

2024 Sustainability Report Basis of Preparation

29 August 2024

TABLE OF CONTENTS

Introduction 3

Climate-related disclosures 4

 Climate statement 4

 References..... 6

Energy and Emissions data 7

 Energy, scope 1 and scope 2 emissions 7

 Scope 3 emissions 18

 References..... 21

Environment and Safety fines and prosecutions 22

 Definitions 22

 Boundary..... 22

Safety related metrics (LTIFR/TRIFR/Fatalities) 24

 Definitions 24

 Boundary..... 25

 Injury Reporting Calculations 25

 Estimates 26

Other Metrics 27

 Scope 1 & 2 Greenhouse Gas Emissions Intensity (Tonnes CO₂-e/AU\$m)..... 27

 Indigenous Cultural Awareness Training, Te Ara Whanake &Te Ara Maramatanga Training 27

 Mental Health First Aid Training..... 28

Introduction

This Sustainability Report has been prepared in accordance with the GRI Standards for the period 1 July 2023 – 30 June 2024. The Report also includes Climate Disclosures, which have been prepared in compliance with the Aotearoa New Zealand Climate Standards (NZ CS 1-3).

This Basis of Preparation (BoP) document provides methodologies, criteria, and assumptions used in compiling the Sustainability Report, including Climate Disclosures, as well as select sustainability data. It ensures that stakeholders can understand the context and reliability of the information presented. The BoP defines the scope, boundaries, and reporting period, while also detailing the standards and guidelines followed. The BoP focuses on the following select data and aspects of the Sustainability Report, these include:

- Climate related disclosures (pages 4-6)
- Energy and emissions data (pages 7-21)
- Environment and safety fines and prosecutions (page 22-23)
- Safety related metrics (LTIFR/ TRIFR and Fatalities) (page 24-26)
- Other Metrics (page 27-28)
 - o Scope 1 and 2 Greenhouse Gas Emissions Intensity
 - o Cultural Awareness Training
 - o Mental Health First Aid

Climate-related disclosures

Downer has prepared its 2024 Climate statement in accordance with criteria and methodologies laid out in this section.

Climate statement

Downer has prepared the 2024 Climate statement in accordance with the *Aotearoa New Zealand Climate Standards (NZ CS) 1-3*.

Key determinations, assumptions, judgments and estimates are laid out below:

Reporting entity/entities

Downer has reported climate-related financial information for Downer EDI Limited, inclusive of its subsidiaries, in 2024. Unless otherwise noted, disclosures have not been disaggregated to a subsidiary level, or a jurisdictional level.

Scenario analysis

Downer has chosen four scenarios to inform its scenario analysis in FY24, serving two key purposes:

1. To satisfy the requirements of NZ CS 1 section 13 (i.e. how an entity has analysed, at a minimum, a 1.5°C climate-related scenario, a 3°C or greater climate-related scenario, and a third climate-related scenario)
2. To stress test Downer’s strategy against potential impacts of physical and transition risks.

Scenarios chosen, and the basis for these choices were as follows:

Scenario	Temperature	Scenario narrative	Basis
Orderly, net zero 2050, NGFS	1.5°C	Global CO ₂ emissions reach or approach net zero in 2050. Australia and New Zealand reduce emissions to net zero, and a sharply increasing carbon price is experienced.	This scenario was chosen to model an economy where the world, including Australia and New Zealand, rapidly and uniformly decarbonises, to demonstrate potential high-end transition risk exposure to inform strategy.
Disorderly, delayed transition, NGFS	2°C	Countries stick to current policies until 2030 and rapidly (with minimal coordination and planning) transition such that the end-of-century temperature goal of 2°C warming is reached.	This scenario was chosen to model an economy where the world, including Australia and New Zealand, decarbonises but at a more fragmented pace, to demonstrate potential transition risks under a more moderate transition scenario
Medium-high climate change scenario, SSP 3; RCP 7.0	~3°C	Limited emissions mitigation scenario, where CO ₂ emissions double by 2100, with incremental	This scenario was chosen to model Downer’s exposure to physical risks under a

		gains in renewable energy. Minimal carbon price increases.	moderate-high scenario where some decarbonisation occurs but significant temperature increases are experienced, and climate impacts are high.
High climate change scenario, SSP5; RCP8.5	~4°C	Low emissions mitigation scenario, where CO ₂ emissions triple by 2075. No carbon price increases.	This scenario was chosen to model Downer's exposure to physical risks under an extreme scenario where minimal to no decarbonisation occurs and climate impacts are severe.

