the disappointment of its extended duration and the resultant drain on their emotional and mental state. They started this year envisaging that COVID-19 would soon be in the past, and that 2021 would see a return to pre-pandemic conditions. Unfortunately, the pandemic continued to impact our communities globally.

One of the more significant changes to our COVID controls this year was the increased focus on mental health. Our businesses increased the number of mental health first aiders, supporting employees as pandemic fatigue increased.



**The Brazil Tribology team promoted the national SIPAT (Occupational Accident Prevention Week) between 6 and 19 November with training, safety raffles and group discussion on the safety of employees.**

The impacts of COVID-19 on mental health was a consistent theme during the week.

A professional actor opened the week, presenting, through art and humour, a portrayal of the emotional phases experienced during the pandemic, reflecting on working from home, mental health, vaccination, care and transition to "post-pandemic". In the following days presentations included first aid and mental health. To end the week, a play was presented on the importance of asking for help from health professionals.

ALS' Regional Operations Manager closed SIPAT week, highlighting the importance of the safety of our employees and the goal of eliminating accidents at work.

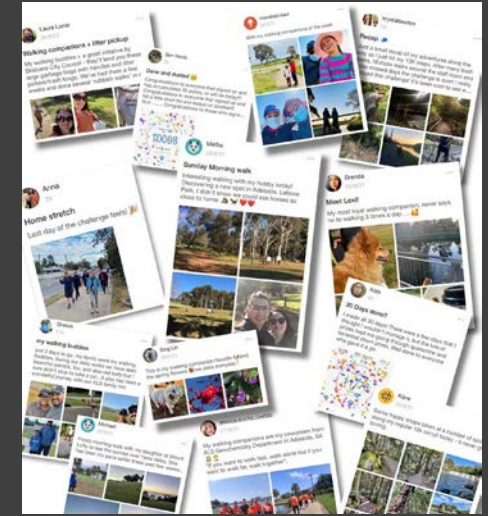
## ALS Life Sciences – Chile was recognised by the Chilean Safety Association.

The Chilean Safety Association generated a certification scheme for affiliated companies that have a management plan to generate all the necessary measures to effectively protect the health of workers against COVID-19. The Association audited our safety protocols, including the health self-assessment APP we have in the region that is used by every employee every day before accessing our buildings. Life Sciences Chile achieved a distinction through the certification program.

*"The safety and health of our workers is the common thread of our work and the main value of our company. This recognition from the Chilean Safety Association, in addition to being a source of pride for all of us, strengthens our commitment to continuous improvement and the incessant search for better conditions that ensure the integral wellbeing of all our employees and their families."*

**Mónica Aedo**

Country Manager – ALS Life Sciences Chile



## During the month of September ALS Australia & NZ ran the first ever 10,000 ALSteps Challenge.

This challenge emphasised the importance of exercise for physical and mental health and encouraged employees to move more across their day. More than 300 participants registered for the virtual step challenge across Australia and New Zealand and 79,015,876 steps were taken.

The photos, stories and comments that people from across states and business shared was an encouragement for all, especially the employees based in New South Wales and Victoria who were in extended lockdowns during this period.

The team at ALS Springvale Melbourne, in the same city now commonly referred to as "the city to have spent the most amount of time in lockdown", spread a little cheer including a note of encouragement and care packages of picnic kits or food delicacies to clients that ordered sample bottles.



**ALS**

**SAFETY Awards**

A celebration of ALS businesses and individuals who show exceptional commitment to living the ALS Core Value of

**SAFE**

<b>BUSINESS CATEGORY</b>	<b>INDIVIDUAL CATEGORY</b>
Coal Services PPI Score: 148.9	Konrad Klotz Geochemistry, Adelaide

AWARDED TO THOSE LEADING OUR SAFETY SUCCESS

## Safety Awards

### Celebrating our achievements

The inaugural ALS Safety Awards were completed in March 2022. The ALS Safety Awards identify and celebrate those businesses who show exceptional commitment to living the ALS Core Value of 'Safe' and recognise the efforts of individuals or small teams for a safety-related activity, initiative or project completed during the ALS financial year.

#### BUSINESS STREAM AWARD WINNER

This year the Business Category Award winner was Coal Services.

ALS Coal Services, led by General Manager Adrian Reifenstein with support from HSE Lead Lee Ambrose, consistently achieved a PPI score in the upper quartile from the start of the reporting year and ending the year with a PPI score of 148.9 points (out of a maximum 150 points available).

ALS Coal Services built on their strong performance from FY2021 by incorporating the new PPI requirements into the agenda of their monthly management meetings to ensure this was cascaded throughout the business. At each monthly meeting, safety metrics for each site were reviewed and learnings across the business were shared. Where performance was below expectation, support and resources were provided to assist with improvements. The ALS Coal Services team has displayed a dedicated commitment to the health and wellbeing of each other this year and are worthy recipients of the inaugural award.

#### INDIVIDUAL AWARD WINNER

The recipient of the individual category this year was Konrad Klotz who developed a riffle split/tip device for sample preparation in Geochemistry. The device improved airborne dust controls and removed the risk of RSI injury, while also improving productivity.



Konrad Klotz, winner of the individual ALS Safety Award (FY2022) with Geochemistry Adelaide team members



Inspection Chile team receiving the certification

## External Recognition of ALS' Commitment to Safety

ALS Inspection Chile were awarded a COVID-19 certification seal by IST (Instituto de seguridad del Trabajo), demonstrating that the team fully comply with the health authority COVID-19 protocols across the eight ALS Inspection branches.

**We are pleased to announce that ALS has been granted with COVID-19 certification seal. This is a recognition that keeping our staff safe is our priority. Congratulations to all our employees.**

Humberto Arroyo  
General Manager Inspection Chile

The **Asset Care** business delivers technologies for our clients that improve their business in many ways, including productivity, safety and confidence in the integrity of their plant.

This year ALS Asset Care we received the Supplier Recognition Award, Doing Business Better, from their client, Conoco Phillips. The award was received for their program of non-intrusive inspection of pressure vessels using robotic crawlers and the latest corrosion mapping technology.

These techniques have many benefits to our industrial clients, including:

- enhance safety aspects of the work as the inspections no longer require the use of rope access or scaffolding; and
- improve efficiency and accuracy of inspection techniques.

These technologies are brought to market driven from our dedicated Engineering team, who identify technologies that can improve outcomes across a range of clients.

## Environmental – Belo Horizonte

ALS Brazil received the contractor of the month award from its client, VALE, recognising the continuous effort made by the project team to guarantee that the daily sampling tasks, undertaken in arduous terrain, are carried out in a safe manner.

ALS has provided environmental services to VALE in the Minas Gerais region and Rio de Janeiro since 2014. ALS and VALE teams proactively review the health and performance of our safety systems together, and regularly engage with employees on safety topics. Our field teams receive ongoing training to alert and promote awareness of the potential risks of working in the field and the actions required to safely mitigate those risks. An example of this training focuses on field-based risk assessment to identify the many risks of working in a changing natural environment.

Employees also receive training on poisonous animals as they work near rivers and lagoons where these animals are common. The course content includes theoretical and practical components including venom kinematics, effects of the poison in the body, types of poisonous animals, signs of aggressiveness and attack postures, handling and restraint of poisonous animals, safe conditioning, habitat and behaviour, and measures to prevent injuries. The practical component involves the presentation, manipulation and control of snakes, scorpions, and spiders.



Hazardous animal training

## Diversity and Equity

ALS enjoys a very strong culture of belonging, camaraderie, mutual respect and support. We celebrate and rely upon each other amongst an impressive global footprint that constitutes the ALS operations worldwide, and we benefit from the collective perspectives, innovation, creativity and effort the ALS global team contributes every day in support of our stakeholders. We recognise the value and community that results when we all do our part to foster and strengthen a workplace and environment that is safe, inclusive and equitable for everyone.

Maintaining an inclusive and equitable workplace widens our talent pool, promotes growth and provides for a more fulfilling work environment which, in turn, results in an enriched setting for innovation and new ideas. We subscribe to equal employment opportunity principles, and seek to establish, maintain and celebrate a workplace that is safe and free from discrimination or harassment. No individual or minority group will be disadvantaged based on race, gender, ethnicity, disability or any other differentiating trait in gaining access to employment, career advancement and training, nor will they be impeded from accessing the equivalent benefits and privileges that all other persons in the company similarly enjoy. This commitment is referenced in our Code of Conduct and our Diversity, Equity & Inclusion Policy, and remains foundational to our core values.

## Gender as a Diversity Priority

ALS remains committed to delivering focused performance in diversity and inclusion, against measurable objectives that are reviewed and agreed to by Senior Executives and the Board of Directors. While we focus on multiple components and represented groups in the workforce to promote equity and inclusion, given the countries in which we operate globally and in support of our ESG and community engagement aspirations, we pay particular attention to gender representation in our workforce. ALS gender statistics are monitored annually and considered when establishing diversity goals and the broader ALS talent strategy.

The data utilised in our most recent assessment represents more than 18,000 employees across 70+ countries. The workforce participation rates and learning data presented in this report are a snapshot as at 1 October 2021, while professional recruitment data covers the period 1 October 2020 to 30 September 2021.

We continue to enjoy strong representation of women across our varied and complex business environments, both in support services and operational roles. A total of 43% of our total workforce identifies as female and more than half of our staff who work in professional roles are women.

Acknowledging that globally, women represent a substantial percentage of undergraduate and graduate students entering the STEM fields, we maintain a dedicated focus to ensuring our recruitment activities for both recent college graduates and experienced professionals emphasizes the identification and hiring of female candidates, and we have this year again achieved our goal of greater than 50% of new hires being female.



*A total of 43% of our total workforce identifies as female and more than half of our staff who work in professional roles are women*

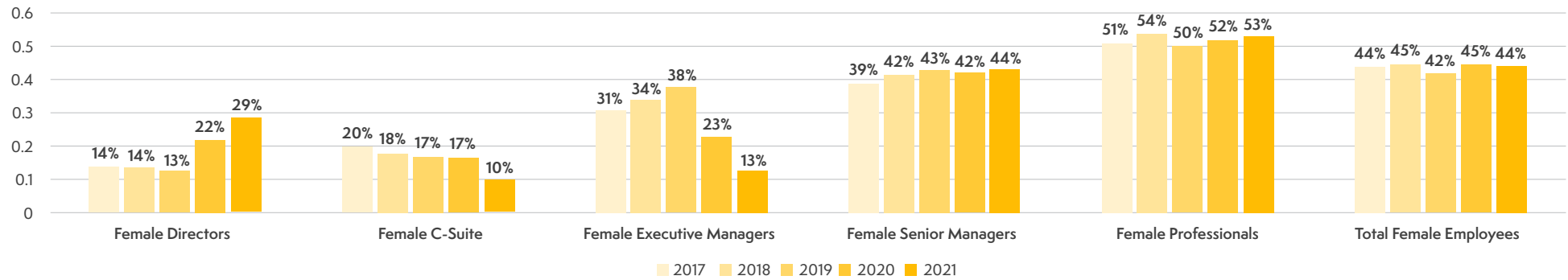
## Mentoring and Support

This year we have expanded our R.I.S.E Gender Equity Employee Resource Groups (ERG's). R.I.S.E. stands for Reach your Potential, Inspire each other, Share Strategies and Elevate) from an initial launch in Australia/Asia to now also include a European ERG and North American , R.I.S.E. These R.I.S.E. groups are employee led, with ALS sponsorship, and have been very successful in providing knowledge sharing and ideas, providing a showcase opportunity to feature emerging and existing ALS leaders of all backgrounds and gender, and provide a forum for external and internal speakers to present on topics of interest but aligned to the ERG objective of inspiration and achieving one's full potential.

Our intention will be to link these regional ERG's to promote belonging, perspective, community and visibility across the ALS landscape.

The R.I.S.E organisations are also engaged by ALS in helping promote our brand, engage with the stakeholder community and for global recognition events such as International Women's Day, International Day for Women and Girls in Science, plus other regional or local community opportunities.

### Female Participation by Category



### Pay Equity

Annually as part of the remuneration review processes, all general Managers conduct a pay equity review for their businesses. Since 2018, general managers are asked to sign and commit to a ‘Gender Pay Equity Pledge’, confirming their understanding and commitment to the ALS philosophy around fair and equitable remuneration, and that they have reviewed specific analysis of their group’s remuneration plan and have implemented any necessary actions to address inequities.

Our remuneration analysis extends beyond just gender focus, to include checking for unintended anomalies that may inadvertently impact individual or minority groups and to ensure an equitable application of pay for performance.

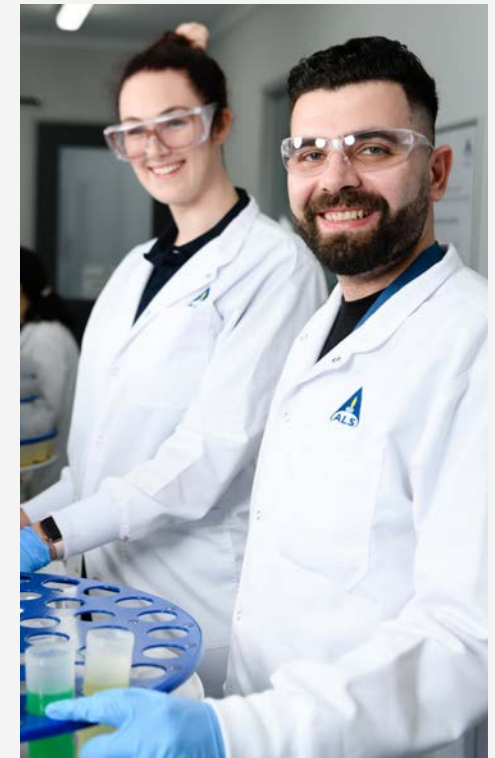
### Gender Statistics

Anecdotally around the globe, COVID-19 lockdowns and altered work sentiment may have disproportionately affected female employees more than males, primarily due to family care demands. As with many businesses, during the year ALS experienced increased turnover (both voluntary and involuntary). Our data indicates that although headcount has increased again, the proportion of women in certain categories has declined. We are therefore renewing our focus and attention to both recruitment and internal role movement to restore our gender distribution, while also looking at ancillary programs and workplace policies that enhance workplace flexibility to more adequately accommodate the dynamics of COVID-19 and labour market nuances that have arisen since the pandemic.

Our recruitment goal for FY2022 was to reach a female participation rate of 50% or more in the category of “females in professional roles”. We are pleased to confirm, that this target was achieved with a rate of 54%.

Our goal for female participation in development training for FY2022 was 50% in our iLEAD Supervisory Development Program and 40% in ‘Executive Development Program’. Unfortunately, participation in our development programs declined overall as we were compelled to reduce costs, pivot to virtual distance learning and make other appropriate program adjustments.

While overall participation declined, most disappointing was that the proportion of female participants also declined from where we have been in previous years, with only 38% of iLEAD participants identifying as female down from 45% the previous year. Within our Executive Development program, female participation was up from the prior year at 37% versus the previous year’s 32%, but still below our target aspiration.



**Table 1: Equity and Inclusion Targets**

	FY2022 TARGET	RESULT	FY2023 TARGET
<b>Female professional recruitment</b>	Employ at least 50% of new professionals as female.	Achieved	Remain above 50%
<b>Supportive environment for women, carers and minorities</b>	Improvement in GlobALSay results 'Benefits' category resulting from rollout of a clearer, more consistent flexible working practices guide.	Flexible work arrangements implemented in multiple locations	Target achieved. No further target set for FY23.
	Expand the number of R.I.S.E. employee resource groups in ALS, to include one (1) in each of the four (4) main geographical regions.	RISE groups are now in 3 main geographical regions	Define a Diversity, Equity, Inclusion, a Belonging (DEI&B) framework to consistently recognise and foster an environment of inclusion and belonging at all levels, increase diversity in leadership, and provide strategies to foster equity and support corporate social responsibility.  Implement RISE group in LATAM
	Establish a peer-to-peer R.I.S.E. steering committee overseeing regional organisations.	Established in Asia Pacific, EMEA and North America	
	Senior management to directly participate in at least two R.I.S.E. events in the year.	Completed	
<b>Management development</b>	iLEAD program – 55% female participation during FY2022.	38%	Maintain a 50% participation target for leadership development program.
	Managing Effectively Program (MEP) – 50% female participation during FY2022.	Programs not held due to COVID related impacts	
	Executive Development Program (EDP) – 40% female participation during FY2022.	37%	
<b>Gender pay equity</b>	Review membership of the global STI and LTI plans to increase the percentage of women in eligible roles utilising the Global Generic Positions List (ultimate objective of equal participation by FY2025 or earlier).	Completed	Step increase over 5 Years (@10% incl. per year).
<b>Launch a new targeted high potential female leaders mentoring program</b>	Identify and mentor 28-30 mentees across the globe.	23 mentees (after attrition)	

**Diversity, Equity, and Inclusion**

**GEOCHEMISTRY EMENA**

A major UK study from the National Autistic Society showed that just 16% of autistic adults are in full-time employment, with the vast majority of autistic adults (77%) saying that they want to work. As we continue to build an environment of inclusivity, Geochemistry-Loughrea, engaged with “AsIAm”, an Irish autistic support group.

Eleven ALS employees completed courses including: Recruiting Autistic Talent and Potential, Inducting and Onboarding Autistic Talent, Workplace Culture and Attitudes to Neurodiversity, and Reasonable Accommodations and In-Work Supports.

This training enlightened our team of the importance of inclusivity within the autistic community and supported significant performance improvement and confidence.

**ENVIRONMENTAL, CANADA**

This year ALS Canada facilitated external training for 124 managers as part of community engagement and call to action on reconciliation. The team were provided a very powerful two-hour presentation on the shared culture, family story and a historical account of the treatment of Indigenous peoples and the origins of cultural bias. It was a very special opportunity, sad but positive in terms of learning and reduction in cultural bias.

## Representation in Leadership

Sustaining a strong, broad and diverse leadership pipeline is essential to a globally distributed multinational like ALS. Our strategic growth initiatives tie very closely to our need to identify, develop, promote and deploy talented leaders from across the globe, with the capacity to lead and manage diverse teams in multiple cultural settings, while maintaining a commitment to our core values and identity.

While we have made mention of our focus on gender representation, our “People” pillar within our ESG strategy also identifies a robust succession planning and leadership development program.

We are pleased that the ALS senior leadership team includes global native and cultural representation, drawn from our operations in Australia, Argentina, Brazil, Canada, Sweden, the United Kingdom and the United States. Beyond our senior leadership team, the next level of management and much of succession planning is represented by leaders from across the globe who operate in a collaborative, integrated fashion joined by a core set of common values and Code of Conduct. We remain very confident that the cultural adaptability, resilience and agility of our management team, complemented by their global disbursement, is directly contributing to the strong working culture and teamwork reputation that entices employees to remain with ALS for lengthy careers, and which facilitates the inclusive environment we celebrate.

In keeping with our gender focus, increasing the representation of women in our leadership pipeline remains an imperative. The attrition we have experienced has been a contributor to the lack of forward progress we seek in our more senior management roles. This has reinforced our commitment to accelerating investment in talent management (attraction, retention, development) and succession planning.

As an example, our Global Mentoring and Coaching Program complements our leadership development curriculum and serves our core value of “People Development”, by fostering growth-focused leadership within the ALS community.

