

**Downer New Zealand
Sustainability Strategy**

Toitū te Taiao, Toitū te Tangata

Enabling our future generations to thrive

Contents

Our challenge	3
What we do	4
Our ambition	5
Tikanga, our values	6
Nga pou e whā o Downer, our pillars	7
Our sustainability journey	8
Governance	9
Manaaki Tangata	Sustainability initiatives and targets FY23 10
	Current actions 11
Manaaki Oranga	Sustainability initiatives and targets FY23 12
	Current actions 13
Manaaki Taiao	Sustainability initiatives and targets FY23 14
	Current actions 15
International Sustainable Development Goals (SDGs)	16
Key partnerships	17
Toitū te Taiao, Toitū te Tangata	18

Our challenge

At Downer New Zealand, sustainability is about enabling future generations to thrive.

For society to be sustainable we must use natural, social, and economic resources in ways that do not compromise this. We recognise we have an important role to play as a corporate citizen, and a large employer, and believe we can contribute positively to Aotearoa’s future.

We want to see change across the infrastructure sector. Collaboration - with our clients, peers, and partners - is essential to begin factoring a ‘whole of planet cost’ into the projects we build, operate, and maintain. This change will be transformative for our industry.

We recognise that our most significant social impact is through our employees, through our supply

chain, and directly to our community via philanthropic initiatives. Through our people and our communities, we aim to contribute to a greater distribution of economic resources.

Our strategy is guided by international sustainability principles (economic, environmental, social, and governance) alongside our core Downer tikanga (values) of whānau, manaaki, kairangatira, and ngākau pono.

Downer New Zealand’s sustainability strategy is woven into our corporate strategy, committing us to ensuring our sustainability goals are embedded across our whole business. Our team of 10,000 reaches every part of Aotearoa. We are committed to meeting this challenge together.

What we do

Facilities, Utilities and Transport is what we do. We plan, build, maintain and operate both public and private assets within these sectors.

As the country’s largest integrated infrastructure provider, we recognise our scale and wide scope of operations lead to a large footprint, meaning we have a significant impact on both people and the environment.

We have been operating in Aotearoa for 150 years, and we aim to transform the way we work so that we may continue our legacy of maintaining and renewing the vital assets that support communities into the future.

Revenue

\$3 billion

10,000 people

Transport

- Build, maintain, and operate transport assets in New Zealand and the Pacific Islands.
- Product development and manufacturing.

Utilities

- Build, maintain, and operate utilities assets and networks.

Facilities

- Build, maintain, and operate buildings and facilities.
- Catering, cleaning and hospitality services.

Our ambition

Our goal is to operate and grow sustainably, allowing us to create jobs and opportunities for thousands of people around Aotearoa. To reach this goal we are focused on empowering our people, supporting our communities, protecting our environment, and innovating for a better tomorrow.

We will embed sustainable practices and actions by taking a comprehensive approach through manaaki tangata, manaaki oranga and manaaki taiao. This strategy leads us to three significant outcomes:

Manaaki Tangata

Through manaaki tangata (care and respect of people), we will help our people to take action to improve their health and well-being.

Manaaki Oranga

Through manaaki oranga (care and respect of lives), we will enhance the livelihoods of people in our supply chains and improve social outcomes for our communities.

Manaaki Taiao

Through manaaki taiao (care and respect of the environment), we will make significant strides toward reducing our environmental footprint.

We commit to supporting Māori in their role as Kaitiaki of Aotearoa and to embed Te Ao Māori and tikanga into our business. We will also learn from those who are on the same journey as we are, and will seek renewed collaboration with other businesses, central and local government, iwi, community groups, and technically-skilled organisations.

To be successful in confronting the challenges we all face, we need long-lasting, effective collaboration across industry and beyond.

