

**MCCONNELL
DOWELL**
CREATIVE CONSTRUCTION™

**DRIVING
PROGRESS**

Sustainability

An aerial photograph of a long bridge under construction over a vast body of blue water. The bridge consists of a long, narrow concrete structure supported by numerous vertical piers. The water is a deep blue, and a sandy beach is visible in the lower right corner. Several thin white lines, likely cables or rigging, stretch across the sky from the top right towards the bridge.

SUSTAINABILITY

Defined as:

Acting today with the future in mind for our customers, our people, our shareholders, environments and communities.

Going beyond simply replacing what we take, our goal is to support regeneration, enabling our environment and communities to thrive and achieve abundance.



Infrastructure Sustainability & McConnell Dowell

'Infrastructure Sustainability' can be defined as; infrastructure that is designed, constructed and operated to optimise environmental, social and economic outcomes in the long term.



'Creative Construction' is more than just our tagline. McConnell Dowell delivers infrastructure sustainability through creative engineering and sustainable solutions. Our ability to innovate is one of our differentiators and this applies to all areas of our business – including sustainability.

Our Sustainability Policy

SUSTAINABILITY POLICY



McConnell Dowell undertakes its activities integrating social, environmental, economic and good corporate governance considerations. We do this with the objective of avoiding and mitigating harm to the environment, contributing to and enhancing the resilience of the communities in which we operate, and creating shared value for our customers and our people. We commit to:

- **Industry leadership** through our professionalism, competence and active industry participation.
- Industry leading approaches to **shared value generation** through the delivery of safe, smart and efficient infrastructure.
- **Accountability and management responsibility** through delivering on what we promise and understanding and meeting our customers' needs and community expectations.
- **Promotion of sustainable construction practices**, including the prevention and mitigation of environmental pollution, climate change adaptation, the efficient and sustainable use of resources, and the principles of inclusion, engagement, equality and diversity.

- Generating growth in our business and the industry by **fostering long-term, strong and positive partnerships** with customers, communities, regulators, industry bodies and other key stakeholders.
- Actively encouraging continual improvement and promoting innovation, adaptability and **resilience**.
- Consideration of the appropriate use of materials, including water and energy, and the resulting generation of waste and carbon emissions in all our activities. **Understanding and reducing our carbon, energy, materials and water footprints.**
- **Creating opportunities** and involving, engaging and integrating with the communities in which we work.
- Nurturing the health, wellbeing and **quality of life** of those we work with and alongside. Everyone goes home without harm, every day.
- **Protecting our business, our partners and customers** through **good corporate governance, compliance and sound risk management.**

Note to self....remember these key points !!



Scott Cummins

Scott Cummins
Chief Executive Officer
McConnell Dowell Corporation Limited

The Comprehensive Business Case For Sustainability

Sustainable practices are those that do not harm people or the planet - **Safety & Care**, create **value for stakeholders** and focus on improving environmental, social, and governance (ESG) performance in the areas in which the company or brand has a material environmental or social impact (such as in their operations, value chain, or customers). Significant **cost reductions can result from improving operational efficiency** – **Performance Excellence** - through better management of natural resources like water and energy, as well as minimising waste.

Much of the strategic value of sustainability comes from the need to continually talk with and learn from key stakeholders – **Working Together**. Through regular dialogue with stakeholders and continual iteration - **Honesty & Integrity**, a company with a sustainability agenda is **better positioned to anticipate and react** to economic, social, environmental, and regulatory changes as they arise - **Customer Focus**. Failure to establish a good relationship can lead to increased conflict and reduced stakeholder cooperation.



What does Sustainability mean us?

Economics

Build and maintain a robust and enduring business which provides an acceptable economic and financial return to our shareholders

Health & Safety

Ensure the well-being and protection of our workforce, encouraging behaviour and practices that entrench the McConnell Dowell Group's safety vision 'Home Without Harm, Everyone Everyday'.