The program is led by a leadership committee primarily comprising business leaders, HR and L&D staff. It very specifically seeks to draw mentors from our recent leadership development programs to both leverage and put into practical terms some of the leadership and management concepts they were exposed to, provide ongoing development and engagement opportunity, and to provide networking visibility to the next generation of leaders at ALS.

Within this broader global mentoring and coaching program, we have also implemented a subset that pairs most senior executives with select female leaders to accelerate opportunity and awareness.

### Mentoring



TRAINING



SUCCESS



DIRECTION



COACHING



MOTIVATION



ADVICE



GOAL



SUPPORT



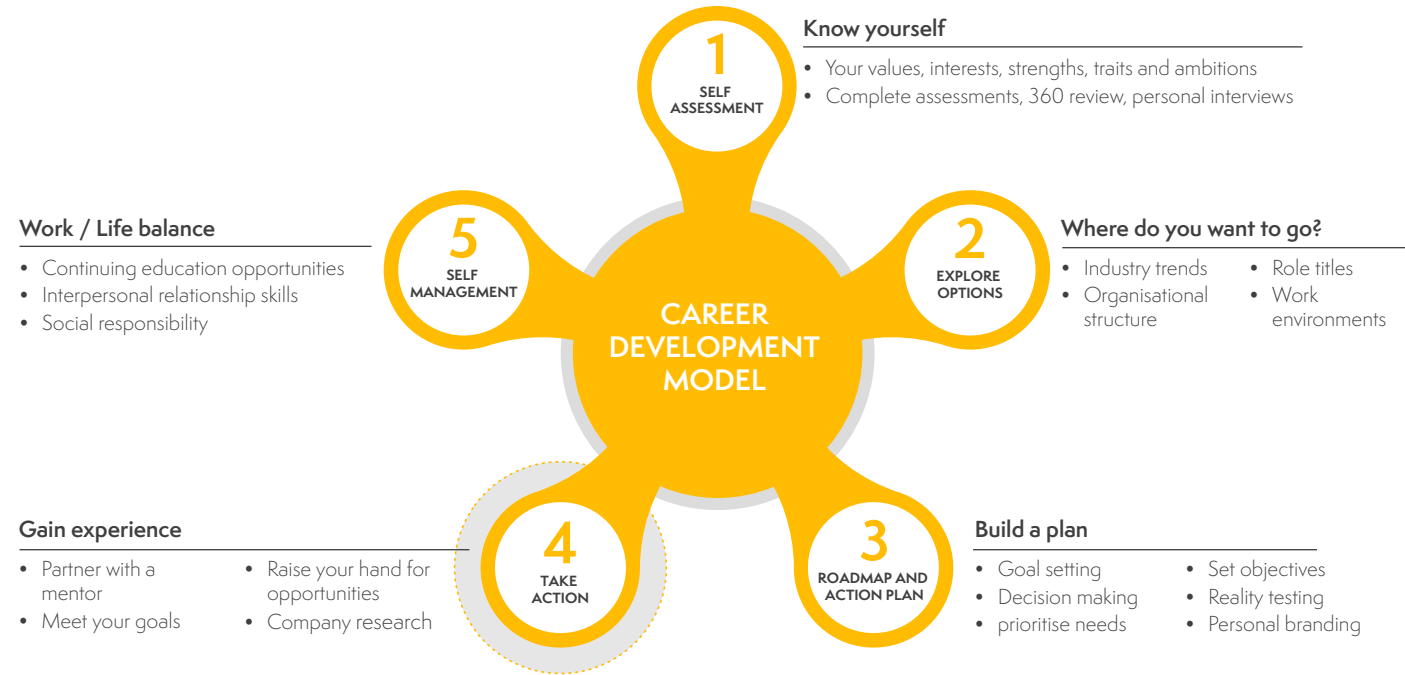
## Mentoring

Broadly speaking the mentoring and coaching program allows for cross functional learning through analysis, reflection and action, and aims to:

- Develop collaborative and growth-focused future leaders
- Drive “One ALS” Culture and ALS Core Values by meaningful conversations
- Increase engagement and visibility between emerging leaders and senior executives
- To mentor and ultimately endorse future ALS leaders, and establish a pool for consideration of future assignments and succession opportunities.
- Provide a mentoring program centered around ALS leadership competencies to increase cross divisional (OneALS) knowledge and provide opportunity for exposure to ALS strategies, career advice and leadership perspective
- Enable the sharing of knowledge and resources among mentees and senior-level mentors through discussion and to foster an environment of inclusion and career progression
- Expose awareness, discussion and understanding of potential barriers to leadership progression and solutions to help bridge gaps.

We are committed to positively acting to address representation and implement practices which enable greater equality in leadership roles. We will continue to mature our Diversity, Equity, Inclusion and Belonging framework to bring visibility and proactive solutions to all under-represented groups and to continually challenge ourselves to provide an integrated, welcoming and celebrated workplace culture.

### ALS Global Mentoring Program: Career Development Model



## International Women’s Day 2022

This year ALS employees stood together to raise awareness against bias. Across our sites people celebrated the day, sharing experiences and discussing ways to make a positive difference for women. The APAC and EMEA RISE communities each ran and promoted a webinar on the 8th March which featured interviews with ALS Directors, Tonia Dwyer and Leslie Desjardins, who both shared thoughts on their career journey, International women’s day, and the way forward for gender equity in the modern workplace.

#BreakTheBias



## Training and Development



Developing talent at ALS is focused on developing employee skills and competencies. It requires providing learning opportunities and tools for our people to advance their overall careers. The goal of people development is to create a place where people are engaged, have a high work performance and are constantly learning and growing. Individual Development Plans (IDP) are made available to our employees to give them the tools they need to drive their career progression.

Our global Learning and Development Team develop and maintain the core systems and content for the induction of new employees and the provision of professional development and technical training.

Our local Learning and Development teams implement the global systems and work with our geographically-dispersed and discipline-diverse teams to identify, develop and implement initiatives to meet both long-term goals and short-term needs. Examples of regional focus areas are provided below.

### Life Sciences – Western Europe

#### MICROBIOLOGY

Through our network of accredited laboratories, highly experienced staff and extensive range of microbiological tests, ALS provides customers with cost-effective quality assurance from 'farm to fork'. Ensuring food is safe from microbiological contamination is a priority and a legislative requirement at all stages of the food chain.

Our Microbiology training structure allows employees to progress and gain understanding of both the practical and the theory behind the techniques in the ALS laboratory environment. Our food industry professionals add value to our customer's food quality and food safety programs.

### Asset Care – Australia

Asset Care Australia has continued its NDT traineeship program in FY2022, adding trainees managed in-house by the ALS Training Academy to trainees managed by the HunterNet Group Training.

Trainees complete a nationally recognised Certificate III in Engineering (Technical) through either QLD or NSW TAFE, with NDT Training provided by the ALS Training Academy. They receive on-the-job coaching by being teamed up with a qualified buddy (experienced co-workers).

In addition to the traineeship, they gain ISO9712 certification in testing methods such as magnetic particle testing, dye penetrant testing and ultrasonic thickness testing.

Over FY2022 we have added seventeen trainees. This year we are again fortunate to have one of our trainees, Abigail Cuddihy, awarded the Bob Marshman trainee of the year at the 2021 QTA Metropolitan regional awards. This is the second year in a row where an Asset Care trainee has been awarded a prestigious industry award.



On Friday 15 October, all the staff of ALS Italia suspended their ordinary work activities to devote themselves to a Training and Information Day, sharing ideas, knowledge and learning new skills.

### Life Sciences – Eastern Europe

ALS Academy develops our employees through the necessary range of technical, quality, sales and leadership skills. This program caters to our technically focused employees and those who wish to progress into senior management positions.

The program commences with the initial five days training for new employees and then progresses to the Technical Academy which provides ongoing learning in professional, technical and IT areas.

Similarly, the Quality Academy and Client Service Academy provide specialist learning to meet the unique needs of those disciplines. The Leadership Academy offers leadership and management topics for coordinators and supervisors. There are also one-year programs for selected personnel in both Lean Process Improvement and Leadership.





Section 3

# Environment



INTRODUCTION  
OUR APPROACH  
HIGHLIGHTS  
PEOPLE  
ENVIRONMENT  
SOCIETY  
GOVERNANCE



We are excited that we are on track to be carbon neutral in FY2023, far exceeding our 2030 target.\*

## Building a healthier planet together

### Climate Change

**Across the globe, 2021 was a year of transition and adaptation. As we emerge from the COVID-19 pandemic together into a 'new normal', businesses and stakeholders have their sights trained on the disruptive risks of an increasingly turbulent operating environment.**

The 2021 United Nations Climate Change Conference, more commonly referred to as COP26, has given a candid assessment of our future in a world dominated by a changing climate. The message for business and governments is short and simple — we must do more to safeguard the future of our communities and the health of our natural environment.

The effects of climate change are already happening around us and will continue into the future. That is why we must 'build back better' in a post COVID-19 world to not only address and mitigate the risks we face from a changing climate but also to harness the opportunities that arise as we make the transition to a lower-carbon economy.

Our Climate Action Plan is ALS' response to the changing landscape in the short, medium and long term. We recognise that there are physical and transitional risks to our business which must be prioritised given the escalating burden of regulatory, financial, reputational and operational risk to ALS and its stakeholders. Together, we will continue to build a safer future and a healthier planet.

### Climate Change Action Plan

Last year ALS set operational targets to reduce our scope 1 and 2 emissions by 40% by 2030 using our 2020 emissions as the baseline year.

This is consistent with a path towards climate neutral operations by 2050. We are excited that we are on track to be carbon neutral in FY2023\*, far exceeding our 2030 target ahead of time. The carbon reduction path will evolve over time with potential technological and legislative changes, so we have underpinned our plan with six key themes to target short and medium-term initiatives that support our longer-term goals. We will seek to reduce demand on resources, improve our operational efficiency, invest in renewable energy, embed sustainable procurement frameworks, enhance the efficiency of our assets, and where mitigation measures are not available or practical, offset our carbon footprint.

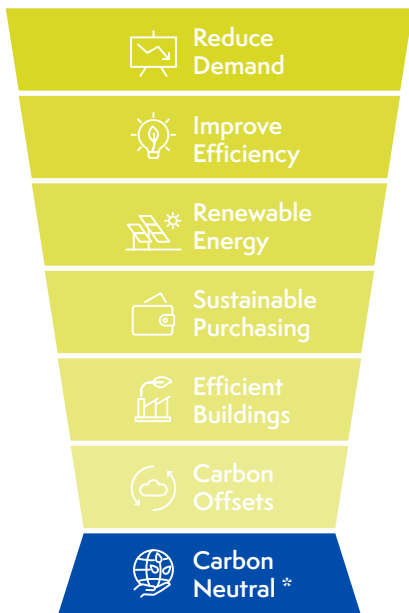
Sustainability is a key element of our corporate strategy and we intend that our climate action plan will embed a culture of innovation within our global operations and corporate programs. Our approach to managing the physical and transitional risks of climate change will be astute and pragmatic so that we can continue to provide our clients with the services they trust without compromising the quality they expect.



It is critical we meet our responsibilities and exceed the targets we have set ourselves to mitigate the impacts of climate change for the sake of our employees, clients, families, communities and the one world in which we all live.

Michael Burcham, Chief Risk Officer

## ALS Global Carbon Management



## Mitigation

In FY2022 we implemented internal standards that guide the sustainability requirements of new and refurbished ALS owned or operated assets including buildings, laboratories and fleet vehicles. We have embedded sustainability as a strategic objective across our organisation and our executive management team are mandated with achieving tangible emissions reductions across their respective business units. Our sustainability projects are targeted towards generating long-term emissions reduction and financial and social benefits to the company and its people.

## Adaptation

We will continue to enhance the efficiency of our operations, mature our climate resilience and adapt to the changing global landscape of climate action through improvement, innovation and technology.

Where we identify aspects of our operations that conflict with our stated goals, we will evaluate the necessary actions required and implement them.

Understanding that some aspects of climate change may already be unavoidable, we will take action to safeguard our people and corporate assets by implementing loss control and asset protection measures that align with our HSE Foundation Standards.

## Communication

We actively engage with our stakeholders to promote our sustainability targets and projects, understand matters that are important to them and identify opportunities for improvement.

Our plan incorporates action across both mitigation and adaptation as a sensible approach to ensuring a safer future and a healthier planet, but also to safeguard our business and strengthen its resilience under a range of climate change scenarios.

Further details on our approach to climate change, including our disclosures against the Task Force on Climate-related Financial Disclosures (TCFD), can be found in our 2022 Annual Report.

## Emission Management

Across the last year, we have continued to gather, monitor and mature our emissions profile. Since 2018, we have collected a range of data across our operations for scope 1, 2 and 3 emissions.

In FY2022 our main sources of emissions were:

- Electricity: 48,930 t CO<sub>2</sub>-e
- Heating, ovens and furnaces: 27,898 t CO<sub>2</sub>-e
- Transport: 12,320 t CO<sub>2</sub>-e

In FY2022 we reduced our carbon intensity by 15% relative to FY2020, ahead of our target of a 40% decrease by 2030.

## Scope 1 Emissions

Direct emissions that are generated by activities conducted under our control are defined as our scope 1 emissions. This includes the non-electricity grid heating of our facilities, the burning of fuels in gas-fired ovens and furnaces, fugitive emissions and the operation of our fleet of vehicles.

### FLEET

ALS' fleet includes more than 1,600 vehicles, with the vast majority of these falling under the classification of light vehicles. Reducing the emissions intensity of our global fleet of vehicles by 40% by 2030 will be a challenging, but not insurmountable, task for ALS.

Annual sales of electric vehicles are expected to exceed 55 million by 2025 and 18 of the top 20 global vehicle manufacturers have committed to electric mobility targets by 2030. It is anticipated that rapid advancements in technology will facilitate the diversification of global battery electric vehicles (BEV) and petrol-hybrid electric vehicles (PHEV) model offerings and ALS will continue to monitor developments in this important technological space to ensure that we can source fleet vehicles that meet our business needs and contribute to reducing our carbon footprint.

Transitioning our fleet from internal combustion engines to BEV and PHEV represents a prudent opportunity to support a healthier planet and achieve our emissions reduction target. Where PHEV or BEV are not yet available, we continue to look for opportunities for lower emission vehicles.

The graphic is titled 'CLIMATE ACTION STATEMENT' and features the ALS logo and 'TOWARDS NET-ZERO OPERATIONS' branding. It includes a table of commitments and a circular diagram of initiatives.

Investment	Target alignment	Electricity	Building sustainability	Fleet efficiency
\$25 million across five years.	40% reduction aligned to 1.5°C Carbon warning	Switch to renewables. Invest in solar.	Facilities fit out sustainability standard.	Vehicle safety and efficiency standard.

**Tribology initiatives & commitments**

The circular diagram includes: LED Lighting Transition, Furnace Combustion Efficiency, Sample Kits Materials Review, Waste Management Enhancements, and HVAC System Improvements.

\* Scope 1 and scope 2 emissions

## Emission Management

The geographic spread of our operations presents some challenges for ALS in the transition of our vehicle fleet as we operate laboratories and facilities from the prairies of Canada to the Australian outback.

The performance requirements of our fleet vehicles therefore need to surpass the climatic, environmental, safety and operational reliability criteria of the regions we operate in to ensure we can continue to provide the service to our clients in a safe way for our people.

ALS has already invested in electric vehicles, including hybrid, BEV and PHEV, through its retirement, disposal and replacement asset management programs and in FY2022 we updated our driver and vehicle safety policy to include provisions for minimum NCAP safety standards and sustainability requirements for new light vehicle purchases.

To further support our business divisions in managing the safety and sustainability of their fleets, we also created a tool that provides guidance on light vehicle replacement schedules based on assessment of key metrics including the mechanical condition of the vehicle, mileage, vehicle age, operational demand requirements, NCAP safety rating and emissions performance.



## Emission Management

TABLE 2: VEHICLE FLEET FUEL CONSUMPTION AND CO<sub>2</sub>-e

Business Stream <sup>(1)</sup>	Distance travelled (km) <sup>(2)</sup>	Fuel consumed (Litres) <sup>(3)</sup>	Total tCO <sub>2</sub> -e <sup>(4)</sup>
Asset Care	7,610,951	755,024	1,987
Coal	1,890,894	189,270	513
Geochemistry	2,751,310	345,989	908
Inspection	1,796,497	129,610	346
Life Sciences Americas	9,029,164	863,788	2,149
Life Sciences APAC	7,925,267	816,646	2,201
Life Sciences EMEA	17,591,649	1,553,153	4,188
Metallurgy	62,276	5,694	15
Tribology	58,849	5,330	13
<b>TOTAL</b>	<b>48,716,861</b>	<b>4,664,505</b>	<b>12,320</b>

NOTES:

<sup>(1)</sup> The data represents >95% of our fleet.

<sup>(2)</sup> Distance travelled data stated in this table is comprised of 70% actual readings with the remainder estimated from historical use or business division averages.

<sup>(3)</sup> Fuel consumption data stated in this table is comprised of 65% actual measurements with the remaining 35% estimated from annual mileage and published fuel consumption figures.

<sup>(4)</sup> Vehicle CO<sub>2</sub>-e emissions are calculated using the Australian National Greenhouse Accounts 2021 (fuel combustion emissions factors – fuels used for transport energy purposes).



### Life Sciences, Northern Europe Fleet

In our 2021 sustainability report, we discussed a pilot project to introduce electric vehicles for the sample logistics network in Northern Europe due to the impact of the COVID-19 pandemic on commercial flight availability. The priority of this project was to continue to meet our client expectations for sample processing and maintain high standards of health and safety of our staff.

During the pilot project, each of the electric vehicles travelled an average distance of approximately 87,000 kilometres. This has provided us with some important lessons that we will be able to incorporate into future electric vehicle fleet projects.

Although we expected our routes to take longer to complete, the longest routes took an additional 30-60 minutes over our initial estimates. This revealed the importance of active planning and route optimisation for our sample logistics fleet.

The electric vehicle project in Northern Europe has been successful and will be continued as new and improved BEV models are released and the charging station network is expanded with increased capacity. Life Sciences Northern Europe is currently evaluating refrigerated BEV vans in Denmark to cover short routes as well as options for vehicles that run on renewable HVO100 diesel to service some longer routes for which current electric vehicle technology is not yet suitable.

## Emission Management

### Asset Care, Australia Fleet

Our Asset Care business assists our clients in optimising and maximising production, extending asset life and supports safe and reliable plant operations. To deliver this vital service, our experts often visit client sites, collectively driving more than 6m kilometres per year.

The Asset Care business has targeted its use of fleet vehicles as an opportunity to support the reduction of ALS scope 1 emissions profile. Asset Care aims to achieve this reduction by upgrading its fleet renewal program and preferencing hybrid electric vehicles for replacement where they meet business requirements.

Seven hybrid electric vehicles were ordered for delivery in early 2022 and a further 30 vehicles are targeted for transition to hybrid electric by end FY2023, representing a 13% fleet transition to more sustainable transport.