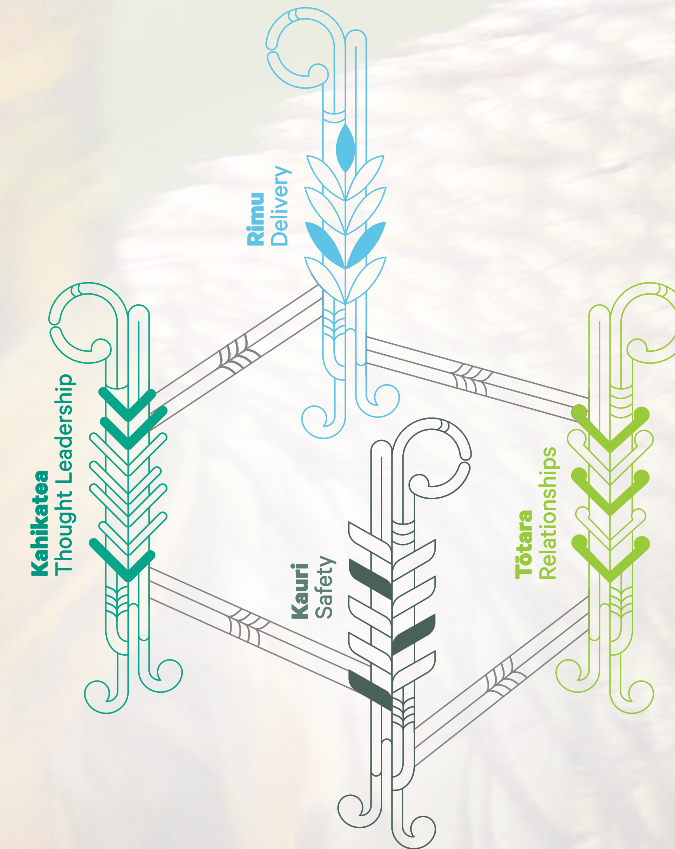
Downer New Zealand Executive Leadership Team

Tikanga, our values

Tuituia ngātahi mātou ki te mana o te Whānau, te Manaaki te Kairangatira me te Ngākau Pono. Tuituia hei korowai tikanga tuku iho mō tātou.

Stitching us together as one are family and relationships, care and respect, excellence and integrity. These are our cloak of values.

Our tikanga are the values by which we live, and they guide our actions and decision-making. They strike to the heart of our belief system, and we feel uncomfortable if we are not acting in alignment with these values or observe others breaching these foundations. Our tikanga are reflected in our culture as an organisation.