Key terms in table:

NGFS = Network for Greening the Financial System

SSP = Shared socio-economic pathway. RCP = Representative concentration pathway

The scenarios are largely consistent in substance with those determined in conjunction with analysis by Deloitte in 2022. However, NGFS scenarios were updated in 2023, and Downer utilised the latest scenarios to perform its scenario analysis. Further, Downer replaced the 'SSP 2/RCP 4.5' scenario previously utilised for analysis of physical risks with the SSP 3/RCP 7.0 scenario. This adjustment acknowledges that the range of likely temperature changes has broadened since 2022. The previously used 2°C scenario (aligned with SSP 2/RCP4.5) no longer provides adequate insight into the potential physical risks faced by the business. Therefore, a 2°C scenario has been incorporated into the scenario analysis for transition risks, aligning with climate science predictions that suggest an increased likelihood of global temperatures exceeding a 1.5°C rise above pre-industrial levels.

Where financial values were derived from the scenarios, these were converted to \$AUD and adjusted for inflation for 2024. This informed the qualitative disclosure produced (risks were not quantified in accordance with NZ CS 2: Adoption Provision 1 and 2, which Downer chose to adopt in FY24).

NZ CS 2 Adoption Provisions table

Adoption Provision (NZ CS 2)	Adopted?	Explanation
Adoption provision 1: Current Financial Impacts	Yes	Downer did not disclose a quantification of current financial impacts in this year's climate statement due to resource constraints. During the period, Downer performed work to uplift its processes in readiness for quantitative disclosure requirements from FY25.
Adoption provision 2: Anticipated financial impacts	Yes	Downer did not disclose a quantification of anticipated financial impacts in this year's climate statement due to resource constraints. During the period, Downer performed work to uplift its processes in readiness for quantitative disclosure requirements from FY25.

Adoption provision 3: Transition planning	Yes	Downer did not disclose a quantification of its transition planning process in this year's climate statement due to resource constraints. During the period, Downer performed work to uplift its processes in readiness for disclosure requirements from FY25.
Adoption provision 4: Scope 3 GHG emissions	Yes	Downer has not disclosed data for Categories 9 or 11: in FY24, as insufficient evidence was able to be obtained to disclose this figure to a level which is materially accurate.
Adoption provision 5: Comparatives for Scope 3 GHG emissions	Yes	Downer has not disclosed data for Categories 9 or 11 FY24, as insufficient evidence was able to be obtained to disclose this figure to a level which is materially accurate. Therefore, Downer has removed comparatives relating to this category in FY24. Further, comparatives for Category 1, 2, 3 are being remeasured for disclosure in FY25.

Scope 1, 2 and 3 emissions

Scope 1, 2 and 3 emissions data has been prepared in accordance with the 2024 Energy and Emissions Methodology Page 7

GHG emissions reduction targets

Downer's emissions reduction targets have been prepared utilising the Science Based Target initiative (SBTi)'s Corporate Near Term Target setting tool, and the SBTi's Net Zero tool. Targets have not been validated with the SBTi and Downer makes no representations that its targets are compliant with the requirements of the SBTi Corporate Net Zero Standard.

References

Aotearoa New Zealand Climate Standards 1-3:

<https://www.xrb.govt.nz/standards/climate-related-disclosures/aotearoa-new-zealand-climate-standards/>

Intergovernmental Panel on Climate Change Sixth Assessment Report:

https://www.ipcc.ch/site/assets/uploads/2022/04/AR6_Factsheet_April_2022.pdf

Network for Greening the Financial System Scenarios Portal:

<https://www.ngfs.net/ngfs-scenarios-portal/>

Science Based Target Initiative's Net Zero Standard:

<https://sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf>

Energy and Emissions data

Downer has prepared selected energy and emissions metrics in accordance with the methodologies set out in this section.

Energy, scope 1 and scope 2 emissions

Downer has prepared the 2024 Sustainability Report data in accordance with the broad principles for reporting energy, Scope 1 and Scope 2 emissions, as set out in the Australian *National Greenhouse and Energy Reporting Act 2007*¹. This includes the application of the Operational Control GHG Consolidation approach, across the Group.

Energy, Scope 1 and Scope 2 emissions data reported in this year's Sustainability Report includes data from operational control sites. We have used actual data with estimates made for contractors and suppliers where data was unavailable, as consistent with previous years.

In 2024, we have reported our Scope 2 emissions using both the Location Based and Market Based emissions methodologies. Emission factors used in each of these calculations is listed in the Emission Factors section.

Downer has used the Envizi environmental data management system for the whole of the Group, with the exception of Scope 2 – Market Based, which have been calculated in Excel, derived from consumption data obtained from Envizi and independently sourced emission factors.

Defining the Corporate Group

Downer reports energy consumed, energy produced and Scope 1 and Scope 2 emissions from its Corporate Group for the annual Sustainability Report and the annual NGER Report (Australian sites only).

The controlling corporation's group is defined using the NGER Act definition and this definition has been adopted and applied across all the countries in which Downer operated. Section 8(1) of the NGER Act defines the controlling corporation's group as comprising:

- the controlling corporation;
- the controlling corporation's subsidiaries covered by subsection (3) (if any);
- the joint ventures covered by subsection (4) (if any); and
- the partnerships covered by subsection (5) (if any).