**With the largest light vehicle fleet in ALS' Australian operations, Asset Care has the potential to make a real impact on reducing emissions by transitioning our fleet to hybrid electric vehicles where they are able to safely meet the needs of our business and customers.**

**Greg Fletcher**  
General Manager Asset Care

### Natural Gas and LPG

Delivery of services to our clients is contingent upon the consumption of LPG and Natural Gas through a complex supply chain.

We continue to develop systems to collect the quantity of LPG and natural gas consumed in our buildings and laboratories. This will enable us to define and measure our group emission reduction targets and performance.



**TABLE 3: GAS CONSUMPTION AND CO<sub>2</sub>-e**

Business Stream	Gas consumed (Gj)	tCO <sub>2</sub> -e *
Coal	1,423	73
Geochemistry	402,070	20,899
Life Sciences Americas	89,760	4,608
Life Sciences APAC	6,489	334
Life Sciences EMEA	24,026	1,355
Metallurgy	4,334	223
Oil & Gas	321	18
Tribology	7,545	387
<b>TOTAL</b>	<b>535,968</b>	<b>27,898</b>

NOTE: Greater than 74% of the total gas consumed is measured with the remaining 26% estimated based on similar ALS operations. The information in this table covers all sites and operations that have greater than six employees, and that are wholly owned or joint ventures with greater than 50% shareholding ownership by ALS.

\* CO<sub>2</sub>-e emissions are calculated using emission factors from the Australian National Greenhouse Accounts 2021, USEPA (April 2022), and UK Government GHG Conversion Factors for Company Reporting (2021).

## Emission Management

### Fugitive Emissions

Fugitive emissions are an important aspect of our scope 1 greenhouse inventory as they account for emissions that are released directly to the atmosphere through either deliberate or uncontrolled releases.

In 2021, ALS commenced an initial review of its fugitive emissions profile across a sample of our laboratories. The purpose of this review was to explore the level of data currently available and to estimate the materiality of our fugitive emissions when compared with the rest of our scope 1 emissions profile.

In the next financial year, we will build on this review to mature our assessment of fugitive emissions across our sites.

We collected data for HVAC systems equipment from seven laboratories. The laboratories in this pilot were selected from different business divisions and were dispersed across varying geographic and climate regions. The selected laboratory locations were Asia, Australia, Europe and North America.

Data was collected manually, by inspection of plant equipment and through liaison with our equipment suppliers and service providers. It was found that data available from most sites provided only charge capacity of the respective equipment and that servicing records did not include information about recharge volumes that would allow for more detailed analysis of fugitive emissions.

Accordingly, equations to determine estimated fugitive emissions utilised leak rates documented in the IPCC 2006 for the type of equipment inspected <sup>(3)</sup>.

Across the seven sites that were inspected in this pilot review, we estimate that fugitive emissions accounted for 0.02% of those laboratories total emissions.

### Scope 2 Emissions

Our Scope 2 emissions are those that are generated from electricity we source from the power grid.

Laboratories are known to be heavy consumers of electricity due to their use of energy intensive equipment and cycling of fresh air through HVAC systems and fume hoods.

Improvements in equipment efficiency, laboratory design and the installation of renewable energy systems across our sites has contributed to a sustained reduction in total CO<sub>2</sub>-e emissions across all ALS business streams since FY2018 (Figure 2).



Figure 2: Tonnes Scope 2 CO<sub>2</sub>-e by Business Stream

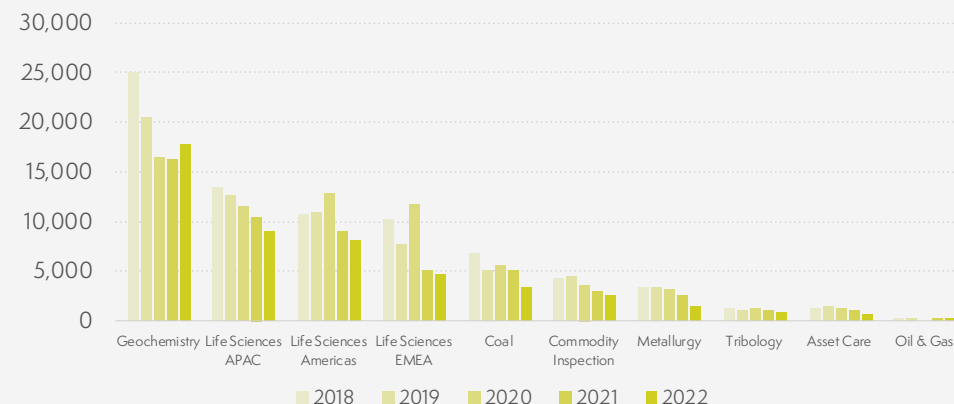


TABLE 4: ELECTRICITY CONSUMPTION AND CO<sub>2</sub>-e

Business Stream	Electricity consumed (kWh)	tCO <sub>2</sub> -e *
Geochemistry	48,671,812	17,909
Lifesciences APAC	16,434,553	9,125
Lifesciences Americas	26,767,918	8,102
Lifesciences EMEA	21,750,093	4,810
Coal	5,967,259	3,324
Inspection	5,640,381	2,596
Metallurgy	4,144,524	1,577
Tribology	2,419,865	804
Asset Care	1,294,285	663
Oil & Gas	93,079	20
<b>TOTAL</b>	<b>133,183,770</b>	<b>48,930</b>

NOTE: Greater than 75% of the total electricity consumed is measured with the remaining 25% estimated based on similar ALS operations. The information in this table covers all sites and operations that have greater than six employees, and that are wholly owned or joint ventures with greater than 50% shareholding ownership by ALS.

\* CO<sub>2</sub>-e emissions are calculated using emission factors from the Australian National Greenhouse Accounts 2021, Carbon Footprint (Mar 2022), Ecometrica (2011) Electricity-specific emission factors for grid electricity, IGES (2021) and The Climate Registry (2021).

<sup>(3)</sup> Intergovernmental Panel on Climate Change (2019). Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (Volume 3: Industrial Processes and Product Use).



### Transitioning our energy needs from conventional generation sources to renewable electricity is a strategic keystone in our Climate Action Plan.

Currently, 55% of our reported global emissions <sup>(4)</sup> are attributable to the electricity consumed across our sites.

If we're to transition our vehicle fleet from internal combustion engines to hybrid and electric vehicles without investing in renewable energy uptake, we could simply be transferring emissions from the non-renewable electricity emissions.

Last year ALS invested heavily in renewable energy not only with in-situ installations, but also by implementing global renewable energy procurement projects and seeking to invest in carbon offsets in markets where renewable energy sources are not yet available.

Across Australia, we have transitioned 25% of our grid electricity to renewable contracts under the Green Power joint initiative of the New South Wales state government and the Commonwealth Government. This purchase reduced our CO<sub>2</sub>-e emissions in FY2022 by 7,211 <sup>(5)</sup> tCO<sub>2</sub>-e.

During the course of the 2021 calendar year and into 2022, our Czech Republic Life Sciences sites transitioned to grid sourced renewable energy to meet the majority of their forecast annual electricity consumption. Based on electricity consumption estimates for the Czech Republic sites, we have eliminated 773 tCO<sub>2</sub>-e emissions across the financial year ending in March 2022.

Combined, these two renewable electricity purchased in Australia and Czech Republic reduced our global scope 2 CO<sub>2</sub>-e emissions by greater than 10% in FY2022 <sup>(6)</sup>.

We are also establishing the frameworks and financial provisions to transition our global electrical consumption to renewable electricity. This important initiative will likely take several years, commencing in the 2023 financial year where we will aim for at least 90% of our consumed electricity to be from renewable energy. In markets where we are unable to transition to renewable energy portfolio's, we will seek to offset our emissions by investing in carbon offsets.



Across the last year, ALS has invested heavily in renewable energy.

<sup>(4)</sup> Percentage of CO<sub>2</sub> emissions attributable to electricity consumption, ALS owned fleet, and gas consumed in heating, furnaces and ovens.

<sup>(5)</sup> Using market based method as defined in the Climate Active Electricity Accounting guide April 2021.

<sup>(6)</sup> Also calculated using market based method as defined in the Climate Active Electricity Accounting Guide April 2021.

## Solar Rooftop Installations

Installation of rooftop solar photovoltaic systems aligns with the ALS Vision of 'No harm to our people or the planet'. This is a strategic priority to meet our target of 40% reduction in scope 1 and 2 emissions by 2030.

Nine solar PV systems were installed at selected ALS Australian sites in 2021 with a combined capacity to generate approximately 852kW in their first year of operation. Electricity generation from these nine systems in their first full year of operation is forecast at 1,310 MWh which potentially reduces our annual CO<sub>2</sub> emissions by an estimated 941 CO<sub>2</sub>-e. Australia's solar irradiance, local supply infrastructure, availability of Government rebates, and high emission factor grid electricity combine to make Australia a compelling country for ALS to consider installing solar electricity generations systems, both from a financial return and carbon emission reduction perspective.

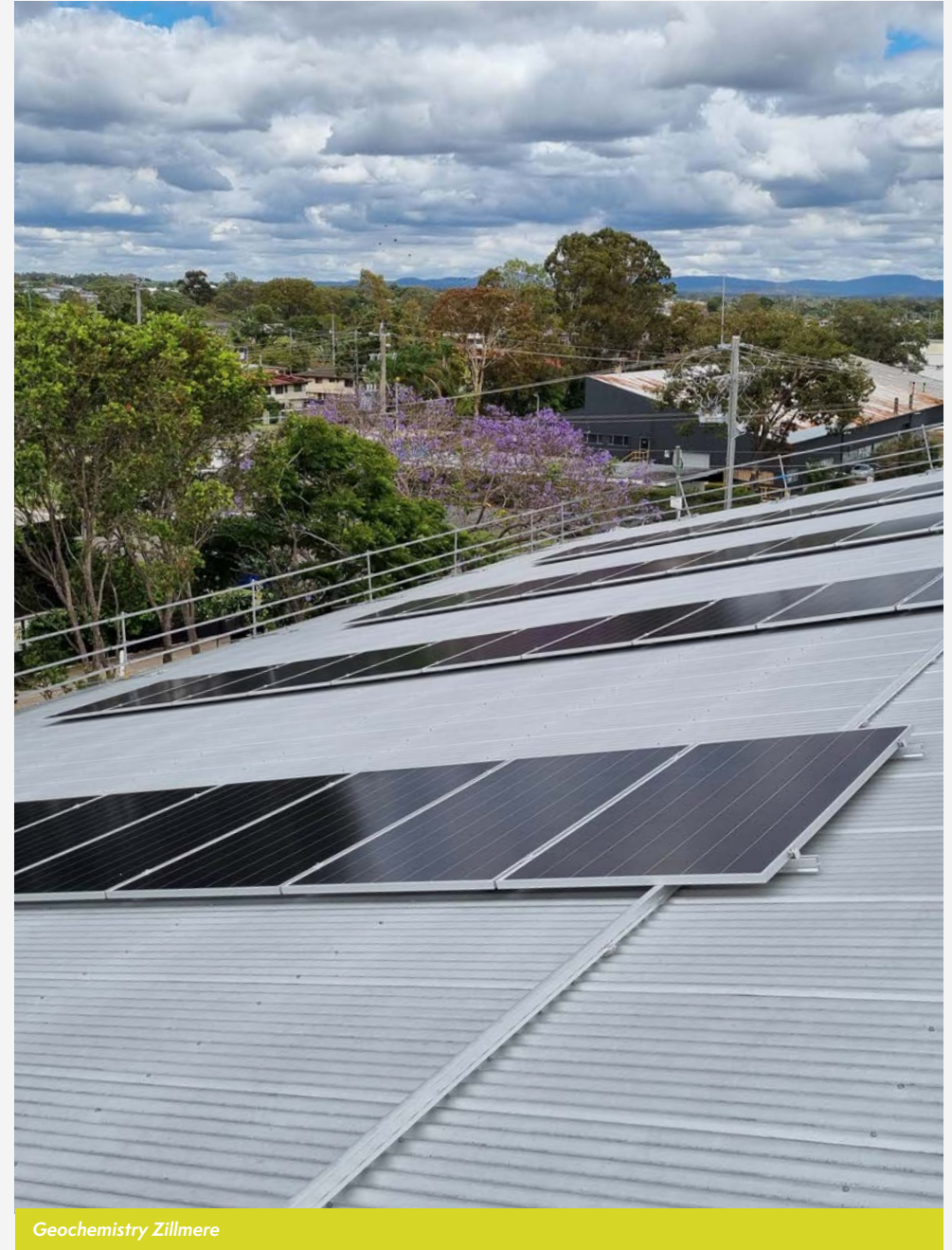
ALS installed its first rooftop solar PV system on the Stafford (Australia) Life Sciences laboratory in 2018. This 99-kW PV system generated 110% of its forecast electricity output in the first year. Recognising the success of this project, in late 2020 the system was expanded to a total of 220 kW. The benefits of on-site generation include reduced reliance on grid electricity, reduced energy bills and greenhouse gas savings.

PV components including PV panels, rail supports, cabling and inverters will be recycled at the end of their economic life, which is estimated at up to 25 years. The retailer of the nine Australian systems installed during 2021 will also plant a tree for each system as part of a corporate social responsibility (CSR) project to plant 100,000 trees over the next 30 years at Kingston, Victoria.

In addition to the Solar PV Systems installed by ALS Australia, Asset Care in NSW negotiated with the landlord to install a 66 kW Solar system as part of their site lease renewal. Initial modelling of this system has projected a 60% savings in energy use for the facility.

Consistent with our 2030 carbon reduction target, we are actively working on opportunities to install solar PV systems on further suitable sites including 400kW in the coming financial year across Singapore and the USA.

We also plan to install a 189kW solar PV system at ALS Rayong, Thailand, which is expected to be completed during the first half of FY2023 and is calculated to produce approximately 22% of the site's total energy consumption in the first full year of operation, equivalent to 139 tonnes CO<sub>2</sub>-e.



**Nine solar PV systems were installed at selected ALS Australian sites in FY2022.**

## Scope 3 Emissions

Scope 3 emissions are emissions that are generated in the wider economy associated with our business operations but not directly emitted by us.

With relatively minimal air travel across the last year due to the ongoing COVID-19 pandemic, we have sought to focus on our scope 1 and 2 emissions and will continue to refine our understanding and approach to Scope 3 emissions into the 2023 financial year.

Table 5: Air travel	† CO <sub>2</sub> -e
Total	273

Note: CO<sub>2</sub> emissions calculated from kilometres travelled using ICAO Carbon emissions Calculator

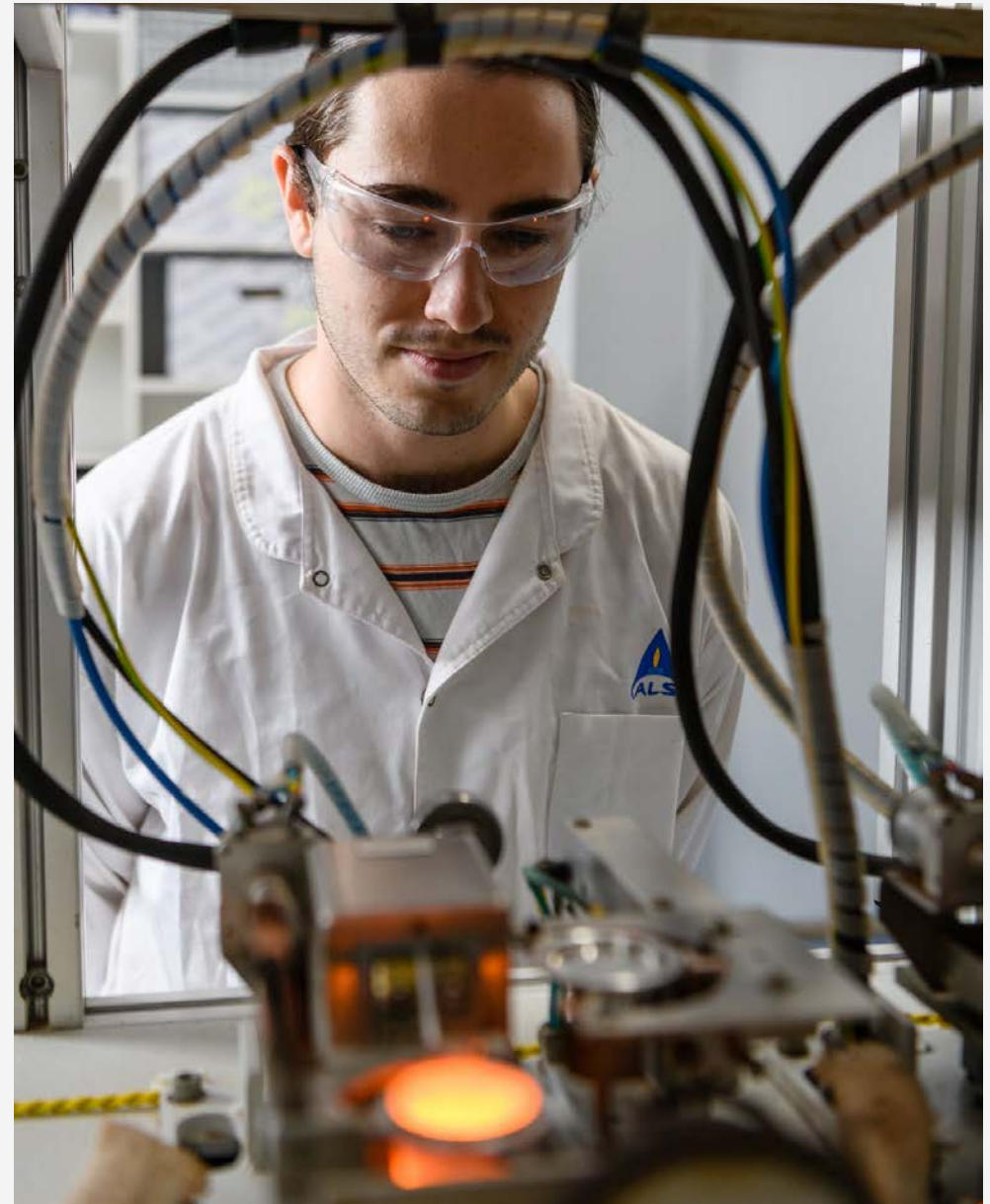
In FY2023, we plan to undertake a review of the 15 categories of scope 3 emissions listed under the greenhouse gas protocol, to determine which scope 3's we need to understand better.

## Efficient Buildings, Plant and Equipment

In our 2021 report, we announced the release of our updated building standard to provide our business with a central reference that assists in integrating environmentally sustainable development into building maintenance, management and refurbishment plans.

Pleasingly, this updated building standard has been well received by our global project and site managers who have demonstrated that improvements can be made not only at the point of construction or refurbishment, but also through minor changes to equipment and components within the facility.

Although we have several facilities slated for refurbishment in the coming financial year, across the past 12 months we have undertaken a raft of minor improvements at numerous sites. We have a variety of ownership and tenancy arrangements across our network of facilities and have proactively engaged with building owners and local government authorities to implement sustainability improvements.





## Heating, Ventilation and Cooling (HVAC) Efficiencies



Environmental Simi Valley



Environmental Salt Lake City

### Efficiency Initiatives

#### LED Lighting

Lighting accounts for a significant percentage of the total electricity consumption in ALS buildings. Light-emitting diode (LED) lighting is an energy efficient and cost-effective opportunity when retro-fitting or refurbishing existing facilities.