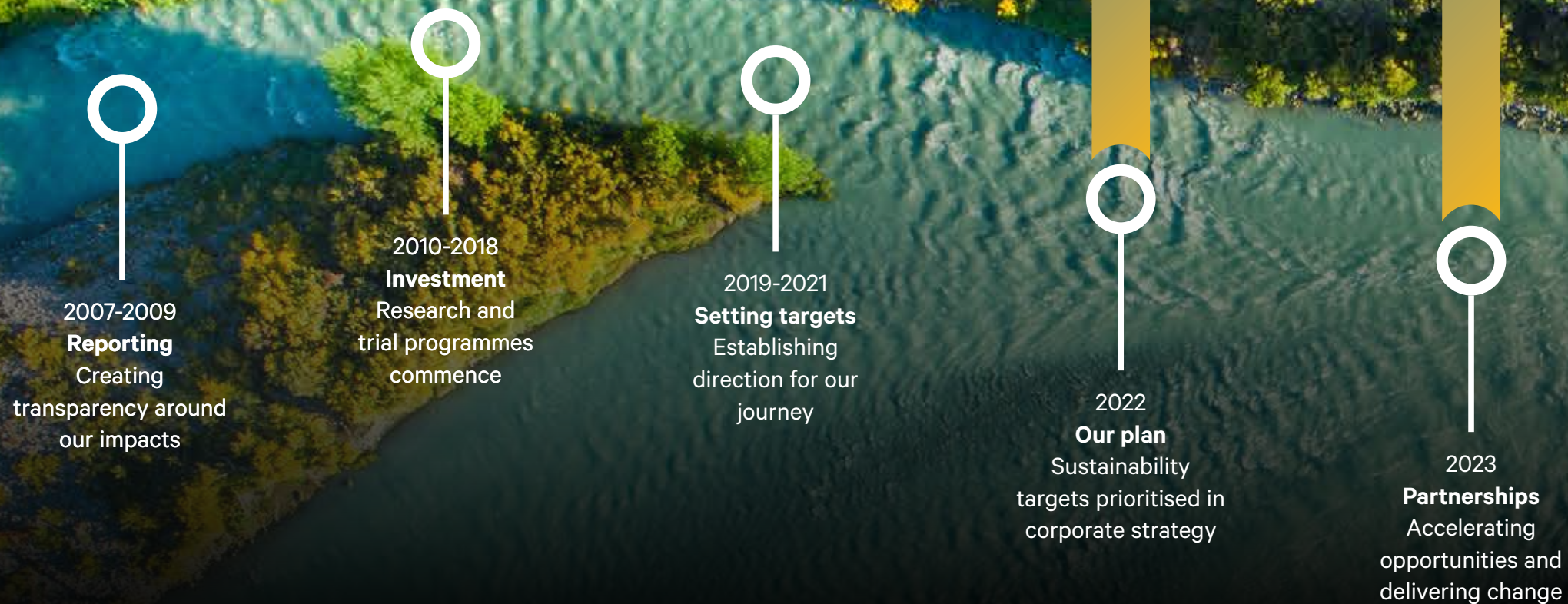
O rite ki ngā rakau nui tupu ai te wao nui o Tāne ko te Kauri i whakawhiwhi haumarū, ko te Rimu i whakawhiwhi taonga, ko te Tōtara i whakawhiwhi whānaungatanga, ko te Kahikatea i whakawhiwhi whakaaro matakite. Ngā pou e whā i aumangea ai te whakataukī “Mā te whānaungatang ka angitū”.

The same as the great trees growing in the great forest of Tāne is the Kauri which connects us to Safety, the Rimu which connects us to Delivery, the Tōtara which connects us to Relationships and the Kahikatea which connects us to Thought Leadership. These are our four pillars upon which we build “Relationships creating success.”

Nga pou e whā o Downer (Downer’s four pillars) are the foundations of our business. They uphold everything we do and are our frame of reference for how we operate.

Nga pou e whā o Downer, our pillars

Our sustainability journey to date



Wairau valley and river, Marlborough, South Island, New Zealand © nazar.ab

Moving on from sustainable practices being driven by compliance.

New initiatives launched including Green Vision recycling, Te Ara Whanaake (Māori leadership), and the first EVs (electric vehicles) are introduced to our fleet.

Committing to sustainability goals by establishing new programmes, setting carbon saving targets, and creating new procedures. Partnering with EECA, Amotai, Climate Leaders Coalition and Sustainable Business Council.

We set our path to become a sustainable business and embedded this into our corporate strategy and operational action plans.

Accelerate our decarbonisation activity and support renewable energy infrastructure in NZ. Establish partnerships to create circular economy opportunities. Focus on our communities through direct investment and volunteering opportunities for our people.

Governance

Downer employees, customers, communities and partners were instrumental in developing our sustainability strategy. Their input provided a foundation for our materiality assessment, which helped us understand what really mattered and where to direct our energy and resources. This was further informed by the evolving, competitive environment within which we operate, and aligned with our strategic priorities.

Governance of sustainability will be owned by the New Zealand Executive Leadership Team and supported by key subject matter experts. We will provide our people, customers, and investors oversight of our progress through our annual sustainability report.

In this strategy we set out our key priorities for our journey, and actions with measurable outcomes for FY23. Our target areas align with our comprehensive approach of manaaki tangata, manaaki orange and manaaki taiao.