Only those group members with operational control over facilities for at least part of the financial year need to be included – these are defined as 'affected Group Members'. During FY24, the following key movements occurred:

- Downer sold portions of the Infrastructure Projects Business Unit, linked with the Downer EDI Works Pty Ltd entity. As per the Clean Energy Regulator's Supplementary Guideline: Acquisitions, disposals and mergers: treatment of change in ownership of a group member, Downer will report the Group Member's data for the period until 30 September 2023. This is because no entity was divested as part of the sale, rather, the sale represented a transfer of contracts that were bundled by the purchaser, Gamuda, into a new standalone business, DT Infrastructure Pty Ltd.
- Downer also divested the Asset and Development Services business on the 30th November 2023 which constituted a sale of a full entity, and hence has been excluded from the FY24 inventory in full.

¹ *National Greenhouse and Energy Reporting Act 2007*, as amended, Compilation No. 23, effective 12 April 2023

- On the 4th December 2023, Horizon Energy Group acquired the AE Smith Business from Spotless Facilities Services NZ, which constituted a facilities transfer and so Downer has reported on the associated facility for part of the year.
- Downer sold the VEC Tasmania business to Hazell Bros in February 2024, which amounts to a facility transfer and so Downer has reported on the associated facility for part of the year.

Downer has undertaken a rigorous process to identify the affected Group Members which have operational control over facilities as defined by the NGER Act. This process included incorporated and unincorporated joint ventures. The list of facilities included in each year's energy and GHG inventory has been reviewed by Downer Business Units to identify and confirm all operational control facilities and joint ventures for Sustainability and NGER reporting purposes.

Boundaries for the following Business Units, include Downer, Contractors, Joint Ventures and Scope 3 data: Asset & Development Services, Corporate, Downer Defence, Infrastructure Projects, Utilities, Roads Services, Facilities & Asset Services, Rail & Transit Systems, Mineral Technologies, New Zealand (Including Spotless NZ and Hawkins).

Identification of Covered Energy and GHG Emissions

Downer has included energy and GHG emissions sources for the 2024 Sustainability Report and these are described in this section.

Energy consumption and emissions from the combustion of fuels.

- any energy consumed including electricity and energy sources with or without consumption

Energy production including sources that are used to produce energy for consumption on-site, include:

- any energy production at project sites; and
- any energy produced by solar or other alternative energy generation.

Scope 2 Location Based and Market Based emissions

For Location Based emissions, Downer has calculated this in accordance with the *National Greenhouse and Energy Reporting (NGER) Determination 2008*², section 7.2.

For Market Based emissions, Downer has calculated this in accordance with the *NGER Determination 2008*, section 7.4.², with the following modifications:

- For the purposes of Downer's Sustainability Report disclosure, Downer has considered its purchases of Renewable Electricity in New Zealand to be equivalent to an Eligible Renewable Energy Certificate described in Section 7.4 (subsection 3) for the purposes of accounting for their renewable electricity attributes.
- Emission factors, including the use of the renewable power purchase percentage (where relevant) are listed as per Table 2 of the Emission Factors section of this Basis of Preparation, and supercede factors listed within the *NGER Determination* in the event of any clashes.

Downer has purchased Large Generation Certificates through the FY24 period and these will be calculated as deductions within Downer's Market Based Emissions calculation. Downer surrendered 100% of LGCs purchased within the Clean Energy Regulator's portal, and allocated amounts to facilities under Downer's operational control, as well as a portion to the Sydney International Convention Centre, which does not fall under Downer's operational control.

Downer has also purchased 100% Certified Renewable Electricity in various facilities in New Zealand. 100% of electricity usage in those facilities, noted within Downer's emissions management systems,

² National Greenhouse and Energy Reporting (Measurement) Determination 2008, Compilation No. 16

will be considered as zero emissions. These purchases have been verified through an attestation from the supplier that electricity for these sites has been generated with 100% renewable sources. Downer also witnessed Ecotricity’s Toitū Climate Positive certification encompassing their verification of Ecotricity’s sourcing of electricity from 100% renewable sources covering the full FY24 period.

Emission Factors

Each year the emission factors for Scope 1 and Scope 2 emissions are checked against the relevant Australian, Aotearoa New Zealand and international references for the current reporting year.

The emission factors used in the Envizi data management system are managed by Envizi and are updated to match the relevant country-based emission factors for Australia, Aotearoa New Zealand and other countries.

The table below details the emission factors that have been applied and their sources, which contain the relevant global warming potentials for each source.

Table 1 Emission factors used for the reporting period for Scope 1 and 2 emissions.