Up to 90% of the energy consumed by LEDs is converted into light with the remaining 10% lost as heat. In comparison, conventional fluorescent tubes convert only 10% of energy to light with the remaining 90% wasted as heat energy.

By upgrading our lighting to LED, there is a decrease in demand not only on electricity consumption from the lighting itself, but also from the facility air conditioning. LED lights also have a significantly longer lifespan than conventional fluorescent tubes. The benefit here is two-fold; a reduction in lighting maintenance reduces downtime on our facilities while we are also using fewer resources because the lighting materials have a longer lifespan.

While the cost savings associated with maintenance is a beneficial outcome, the improvement in efficiency contributes significantly to reducing our overall emissions profile and supports the deliverables under our Climate Action Plan.

This year a centralised project upgraded 18 facilities across our Australian business divisions to LED lighting. To enhance the efficiency of these retro-fitted lighting systems, we have also installed occupancy or motion sensors in some facilities to automatically turn off lighting when a room or area is unoccupied.

Across these facilities approximately >5,000 conventional lights were replaced with 2,800 LED lights which reduced our annual electricity consumption by an estimated 525,100 kWh. This electricity saving represents approximately 386 tonnes of CO<sub>2</sub>-e emissions that have been abated. Furthermore, all fixtures and fittings from lighting replacement were diverted for recycling.

**Life Sciences Songkhla in Thailand** replaced 331 fluorescent lights with LED systems saving an estimated 12,195 kWh hours annually.

**Environmental Everett, Washington** replaced 100% of lighting with LED. As a leased property, ALS Life Sciences was able to secure the lighting upgrades with full funding provided by a local Public Urban Development initiative.

**Environmental Simi Valley, California** converted 100% of the facility's lighting systems to LED.

**Environmental Salt Lake City, Utah** negotiated a favourable arrangement with its landlord to replace 1150 conventional fluorescent lights, with the LED fitting paid for by ALS and installation costs paid by the landlord.

**Tribology, Kansas City** completed their transition to 100% LED lighting.

**Pharmaceutical, Torrance** replaced 359 fluorescent fixtures with LED light fixtures.



## Heating, Ventilation and Cooling (HVAC) Efficiencies

### The design of an effective and efficient laboratory ventilation system and its components requires specialised engineering expertise.

Laboratory operations place unique loads on the Heating, Ventilation and Air Conditioning (HVAC) systems which maintain building temperatures between heating and cooling setpoints. While minimum building insulation standards are considered for roofs, ceilings, glassware, floors and walls, no single design strategy applies universally to all climates.

Our facilities' systems are also challenged by the internal heat loads associated with current and future instrumentation and equipment installations. Poorly balanced HVAC systems increase energy costs, increase analytical instrumentation downtime, impact staff comfort and reduce overall facility productivity.

Here are some further examples of how our facilities have undertaken efficiency initiatives to contribute to our corporate sustainability.

**Life Sciences Irvine, California** installed motion sensors across the site to enhance lighting system efficiency and implemented adjustments to HVAC systems to improve performance.

**Wakefield, United Kingdom** recently installed a heat transfer and recovery system to minimise the demand on air conditioning in the laboratory. The facility operates multiple gas chromatography mass spectrometry instruments which can reach temperatures of 350 degrees Celsius. The waste heat from these instruments had previously been discharged into the laboratory, leading to an uncomfortable work environment and placing strain on the air conditioning systems.

The heat transfer and recovery system diverts the waste heat into the ceiling space where it is discharged outside of the building during summer, reducing the burden on air conditioning and conserving energy.

During winter, the heat recovery and transfer system redirects the waste heat into our sample reception area which has a high volume of traffic entering from outside. With an average daytime winter high temperature of around 7 degrees Celsius in Wakefield, the sample reception area has previously been difficult to keep warm; however, with the heat transfer system now in place, our staff are reporting a much higher level of comfort during the colder months.

**Coventry, United Kingdom** The building management system (BMS) for our Coventry Environmental laboratory was due for upgrade in 2020. This presented an opportunity for the site to implement a new BMS that had the capability to effectively control HVAC systems not only for staff comfort and safety, but also to enhance the efficiency of the site's electrical consumption. Further updates to this system include installation of new inverters to fume cupboards, thereby providing capability to turn off motors when cupboards aren't in use and further reduce electricity consumption. The mechanical and software upgrades to the BMS at Coventry Environmental resulted in an estimated 11% reduction in energy consumption across the site.

Coventry also recently replaced the vacuum pumps used for the extraction of samples in the organics preparation area with new systems that not only make the sample processing time twice as fast but are approximately 25% more energy efficient than the predecessor vacuum pumps.



**Environmental, Canada** have continued to implement Project Milne Ice Shelf, which featured in the ALS 2021 Sustainability Report. The team have invested CAD 460K in electricity, gas and business optimisation projects. Projects included LED lighting, building insulation, air curtains and variable speed extraction systems. It is estimated that the Environmental Canada business reduced its total scope 1 and 2 emissions by over 15% in the last two years

**Zoppola, Italy Cogeneration Microturbine**  
Our Life Sciences Laboratory in Zoppola, Italy has implemented an on-site cogeneration microturbine that generates heat and electricity simultaneously. In a cogeneration microturbine, electricity is generated by combusting gaseous fuel to drive the turbine while a proportion of the gas turbine exhaust energy is recovered in a heat recovery

system. Although this is a small-scale site solution, the cogeneration microturbine is testament to how ALS local initiatives contribute to our global impact.



Wakefield, UK, Redirected ducting



## ALS Metallurgy Supporting Energy Innovation - Vanadium Redox Flow Battery Technology

ALS Metallurgy's hub facility in Perth, Australia, is an all-encompassing full-service global leader in metallurgical testing and consulting services for mineral process flowsheet development and optimisation. ALS assists clients to generate a salable product with correct specifications for various applications, including Lithium-ion batteries and Vanadium redox-flow batteries (VRFB's).

ALS Metallurgy was engaged by a client to conduct metallurgical test work services for vanadium process flowsheet design. Vanadium is a silverish grey metallic element that is naturally resistant to corrosion and has widespread application in rechargeable battery technology.

Traditional VRFB's work by passing a vanadium electrolyte solution through a membrane during the charging and discharging process. This changes the oxidation state of vanadium ions in the electrolyte solution, thereby generating charge.

The benefit of VRFB technology is its longer life cycle and ability to store significantly more energy than traditional battery technologies. Compared to Lithium-ion batteries which degrade after several thousand charge and discharge cycles and require complete replacement, VRFBs potentially have a decades long lifespan, are non-flammable and the vanadium electrolyte solution contained within the battery can be recovered and reused at end of life.

ALS is proud to support its clients in metallurgical testing, consulting and process flowsheet design and optimisation, particularly with production of commodities and metals that are used in innovative technologies that promote uptake of renewable energy solutions.

## Waste Reduction



Gas Chromatography Mass Spectrometry instruments at ALS Environmental, Stafford

Laboratories present unique sustainability challenges with respect to waste minimisation and conservation of resources. Our service offerings are contingent upon high standards of quality so that we can provide the assurance our clients seek.

As a result, many of the instruments, materials and resources we use are of premium quality, however, the nature of their use means a closed loop life cycle is not always achievable.

ALS recognises that we must do more with less not only to conserve resources but also to minimise our waste streams as we continue to innovate and refine solutions to become more sustainable across our supply chain.

### Solvent Reduction Initiatives

Dichloromethane (DCM) is a colourless liquid that is used as a solvent in several of our laboratory analytical processes. As a regulated waste stream in many jurisdictions, ALS is actively seeking opportunities to reduce the volume of dichloromethane used in analytical processes by improving operational efficiency in testing.

Many of our Environmental businesses have implemented sample miniaturisation processes that have significantly reduced the total volume of DCM used in each sample analysis.

### Environmental Latin America

In August 2021 our Brazilian Environmental Laboratory operations invested in three new gas chromatography mass spectrometry instruments to implement a new analytical method. The change of instruments has meant that the total volume of sample required per method has reduced significantly.

Accounting only for the samples that consume a smaller volume of dichloromethane, we can conservatively estimate an annual reduction of 1900 litres of solvent waste. In addition to this, sample miniaturisation under this method will conserve an estimated 6000 litres of water annually.

Similar results were also observed in our Environmental Peru laboratory through the implementation of sample miniaturisation. It is estimated we have reduced use of dichloromethane by 408 litres annually with a total of 1300 litres of water conserved in the same period.



ALS recognises that we must do more with less not only to conserve resources but also to minimise our waste streams.

## Waste Reduction



### **Tribology, Cleveland: Solvent Waste Reuse**

Continuing the theme of minimising hazardous waste our Cleveland, Ohio Tribology laboratory has identified a means to extend the useful life of solvent waste from the laboratory by diverting the waste stream for beneficial reuse. The solvent waste is now processed by our waste management partner and then diverted for reuse to a local manufacturer to be used in paint cleaning processes.

While this has not changed the volume of the solvent being used by the laboratory, it does represent an extension in the solvent lifecycle and thus an indirect reduction in the volume of solvents used in the wider economy. An estimated 22,400 litres of solvent waste has been diverted to beneficial reuse across the 2021 calendar year as a result of this initiative.

### **Food Laboratory, Chatteris**

Our Chatteris Food Laboratory recently purchased and installed an ANKOM FLEX Analyte Extractor which simplifies the process of analysing fat-soluble vitamin, cholesterol and hydrolysis fat determinations by combining two procedures into one method.

Along with the increased efficiency in conducting the analysis, a further benefit of this equipment is the reduction in solvent usage. The two separate methods conducted prior to installation were labour intensive and used a larger volume of hexane and petroleum ether. It is estimated that by implementing this new laboratory equipment the use of hexane and petroleum ether will be reduced by 780 litres and 480 litres per annum respectively.



*ANKOM FLEX Analyte Extractor combines two procedures into one method*

**An estimated 22,400  
litres of solvent waste  
has been diverted to  
beneficial reuse.**

## Waste Reduction

### Management of e-Waste

Management of e-waste is an increasing burden on businesses and societies. By 2030 global e-waste is anticipated to exceed 74 million metric tonnes and as of 2019 only 17.4% of e-waste was being recycled. This trend not only represents an impending ecological problem that can readily be avoided but is also a lost opportunity for the reclamation of precious metals, rare earths and other waste materials that can be recycled, diverted from landfill and contribute to the circular economy.

When one of our technicians in ALS Asset Care Gladstone, Australia recommended that ALS donate old, but still functional laptops that were due for decommissioning, an initiative was set in motion that would have a two-fold positive impact on the sustainability of our operations as well as the local communities in which we operate.

### Litehaus International

Litehaus International is a non-profit charity that transforms the digital learning opportunities of disadvantaged communities across Australia and the Pacific Islands. ALS has partnered with Litehaus through its e-waste reclamation and recycling program to contribute donations to this scheme for the benefit and betterment of these communities. As we centralise our Australian e-waste recycling and reclamation initiatives, we anticipate that 125 laptops will be donated to bridge the digital divide across regional Australia and the Pacific Islands.

### e-Waste Reclamation and Recycling

The ALS Corporate Sustainability and APAC IT teams collaborated to establish the donations process. It quickly became evident that there were additional solutions that could be implemented to address our disparate e-waste disposal processes across Australia. We engaged the services of a global e-waste asset disposal company whose scale allows for the sustainable recovery, recycling and disposal of waste generated not only from our ICT streams, but also from some elements of our laboratory equipment waste.



*ALS donates a portion of its functioning e-waste to Litehaus International*

### Resource Conservation and Recycling

#### Metallurgy, Perth

##### REDUCE, REUSE AND RECYCLE

ALS Metallurgy is the market leader in bankable metallurgical testing services for mineral process flowsheet development and optimisation. Across the 12 months from November 2020 to October 2021, our Perth Metallurgy laboratory maintained significant focus on, reducing, reusing and recycling in an effort to close the loop on waste and contribute to the improvement of sustainability across ALS.

The laboratory has reduced paper consumption by introducing digital client reports and has also diverted residual paper reports to recycling via a secure shredding service.

In addition to this, printer cartridges and depleted batteries have been collected and recycled through local suppliers, wooden pallets that are damaged are repaired on-site and those that are beyond repair are recycled through our pallet suppliers. Cardboard, soft and hard plastics and other non-hazardous recyclable laboratory waste packaging as well as scrap metal are sent for recycling to various local contractors.

The initiatives that our Perth Metallurgy laboratory have implemented resulted in an estimated 10 tonnes of general lab waste and containers being diverted from landfill. This represents 21% of the labs non-sample generated waste. In addition to this, approximately 60 cubic metres of timber waste was reclaimed, and 3.8 tonnes of scrap metal waste was recycled.

### Reducing Plastic waste

#### Environmental, Chile

Santiago Environmental recently trialled an Aquawasher multi-function system for washing and sanitising glass and plastic bottles which would previously be discarded as a recycled waste stream. The trial of this system was successful, and a permanent system has been approved for purchase. The machine operates similar to a conventional dishwasher however has the added benefit of being able to properly clean and disinfect the inside of bottles to a standard suitable for reuse in a laboratory setting.

The Santiago Environmental laboratory typically purchases approximately 7000 glass bottles per year in addition to approximately 24,000 plastic bottles. It is estimated that 95% of the glass bottles can be appropriately washed, disinfected and reused, while 75% of plastic bottles can be washed, disinfected and reused. The remaining waste streams are sent for recycling.

#### Life Sciences, Victoria (Australia)

Over the past two years, the Victorian team has had a strong focus on directly placing their soft plastic waste with a recycler. This year the Scoresby and Springvale site diverted approximately 62m<sup>3</sup> of soft plastic waste from landfill to a recycling company.

#### Environmental UK

This year Darlene, a Hawarden employee, was undertaking training on the analysis of per- and poly-fluoroalkyl substances (PFAS). PFAS are manufactured chemicals used in products that resist heat, oil, stains and water. The chemicals have been used around the world in many common household products and specialty applications. As a result, most people living in developed nations have some PFAS in their body.

With her fresh pair of eyes, Darlene noticed that the sample preparation team decanted the sample into a red-topped tube and sent it to another team for the PFAS analysis where the sample would be transferred to a different centrifuge tube and the red-topped tube was discarded. The process was changed to eliminate the extra step.

It was a simple change, but it was identified and, very importantly, followed through to completion. The change resulted in a significant reduction in plastic waste alongside a modest saving in time and money, with no detriment to quality. The process is now cheaper, faster, has less environmental impact and removing the double handling of the sample is a potential small quality improvement.

The annual savings are estimated to be £1500 and 176kg of plastic waste.

#### Wakefield Radioactive Waste

The Wakefield laboratory utilises a radioactivity method which tests for alpha and beta radiation in drinking water. One of the calibration standards for this method is Americium-241. Americium (95Am) is a synthetic radioactive element created during nuclear reactions of heavy elements such as uranium and plutonium. Nineteen isotopes of Americium have been characterised, the first isotope to be synthesised and one of the most stable isotopes was americium-241 (241Am).

The laboratory typically uses around 200mL of the 1 litre calibration standard per year with the remaining volume disposed of as hazardous waste because the expiry date was set at one year. The half-life of americium-241 is 432 years so it stands to reason that the expiry date of the calibration standard could potentially be extended.

Using inferential statistics methodologies to compare the current 'in date' stock with the older expired stock, the laboratory found there was no statistically significant difference in effectiveness between the two calibration standards. As a result, the expiry date of the calibration standard was increased to a period of nine years. While the cost saving to ALS is insignificant, it importantly means that a hazardous waste stream from this laboratory has largely been prevented.



Wakefield radioactivity testing

#### Tribology, Phoenix

##### REDUCTION OF LIQUID WASTE

The laboratory recently acquired a new instrument for Karl Fischer analysis. Previously, our volumetric method generated an average of 3.5 litres of liquid waste per month.

The new instrument is allowing us to titrate the more contaminated samples using less titrant. This has helped reduce liquid waste from this analysis process to an average of 1.7 litres per month.

## Waste Reduction

### Life Sciences and Geochemistry Chile – Green Project Recycling

Demonstrating their commitment to sustainability at ALS, our Life Sciences and Geochemistry Chile divisions have jointly launched a comprehensive waste management and recovery program called “Green Project”. The project focuses on the optimisation of waste segregation for recycling at the Santiago facility located in Colina.

Collection points for recyclables, known as “Clean Points” have been established using a colour coding system that is aligned with the Chile national regulations. The colour coding system ensures segregation of recyclable waste across glassware, PER, metals, organics, paper and cardboard and electronics to minimise cross contamination.

Comprehensive training has been rolled out for staff and engagement materials in the form of posters, branded uniforms and educational videos have been created to encourage participation in this important initiative. ALS Life Sciences and Geochemistry Chile establish relationships with local businesses that can recycle and recover the waste streams for the creation of new products, thereby contributing to the circular economy.

### Efficient Operations

Across our global footprint of sites, we have a strong focus on enhancing the efficiency of our operations. Our big picture sustainability targets are important, however it’s just as essential that the smaller, local initiatives led by our highly engaged workforce are recognised. The collective impetus of these initiatives generates real and meaningful positive impacts on our overall corporate sustainability.



ALS Green Project - Geochemistry, Chile

### Wakefield Urinals

The urinals at our Wakefield laboratory were estimated to be using 630,000 litres of water per year. With such a significant volume of water being used, it made sense for the site to switch to waterless urinals which were completed earlier this year.

It is anticipated the payback period for these urinals will be as little as 10 months, however, the significant amount of water saved is the real benefit and our Coventry and Hawarden sites both have plans to follow suit with waterless urinal installations in FY2023.



Clean points

### Irvine

Irvine Laboratory has switched from using single use cups to reusable ceramic cups to minimise an unnecessary waste stream. It has also centralised consumables ordering so that supplies are shipped in bulk rather than on an as required basis, minimising the need for multiple deliveries and duplication of stock.



## Operational Environmental Performance

It is a corporate requirement that each ALS site establishes a process to identify and monitor relevant legislation that impacts its operations.

All ALS facilities are expected to meet relevant laws, standards and industry guidelines on environmental protection as a minimum requirement. ALS has installed purpose-built engineering systems on its facilities that have been identified as generating low-level emissions. These include air emissions from fume cupboards, dust emissions from mineral sample preparation and liquid trade waste discharged to local council sewage treatment plants.

ALS managers are required to sign-off on their operation's compliance regularly, including monthly exception reporting for any environmental events and an annual sign-off by managers to ensure environmental risks are closely monitored.

During the FY2022 reporting period, there were no material incidents of environmental harm reported. There was one government fine/penalty issued for an environmental related event. Life Sciences Lima were fined USD15,000 for not correctly monitoring site emissions in the 2017/18 period.

## ALS Air Quality Monitoring – Contributing to a healthier environment

Healthy air quality is a basic human right. The World Health Organization estimates that up to seven million people die prematurely every year due to the combined effects of outdoor and household air pollution, with millions more people falling ill from breathing polluted air. More than half of these deaths are recorded in developing countries.

One way that ALS contributes to a healthier and safer world is by providing testing services that measure air pollutants. Some air pollutants are easily detected by odour while others, such as smog can be easily seen. However, there are many harmful, air-borne pollutants that are not as easily detectable.