Environment

Minimise the environmental impact of our activities through the efficient use of resources including energy, water and construction materials; Promote innovative thinking and practices to achieve positive environmental and sustainability outcomes

Governance

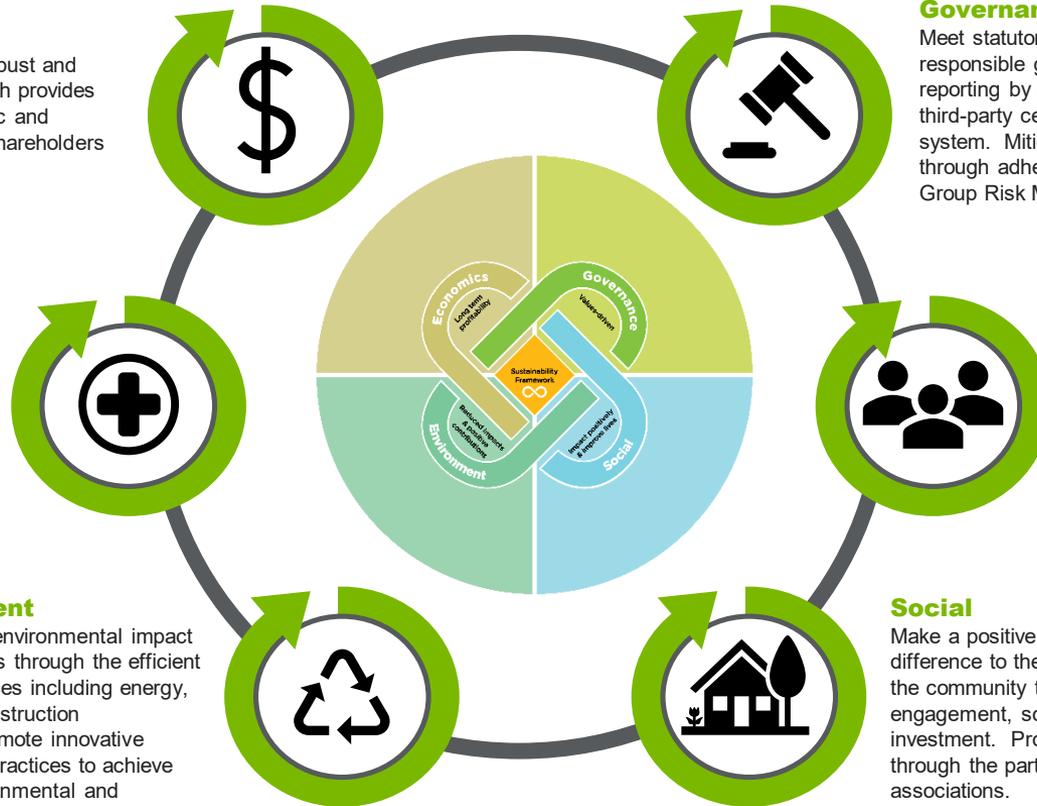
Meet statutory obligations and ensure responsible governance with transparent reporting by operating in accordance with our third-party certified integrated management system. Mitigate risk to acceptable levels through adherence to McConnell Dowell Group Risk Management practices.

Our People

Enhance the wellbeing of our workforce through skills and professional development, lifelong learning, increased ability to deliver sustainable outcomes, and participation in the direction of the organisation.

Social

Make a positive and meaningful difference to the health and well-being of the community through stakeholder engagement, social support and investment. Provide industry leadership through the participation in peak industry associations.