Country	Reference
1. Australia	All energy sources: National Greenhouse and Energy Reporting (Measurement) Determination 2008 (effective 1 July 2023).
2. Brazil	Electricity: International Energy Agency (IEA) Emissions Factors 2021 Other energy sources: National Greenhouse and Energy Reporting (Measurement) Determination 2008 (effective 1 July 2023).
3. India	Electricity: International Energy Agency (IEA) Emissions Factors 2023 Other energy sources: National Greenhouse and Energy Reporting (Measurement) Determination 2008 (effective 1 July 2023).
4. New Zealand	Electricity Measuring emissions: A guide for organisations: 2024 detailed guide Energy sources where no specific NZ factor is available: National Greenhouse and Energy Reporting (Measurement) Determination 2008 (effective 1 July 2023).
5. Niue	Electricity International Energy Agency (IEA) Emissions Factors 2023 Other energy sources: National Greenhouse and Energy Reporting (Measurement) Determination 2008 (effective 1 July 2023).
6. Solomon Islands	All energy sources (No Electricity use in this jurisdiction): National Greenhouse and Energy Reporting (Measurement) Determination 2008 (effective 1 July 2023).

Table 2: Market Based v Location Based emission factors, per jurisdiction.

State / Country	Location Based Emission Factor	Market Based Emission Factor
New South Wales ³	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 2	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 3 Renewable power percentage has been taken as half of the 2024 and 2023 National RPPs, as sourced from the Clean Energy Regulator ⁴
Australian Capital Territory ³	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 2	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 3 Renewable power percentage has been taken as half of the 2024 and 2023 National RPPs, as sourced from the Clean Energy Regulator ⁴ In addition, the Jurisdictional Renewable Power Percentage has been applied for the ACT. ⁵
Northern Territory ³	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 2	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 3 Renewable power percentage has been taken as half of the 2024 and 2023 National RPPs, as sourced from the Clean Energy Regulator ⁴
South Australia ³	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 2	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 3 Renewable power percentage has been taken as half of the 2024 and 2023 National RPPs, as sourced from the Clean Energy Regulator ⁴
Western Australia ³	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 2	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 3 Renewable power percentage has been taken as half of the 2024 and 2023 National RPPs, as sourced from the Clean Energy Regulator ⁴
Queensland ³	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 2	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 3 Renewable power percentage has been taken as half of the 2024 and 2023 National RPPs, as sourced from the Clean Energy Regulator ⁴

³ Emission factors sourced from National Greenhouse and Energy Reporting (Measurement) Determination 2008 (effective 1 July 2023).

⁴ <https://cer.gov.au/schemes/renewable-energy-target/renewable-energy-target-liability-and-exemptions/renewable-power-percentage>

⁵ <https://www.dcceew.gov.au/sites/default/files/documents/national-greenhouse-account-factors-2023.pdf>, page 10

State / Country	Location Based Emission Factor	Market Based Emission Factor
Victoria ³	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 2	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 3 Renewable power percentage has been taken as half of the 2024 and 2023 National RPPs, as sourced from the Clean Energy Regulator ⁴
Tasmania ³	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 2	As per Part 6 Indirect (scope 2) emission factors and residual mix factors for consumption of electricity, column 3 Renewable power percentage has been taken as half of the 2024 and 2023 National RPPs, as sourced from the Clean Energy Regulator ⁴
New Zealand	Ministry for the Environment Measuring Emissions: A guide for organisations – 2023 https://environment.govt.nz/publications/measuring-emissions-a-guide-for-organisations-2023-emission-factors-summary/ Electricity - New Zealand - kWh – 2022	Ministry for the Environment Measuring emissions: A guide for organisations: 2024 detailed guide - https://environment.govt.nz/publications/measuring-emissions-a-guide-for-organisations-2024-detailed-guide/ Electricity - New Zealand - kWh – 2022 <i>Note – no market based emission factor exists for this jurisdiction so a location based emission factor has been used as a substitute</i>
Brazil	International Energy Agency - Emission Factors 2023 – Location Based emission factor	International Energy Agency - Emission Factors 2023 Location Based emission factor <i>Because of the negligible amount of electricity usage in this jurisdiction, a location based emission factor has been used for ease of calculation.</i>
India	International Energy Agency - Emission Factors 2023 Location Based emission factor	International Energy Agency - Emission Factors 2023 Location Based emission factor <i>Because of the negligible amount of electricity usage in this jurisdiction, a location based emission factor has been used for ease of calculation.</i>
Niue	International Energy Agency - Emission Factors 2023 Location Based emission factor	International Energy Agency - Emission Factors 2023 Location Based emission factor <i>Because of the negligible amount of electricity usage in this jurisdiction, a location based emission factor has been used for ease of calculation.</i>

State / Country	Location Based Emission Factor	Market Based Emission Factor
South Africa	International Energy Agency - Emission Factors 2023 Location Based emission factor	International Energy Agency - Emission Factors 2023 Location Based emission factor
		<i>Because of the negligible amount of electricity usage in this jurisdiction, a location based emission factor has been used for ease of calculation.</i>

Methods Assessment

Downer has elected to use Method 1 from the NGER Determination, for estimating emissions in Australia and other countries (where the NGER determination is used). This methodology and its associated factors, or country-specific emission factors where available (as noted in Table 1) have been applied to all Scope 1 and Scope 2 emission sources for all of Downer’s operations.