ALS assists our clients with testing to determine what atmospheric pollutants are being discharged from their operations and at what concentration. Industrial operators that run facilities with stacks are often required to demonstrate that their emissions comply with regulatory limits.

ALS Thailand provides services to the Environmental, Food and Pharmaceutical sectors and are one of our many businesses that provide this type of testing. ALS Thailand's stack testing team is made up of scientists who are also specialists in working at heights.

By providing expert scientific analysis to clients on indoor air quality, ambient air, workplace monitoring, continuous emissions monitoring, stack emissions and particulate pollutants, ALS contributes to a healthier planet, saving lives and ensuring clients are equipped with quality information to minimise their environmental footprints.





Section 4

# Society



## Making a positive contribution to our local communities

Through science, assurance and sustainability, our purpose is helping make the world a better place. We will achieve this through teamwork and living our core values, making an enduring impact on our communities and the environment.

Our sustainability pillar of Society encompasses our aim to positively impact the local communities where we operate in ways which are of material interest to our stakeholders. We have a broad stakeholder group that trust us to provide our services, employ people, and operate in a lawful, ethical and responsible manner. We contribute back to society to support the current and future needs of the community, through the following ways:

### Building a sustainable economy

- Paying our fair share of tax
- Donations and sponsorship

### Supporting local livelihoods and future generations

- ALS Ed Support
- Community sponsorship initiatives
- ALS Cares
- Local employment

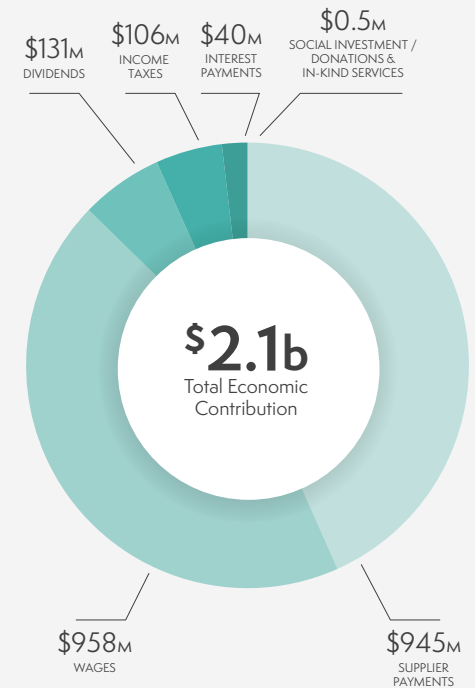
### Protecting Human Rights

- Uphold human rights and prohibit any forms of modern slavery within our business operations and in our supply chain.

## Economic Contribution

### Building a sustainable economy

We are proud of our economic contribution to communities across all the 70+ countries we operate. We create shared value through the payment of employee wages, purchase of materials and services from suppliers, and payment of taxes to government. We pay taxes due pursuant to the applicable jurisdictions in which we operate. The largest component of the \$2.1b economic contribution in FY2022 was through the \$958m we paid in wages and \$945m made in supplier payments.



We contribute back to society to support the current and future needs of the community.

## Donations and Sponsorship

ALS contributes financially to support causes and community initiatives that align with our corporate values and represent our recognition and support of the communities in which we operate.

We focus our donations and sponsorships on a selected number of causes where our contributions can have a measurable impact and make a difference. Our donations are directed to reputable organisations whose values align with ours and whose programs have a direct impact in the communities in which ALS operates including:

- supporting disadvantaged children
- providing a community service that supports health and wellbeing
- supporting individuals with a disability
- focusing on breaking the cycle of poverty
- delivering emergency aid
- focusing on longer term rebuilding efforts where local resources have been overwhelmed by natural disasters
- conserving and sustaining natural environments.

Our sponsorships are directed towards initiatives that partner with local institutions or organisations to support science education and initiatives. We aim to create interest and awareness in science and inspire individuals about the opportunities available in this field.

Our Donations Policy specifically excludes donations when the request is for an individual and when the donation or sponsorship submission is for a religious, political or government organisation or directly supports their activities.

\* ALS purchased AUD200,000 of insurance with QBE Australia during FY2022



This year we have made corporate donations to:

- The Center for Pursuit (Houston)
- Youngcare (Australia)
- myAFK (UK)
- Conin Foundation (LATAM).

In FY2022 we proudly joined QBE Insurance's social and environmental initiative called Premiums4good. ALS elected to allocate 25% of our premiums\* to invest in social impact bonds and Green bonds. These bonds invest into social or environmental projects which create positive impact such as reducing homelessness; supporting children from 'at risk' households, renewable energy, waste management and water conservation.

## ALS Cares

ALS introduced our workplace giving framework, 'ALS Cares', as a platform to provide employees with an opportunity to regularly donate to a charitable organisation that shares our values, who contribute to causes that are aligned with our donation policy and with whom we have formed a long-term relationship.

This year we continued our workplace giving, supporting YoungCare in Australia and The Center in Houston.

Due to the amazing generosity of ALS staff, their family and friends, and funds matched by ALS, our Youngcare Giving Team managed to raise \$37,273 by the conclusion of Youngcare's Giving Day 2021 fundraising event. This year, Youngcare set their largest ever fundraising goal of \$500,000. This was achieved on the day and later surpassed to reach \$550,972 as the campaign concluded.

We also added a new charity to the ALS Cares program. Employees within the UK have donated to my-AFK, which provides mobility equipment and prepares young people with learning disabilities and autism for life after school through accredited education, training and work experience programs.

my-AFK reports generous donations from donors such as ALS have assisted them to provide mobility equipment for 85 young people and deliver more than 370 education and employment programs in 2021.

Examples of the work done by my-AFK include:

- An all-terrain power wheelchair was purchased for a young boy with Duchenne Muscular Dystrophy.
- A young man with autism and lowered immunity was assisted by the my-AFK Life & Work Team to regain employment after a particularly challenging year where he was required to self-isolate due to COVID-19 health concerns.

The stories highlight the important work done by my-AFK with the assistance of donors under programs like ALS Cares.



## Local Contributions



We have the opportunity to support our future generations in a material manner through

our initiative ALS EdSupport, a science education and support programs dedicated to supporting young people to develop their STEM knowledge or pursue their careers in science. We partner with local universities and schools to provide work experience programs and internship placement, and hold presentations in schools, at conferences and webinars. Through participation in our ALS EdSupport programs, students have valuable opportunities to access world-class facilities, learn about the latest developments in the field, and receive guidance and mentorship from our experienced employees.

While COVID-19 continued to limit our ability to provide these opportunities in FY2022; ALS EdSupport endeavoured to continue providing learning activities for young people. The selection of activities below demonstrates our material commitment in this year.

**Life Science Europe** continued our strong partnership with local schools and universities to host internship for students ranging from high school to PhD, hosting more than 100 students throughout the year.

**Coal, Australia** delivered an online Coal Analysis course to the Bowen Basin Geology Group over two days, with approximately 100 participants.

**Tribology, Belo Horizonte** continued to sponsor the research projects conducted by CEFET – Federal Center for Technological Education of Minas Gerais, including Formula CEFEST which was founded by female mechanical engineering students.

**Tribology, Perth** provided support to a university motor sports team. The sponsorship includes training in oil analysis and lubrication to the Curtin University (CMT) students as well as free oil analysis for the race car. ALS has introduced the engineering students to condition monitoring, oil and fluid analysis and participation in laboratory tours (open days). The technical educational evening events run by CMT are attended by ALS staff presenters.

**ALS Metallurgy, Wangara** hosted a site tour for students of Newman Senior High School (Pilbara) coming to Perth as part of the Poly Farmer “Follow the Dream” visit in November 2021. Poly Farmer Foundation is an organisation with the goal to enrich and support Aboriginal students focusing on education and future career pathways.

**ALS, Metallurgy Balcatta** hosted a tour of their facilities as part of the Metallurgical Education partnership workshop which was attended by students from Curtin and Murdoch Universities.

**Asset Care Australia** believes strongly in ensuring diversity in our engineering teams and has progressed this year with initiatives to support exposure of engineering as a career path to all backgrounds.

We have partnered with Power of Engineering to provide site tours to female Year 9 students from schools local to our Riverview facility in Brisbane, Queensland.

These events provide us the chance to showcase our specialist career paths in engineering, including failure investigation, materials testing, mechanical engineering and our specialist laboratories encompassing state-of-the-art optical and electron microscopes and mechanical testing facilities.



Metallurgy – Education partnership workshop

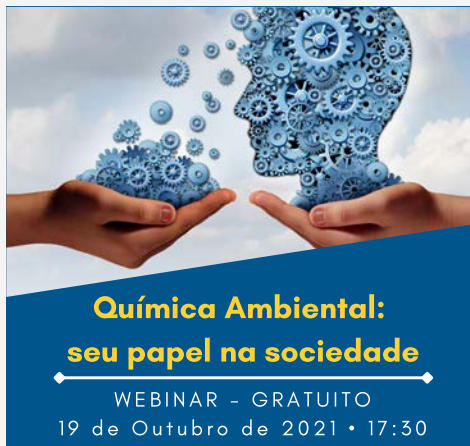
The event also includes keynote speeches from within the Asset Care team, exploring their unique pathway to becoming technical leaders in our engineering services.

At the end of the training program students can connect directly with our engineers. We hope to inspire this generation of female students to take on engineering as a career path.

Asset Care also actively contribute to the professional and industry community of which they are involved. This year they completed an initial review of industry contributions, identifying 21 representatives actively contributing to industry groups, ranging from regular meeting attendance through to delivery of papers and thought leadership in their space. Next year they aim to cataloguing the best initiatives and review opportunities for further involvement in the industry communities.



Newman Senior High School students and teacher (Andrew Morgan) travelled to Perth from Pilbara to visit ALS Metallurgy IOTC (Wangara) as part of the Poly Farmer “Follow the Dream” visit in November



**Environmental, Sao Paulo** hosted a webinar 'Environmental chemistry – Your role in society' for students at University Oswaldo Cruz in October 2021. The goal of the webinar was to increase students' understanding of the concept of ESG (Environmental, Social and Governance).

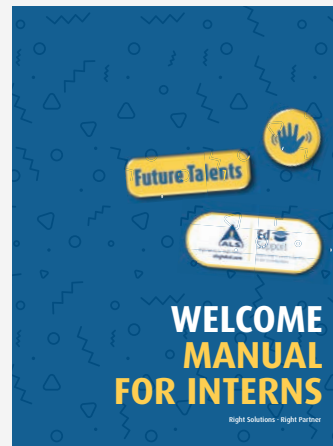
**Environmental, Vancouver** partnered with British Columbia Institute of Technology to provide work placements as part of their Chemical and Environmental Practicum Program.

**Environmental, Sao Paulo** hosted a webinar for students at University Oswaldo Cruz.



**ALS Corporate Office** continued their commitment to University of Queensland student awards:

- ALS Limited Prize (UQ Business School);
- ALS Prize for Geochemistry (School of Earth and Environmental Sciences);
- ALS Prize for Chemistry (School of Chemistry and Molecular Biosciences).



### Life Sciences – Southern Europe INTERNSHIP PROGRAM

In an increasingly globalised and competitive world, the labour market increasingly demands exceptional professionals to carry out their activities. A big challenge for organisations is the incessant search for professionals who show flexibility, openness to change, entrepreneurial, innovative, creative and critical thinking.

ALS Southern Europe, therefore, seeks to ensure young people are part of its labour force, ensuring a positive transition from the school environment to the workplace, enabling the acquisition of skills and establishing the basis for their future employment success.



In this sense, we believe that curricular and extracurricular internships translate into an advantage in terms of the social, professional and cultural learning provided to students who complete technical-professional, vocational or higher courses.

To this end, we have established over the years several protocols with educational institutions to welcome young people from different courses and areas.

In Portugal, and since the beginning of 2021, we have already accepted around 40 internships on different websites, and we are already receiving applications for the next enrollment.

Our motto is: "Providing Unforgettable Internships".

## Community sponsorship initiatives

In addition to our corporate giving programs, our employees provide support to communities at a local level. This is a practical example of their alignment with our core value of Caring.

Unfortunately, again this year there were barriers to fundraising activities and hands on support due to the pandemic. Despite this, there are many examples across the globe of our employees raising funds to support causes close to their hearts, or to offer their time and expertise, for the betterment of society. Some of these examples include:

**ALS Canada** In November 2021 British Columbia was devastated by mass floods and landslides. Thousands of people were forced to leave their homes. An estimated 640,000 livestock were lost and hundreds of acres of farm vegetation were destroyed. Local food supply was greatly affected. To support people who were affected by the disasters, donation was made to Red Cross for the BC Floods and Extreme Weather Appeal, contributed by our staff in Geochemistry North Vancouver, Environmental Prairies, and Environmental Eastern Canada.

**ALS Canada** continued their long-standing support of United Way, whose mission is to improve lives by mobilising the caring power of communities around the world. Since 2012 ALS Canada employees have raised more than CAD300,000. This year the team raised more than CAD22,000, 10% more than the previous year, exceeding their goal of CAD15,000.

**Environmental, USA** organised a charity drive for the Holland Rescue Mission, helping local homeless people. Staff collected and donated five large boxes of clothing and non-perishable goods during this event.

**Environmental, UK** continued their long-standing fundraising efforts for Macmillan Cancer Support.

**Food and Pharmaceutical, Chatteris** employees donated their time to join the Great British Spring Clean by tidying around the town of their community.

**Geochemistry, Vientiane** have donated PPE, sanitiser and thermometers to the COVID-19 task force for distribution to Bokeo and Pakse where medical supplies are needed.

**Geochemistry, Czech Republic** On June 25, 2021, Southern Czech Republic experienced one of the most devastating tornado storms in recent years. ALS Czech provided emergency financial assistance to those affected by this natural disaster.

**Geochemistry, Romania** donated RON 6000 to their local hospital (Aburd) which was facing issues in ensuring the daily food meals for their increased number of patients during the pandemic.

**Tribology, Brazil** broke their food delivery record to Sementes do Amanhã day care, with more than 5,692kg of food distributed to 97 families and 110 children aged 0-3 years. Tribology, Brazil has undertaken this every year since the business was established in 2009. This year there were more challenges in meeting the target however the team report that "Looking around and bringing solutions is also the ALS way of being, where our greatest value is being human".

**Environmental Canada** participated in the National Day of Truth and Reconciliation, which honours Indigenous Peoples, lost children, survivors and their families in relation to residential schools in Canada. Staff from Environmental and Geochemistry Canada have selected two charity organisations to receive \$5,000 CAD each in recognising their great works of supporting Indigenous communities.



Food and Pharmaceutical, Chatteris – Enjoying the Great British Spring Clean

One of the selected organisations is Water First Education & Training Inc. It helps address water challenges in more than 55 Indigenous communities in Canada through education, training and collaboration. The other selected organisation is True North Aid. It provides practical humanitarian assistance in the foundation areas of self-determination, reconciliation, water, food, health, housing, hope and education to disadvantaged communities, including indigenous across Canada.

ALS Canada intends to follow the calls from the Royal Commission on Aboriginal Peoples to adopt the United Nations Declaration on the Rights of Indigenous People. We will engage more meaningful consultation with local Indigenous communities and participate in long-term sustainable projects where possible. We will also reinforce the awareness of our staff on the history of Indigenous people, and other aspects such as intercultural competency, human rights and anti-racism.

<sup>(1)</sup> Source: List of Least Developed Countries (as of 11 February, 2011), United Nations



## Local employment

The COVID-19 pandemic has caused a massive impact to the global economy since 2020. According to the United Nations 2021 Progress Report, young people and women in the workforce were hit particularly hard by the pandemic.

In FY2022, ALS supported a sustained economy across the regions in which we operated through the direct employment of more than 18,000 people. This year we have employed more than 1,800 additional employees.

In FY2022 we have paid \$957m in wages to our employees, contributing to local economies.

Among the countries in which we operate, nine of them are identified as least development countries (LDCs). They include Burkina Faso, Cambodia, Democratic Republic of Congo, Ethiopia, Lao People's Democratic Republic, Mali, Myanmar, Sudan, and Zambia. LDCs are countries with low-income and confronting severe structural impediments to sustainable development, are highly vulnerable to economic and environmental shocks and have low levels of human assets. We are humble that ALS can support these countries through local employment.

## Protecting Human Rights

We are committed to respecting and upholding the human rights of all individuals throughout our operations and in our supply chain. We seek to foster an organisational culture which demonstrates respecting human rights guided by the international human rights principles encompassed in the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the United Nations Global Compact. We encourage our employees and those working in our supply chain to raise concerns about poor or unacceptable human rights practices and provide an independent confidential external reporting hotline to ensure concerns can be reported on a confidential and anonymous basis.

Our Code of Conduct, Human Rights Policy and Supplier Code of Conduct set out the standards of behaviour we expect of our employees, suppliers, contractors and other business partners in respecting and upholding human rights. As part of our employee onboarding process, our employees receive training as to their shared responsibility to ensure that we are not knowingly complicit in human rights abuses, including those committed by others doing work for us.

Our site managers confirm their site's compliance to regulatory requirements including safe working conditions, employment conditions, equal opportunity and freedom of association by completing an annual sign-off declaration. In engaging suppliers, contractors and other business partners, we seek to only engage those that share our commitment to respecting human rights and treating everyone with dignity and respect.

## Our approach

Our approach to respecting and upholding human rights includes:

- opposing any form of modern slavery, forced or compulsory labour, human trafficking and child labour, and our commitment to taking action to reduce the risk of this occurring in our operations and supply chain.
- a commitment to looking after the health, safety and security of our employees and being intolerant of discrimination or harassment occurring in our workplaces.
- subscribing to local labour standards, including hours, conditions, wages, and overtime pay practices that are in compliance with the law.
- promoting freedom of association and the right to collective bargaining.

## Our progress in protecting human rights

During the year we enhanced our framework to protect human rights by:

- launching a modern slavery awareness training course targeted at managers and procurement department staff;
- progressing the rollout of a standard supplier onboarding process and the use of the ALS Supplier Code of Conduct globally;
- conducting due diligence (includes the coverage of social, ethical and environmental) on our Tier one suppliers;
- launching a supply chain management technology solution which will further enhance our existing practices in addressing the risk of modern slavery in our business and supply chains; and
- maintaining open communication about human rights and modern slavery risks with our suppliers.

Our continued human rights assessments of our suppliers during the year did not identify any incidents of human rights abuses.

## Reporting on modern slavery

In accordance with the United Kingdom’s Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018 (Cth), ALS submits a slavery statement as to the actions taken to assess and address modern slavery risks during the financial year and the focus for the next financial year.

Further details as to our actions to address modern slavery in our operations and supply chain can be found in our FY2022 Modern Slavery Statement published on our website.

## Our focus for FY2023

Our focus for FY2023 will be on maturing the implementation of the supply chain management technology. This will further enhance our ability in identifying and monitoring modern slavery risk in our supply chain and make the suppliers’ information readily sharable within the ALS Group.

We will continue to work with and learn from our peers and other industries on best practices, maintain open communication with our suppliers and support them to operate in line with our Code of Conduct and Human Rights Policy.