OUR SUSTAINABILITY FRAMEWORK

THE SUSTAINABILITY RELATIONSHIP FRAMEWORK

| SUSTAINABILITY PILLAR | MCD VALUE | GLOBAL REPORTING INDEX | UN Sustainable Development Goal Alignment | UN Global Compact Principle |
|--|--|--|--|--|
| Social Make a positive difference to the health and well-being of the community – an impact to improve lives and diversity | SAFETY & CARE WORKING TOGETHER PERFORMANCE EXCELLENCE HONESTY & INTEGRITY | GRI 403 -2 OHS management system and its continual improvement GRI 403-6 Promotion of worker health (and services available) e.g. employee assistance, skin cancer checks GRI 405-1 Diversity of the Governance body (board/exco); and employees by age, gender and other GRI 201 - 1 Direct economic value generated – community investments (link to global compact report) | SDG3 – Good health and well-being SDG9 – Industry innovation and infrastructure SDG10 – Reduce inequality SDG11 - Sustainable cities and communities     | Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights: Principle 6 – the elimination of discrimination in respect of employment and occupation. |
| Governance Adoption of applicable international governance codes and practices | PERFORMANCE EXCELLENCE HONESTY & INTEGRITY | GRI 419-1 Non-compliance with laws and regulations in the social and economic area Disclosures 101, 2 and 3 GRI 205 - Anti corruption GRI 206 - Legal actions for anti-competitive behaviour, anti-trust and monopoly practices | SDG16 – Peace, justice and strong institution  | Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery. |
| Environment Reduced environmental impact and positive contributions | SAFETY & CARE CUSTOMER FOCUS WORKING TOGETHER | GRI 302-1 Energy GRI 303-5 Water GRI 306-2 Waste | SDG7 – Affordable and clean energy SDG12 – Responsible consumption and production SDG14 – Life below water SDG15 – Life on land     | Principle 9 – Encourage the development and diffusion of environmentally friendly technologies |
| Economics Balance Sheet resilience through a diverse portfolio & high performing successful businesses | PERFORMANCE EXCELLENCE CUSTOMER FOCUS | GRI 204-1 proportion of spending on local suppliers KPI 404-3 – performance and career development reviews | SDG8 – Decent work and economic growth SDG17 – Partnership for the goals   | Principle 4 – The elimination of all forms of forced and compulsory labour |

PROVIDING A BETTER LIFE

Environment Social Economic

Carbon Our Environment Our Community Our People McConnell Dowell Our Networks

Ambition: A leader in low carbon infrastructure A leader in sustainable infrastructure Engagement with the communities in which we work Attract, develop and keep our people safe Recognised and respected market leaders Strong relationships at every level

Targets (2025): 30% reduction in carbon intensity (CO2 tonnes per \$ revenue, FY20 baseline) All projects committed to 3 initiatives to reduce potable water consumption Net positive legacy realised on each project and documented PH:AI ratio consistently above 150 and promotion of worker health Profitable and Sustainable company with year on year revenue growth 100% of supply chain committed to sustainable practises

Roadmap developed for a carbon neutral McConnell Dowell by 2050 All projects diverting over 90% waste from landfill Elevate Reconciliation Action Plan (RAP) Home without Harm Effective and functional enterprise risk and opportunity management Realise sustainability outcomes and Innovations from partnerships with key suppliers

PEH:EI ratio > 80 Net positive environmental impact realised on each project and documented 3% social procurement spend across the group L&D commitment to employees Balance sheet resilience Direct economic value generated by community investments

Year on year increase in targeted employment hires i.e increase in diversification Continue to Innovate on our projects. Innovations are shared

Activities (1-5 Years): Measure and verify Scope 1 & 2 (organisational) CO2 emissions and trial reduction initiatives Business wide Sustainability and Resource Efficiency plans in place Community & Stakeholder Relations Procedure & template on MMS Engagement with schools to promote STEM and the importance of females in our industry Continue to Innovate on our projects. Innovations are shared Commitment to local supply chains

Industry led improvement on Scope 3 (subcontractor) emission reporting Explore circular economy opportunities Social Procurement Framework/ Procedure established across the Group Develop targeted employment strategy including career progression – leading to diversity of the Governance body (Board/Exco) Procure as whole of business process e.g. site set-up including sheds, electricity (including renewable), waste. Sustainability forms part of MCD procurement and risk management processes

Engineering and design considers climate change and adaptation measures. MMS Procedures updated Leverage partnerships to reduce resource consumption and improve resource efficiency Progressive implementation of RAP objectives Wellness Committee established to review our wellbeing framework Ensure sustainability is a part of all decision making processes Inter-Group opportunities leveraged

Roadmap to 2050 – centralised initiatives and sharing of ideas Environmental educational series in place i.e handbook, videos, celebrate environmental events Corporate Social Responsibility commitment rolled out with CSR consideration seen as business as usual on all projects Training for all employees MCD Sustainability Report (in line with the Global Reporting Index) and UN Global Compact Communication on Progress Report produced annually Sustainability criteria of all packages is evaluated