For New Zealand, and other non-Australian countries, default emission factors have been used as published in their respective sources.

Estimates

In preparing the Sustainability Report, it has been necessary to apply estimates where it was not possible to obtain actual data. Downer considers the basis of any estimates used to be reasonable for reporting GHG emissions and energy data and in keeping with the NGER reporting principles. Downer reviews any manual estimates that are included within the dataset to ensure compliance with NGER Act principles and requirements.

Automated Estimation

Estimations for the financial year are largely based on the Envizi system’s ‘Accrual’ system, whereby a system-generated estimate is produced for blank data points, contingent on pre-defined qualifying factors. These are described in the following sections.

All of Downer’s GHG emissions and energy data are covered by the automated estimation process, except where actual data and manual estimations are entered.

For ‘Event’ data types where it is known that data input into Envizi is complete for the year, a manual override of accruals has been performed, by placing ‘zeros’ into the months after the final actual data point for the reporting period. Completeness of actual data has been confirmed through the Business Unit sign-off process before initiating this process on select accounts.

First, to determine the quantum of the estimate across the reporting period, two ‘data types’ have been set in Envizi. A data type is a setting for each energy source (for example, Electricity) which determines ‘when’ an estimate calculation will be performed.

Contiguous Data: Contiguous data is that which is expected to be unbroken throughout the reporting period. For any missing data points throughout the reporting period, an estimate will be generated. Envizi/Downer⁶ has classified electricity, natural gas, business flights and rental cars into this category, where it is assumed that consumption will be continuous throughout any given reporting period.

- *Example: For FY20, for a given data source, data is received for the months of July, August, September, December, January, March, and April. Under the Contiguous Data setting, estimates will be generated for all missing months (i.e., October, November, February, May, and June)*

⁶ Dependent on whether or not the data type is part of Envizi’s ‘default’ library, or whether it is a Downer custom data type.

Event Data: Event data is that which is expected to be sporadic throughout the reporting period, based on a particular event (for example, a fuel delivery). Data is only accrued for complete months forward from the last month containing actual data. Envizi/Downer⁷ has classified transport fuels and stationary fuels into this category where the expectation is that fuel is recorded on an ‘as delivered’ basis, which can sometimes be sporadic throughout the reporting period.

- *Example: For FY20, for a given data source, data is received for the months of July, August, September, December, January, March, and April.*
- *Under the Event Data setting, the only months that are accrued are those which are after the final month containing actual data. As the last month for which actual data was received was April, estimates are only generated for May and June.*

Second, to determine the basis of an estimate, a ‘calculation method’ has been set. A calculation method determines ‘how’ an estimate is performed for each energy source, based on an assessment of the usage of the energy source and any inherent factors to be considered, such as seasonality.

Weighted Average: A weighted average calculation has been chosen for all variables in the reporting period. In calculating an estimate, this gives the most weight to surrounding months of the same reporting period, while also giving a smaller weight to surrounding months of the previous reporting period, to acknowledge seasonality. The calculation is as follows:

- *For any given missing period, data from its immediate month before and immediate month after, are given a weight of 3, and data from the same month last year and the month before in last year, are given a weight of 1. The accruals are calculated as the weighted average of these 4 months. For example, if Mar-2020 data is missing, then the accruals will be calculated as $\text{Accruals for Mar-2020} = (\text{Daily Average of Feb-2020} * 3 + \text{Daily Average of Apr-2020} * 3 + \text{Daily Average of Mar-2019} * 1 + \text{Daily Average of Feb-2019} * 1) / (3 + 3 + 1 + 1) * \# \text{ of missing days in Mar-2020}$.*

When some actual data points are missing in the months within the formula, these are weighted as ‘0’. This is also the case when the estimate has been taken at the end of the reporting period (e.g. the estimate for June 2020 will necessarily not be based on any data for July 2020, being outside the reporting period).

When all actual data points are missing in the months within the formula, the ‘Last available month’ method is used (explained below).

Manual Estimation of Energy and GHG Emissions

For certain accounts, related to sub-contractor data, the Envizi accruals system is not sufficient to generate a complete and accurate estimate of energy and emissions data. The process for estimating this data is outlined below:

Sub-contractor Data

Downer evaluated the materiality of sub-contractor data. The following table represents the initial ‘materiality’ assessment, based on the qualitative importance of sub-contractors per Business Unit.

⁷ Dependent on whether or not the data type is part of Envizi’s ‘default’ library, or whether it is a Downer custom data type.