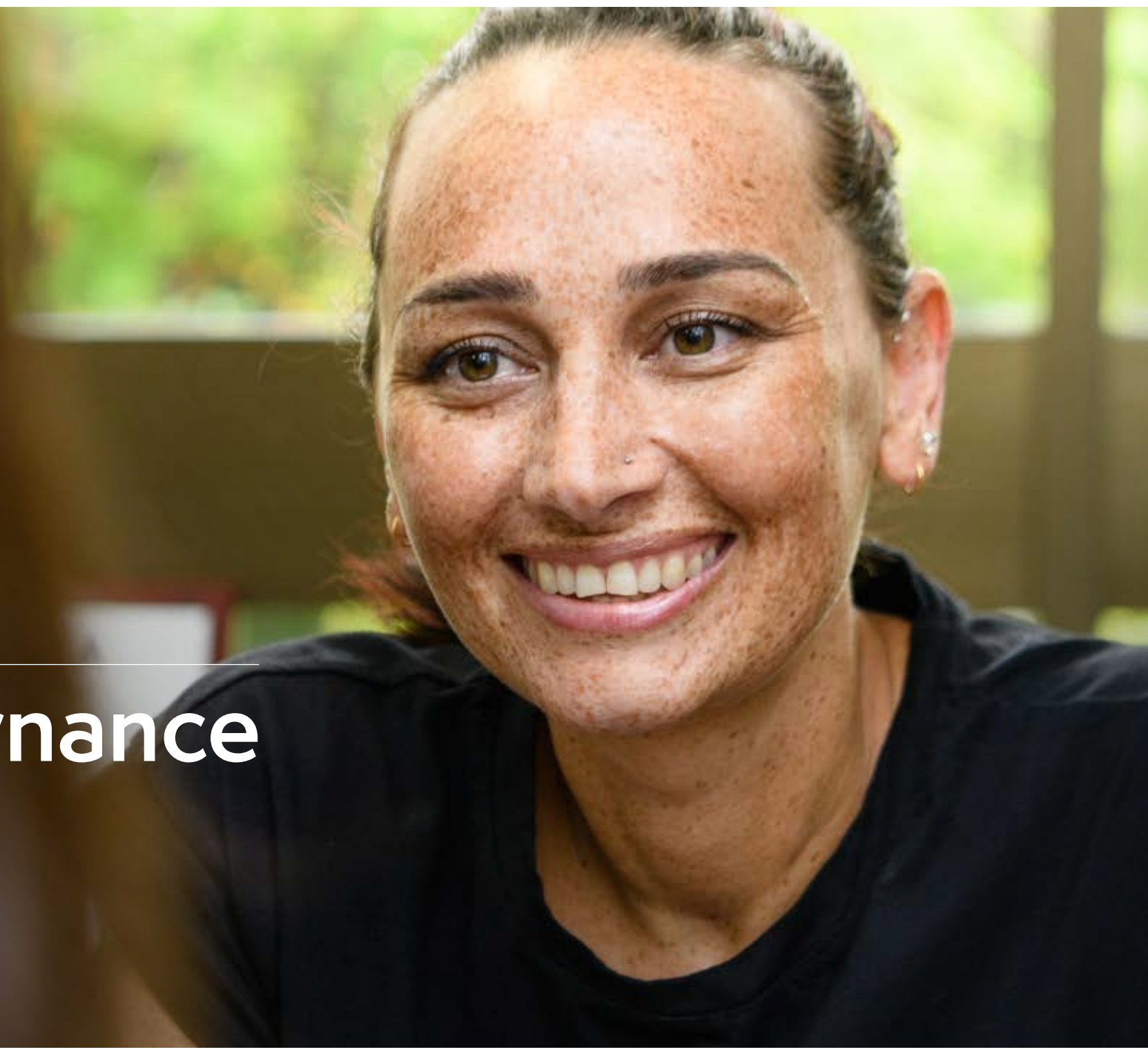


Our focus for FY2023 will be on maturing the implementation of the supply chain management technology.



Section 5

# Governance



## Managing our governance framework

**Maintaining robust and sound governance practices is fundamental to the delivery of our strategy and long-term sustainability, and to protect and enhance the interests of our shareholders and other stakeholders.**

We comply with the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations and are committed to regularly evaluating and updating our governance framework to reflect existing and emerging corporate governance practices, and market and regulatory expectations.

Our governance framework reinforces our commitment to lawful, ethical and responsible business conduct, supports transparency and provides a clear framework for decision making and accountability in relation to all aspects of our business.

Central to our governance framework is our Code of Conduct, which is supported by policies, training programs and operational procedures and processes to ensure a consistent approach globally to ethical and sound decision making. Our ESG scorecard reinforces responsibility and accountability for our sustainability, in linking certain sustainability metrics including carbon intensity reduction targets with remuneration.

### Our Board

Our skilled, experienced and diverse Board of seven non-executive directors provides strong leadership and are committed to ensuring that we conduct our business ethically and to the highest standards of corporate governance.

Prior to appointment, each non-executive director is subject to background and probity checks to verify their educational and employment history to determine if they possess skills and experience that is complementary to the efficient operation and functioning of the Board. Non-executive directors are not appointed for specific terms and are subject to rotational requirements outlined in the company's constitution for re-election. Criterion for continued office is effective contribution, which is reviewed annually in an evaluation of the Board's performance. Board performance reviews take the form of either internal assessment or are carried out by an external consultant. During FY2022, the Board, led by the Chair, performed detailed a self-assessment review of the role and accountabilities of the Board and Committees, a skills and expertise analysis of the Board and of their own individual performance. Actions arising from these reviews are prioritised and considered at each Board meeting.

The Board provides an appropriate induction program for new directors, which includes on-site visits for operations. Non-executive directors have the opportunity for professional development through programs operated by the Australian Institute of Company Directors and via bespoke updates with external subject experts.

All current non-executive directors, excepting the Managing Director, are considered independent of management influence. An annual assessment of non-executive director independence is undertaken on an annual basis. The Board distinguishes between the concept of independence and the issues of conflict of interest or material personal interests which may arise from time to time. The Board's policies and procedures ensure full disclosure, recording and appropriate management of conflict of interest situations. No material professional, business or substantial shareholder relationships by any non-executive director with the Company existed during the year.

Four standing sub-committees assist the Board in the effective discharge of their responsibilities and duties. The Sustainability and Innovation Committee, the Audit and Risk Committee, and the People Committee comprise three independent non-executive directors with an independent chair who is not also the Chairman of the Board. The Nominations Committee comprises of all non-executive directors.

The Board and its sub-committees operate under formal charters. Detailed information on the role, purpose, specific responsibilities and operation of the Board and each sub-committee can be found in their charters at [alsglobal.com](https://alsglobal.com). The Board and sub committee charters are reviewed annually.

## Directors of ALS Limited

### BRUCE PHILLIPS

BSc (Hons)  
(Geology)

Chairman and Independent Non-Executive Director, Member of the People Committee. Chair of the Nomination Committee.

### RAJ NARAN

BSc (Chemistry),  
BA (Mathematics)

Managing Director and Chief Executive Officer.

### TONIANNE DWYER

B Juris (Hons), LLB (Hons),  
GAICD

Independent Non-Executive Director, Chair of the People Committee, Member of Sustainability and Innovation Committee. Member of the Nomination Committee.

### SIDDHARTHA KADIA

PhD, MS (Biomed. Eng.)  
BE (Electronics)

Independent Non-Executive Director, Member of Sustainability and Innovation Committee, and Member of the People Committee. Member of the Nomination Committee.

### JOHN MULCAHY

PhD, BE (Civil Eng.) (Hons),  
FIE AUST

Independent Non-Executive Director, Member of the People Committee, and Member of the Audit and Risk Committee. Member of the Nomination Committee.

### LESLIE DESJARDINS

B. Ind. Adm (Finance),  
MS Mgnt

Independent Non-Executive Director, and Chair of the Audit and Risk Committee. Member of the Nomination Committee.

### CHARLIE SARTAIN

BEng (Hons) (Mining),  
FAusIMM, FTSE

Independent Non-Executive Director, Chair of the Sustainability and Innovation Committee, and Member of the Audit and Risk Committee. Member of the Nomination Committee.

## Governance Framework

Sustainability & Innovation Committee	Audit & Risk Committee	People Committee	Nominations Committee
<p><b>Chair: Charlie Sartain</b></p> <p>Role of the Committee is to provide:</p> <ul style="list-style-type: none"> <li>oversight, on behalf of the Board, of the strategies, standards, processes and practices intended to effectively manage health, safety, environmental, community, governance and social performance risks</li> <li>advice to assist Management in achieving sustainability targets and performance improvements</li> </ul> <p>The Committee liaises with the Audit and Risk Committee, and People Committee, to assist the Board in fulfilling its responsibilities for ensuring ALS has adopted and maintains appropriate corporate governance standards.</p>	<p><b>Chair: Leslie Desjardins</b></p> <p>Purpose of the Committee is to identify and recommend for approval the implementation of policies, practices and processes, to receive reports from management, and to monitor performance so that the ALS Group discharges its responsibilities to exercise due care, diligence and skill in relation to the:</p> <ul style="list-style-type: none"> <li>reporting of financial information</li> <li>application of accounting policies</li> <li>financial management</li> <li>internal control systems</li> <li>risk management systems</li> <li>business policies and practices</li> <li>protection of assets</li> <li>compliance with relevant laws, regulations, standards and best practice guidelines</li> <li>external auditor</li> </ul>	<p><b>Chair: Tonianne Dwyer</b></p> <p>Role of the Committee includes assisting the Board in the fulfillment of its responsibility to ensure the Company's people and remuneration practices support the achievement of its purpose and strategy, encourage the desired culture and behaviours, and are aligned with its risk appetite. The Committee's responsibility for review and making recommendations to the Board include:</p> <ul style="list-style-type: none"> <li>the principles and practices that underpin the Company's overall approach to remuneration</li> <li>the remuneration of, development programs for, and succession planning and processes for Senior Executive Managers</li> <li>talent and leadership development programs for other senior leaders</li> <li>policies and practices that foster a culture of high performance, inclusion, collaboration and ethical conduct</li> <li>policies and practices that promote the attraction, development and retention of a diverse and capable workforce and position the company as an employer of choice</li> <li>People risks associated with its area of responsibility under its Charter.</li> </ul>	<p><b>Chair: Bruce Phillips</b></p> <p>The Nominations Committee's primary function is to assist the Board in fulfilling its responsibilities to shareholders through making recommendations to the Board in relation to optimal composition of the Board and Committees as well as reviewing the performance and remuneration of the CEO and overseeing Board and CEO succession planning. This includes responsibility for reviewing and making recommendations to the Board regarding:</p> <ul style="list-style-type: none"> <li>composition of the Board</li> <li>the processes in place to review the performance and remuneration of the Board, its Committees and non-executive directors</li> <li>CEO performance, remuneration and succession planning</li> <li>appointment, election and re-election of non-executive directors</li> <li>director independence assessments</li> <li>director induction programs</li> </ul>

Corporate tools and programs help ALS businesses manage their compliance and risk obligations.

## Our core policies and standards help guide our decisions for a positive and safe working environment

### Policies & Standards

Audit & Risk Committee Charter	Diversity & Inclusion Policy	Sustainability & Innovation Committee Charter	Donations & Sponsorships Policy	Financial Risk Management Policy	Anti-Bribery & Anti-Corruption Policy
Board Charter Summary	People Committee Charter	Health & Safety Policy	Cash Management Policy	Risk Appetite & Tolerance Policy	Privacy Policy
Code of Conduct	Risk Management Policy	Environmental Policy	Tax Risk Management Policy		Whistleblower Policy
Continuous Disclosure Policy	Securities Trading Policy		Human Rights Policy		Delegation of Authority Policy
Performance Standards		HSE Foundation Standard		Risk Management Framework	
Process Standards		Local management procedures and practices			

### Management Team

<b>Raj Naran</b> CEO & MD	<b>Lisa McClain</b> Chief Information Officer	<b>Tim Kilmister</b> General Manager, Life Sciences, APAC	<b>Geoff Anderson</b> General Manager, Life Sciences, Canada	<b>Bruce McDonald</b> Executive Vice President, Geochemistry	<b>Chris Walker</b> General Manager, Inspection
<b>Luis Damaceno</b> Chief Financial Officer	<b>Michael Burcham</b> Chief Risk Officer	<b>Andreas Jonsson</b> General Manager, Life Sciences, EMEA	<b>Malcolm Deane</b> General Manager, Life Sciences, Latin America	<b>Adrian Reifenstein</b> General Manager, Coal	<b>Greg Fletcher</b> General Manager, Asset Care
<b>Mark Landry</b> Chief Human Resources Officer	<b>Michael Pearson</b> Company Secretary & Group General Counsel	<b>Paul Loewy</b> General Manager, Life Sciences, USA		<b>Hamid Sheriff</b> General Manager, Metallurgy	<b>Marcel Hill</b> General Manager, Tribology

## Financial Performance

### Maximise return for shareholders

We are committed to creating sustained economic performance for our partners and shareholders through the execution of our strategic plan and effective fiscal management while meeting our corporate social responsibilities.

In FY2022, the Group continued its prudent approach to capital management, balancing investment in organic growth, accretive acquisition opportunities, and dividend payments to shareholders.

During this period ALS has again proven the resilience of its business model through its market and geographic diversification, to achieve record underlying shareholder returns. As the world emerges from the pandemic period, the Group continues to deliver on its strategy of growing market share as a leading global testing company, and seize upon opportunities aligned to global megatrends.

In FY2022, our operations generated total statutory revenues of 2.1b and the Group's underlying net profit after tax (UNPAT) was \$264.2m. Our underlying earnings per share was 54.7 cents and the total dividends per share totalled 32.8 cents. A full copy of our audited financial statements can be found on our website [alsglobal.com](http://alsglobal.com).

In FY2022, our operations generated total revenues of \$2.1b.

The Managing Director and the Chief Financial Officer state in writing to the Board each reporting period that the Company's financial reports present a true and fair view of the Company's financial condition and operational results, and are in accordance with relevant accounting standards. These statements are based on a formal sign-off framework established throughout the Company and reviewed by the Audit and Risk Committee as part of the six-monthly financial reporting process.

We aim to keep shareholders informed of the Company's performance and all major developments in an ongoing manner. Information is communicated to shareholders through the Company's annual report; full year and half-year investor presentations; and other correspondence regarding matters impacting shareholders as released publicly are made available on [alsglobal.com](http://alsglobal.com).



## Conduct and Culture

### Data Integrity

Data is at the core of the services we provide, and our clients depend on it to be trustworthy and accurate. Central to the established quality control programs in each of our Business Streams is the promotion of data integrity and training our employees to paying high attention to sampling, quality and process control and method precision. Requiring our managers and supervisors to foster a culture of guaranteeing and safeguarding data accuracy and traceability assists us in our pursuit of ensuring a positive and open culture, protects our reputation and drives our business growth.

Starting with our Board, our Chief Executive Officer and Executive Management, our commitment to the requirement and expectation of maintaining high integrity of data reported is captured throughout our organisation in numerous policies and procedures. Our Code of Conduct clearly states this commitment and requires our employees to:

- maintain high standards of professional ethics and perform their duties with the highest standard of integrity and independent judgement.
- pay high attention to sampling, quality and process control and method precision.
- always provide services professionally and impartially in accordance with approved standards, methods and policies.
- ensure all data is captured in the applicable laboratory information management system for completeness and traceability of data and information reported to its original analytical source.
- not to misrepresent data or comply with any request for data to be improperly changed.

Our Group Quality Management Policy further demonstrates this commitment by outlining the steps we take to ensure we generate valid results and uphold data integrity, including following the quality management and operational guidelines set out in the international standards ISO 9001 – “Quality management systems and ISO/IEC 17025 – General requirements for the competence of testing and calibration laboratories”.

### Ethical Business Conduct

Conducting our business in an ethical manner is important to us. Promoting behaviours and actions aligned with ethical business conduct assists in safeguarding our reputation as a successful global company and moves us beyond being the ‘Right Solutions. Right Partner.’ to us being the ‘Right Solutions. Right Partner. The Right Way.’

We require our employees to share our commitment to ethical business conduct, and for our managers and supervisors to consistently and regularly reinforce ethical business conduct through practical and demonstrated leadership.

Our Code of Conduct supports our commitment to ethical business conduct. It defines how we conduct our business and informs the behaviours needed for us to deliver our strategy and meet the expectations of our customers and other stakeholders. Our Code assists our employees in understanding what they should expect from each other and of themselves on a daily basis. It provides our employees with guidance on who to talk to and where to find additional resources when faced with complex, difficult or sensitive situations. It enables them to be fully informed and equipped to make sound decisions aligned with our core values.

We aim for our Code to be a resource that employees will revisit whenever they have a question or concern. It provides clear guidance on a range of topics and gives practical examples of the application of the principles and standards of behaviour expected of our employees, our business partners and other third parties, to ensure our business is conducted with integrity. Given the diversity of our workforce, our Code is available to our employees in 18 languages – Chinese, Czech, Danish, English, French, Indonesian, Italian, Lao, Malay, Mongolian, Polish, Portuguese, Russian, Spanish, Swedish, Thai, Turkish and Vietnamese.

Our online Code of Conduct training course supplements our Code and strengthens our desired culture. This course is regularly reviewed as part of our normal business practice. The course requires our employees to confirm that they acknowledge and understand our Code and will act in accordance with it. The requirement to undertake this course is incorporated into our employee onboarding process so that our employees understand the values that drive our organisation and the standards of behaviour expected of them from the outset. Employees are required to undertake this course within seven days of joining the Company, and every two years thereafter.

It is important to us that our employees regularly engage with our Code and can turn to it to guide them whenever they need further information or clarity as to what is expected of them. To progress this and enhance employee engagement with our Code, during the year we developed an interactive online Code of Conduct portal. This portal enables quick and easy navigation of our Code and provides access to a broad range of answers on commonly asked questions on each of the topics covered by our Code.



5,305 employees successfully completed online Code of Conduct during the year.

(AS AT 31 MARCH 2022)

Our Code of Conduct includes guidance on:

Providing a safe workplace	Accurate recording and reporting of information
Protecting the environment	Competing fairly and lawfully
Diversity and inclusion	Our suppliers and business partners
Respecting human rights	Conflicts of interest
Being sustainable	Bribery and corruption
Accurate, complete and traceable data	Gifts and hospitality
Confidentiality and proper use of information	Trade sanctions and trade controls
Insider trading	Public comment and social media
Privacy and protecting personal information	Speaking up
Protection and proper use of company assets and resources	



## Regulatory Compliance

### Systems to maintain legal compliance

Our compliance program aims to ensure we identify, understand and meet our regulatory obligations, and regularly assess our performance in doing so. An established compliance and risk portal located on our Group intranet supports us in our commitment to meet our regulatory obligations.

The portal provides access to specific policies and programs that assist in addressing our compliance with regulatory obligations relating to health and safety, environmental protection, anti-corruption, anti-competitive behaviour, trade and economic sanctions, human rights, industrial and employee relations, corporate and financial management (including taxation), privacy and data security, intellectual property, whistleblower protections, and compliance with the ASX listing rules. Each of our Business Streams are required to adopt these specific policies and programs.

Targeted online and in-person training to reinforce regulatory compliance, and to raise awareness and understanding of regulatory obligations, is an integral element of our compliance program. Where new or revised regulatory obligations arise, our approach is to develop and deliver targeted training to ensure our employees are aware of these obligations and their responsibility to ensure compliance with them.