Manaaki Tangata

Sustainability initiatives and targets FY23

Strategy initiatives	Targets FY23
We will embed Te Ao Māori and tikanga principles in our business.	We acknowledge the importance of tangata whenua in Aotearoa and want our business to reflect and support Tikanga Māori. We have refreshed our values and pillars and aim to implement Te Ao Māori and tikanga widely into our business.
We will continue to empower and equip our people leaders to better support our whānau.	Our Te Ara Māramatanga and Te Ara Whanake programmes will be delivering 4,600 hours of cultural competence training in our business. In collaboration with our partner the Ministry for Pacific Peoples, we will roll out Atia e le Afolau, a new pilot employment programme for 15 Pacific youth who are not in employment, education or training (NEET). In addition, we will be delivering Mental Health First Aid training to at least 120 people across the business..
We will enable career pathways for the whānau of Downer employees.	Our people are our biggest asset. Right now, we are supporting our whānau by providing the opportunity for secure employment and fulfilling careers. We will also continue to support the rehabilitation and reintegration to the workplace of 50 people disadvantaged by previous history or background.

Manaaki Tangata beyond 2024*

We will continue to refine the relevance, effectiveness and accessibility of our training and development programmes to a broader range of participants, particularly those who are underrepresented in the industry (Māori/Pacific people, women, youth not in employment, education or training, and the disabled). Māori leadership development opportunities and support for our diverse communities will continue to gain momentum.

*Reinforced by our tikanga and pou, FY23 will establish our sustainability platform. But our sustainability journey does not stop here. Beyond 2024 we seek to make an increasingly positive impact on our people, communities and environment.

Current actions

Downer Ready mo Tangata Pasifika

We have run a range of programmes in partnership with the Ministry of Social Development for a number of years that provide employment and transition support for displaced workers to enter the infrastructure industry. In 2022, we launched the first ‘Downer Ready’ programme aimed at Pasifika recruits.

The Downer Ready Mo Tangata Pasifika programme celebrated its first graduation event in May 2022 in Tauranga, to celebrate the success and achievements of 11 new starters. This programme provides a support system that includes cultural workshops and career development, plus one-



on-one pastoral care via the In Work Success programme which gives targeted support through the first year of employment. The first group of graduates are employed across our Water, Construction, and Traffic teams. During the five-day workshop they achieved their TTM (Temporary Traffic Management) General Worker, TMO (Traffic Management Operative), ConstructSafe, First Aid, WTR and Compaction training. They also explored well-being using the Fonofale model, communication styles utilising Downer frameworks, Zero Harm, goal setting and budgeting.

Our new recruits let us know their highlights of the programme:

- “I gained knowledge that Downer is a big family, we have to ‘stand in the gap’ to protect each other and keep everyone safe.”



- “The most important one was the fact that as a person you can grow in Downer and always try different things, learn new skills and find the path that you want.”
- “Stand in the gap, and the four pillars of the fonofale, that helps me understand not only the physical side of work but the spiritual, family and mental sides.”



© Downer New Zealand

Manaaki Oranga

Sustainability initiatives and targets FY23

Strategy initiatives	Targets FY23
We will support our communities to thrive.	We have established Downer Donate, a new programme to support local community-based activities that are important to our whānau. Right now, we are funding up to \$200,000 worth of projects across Aotearoa per year.
We will enable our workforce to support their community.	We believe it is important to enable our whānau to contribute work time to volunteer in their communities. With the support of our partner, we will create a new programme dedicated to Pacific Peoples. We are aiming at contributing up to 30,000 hours per year of volunteering in the community across Aotearoa.
We will operate an ethical business and supply chain.	We have set our modern slavery policies and support the Government’s upcoming legislation. We are committed to year-on-year improvement in our business and our supply chain, through transparent engagement, reporting and action plans.

Manaaki Oranga beyond 2024*

We will continue to nurture our iwi and hapu relationships, seeking more ways of working together to support whānau and livelihoods. Our supply chain relationships will go from strength to strength, based on credibility, reliability and trust, and our community contributions will make significant social impact.