Table 2. Summary of inclusion of Business Unit lines of business subcontractor data

Business Unit	Sub-contractors' estimation evaluated as material.	Subcontractors - data collected via sub-contractors form	Methodology of estimation	Source of information
Corporate	No	N/A	N/A	N/A
Infrastructure Projects	No	N/A	N/A	N/A
Industrial & Energy	No	N/A	N/A	N/A
Rail & Transit Systems	No	N/A	N/A	N/A
Social Infrastructure & Citizen Services	No	N/A	N/A	N/A
Transport & Infrastructure	Yes	Yes	See below	See below
Utilities	Yes	Yes	See below	See below

Sub-contractor estimation methodology - Australia

Downer's Transport and Infrastructure (T&I) and Utilities Business Units have an extensive sub-contractor base which it uses to conduct activities on its behalf. This is entered into a corresponding location within Envizi. However, some Business Units do not have adequate records of energy consumed during activities undertaken in particular T&I and Utilities.

Due to the extent of the sub-contractor base and the unavailability of accurate data it has been necessary to include a degree of estimation in this process. For this reporting period, proxies have been calculated using the average of actual data, as a proportion of dollars spent for each subcontractor. The methodology for estimating data is described below:

Sub-contractors were grouped into categories on the basis that they perform similar types of work when engaged by Downer and therefore are very likely to use similar types and relative volumes of energy-consuming resources. These categories are as follows:

Transport and Infrastructure (Australia and NZ)

- Cartage
- Other
- Bitumen cartage (Australia only)

Utilities

- Water Services
- Energy Projects
- Tech & Comms

Sub-contractor estimation methodology – Transport and Infrastructure

Cartage

The L/\$ proxy applied to subcontractors for which actual data was not obtained in both Australia and New Zealand is based on the ratio of actual usage v spend for data obtained in FY24 in Australia.

Other

In this financial year, internal managerial codes were used to differentiate between various activities in the 'other' category in Australia. When actual data was collected from at least one subcontractor

within a managerial code, an average is calculated for that managerial code, and applied to all other subcontractors within that managerial code category in Australia. In New Zealand, proxies derived from managerial codes were cross referenced to Downer's JDE Categories and applied to subcontractors within those JDE categories

If there is no managerial code or no actual data associated with a managerial code, the overall 'Other' proxy is used for Australian and New Zealand 'Other' subcontractors, based on the average L/\$ spent across all 'Other' subcontractors in Australia.

Bitumen Cartage (Australia Only)

The L/\$ proxy applied to subcontractors for which actual data was not obtained is based on the ratio of actual usage v spend for data obtained in FY24.

Exclusions:

Within the 'Other' dataset, Downer performed vetting across top subcontractors to ensure that only potentially emissions generating subcontractors were considered within the estimate. Subcontractors were entirely excluded if they were deemed to be part of the following categories:

- Raw material purchases – payments to sub-contractors purely for purchases are not related to activity, and therefore no fuel consumption has occurred from these.
- Consultants spend – office based or where no/little fuel was consumed in the course of activities performed while sub-contracted by Downer.

For the remaining Subcontractors, Downer deemed that the \$ spent and therefore the likely resource usage was not material enough to perform additional vetting. Downer has included an estimate for all of these subcontractors (for where actual data was not obtained) based on proxy calculations.

The information received from these suppliers formed the actual resource usage data. The remaining energy reported was based on a ratio between actual energy versus equivalent spend which was applied across the remaining spend per category, in accordance with the following formulas:

- Calculate the unique fuel ratio for each category:
- $\text{Average actual resource usage (for relevant FY, in raw units) / \$ of actual spend} = A$
- Calculate estimated fuel usage for the remaining contractors in that category
- $A * \$ \text{ of remaining contract spend per category (for contractors who did not return any actual data)} = B$

For these calculations, 'remaining spend' is represented by contractors who did not return a contractor evaluation form. For example, if Contractor A returned a form that stated that it used 1,000L of diesel, but no petrol, no extrapolation will be performed for this contractor for petrol, as it has represented that has used zero petrol.

Sub-contractor estimation methodology – Utilities

Downer Utilities' subcontractor emissions data is derived from a combination of actual data collected from subcontractors and spend-based estimates. This year, a thorough investigation was conducted across all four lines of business—Water, Telco, Power Projects, and Energy Networks—to gain a deeper understanding of subcontractor activities on contracts in Australia and New Zealand.

Throughout the year, material subcontractors provided actual data quarterly, followed by a survey in Q4 to gather additional data. This actual data served as a representative sample for estimating the remaining subcontractor emissions, based on the financial spend for FY24. The estimation process also involved reviewing subcontractor types to determine if their services were emissions-generating. The L/\$ proxy applied to subcontractors for which actual data was not obtained is based on the ratio of actual usage v spend for data obtained in FY24.