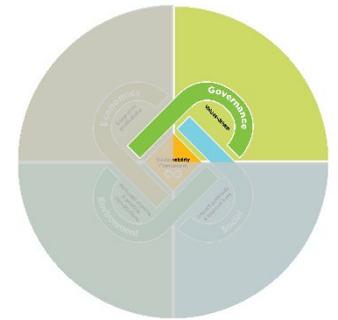
SDG: 7 AFFORDABLE AND CLEAN ENERGY, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 3 GOOD HEALTH AND WELL-BEING, 10 REDUCED INEQUALITIES, 8 DECENT WORK AND ECONOMIC GROWTH, 17 PARTNERSHIPS FOR THE GOALS, 8 DECENT WORK AND ECONOMIC GROWTH, 17 PARTNERSHIPS FOR THE GOALS

Governance

- Meet statutory obligations and ensure responsible governance with transparent reporting - by operating in accordance with our third-party certified integrated management system.
- Mitigate risk to acceptable levels through adherence to McConnell Dowell Group Risk Management practices.

Examples Of How Do We Do This On Projects?

- Utilise the MMS and audit process
- Application of the Code of Conduct and Annual Pledge
- Communication – demonstrate leadership
- Use the Legal and Commercial functions
- Risk registers updated regularly

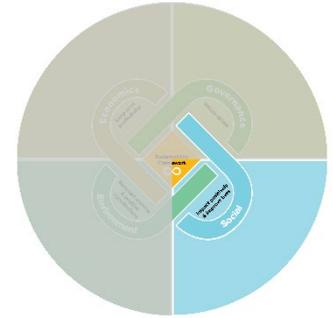


Social

- Make a positive and meaningful difference to the health and well-being of the community through stakeholder engagement, social support and investment.
- Provide industry leadership through the participation in peak industry associations.
- Long term partnerships with Indigenous or social business

Examples Of How Do We Do This On Projects?

- Working with local charities
- Social procurement and involvement with Social Traders
- Supporting local schools
- Safety begins at home – provide education
- Using local labour

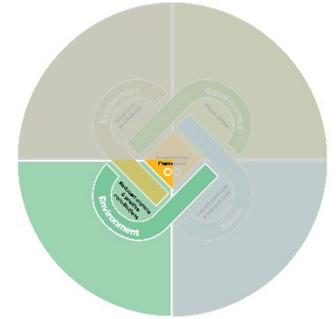


Environment

- Minimise the environmental impact of our activities through the efficient use of resources including energy, water and construction materials.
- Promote innovative thinking and practices to achieve positive environmental and sustainability outcomes
- Be recognised as industry environmental guardians.

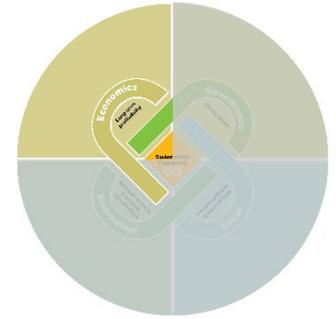
Examples Of How Do We Do This On Projects?

- CEMP implementation
- Reuse of material
- LED or solar light towers
- Use sustainable materials
- Innovative engineering



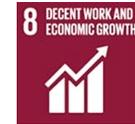
Economics

- Build and maintain a robust and enduring business and provide acceptable economic and financial return to our shareholders.
- Realise sustainability outcomes from our partnerships with key suppliers.
- 100% of our supply chain committed to sustainable practices.



Examples Of How Do We Do This On Projects?

- Accurate and timely reporting
- No surprises culture
- Use lessons learnt
- Good customer relationships



Why use Our Values & Global Objectives ?

Why reference MCD Values ?

They were developed from a staff survey and reflect the organisation. Metrics measured against them reinforce that the values are relevant and part of the integral fabric of the McConnell Dowell Group.

We are living our values.

Why reference the Global Reporting Index (GRI) ?

Disclosing significant economic, environmental, and/or social impact in accordance with a globally-accepted standard. The GRI Standards create a **common language** for organisations and stakeholders, with which the economic, environmental, and social impacts of organisations can be communicated and understood.

Why reference the UN Sustainable Development Goal Alignment (SDG) ?

The SDGs are designed to enhance the global comparability and quality of information about these goals, thereby enabling **employees to know what part they play** and accountability of organisations.

They are a comprehensive plan of action to improve human lives and protect the environment.

Why reference the UN Global Compact ?