*Reinforced by our tikanga and pou, FY23 will establish our sustainability platform. But our sustainability journey does not stop here. Beyond 2024 we seek to make an increasingly positive impact on our people, communities and environment.

Current actions

Downer Donate

We operate in every part of the country, and we aim to make a positive difference to the lives of the people in our communities. Downer Donate is a new community funding programme, launched in July 2022, for which we have allocated \$200,000 per annum to support community initiatives.

Downer team members drive this initiative by nominating causes or charities that matter to them and need support. Each month we donate up to \$15,000 from the fund to a selection of these causes. With a 10,000-strong workforce, we believe that there is no better way to reach people than through our own. In Downer Donate’s first four months we have funded more than 20 incredible community causes.

Recipients have included:

- Insert Coin to Play, Invercargill**
A gaming space for youth to come together and socialise, aiming to address feelings of isolation and improve mental health. Our donation will help a number of young people participate in events for free.
- Taranaki Retreat, New Plymouth**
Our donation went to the small and dedicated team running a suicide prevention initiative that does incredible work with both out-reach and in-house services in their local community.
- Hope Kete, Levin**
An amazing free store providing food and meals to those who need it. Food is donated by the local schools and community and ensures hundreds of families receive basic staples.



Raglan beach, North Island, New Zealand © Downer New Zealand

Manaaki Taiao

Sustainability initiatives and targets FY23

Strategy initiatives	Targets FY23
We will focus on reducing our impact on the natural environment.	We have set our science-based greenhouse gas emissions target to reach Net Zero by 2050. To get there, we are currently reducing scope 1 and 2 emissions by at least 3,000 tonnes. We are replacing 120 light petrol or diesel vehicles with battery electric vehicles and replacing 10 diesel trucks with hybrid trucks to reduce our emissions. This commitment will contribute to reduce our scope 1 and 2 emissions by 650 tonnes. We will also reduce our scope 3 emissions for business travel by 10%.
We will support renewable and low emissions energy sources and infrastructure across New Zealand.	We are working towards carbon zero energy supply as a way of supporting renewable energy infrastructure. We will continue to partner with Energy Efficiency and Conservation Authority and access GIDI funds to electrify bitumen and manufacturing plants across the country. The long-term renewable energy demand this creates supports the government investment in renewable energy sources and infrastructure throughout New Zealand.
We will start creating circular economies to convert waste to resources.	Through collaboration with XLabs NZ, we have established relationships to run circular economy pilot projects that can be implemented across the business. We are repurposing Personal Protective Equipment, apparel and road cones that are no longer fit for purpose, and with progressive clients we are integrating plastic waste into road emulsions. In addition, we have systems in place to enable the reuse and repurposing of aggregates and concrete products across our supply chain through Green Vision.

Manaaki Taiao beyond 2024*

As our decarbonisation journey to Net Zero by 2050 continues, we will leverage impending technology and innovation to increase emission reductions. We will widen our focus toward water reduction and zero waste to landfill strategies, and supporting Aotearoa's biodiversity outcomes.

*Reinforced by our tikanga and pou, FY23 will establish our sustainability platform. But our sustainability journey does not stop here. Beyond 2024 we seek to make an increasingly positive impact on our people, communities and environment.

Current actions

Decarbonising our plant & our fleet

Electrification of our bitumen tanks

Downer is a leading manufacturer and supplier of bitumen-based products and an innovator in the sustainable asphalt industry. In June 2022, Downer's Road Science business in New Zealand officially opened a new large bitumen tank at the port of Lyttelton in Canterbury. The new tank not only bolsters the region's onshore storage capacity, enabling a secure supply for customers, it also sets an industry-leading sustainability benchmark.

It was made from a repurposed oil tank, which has reduced waste to



landfill through repurposing existing facilities and reducing construction emissions. Importantly, the tank is also the first of its size in Australasia to be fully electrified, instead of being process-heated by fossil fuels.