Ad-hoc estimates

Manual estimations have been maintained for some sites. These include extrapolations of data for the H1 period, prior to the implementation of the automatic accruals system, and data collected directly

from subcontractors, where these subcontractors have indicated that their data is an estimate. The total quantum of estimates using this method for Scope 1 emissions is 0.9%, and for Scope 2 emissions is 0.03% (on a location based methodology) and is not considered material.

Restatements

Downer has disclosed targets, and associated baselines, that relate to Scope 1 and Scope 2 emissions. For these targets to be credible, they must be set on a like-for-like basis with the current year's emissions inventory. To that end, Downer has applied the following rules to determine whether any restatements are required to baselines and targets, derived from guidance from the GHG Protocol⁸, as well as NGER Supplementary Guidelines for acquisitions, disposals and mergers⁹

Table 3. Summary of restatements

	Base Year	Year impacted
Acquisition	<p>When an acquisition of a legal entity is made, if the acquisition results in a change in absolute emissions greater than 5% of the previous reporting period's totals, then the base year shall be restated with a full year's worth of data from the Acquisition.</p> <p>If Base Year data is unavailable, an appropriate estimate shall be utilised utilising data from a subsequent period.</p>	Data shall be included for the full year, irrespective of %.
Divestment	<p>When a divestment of a legal entity is made, if the divestment results in a change in absolute emissions greater than 5% of the previous reporting period's totals, then the base year shall be restated with a full year's data removed from the Base Year.</p> <p>If Base Year data is unavailable, an appropriate estimate shall be utilised, utilising data from a subsequent period.</p>	Data shall be removed for the full year, irrespective of %.
Data error	<p>If an error is discovered that impacts the base year, and this error is greater than 5% of the previous reporting period's totals, then the base year shall be restated with the amended data.</p> <p>If a data error is discovered that does not impact the base year, then there is no restatement to base year emissions.</p>	Data shall be amended for the period in which the error applies within the year impact.
Organic Growth (e.g. growth of existing facility, acquisition of new facility)	No restatement to base year emissions	Data shall include organic growth (e.g. new facility or increase in consumption commensurate with expansion in operations).

⁸ Base year recalculation methodologies for structural changes – Appendix E to the GHG Protocol Corporate Accounting and Reporting Standard – Revised Edition <https://ghgprotocol.org/corporate-standard>

⁹ Supplementary Guideline – Acquisitions, Disposals and Mergers: treatment of change in ownership of a group member

Restatements made in FY24, to Downer's 2020 (baseline) emissions figures include:

- Changes were made which amount to a reduction in Downer's 2020 Scope 1 and 2 emissions figures of 1,765 tCO₂-e, or 0.4% of FY20 Scope 1 and 2 emissions (compared to what was disclosed within Downer's 2023 Sustainability Report). These changes are:
 - Changes to subcontractor data as a result of information coming to the attention of management post FY20.
 - Amendments to Scope 1 and 2 emissions figures to include estimates for acquisitions, or the impact of divestments, that were made post 2020.
 - Amendments to Scope 1 and 2 emissions figures in response to changes in assessments of Downer's organisational boundary.

Items for attention include:

- The subcontractor data collection methodology in FY24 has not changed significantly since FY20. However, there have been improvements in the granularity of data collection and estimation, as well as in the consistency of approach across the Group. This is particularly applicable across Subcontractor data for Utilities, as well as Transport and Infrastructure New Zealand. Overall, had an equivalent process been adopted in FY20, there would not have been a material difference in Scope 1 and 2 emissions for FY20, had an equivalent process been applied then.

Scope 3 emissions

The below table provides the methodology of calculation for the differing categories of Downer's Scope 3 assessment as per the Corporate Value Chain (Scope 3) Accounting and Reporting Standard from the Greenhouse Gas Protocol.