Each year we require relevant managers to confirm their awareness and understanding of our compliance obligations by completion of a sign-off declaration.

## Anti-Bribery and Corruption

Our commitment to anti-corruption compliance is embodied in our Code of Conduct. Our Anti-Corruption Program establishes the requirements and controls that support our prohibition of bribery and corruption in all forms in the conduct of our business. It aims to ensure that our employees have the knowledge they need to be diligent in their efforts to prevent, detect and respond to bribery and corruption risks.

We take a risk-based approach to training our employees on bribery and corruption exposure. Our all-employee online Code of Conduct training educates employees as to our stance, provides an overview of the pertinent aspects and highlights the significant risk that bribery and corruption presents to our reputation and continued operation. Our Code of Conduct training is supplemented by our in-depth online Bribery and Corruption Awareness training for those employees in positions where an increased understanding, awareness and diligence of these is required.

Detailed practical guidance as to preventing, detecting and responding to bribery and corruption risks is made available to our employees through our Guidelines for the Prevention of Bribery and Corruption. When engaging with third parties, our Business Partner Due Diligence Process seeks to ensure that we only form business relationships with third parties who share our commitment to conducting business honestly, with integrity, and in compliance with the law. Our Supplier Code of Conduct also sets out anti-bribery and anti-corruption compliance requirements for our suppliers.

Our Anti-Corruption Program is reinforced by our Whistleblower Program and through our Business Resilience Workshops.

## Business Resilience Workshops

Our Business Resilience Workshops are designed to promote an organisational culture that encourages ethical conduct. This occurs through facilitated discussion on scenarios that may challenge adherence to the expected standards of behaviour expressed in our Code of Conduct. These workshops aim to build awareness in recognising compliance risks by discussing scenarios that cover bribery, facilitation payments, gifts and entertainment, working with business partners, third party due diligence, proper books and records, related parties and reporting behaviour or actions not aligned with our Code.

### Our Anti-Corruption Program includes practice guidance on:



The workshops encourage candid dialogue and provide a forum to reinforce to participants our culture of being open and transparent, and to seek guidance and support when faced with a situation that has the potential to compromise conducting our business ethically and with integrity.

## Whistleblower Program

Our Whistleblower Program seeks to foster an open and transparent culture where our Code of Conduct is upheld. We encourage our employees to speak up and to feel that they can freely report suspected or actual conduct that does not support our business being conducted ethically and with integrity.

We are committed to ensuring the confidentiality of those who report and to create an environment where our employees feel safe to do so, without fear of retaliation or detrimental conduct. Our Whistleblower Policy and Whistleblower Policy training course, delivered through our internal online training platform, confirms and reinforces this commitment and includes information on how we support and protect those who do report.

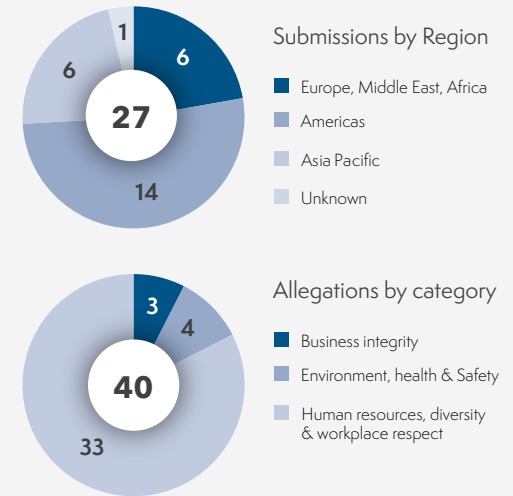
We recognise, however, that it is not always easy for people to speak up and to make a report directly to someone within the Company. Our confidential helpline – the ‘ALS Integrity + Compliance Helpline’ – seeks to address this and supports reporting where there may be a feeling of uneasiness to do so. The helpline is provided by an independent third party and is an integral part of our Whistleblower Program. It enables reports to be made 24 hours a day, seven days a week, 365 days a year irrespective of where the person making the report is located. Our helpline features an anonymous reporting mechanism to alleviate the fear of retaliation commonly associated with making a report or seeking guidance regarding potential or actual wrongdoing.

Our Code of Conduct, our Whistleblower Policy and our ALS Integrity + Compliance Helpline poster, which is required to be displayed on the employee noticeboard at each of our sites globally, all provide information as to the various ways in which the helpline can be contacted. More information and practical guidance as to the ‘who-what-when-where-why-how’ of speaking up and reporting violations of our Code is available to our employees through our Code of Conduct.

Annually, we evaluate the effectiveness of our Whistleblower Program. This is part of the evaluation of the effectiveness of our Compliance Program. Information received from our Whistleblower Program provides insights into potential deficiencies in our control environment and assists with our decision making in allocating resources to treatment plans to mitigate compliance risks.

Reports made under our Whistleblower Program are reviewed and assessed by the Company’s Chief Risk Officer. All reports are investigated where there is enough information to enable this. The Audit and Risk Committee of the Board oversees our Whistleblower Program.

Annually, the Committee receives a report on a ‘no names’ and de-identified basis summarising each report received, how each report was managed and the outcome of the investigation of the allegations raised in each report. Where allegations are substantiated, appropriate action to remedy the situation and prevent a re-occurrence is undertaken.



*One report might contain a number of allegations, with the nature of the allegations varying as to their seriousness.*

During FY2022, 27 reports were received under our Whistleblower Program to the ALS Integrity + Compliance Helpline. These reports contained 40 allegations as to suspected misconduct, which was a 3% increase in allegations made compared to FY2021. All allegations were reviewed by relevant management. Thirty seven allegations were, or are, the subject of an investigation; with one allegation unable to be investigated, and two allegations not requiring investigation. As at 31 March 2022, ten allegations arising from four reports remain under investigation. The investigation into 27 allegations has concluded, with four of these allegations being substantiated. During the year, eight reports gave rise to remedial actions (noting that remedial actions can arise where allegations are not substantiated), with the remedial actions arising from seven of those reports having been completed. During the year, one report gave rise to disciplinary action.

## Enterprise Risk Management

The effective management of risks is fundamental to informing our strategic direction, protecting our reputation and ensuring our sustainability. Continual focus on the identification and management of both financial and non-financial risks enables us to monitor and assess the impacts they present to our continued operation. It assists us in prioritising our efforts in developing and implementing strategies to minimise adverse impacts or maximise possible benefits.

Our Board Audit and Risk Committee assists the Board in discharging its responsibilities to exercise due care, diligence and skill in relation to risk management and internal control systems, with our Compliance and Risk function being responsible for the design of our risk management framework and for supporting the implementation of the framework across the organisation.

Accountability for the identification of risks and ensuring appropriate and effective risk management controls are in place to adequately manage local business and operational risks rests with site managers and supervisors. Business Stream Managers have responsibility for ensuring that each site manager or supervisor understands this accountability within their areas of responsibility and for ensuring that there are appropriate and effective risk management controls in place.

Our approach to risk management is aligned to ISO 31000:2018 – Risk Management – Guidelines and facilitates a consistent and comprehensive approach to our identification, assessment, response and communication of risks. Financial and non-financial risks are identified across the organisation in a multitude of ways, including through strategic workshops, operational activities, assessments against Standards, incident and event logging, and assurance and audit activities.

Our Compliance Portal supports our risk management framework by facilitating our monthly compliance exception reporting process. This process requires monthly reporting by the senior manager or supervisor for each site to the Company's Chief Risk Officer on specific compliance risk-related matters; and more generally on any situation that has arisen, or is emerging, that presents a significant risk to the Company's reputation, loss or damage of assets or business, or risk or injury to a person or the environment.

At least once a year we conduct a materiality assessment to validate previously identified external, strategic, financial or operational enterprise-wide business risks and to identify emerging risks which may have a potential material impact. Existing risk management strategies are reviewed to determine if they are effective and sufficient, with these strategies being revised, as required, to combat changes in our external or internal operating environment. All enterprise-wide material business risks are reported to the Audit and Risk Committee and the Board each March, with deep dives undertaken on selected material business risks.

Our risk management efforts throughout the year continued focused on:

- the frequent review of our business continuity plans to respond to the prolongation of the COVID-19 pandemic with an emphasis on cost reduction, strengthening liquidity, cash generation and repatriation, growth opportunities, and redundancy plans for critical suppliers.
- enhancing our health and safety work practices and protocols as to employee wellbeing and good mental health.
- undertaking a more detailed assessment of our climate change risks and opportunities through global warming scenario analysis aligned with the recommendations of the Task Force on Climate-related Financial Disclosure.
- assessing the adequacy of our loss control requirements to reduce the potential adverse impacts to our site locations susceptible to natural catastrophes given the increasing frequency of weather events that have the potential to impact our business and our supply chain.
- assessing the strength of, and improving, our innovation strategy.
- continued reviews as to the robustness of the quality programs implemented in each of our Business Streams, and ensuring the education of our employees as to performing their duties with the highest standard of integrity and independent judgement.
- assessing the strength of our cybersecurity controls to counteract the ever-increasing number and changing nature of cybersecurity threats.

- revising our strategy to identify and address the risk of modern slavery in our operations and supply chain.
- reviewing our succession plans for key positions and personnel.

More information on the specific risk management strategies to address a number of our enterprise-wide material business risks are detailed throughout this report. Please see:

- page 34 for information on how we manage our climate change risk
- page 30 for information on talent development and retention
- page 19 for information on health and safety
- page 35 for information on environmental management
- page 66 for information on regulatory compliance
- page 69 for information on innovation

More information about our risk management framework can also be found in our 2022 Annual Report and 2022 Corporate Governance Statement located on [alsglobal.com](https://alsglobal.com)

## Innovation and Technology

In our current world, change is inevitable, frequent and all-embracing. The tools now available across the TIC Industry are rapidly changing, with technological advancements, global connectivity, use of Big Data, robotics, and analytical and diagnostic tools. We view innovation and technology as a critical platform of our long-term business success and one of our foundation themes that will enable us to reach our Vision of working together for a safer and healthier world.

At ALS, we promote challenging the status quo, embedding curiosity and engaging with our staff to ensure efficient sharing of initiatives, best practice and the incubation of new ideas. We are a global leader in added value solutions for our clients. We have leveraged knowledge, processes and expertise across our businesses and we have integrated and consolidated systems globally to achieve operational excellence and outstanding service to our clients. We foster a culture of innovation, never afraid to have a go and try something new.

## Next Gen TIC

We are striving to be the next generation TIC company through investing in technology and innovation in the areas of:

- Robotic solutions for lab automation
- Use of electronic lab notebooks (ELN)
- One uniform Global ERP and HRM system
- Field data management systems, real time sampling analysis, telemetry for field testing services
- Digitally enabled remote quality control auditing
- Adoption of new and latest technologies e.g. LC-MS/MS, MALDI-TOF, GC& HPLC MS
- Automation and digitalisation of clinical studies
- Machine learning augmentation to integrate data
- Client software platforms
- Use of drones (for remote inspection services)
- Data analytics
- Artificial intelligence and deep learning
- Deeper supply chain engagement.

In the core parts of our testing business, innovation includes anything which would be classed as:

- Method enhancement (e.g. increased analytes, reduced detection limits, improved analysis time etc.)
- Process enhancement (e.g. automation, miniaturisation, improved health and safety etc.)
- New methods/ new technology

We embrace technology as part of normal business practice by:

- Adopting global standards for new instrumentation.
- Sharing global methods across fixed equipment platforms.

Standardisation of processes and continuous improvement utilising:

- One playbook (same technology, processes, QA/QC)
- Global supplier equipment agreements
- Customer centric communication e.g. EnviroMail
- Technical manager innovation reports.

## Our Practical Approach

The practical ways we advance innovation across ALS include:

- Hiring the best scientists and developing our talent within to grow a competent team of chemists, metallurgists, physicists, biologists, geologists and engineers to harness the breakthroughs in science and technology.
- Leveraging our expertise across our nine Business Streams in a holistic approach, including the establishment of knowledge hubs or centres of excellence, to harness our resources in innovation and deliver optimum solutions. Our knowledge centres of excellence include our Microbiology Centre in Portugal focusing on COVID testing and other viruses, our Environmental Hub Lab in Lulea specialising in low-level metals and pesticide contamination, and our Iron Ore Technical Centre in Australia.
- Identifying enterprise wide solutions for digital technology for our businesses and our clients.
- Identifying the best external innovators to partner with and focus on accessing innovation from all available sources in the industry such as universities, vendors, entrepreneurs and robotic engineering firms.

## Innovation Governance

We embrace innovation governance as a holistic approach to steering, promoting and sustaining innovation across the ALS Group. To further improve on the delivery of our Innovation Strategy, a Chief Technology Officer has been appointed to the Executive Leadership Team. The governance responsibilities of this dedicated role include:

- Overseeing continued refinement of ALS Global LIMS to keep our platforms fit and modern
- Overseeing ALS Systems platform investment (including selection and use of vendor technologies).
- Managing our client data integration strategy
- Coordinating global technology and innovation forums with the brightest and most influential talent in ALS
- Managing equipment and technology standards
- R&D sharing to leverage collaboration, knowledge and expertise across the business
- Horizon scanning to evaluate new technologies and their potential adoption across ALS
- Building networks with industry, universities and experts
- Connecting with ALS key clients and vendors to form strategic partnerships for technology and digitalisation.
- Further development of our technology hubs and knowledge centres.

## Statistics

People	GRI disclosure	2021/22	2020/21	2019/20	2018/19	2017/18
No. of staff employed	102-07	18,148	16,272	15,638	15,511	14,078
Total no. of employees (f)	102-08	7,804	7,160	7,037	6,515	6,307
Total no. of employees (m)	102-08	10,344	9,112	8,601	8,996	7,771
Employee turnover – voluntary	401-01	21.0%	11.3%	12.1%	13.8%	11.3%
Employee turnover – involuntary	401-01	16.7%	25.1%	24.3%	26.6%	29.8%
TRIFR*	403-02	1.52	1.98	1.58	1.78	2.7
LTIFR*	403-02	0.42	1.01	0.72	0.73	1
Work-related fatalities	403-02	0	0	0	0	0
Average hours of compliance training per employee	404-01	1.9	2.2	2.9	2.05	N/C

N/C Data not collected.

\* Per million hours worked.

Environment	GRI disclosure	2021/22	2020/21	2019/20
Electricity intensity ratio for the organisation (kW.h/MAUD Revenue)	302-03	65.5	61.0	65.5
Gas intensity ratio for the organisation (GJ/MAUD Revenue)	302-03	246	246	234
Total number and total volume of recorded significant spills	306-03	0	0	0
<b>Scope 1 - Fleet Emissions <sup>(1)</sup></b>				
CO <sub>2</sub> (tonnes)	305-01	12,171	13,448	10,048
CH <sub>4</sub> (tCO <sub>2</sub> e)	305-01	36	48	36
N <sub>2</sub> O (tCO <sub>2</sub> e)	305-01	113	146	109
Total tCO <sub>2</sub> e	305-01	12,320	13,642 <sup>(5)</sup>	10,193
<b>Scope 1 - Gas Consumption Emissions <sup>(2)</sup></b>				
CO <sub>2</sub> (tonnes)	305-01	27,491	22,157	21,588
CH <sub>4</sub> (tCO <sub>2</sub> e)	305-01	365	302	290
N <sub>2</sub> O (tCO <sub>2</sub> e)	305-01	41	34	32
Total tCO <sub>2</sub> e	305-01	27,898	22,493	21,911
<b>Scope 2 - Electricity Emissions <sup>(3)</sup></b>				
Energy Indirect (Scope 2) tCO <sub>2</sub> e	305-02	48,930	53,705	67,977
<b>Scope 3 - Air Travel Emissions (tCO<sub>2</sub>e) <sup>(4)</sup></b>				
tCO <sub>2</sub> e	305-03	273	180	1,302

<sup>(1)</sup> Fleet emissions data for FY2020, FY2021 and FY2022 years are calculated using the Transport Fuel Emissions method and emissions factors as listed in the Australian National Greenhouse Accounts Factors published yearly by the Department of Industry, Science, Energy and Resources.

<sup>(2)</sup> Gas consumption emissions data accounts for purchased gas that is used for in building heating or in our ovens and furnaces. Our 2019 data is estimated based on our 2020 and 2021 consumption. Data for our 2020 and 2021 consumption represents approximately 70% of gases consumed with the remaining 30% estimated based on similar ALS operations.

<sup>(3)</sup> Electricity emissions data (location based), are calculated using published emission factors which calculate the total CO<sub>2</sub>-e per unit of electricity consumed and does not separately calculate CO<sub>2</sub>, CH<sub>4</sub> or N<sub>2</sub>O attributed to our electricity consumption.

<sup>(4)</sup> CO<sub>2</sub> emissions calculated from kilometres travelled using ICAO Carbon Emissions Calculator.

<sup>(5)</sup> Scope 1 CO<sub>2</sub>-e fleet emissions for the financial year ending March 2021 have been amended from what was reported in the 2021 Annual Sustainability Report (13,072 tCO<sub>2</sub>-e). The updated estimate of 13,642 tCO<sub>2</sub>-e for 2021 scope 1 fleet emissions reflected in this report represents an increase of 570 tCO<sub>2</sub>-e for the 2021 financial year. This updated figure has been calculated after a retrospective review and subsequent improvement to the quantity and quality of data collected from across the ALS Group.

Society	GRI disclosure	2021/22	2020/21	2019/20
% of senior management at significant locations hired from the local community	202-02	98%	98%	98%
a. Total number of incidents of discrimination during the reporting period	406-01	1	4	4
b. Status of the incidents and actions taken with reference to:				
Incident reviewed by the organisation		1	4	3
Remediation plans being implemented		0	0	0
Remediation plans that have been implemented, with results reviewed through routine internal management review processes		0	2	0
Incident no longer subject to action		0	2	0
Number of suppliers assessed for human rights violations	414-02	70	50	50

Governance	GRI disclosure	2021/22	2020/21	2019/20	2018/19	2017/18
No. of operations	102-07	470	443	460	451	447
Net sales (\$m)	102-07	2,108	1,761	1,831	1,664	1,446
Percentage of operations assessed for risks related to corruption	205-01	100	100	100	100	100
Total number and percentage of governance body members to whom the organisation's anti-corruption policies and procedures have been communicated	205-02	7/100%	7/100%	9/100%	8/100%	7/100%
Total number and nature of confirmed incidents of corruption	205-03	0	0	1 <sup>(1)</sup>	1 <sup>(4)</sup>	N/C
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	205-03	0	0	1 <sup>(1)</sup>	1 <sup>(4)</sup>	N/C
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	205-03	0	0	0	0	N/C
Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases	205-03	0	0	0	0	N/C
Number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which the organisation has been identified as a participant	206-01	0	0	1 <sup>(2)</sup>	0	N/C
Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of: total monetary value of significant fines; total number of non-monetary sanctions; cases brought through dispute resolution mechanisms	307-01	1 <sup>(6)</sup>	0	1 <sup>(3)</sup>	1 <sup>(5)</sup>	0

<sup>(1)</sup> Certificates of Analysis issued from four (4) ALS laboratories within the Coal Superintending Unit in Australia were manually amended without justification. An external independent investigation found no evidence of bribery or third party payments involving ALS staff, however, the practice was a breach of the Company's Code of Conduct and the company's ethical standards.