The tank has been assessed by Energy NZ and the results highlight a significant carbon emission saving of 290 tonnes of CO₂ per year.

The emissions reduction we have made at the Lyttelton plant provides us with a successful model to work from across our business, with plans underway now to renovate and electrify our other bitumen storage facilities around the country.

Reducing emissions via our fleet

Downer's fleet of vehicles is our greatest contributor to our greenhouse gas emissions. We have been in the process of converting our light vehicles (cars, utes, and vans) to electric since 2015. We have a fleet of 3,743, of which 59 are EVs (electric vehicles), and this year we are bringing in 120 more.



While we tackle the current challenge of EV supply, we are launching a new programme by the end of 2022 to reduce emissions from the rest of our fleet through a significant reduction in vehicle idling (leaving a vehicle's engine running while the vehicle is not in motion). Recent research showed us that, as a result of idling, Downer's fleet has emitted 4,087 tonnes of CO₂ in the last year. Our idling reduction programme will focus on preventable idling and we will incentivise everyone in our team to make changes. As a result, we aim to eliminate over 2,000 tonnes of carbon dioxide emissions between 1 January 2023 and 30 June 2025.



Cobham Drive Project, Wellington, North Island, New Zealand © Downer New Zealand

International Sustainable Development Goals (SDGs)

In 2015, the United Nations agreed on 17 SDGs as part of a 2030 Agenda for Sustainable Development to end poverty, promote prosperity, and well-being for all, and protect the planet.


Downer supports the SDGs and we recognise that, as the leading integrated services provider in New Zealand, we are in a strong position to contribute towards achieving these goals and their related targets.


Downer contributes to the SDGs in four important ways:

- Through our services and products
- By responsibly operating our business
- Through our capability and thought leadership
- Through our social responsibility and community involvement

Our sustainability strategy and targets are a tangible reflection of the organisation’s contribution to SDGs.



 We actively contribute towards the **country level target** of this SDG through the work we choose to do.

 We actively contribute towards the **intent** of this SDG through the work we choose to do.

Key partnerships

Our strategic relationships support the future of our business, and by being intentional with partnerships we can actively seek out those that support our sustainable future.

Our sustainability strategy works to respond to Aotearoa’s needs. Establishing new relationships – including those in areas outside of our usual industries – means we can realise greater opportunities and benefits to our business, our people, our environment, and our communities.

Key partners for Manaaki Tangata

- Iwi and Māori organisations
- Vocational and tertiary education, e.g. universities, schools, ConCove, Waihanga Ara Rau
- Diversity and wellbeing organisations, e.g. Diversity Works, Mental Health Foundation
- Government, e.g. Te Puni Kōkiri, Ministry of Social Development, Department of Corrections, Green Building Council

Key partners for Manaaki Oranga

- Social procurement organisations, e.g. Amotai
- Clients and supply chain
- Industry groups, e.g. Construction Sector Accord
- Government, e.g. Te Puni Kōkiri, Ministry of Social Development, Department of Corrections, Green Building Council

Key partners for Manaaki Taiao

- Decarbonisation enablers, e.g. EECA, Energy NZ
- Circular economy partners, e.g. Upparel
- Government, e.g. Department of Conservation, Environmental Protection Agency, Te Puni Kōkiri, Ministry of Social Development, Department of Corrections, Green Building Council

Toitū te Taiao, Toitū te Tangata

Our time on this earth is finite. What we do and how we behave during our time as custodians of our planet will have huge consequences for those who come after us – our future generations.

Because of our influence upon society and vital infrastructure in Aotearoa, we have a unique opportunity to use that influence to make a positive difference in our community’s ability to function and to thrive.

We have the potential to change the way we do business. A way that measures success by the prosperity of our whānau, our environment, and our society.

Join us as we walk our new path.



Toitū te Taiao, Toitū te Tangata ■ Enabling our future generations to thrive Downer New Zealand Sustainability Strategy

www.downer.co.nz ■ November 2022



This brochure is printed on recycled paper stock.