We are signatories to the UN Global Compact and report annually. Meeting these criteria reinforces the commitment to a set of core sustainable and socially responsible values.

These provide a **balanced picture** of the organisation's material topics (values) and related impacts (economic, environmental, or social), as well as how these impacts are managed.

**THE
McCONNELL
DOWELL
WAY**

Our Purpose

Providing a better life.

Our Vision 2025

To be a leader in the delivery of infrastructure, building & resource solutions.

2025
VISION

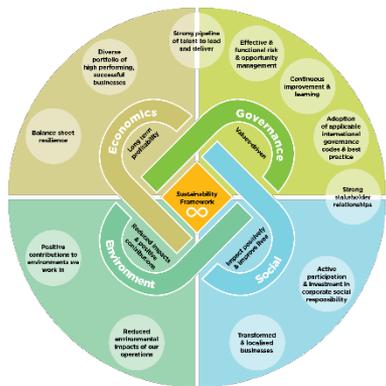
Our Values

SAFETY & CARE
HONESTY & INTEGRITY
CUSTOMER FOCUS
WORKING TOGETHER
PERFORMANCE EXCELLENCE

**McCONNELL
DOWELL**

CREATIVE CONSTRUCTION™

Our Sustainability Journey



FINDING OUR FEET

LEVEL 1: Initial

- Understanding sustainability in McConnell Dowell
- Aim is to be a sustainable enterprise, increase the company value and convince shareholders and other key stakeholders that there is a need to go further on the sustainability journey for the good of the business

ENABLING COMPLIANCE

LEVEL 2: Developing

- Building capacity
- Focus on doing the right things in order to be a successful group of businesses
- Role of sustainability champions within Operating Groups is crucial visible leadership
- Determine KPIs – “what is measured gets improved”

CREATE OWNERSHIP

LEVEL 3: Engaged

- Business case understood
- Sustainability initiatives are seen as investments and opportunities with a multi cost analysis undertaken to assess feasibility of each initiative
- Concept of sustainability being internalised by key personnel and processes in the business

ENSURE SUSTAINABILITY

LEVEL 4: Optimised

- Value proposition
- Enhanced business value created through focus on sustainability
- Sustainability is integral to the business as sustainability approaches are linked to key business strategies
- Innovative engineering solution approach to sustainability

LEVEL 5: Transforming

- Recognised market leaders
- McConnell Dowell is a smart, profitable, sustainable business
- Commitment to sustainability is associated with the McConnell Dowell brand
- Sustainability-based thinking, perspectives, and behaviours are integrated into everyday operating procedures and the culture of McConnell Dowell

2025

REVIEW SUSTAINABILITY

Resilience & Sustainability Together

Resilience links to sustainability through mitigation of risk, formation of strong, inclusive networks and building the framework to be prepared for the future.



Economics

- Local materials, resilient local workforce
- Sustainable procurement
- Apprenticeships & training
- Creating opportunities for funding & finance

Governance

- Management responsibility
- Leadership, commitment & good governance
- Human rights supported and protected
- Preparedness for future events

Social

- Health, safety & well-being for all
- Inclusion, engagement & diversity
- Local community and stakeholder engagement
- Community benefit & resilience

Environment

- Energy & carbon management
- Climate change resilience and adaptation
- Resource use, waste reduction & recycling
- Pollution mitigation

MCD Resilience Strategy

What is Resilience Anyway?

RESILIENCE within infrastructure and built environment construction refers to the capacity of individuals, communities, institutions, businesses and systems to cope with Chronic Stresses and Acute Shocks.

Chronic Stresses include:

- Ineffective public transport systems
- Lack of access to community facilities
- Climate change
- High unemployment, or lack of access to training and employment opportunities

Acute Shocks include:

- Natural disasters, such as bushfires or floods
- Disease pandemics
- Extremist acts

SUSTAINABILITY is a key PART of Resilience – it means acting today with the future in mind – proactive learning and adaptive capacity. Sustainability is the inclusion of social, environmental, economic and governance considerations in decision-making processes to avoid or mitigate harm and create positive lasting legacies.

BOUNCE

Toughness and recovery skills

GROW

Enthusied by change and challenge

CONNECT

Respect and care for others and nature

FLOW

Develop talents and opportunities