<sup>(2)</sup> ALS Life Sciences Europe reached an out of court settlement with a third party (on a no admissions basis) in relation to alleged anti-competitive behaviour.

<sup>(3)</sup> ALS China was fined CNY 20,000 (approx. AUD 4,400) when the company failed to update its environmental licence to reflect a change in the legal entity operating in China. The operating company engaged an environmental consultant and reapplied for an environmental assessment under the correct legal entity name.

<sup>(4)</sup> Managers in Chile were disciplined for failure to report related party transaction with a key supplier of consumable equipment to the lab.

<sup>(5)</sup> ALS Malaysia was fined AUD 1,800 for failure to have an external consultant test a fume capture hood that was situated inside the laboratory.

<sup>(6)</sup> Life Sciences Lima were fined USD15,000 for not correctly monitoring site emissions in 2017/18.

## 5-Year Statistics

Financial Year	2021/22	2020/21	2019/20	2018/19	2017/18
<b>People</b>					
Staff employed	18,148	16,272	15,638	15,511	14,078
Training sessions completed	42,526	44,276	36,215	48,060	44,034
Compulsory compliance training sessions completed (%)	99	100	100	100	100
Gender diversity (total female professional roles) (%)	53	54	52	55	54
Instances of non-compliance with discrimination policy	0	0	0	2	0
<b>Safety</b>					
PPI Scorecard	129	91.0	93.71	99.3	99.3
Fatalities	0	0	0	0	0
LTIFR <sup>(1)</sup>	0.42	1.01	0.72	0.73	1
TRIFR <sup>(1)</sup>	1.52	1.98	1.58	1.78	2.7
Hours worked	33,567,299	26,800,226	27,921,499	27,543,107	25,150,122
<b>Environment</b>					
Government fines or penalties imposed for environmental-related incidents	1 <sup>(6)</sup>	0	1 <sup>(2)</sup>	1 <sup>(3)</sup>	0
Uncontrolled releases	0	0	0	0	0

<sup>(1)</sup> Per million hours worked.

<sup>(2)</sup> ALS China was fined CNY 20,000 (approx. AUD 4,400) when the company failed to update its environmental licence to reflect a change in the legal entity operating in China. The operating company engaged an environmental consultant and reapplied for an environmental assessment under the correct legal entity name.

<sup>(3)</sup> ALS Malaysia was fined AUD 1,800 for failure to have an external consultant test a fume capture hood that was situated inside the laboratory.

<sup>(4)</sup> EBITDA = EBIT plus depreciation and amortisation. EBIT = Earnings before interest and tax. The terms EBITDA and EBIT are non-IFRS disclosures. The calculations of EBITDA and EBIT are unaudited.

<sup>(5)</sup> NPAT = Net profit after tax. Underlying net profit is a non-IFRS disclosure and has been presented to assist in the assessment of the relevant performance of the Group from year to year.

<sup>(6)</sup> Life Sciences – Lima Food received a USD 15,000 fine for not complying with environmental monitoring plans during Dec 2017 – Nov 2018. The non-compliance resulted from an error which occurred when the relocation to a new facility was delayed. The facility has complied with its monitoring requirements since 2019 which are audited regularly by the HSE team and part of the Annual HSE Plan.

N/C Data not collected

Financial Year	2021/22	2020/21	2019/20	2018/19	2017/18
Electricity consumed (kWh)	133,183,770	118,432,789	118,095,496	117,003,310	120,166,829
<b>Society</b>					
Spend with local suppliers (\$m)	945	751	752	763	680
Dividend return to shareholders paid (\$m)	146.6	70.4	111	109.3	84.4
<b>Governance</b>					
Taxes paid (\$m)	106	74	96	50	47
Wages (\$m)	958	841	909	792	712
Revenue(\$m)	2,108.5	1,761.4	1,853.9	1,664.8	1,446.9
Underlying EBITDA <sup>(4)</sup> (\$m)	547.2	425.1	431.5	352.9	289.3
Underlying EBIT <sup>(4)</sup> (\$m)	409.4	301.4	305.8	281.1	221.3
Underlying NPAT <sup>(5)</sup> (\$m)	264.2	185.9	188.8	181.0	142.2
Underlying earnings per share (cents)	54.7	38.5	39.1	37.1	28.4
Statutory NPAT (\$m)	190.5	169.6	127.8	152.6	51.8
Statutory earnings per share (attributable to members) (cents)	39.5	35.8	26.5	31.3	10.3
Dividends per share (cents)	32.8	23.1	17.6	22.5	17.0
Gearing ratio (net debt/(net debt + total equity))(%)	44.4	36.2	41.9	36.7	31.1

## GRI Reporting Table

Disclosure Number	Disclosure Title	Report	Section
102-01	Name of the organisation	Annual Report	General Information
102-02	Activities, brands, products and services	Sustainability Report	How we do things
102-03	Location of headquarters	Annual Report	General Information
102-04	Location of operations	Sustainability Report	How we do things
102-05	Ownership and legal form	Annual Report	Notes to the Financial statements
102-06	Markets served	Sustainability Report	How we do things
102-07	Scale of the organisation	Sustainability Report	How we do things, Statistics
102-08	Information on employees and other workers	Sustainability Report	How we do things, People, Statistics
102-10	Significant changes to the organisation and its supply chain	Sustainability Report, Annual report	About this report, Review of results and operations
102-13	Membership of associations	Sustainability Report	Governance
102-14	Statement from senior decision-maker	Sustainability Report	CEO Report
102-15	Key impacts, risks and opportunities	Sustainability Report	Focus Areas, Governance
102-16	Values, principles, standards and norms of behaviour	Sustainability Report	How we do things, Governance
102-17	Mechanisms for advice and concerns about ethics	Sustainability Report	Governance
102-18	Governance structure	Sustainability Report	Governance
102-19	Delegating authority	Corporate Governance Statement	Principle 1

Disclosure Number	Disclosure Title	Report	Section
102-20	Executive-level responsibility for economic, environmental and social topics	Sustainability Report	How we Do things, Governance,
102-21	Consulting stakeholders on economic, environmental and social topics	Sustainability Report	How we Do things, Governance
102-22	Composition of the highest governance body and its committees	Annual Report	Remuneration Report
102-23	Chair of the highest governance body	ALS Annual Report	Directors Report
102-24	Nominating and selecting the highest governance body	Sustainability Report, Corporate Governance Statement	Governance, Principle 2
102-25	Conflicts of interest	Sustainability Report, Corporate Governance Statement	Governance, Principle 2,
102-26	Role of highest governance body in setting purpose, values and strategy	Sustainability Report, Corporate Governance Statement	Governance, Principle 1
102-28	Evaluating the highest governance body's performance	Sustainability Report, Corporate Governance Statement	Governance, Principle 1,
102-29	Identifying and managing economic, environmental and social impacts	Sustainability Report, Corporate Governance Statement	Governance, Principle 7

Disclosure Number	Disclosure Title	Report	Section
102-30	Effectiveness of risk-management processes	Sustainability Report, Corporate Governance Statement	Governance, Principle 7
102-31	Review of economic, environmental and social topics	Sustainability Report	Material Topics, Governance
102-32	Highest governance body's role in sustainability reporting	Corporate Governance Statement, Sustainability Committee Charter	Principles 6 and 7-8.1
102-33	Communicating critical concerns	Sustainability Report	Governance
102-35	Remuneration policies	Annual Report	Remuneration Report
102-36	Process for determining remuneration	Annual Report	Remuneration Report
102-37	Stakeholders' involvement in remuneration	Annual Report	Remuneration Report
102-40	List of stakeholder groups	Sustainability Report	Focus Areas
102-42	Identifying and selecting stakeholders	Sustainability Report	Focus Areas
102-43	Approach to stakeholder engagement	Sustainability Report	Focus Areas
102-43, 102-44	Approach to stakeholder engagement, key topics and concerns raised	Sustainability Report	Focus Areas
102-44	Key topics and concerns raised	Sustainability Report	Focus Areas
102-45	Entities included in the consolidated financial statements	Annual Report	Notes to the Financial statements
102-46	Defining report content and topic boundaries	Sustainability Report	Focus Areas

Disclosure Number	Disclosure Title	Report	Section
102-47	List of material topics	Sustainability Report	Focus Areas
102-48	Restatements of information	Sustainability Report	Focus Areas, About this Report
102-49	Changes in reporting	Sustainability Report	About this report
102-50	Reporting period	Sustainability Report	About this Report
102-51	Date of most recent report	Sustainability Report	About this Report
102-52	Reporting cycle	Sustainability Report	About this Report
102-53	Contact point for questions regarding the report	Sustainability Report	Communication
102-55	GRI content index	Sustainability Report	GRI Reporting table
103-01	Explanation of the material topic and its boundary	Sustainability Report	People, Environment, Society, Governance
103-02	The management approach and its components	Sustainability Report	People, Environment, Society, Governance
103-03	Evaluation of the management approach	Sustainability Report	People, Environment, Society, Governance
201-01	Direct economic value generated and distributed	Sustainability Report	Our Scorecard, Statistics
202-02	Proportion of senior management hired from the local community	Sustainability Report	Statistics
203-02	Significant indirect economic impacts	Sustainability Report	Society
204-01	Proportion of spending on local suppliers	Sustainability Report	Society, Change from last year
205-01	Operations assessed for risks related to corruption	Sustainability Report	Governance

Disclosure Number	Disclosure Title	Report	Section
205-02	Communication and training about anti-corruption policies and procedures	Sustainability Report	Governance
205-03	Confirmed incidents of corruption and actions taken	Sustainability Report	Statistics
206-01	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Sustainability Report	Statistics
302-01	Energy consumption within the organisation	Sustainability Report	Environment
302-04	Reduction of energy consumption	Sustainability Report	Environment
304-01	Operational sites owned, leased, managed, in or adjacent to, protected areas and areas of high biodiversity outside of protected areas	Sustainability Report	Environment
305-01	Direct (scope 1) GHG emissions	Sustainability Report	Environment
305-02	Energy indirect (Scope 2) GHG emissions	Sustainability Report	Environment

Disclosure Number	Disclosure Title	Report	Section
305-03	Other indirect (Scope 3) GHG emissions	Sustainability Report	Environment
305-04	GHG emissions intensity	Sustainability Report	Environment, Statistics
306-03	Significant spills	Sustainability Report	Environment
307-01	Non-compliance with environmental laws and regulations	Sustainability Report	Statistics
403-02	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	Sustainability Report	Statistics
404-01	Average hours of training per year per employee	Sustainability Report	Statistics
405-01	Diversity of governance bodies and employees	Sustainability Report	Annual Report, Statistics, People
406-01	Incidents of discrimination and corrective actions taken	Sustainability Report	Statistics
413-01	Operations with local community engagement, impact assessments, and development programs	Sustainability Report	Society
415-01	Political contributions	Sustainability Report	Code of Conduct

## SASB Disclosure Topics

	Accounting Metric	Category	Units	Code	Section
Data Security	Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	SV-PS- 230a.1	Managing Risk
	Description of policies and practices relating to collection, usage and retention of customer information	Discussion and Analysis	n/a	SV-PS- 230a.2	ALS Privacy Statement Corporate Governance Statement Code of Conduct
Workforce Diversity & Engagement	<sup>(1)</sup> Number of data breaches, <sup>(2)</sup> percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), <sup>(3)</sup> number of customers affected	Quantitative	Number, Percentage (%)	SV-PS- 230a.3	(1) 0 (2) 0% (3) 0
	Percentage of gender and racial/ ethnic group representation for <sup>(1)</sup> executive management and <sup>(2)</sup> all other employees	Quantitative	Percentage (%)	SV-PS- 330a.1	Diversity and Equality
	<sup>(1)</sup> Voluntary and <sup>(2)</sup> involuntary turnover rate for employees	Quantitative	Rate	SV-PS- 330a.2	Statistics
	Employee engagement as a percentage.	Quantitative	Percentage (%)	SV-PS- 330a.3	People
Professional Integrity	Description of approach to ensuring professional integrity	Discussion and Analysis	n/a	SV-PS- 510a.1	Code of Conduct
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Quantitative	Reporting currency	SV-PS- 510a.2	Not Applicable (Nil)

## Industry and Professional Associations

We keep abreast of emerging issues and trends, best practices and the development of policy through memberships of industry and other professional associations. The table below provides an example of the organisations of which we are a member.

Association	Region
Environmental Industries Commission	United Kingdom
Standing Committee of Analysis Water Analysis Organics Group	United Kingdom
Confederación Nacional Empresarios de la Minería y Metalúrgica	Spain
Resource Industry Suppliers Association	Canada
American Council of Independent Laboratories	USA
Codex Australia	Australia
Australian Land and Groundwater Association	Australia
Singapore Institute of Food Science and Technology	Singapore
American Society for Testing and Materials (ASTM)	North America
Malaysia Institute of Chemistry	Malaysia

## Communication

If you have any questions on this report, please email us at [sustainability@alsglobal.com](mailto:sustainability@alsglobal.com). We also welcome feedback on this report which can be given through an online survey available on our website.

## Glossary

\$	Australian dollars
ALS	Australian Laboratory Services
ASX	Australian Stock Exchange
CMP	Crisis Management Plan
CO <sub>2</sub>	Carbon dioxide
CO <sub>2</sub> e	Carbon dioxide greenhouse gas equivalent
EAP	Employee Assistance Program
EBITDA	Earnings Before Interest, Tax, Depreciation, Amortisation
EDP	Executive development program
EPA	Environmental Protection Authority
ERP	Emergency Response Plans
FY	Financial Year
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
H	hour
HR	Human Resources
HSE	Health, Safety and Environment
HSEMS	Health, Safety and Environment Management System
HVAC	Heating, Ventilation, and Cooling
IPCC	Intergovernmental Panel on Climate Change
JCC	Joint consultative committee
JSEA	Job Safety and Environment Analysis
km	kilometres
kW.h	kilowatt hour
l	litres
LED	Light emitting diode
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate (per million hours worked)
m	million
Material Adverse Event	An event that requires disclosure to the ASX that is negatively received by the market and has a material impact on the share price.
M&A	Mergers and acquisitions
MTI	Medical Treatment Injury
NPAT	Net Profit After Tax
PPI	Positive Performance Scorecard for HSE
SASB	Sustainability Accounting Standards Board
STI plan	Short Term Incentive remuneration plan for ALS management
T	tonnes
TIC	Testing Inspection and Certification
TRIFR	Total Recordable Injury Frequency Rate (per million hours worked)



Independent Limited Assurance Statement to the Management and Directors of ALS Limited

**Our Conclusion**

Ernst & Young ('EY', 'we') was engaged by ALS Limited ('ALS') to undertake 'limited assurance' as defined by Australian Auditing Standards, hereafter referred to as a 'review', over selected non-financial disclosures prepared by ALS in its '2022 Sustainability Report' ('the Report') for the ended 31 March 2022. Based on our review, nothing came to our attention that caused us to believe that the selected non-financial disclosures have not been prepared and presented fairly, in all material respects, in accordance with the criteria defined below.

**What our review covered**

We have carried out a limited assurance engagement over selected non-financial disclosures prepared by ALS in its 2022 Sustainability Report for the year ended 31 March 2022.

**Subject Matter**

The Subject Matter for our limited assurance engagement included selected non-financial disclosures reported in the 2022 Sustainability Report, for the year ended 31 March 2022, limited to those listed in Table 1 below.

Table 1: Selected Non-financial Disclosure	
<b>Safety</b>	<ol style="list-style-type: none"> <li>Total Recordable Injury Frequency Rate (TRIFR), being 1.52</li> <li>Lost Time Injury Frequency Rate (LTIFR), being 0.42</li> </ol>
<b>Environment</b>	<ol style="list-style-type: none"> <li>Scope 1 Greenhouse Gas (GHG) emissions for ALS motor vehicles, being:                             <ul style="list-style-type: none"> <li>Fuel consumed 4,664,505 litres</li> <li>Distance travelled 48,716,861 kilometres</li> <li>Greenhouse gas emissions 12,320 tonnes of carbon dioxide equivalent (t CO<sub>2</sub>-e)</li> </ul> </li> <li>Scope 1 GHG emissions (gas consumed), being:                             <ul style="list-style-type: none"> <li>535,968 Gigajoules</li> <li>27,698 t CO<sub>2</sub>-e</li> </ul> </li> <li>Scope 2 GHG emissions (electricity consumed), being:                             <ul style="list-style-type: none"> <li>133,183,770 kilowatt hours</li> <li>48,930 t CO<sub>2</sub>-e.</li> </ul> </li> </ol>
<b>Training</b>	<ol style="list-style-type: none"> <li>Completion of Code of Conduct training for new managers and employees, being 5,305 employees.</li> </ol>

The Subject Matter did not include:

Data sets, statements, information, systems or approaches other than the selected non-financial performance data specified in Table 1; and neither Management's forward-looking statements nor any comparisons made against historical data.

**Criteria applied by ALS**

In preparing the selected non-financial disclosures, Management determined the reporting criteria as set out in:

- GRI Sustainability Reporting Standards
- ALS' publicly disclosed criteria as established and set out in its internal policies and procedures, and as detailed in footnotes in the Report.

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**Key responsibilities**

**EY's responsibility and independence**

Our responsibility is to express a conclusion on the selected non-financial disclosures, based on our review. We are also responsible for maintaining our independence and confirm that we have met the requirements of the APES 110 Code of Ethics for Professional Accountants, and that we have the required competencies and experience to conduct this assurance engagement.

**ALS' responsibility**

ALS' Management is responsible for selecting the Criteria, and for preparing and fairly presenting the Subject Matter in accordance with that Criteria. This responsibility includes establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances.

**Our approach to conducting the review**

We conducted this review in accordance with the International Accounting Standards Board's *International Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000'), and *Assurance Engagements on Greenhouse Gas Statements* ('ISAE 3410'), as well as the terms of reference for this engagement as agreed with ALS.

**Summary of review procedures performed**

A review consists of making enquiries, primarily of persons responsible for preparing the selected non-financial disclosures and related information and applying analytical and other review procedures.

Our procedures included:

- Conducting interviews with key personnel to understand the process for collecting, collating and reporting the selected non-financial disclosures during the reporting period
- Gaining an understanding of the basis for calculating and reporting GHG emissions
- Checking that the calculation criteria had been applied in accordance with the methodologies outlined in ALS' criteria
- Undertaking analytical review procedures to support the reasonableness of the data



- Identifying and testing assumptions that supported calculations
- Checking emissions factors and considered their consistency with the reporting criteria
- Testing, on a sample basis, to underlying source information to check the accuracy of the data
- Reviewing the presentation of the information in ALS' 2022 Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

**Limited Assurance**

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

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Further, our procedures did not include testing controls or performing procedures relating to checking the aggregation or calculation of data within IT systems.

**Use of our Assurance Statement**

We disclaim any assumption of responsibility for any reliance on this assurance report, or on the Subject Matter to which it relates, to any persons other than Management and the Directors of ALS, or for any purpose other than that for which it was prepared.

*Elizabeth Rose*

Elizabeth Rose  
Partner  
Brisbane, Australia  
5 July 2022

*Ernst + Young*

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