Table 4. Methodology of calculation for Scope 3 assessment

Category name	Description
1. Purchased goods and services	<p>DESCRIPTION: Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not otherwise included in Categories 2 - 8.</p> <p>BOUNDARY: For Downer, this is all goods and services purchased within the reporting period excluding fuels, intercompany transfers, capital goods and subcontractors as these are either included within other categories or within Scope 1 and 2 disclosures.</p> <p>DATA SOURCES: Spend data, sourced from Downer's JDE and SAP systems, based on invoices paid throughout FY24. Eora66 - MRIO¹⁰ (Multi-region input-output) factors have been used to calculate emissions, based on dollars spent. These factors have been modified by IBM Envizi (Downer's energy and emissions platform) to align with Summary Categories provided by the US EPA. The Eora global supply chain database consists of a multi-region input-output table (MRIO) model that provides a time series of high-resolution IO tables with matching environmental and social satellite accounts for 188 countries. IBM Envizi's implementation of the factor set has taken the full Eora dataset and mapped national classification systems to a harmonized classification used by the US EPA across 66 categories. For the full list of national classifications before harmonization, see here¹¹. The categorization of the 66 spend data types originates from the US Department of Commerce - Bureau of Economic Analysis. For more information see the BEA categorization, review the Supply and Use tables provided on the BEA website here¹².</p> <p>METHODOLOGY: Spend-based method</p> <p>CHANGES FROM PREVIOUS YEARS: Previously, spend-based data was used and entered into the Quantis Scope 3 Evaluator, whereas this year factors from CDP Supply Chain were used.</p>
2. Capital goods	<p>DESCRIPTION: Extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year.</p> <p>BOUNDARY: For Downer, this is specifically property, plant and equipment additions (PPE) within the reporting period.</p> <p>CHANGES FROM PREVIOUS YEARS: This category is no longer reported on a standalone basis, and has been absorbed into Category 1, due to better granularity of data being used for the Category 1 calculation. As Category 2 was previously deducted from Category 1, the overall impact on Scope 3 emissions is nil.</p>

¹⁰ <https://worldmrio.com/documentation/>

¹¹ <https://worldmrio.com/metadata.jsp>

¹² <https://www.bea.gov/industry/input-output-accounts-data>

Category name	Description
3. Fuel and energy related activities	<p>DESCRIPTION: Extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year.</p> <p>BOUNDARY: Fuel and energy used by sites/activities under Downer's operational control as defined by Downer's Scope 1 and 2 boundaries.</p> <p>DATA SOURCES: Direct supplier invoices with usage and accruals based on the aforementioned actual data.</p> <p>METHODOLOGY: Average-data method using the total calculated quantities and applying the latest relevant emission factors e.g. the National Greenhouse Accounting (NGA) Factors (2023) was used for Australia in FY24 and Measuring Emissions: A Guide for Organisations – 2023 Summary of Emission Factors was used for New Zealand. International operations had Australian emission factors applied.</p> <p>CHANGES FROM PREVIOUS YEARS: Emissions from Category 4 were moved into Category 3 due to boundary changes in FY23 and have remained in Category 3 in FY24</p>
4. Upstream transportation and distribution	<p>DESCRIPTION: Transportation and distribution of products and services purchased by the reporting company in the reporting year between a company's tier 1 suppliers and its operations/ facilities (in vehicles and facilities not owned or controlled by the reporting company), including inbound logistics, outbound logistics (e.g., of sold products).</p> <p>BOUNDARY: This category is not applicable due to associated emissions being captured within CDP's sector averages in Category 1.</p> <p>CHANGES FROM PREVIOUS YEARS: Emissions from Category 4 have moved into Category 3 due to boundary changes in FY23 and have remained in Category 3 in FY24</p>
5. Waste generated in operations	<p>DESCRIPTION: Disposal and treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company)</p> <p>BOUNDARY: Waste generated by sites/activities under Downer's operational control as defined by Downer's Scope 1 and 2 boundaries</p> <p>DATA SOURCES: Total actual waste generated in operations directly sourced from primary waste providers and spend by supplier/project value. Estimates, based on spend, for suppliers where actual waste data was unable to be applied</p> <p>METHODOLOGY: Average-data method: which involves estimating emissions based on total waste going to each disposal method (e.g., landfill) and average emission factors for each disposal method. For FY24, the commercial & industrial factor from the NGA Factors (2023) was used for all non-hazardous waste generated, with an uplift for contamination applied based on contamination rates provided by NABERS (based on Downer's recycled waste streams and the NABERS contamination rate % applied for the applicable waste stream)¹³. Downer applied a proxy of t/\$ to waste suppliers from whom actual data was not able to be obtained.</p> <p>CHANGES FROM PREVIOUS YEARS: None</p>
6. Business travel	<p>DESCRIPTION: Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company)</p> <p>BOUNDARY: Scope 3 emissions associated with Downer using other providers to travel for business purposes, but not for Downer's direct operations. E.g., air travel, car hire.</p> <p>DATA SOURCES: Air travel data sourced from Downer's travel booking system, CTM, in km travelled. Car Rental data sourced from Downer's rental car suppliers, in km travelled.</p> <p>METHODOLOGY: Distance-based method where total km travelled was multiplied by emission factors from DEFRA (UK Government GHG Conversion Factors for Company Reporting) 2023.</p> <p>CHANGES FROM PREVIOUS YEARS: None</p>

¹³ <https://www.nabers.gov.au/sites/default/files/2022-11/Waste%20Technical%20Ratings%20Rules.pdf> Table 17: Waste Stream Reference Table, page 67

Category name	Description
7. Employee commuting	<p>DESCRIPTION: Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company)</p> <p>BOUNDARY: Employee commuting, not already included in Scope 1 emissions (where travel is undertaken in a tool of trade vehicle to carry out work on a Downer site)</p> <p>DATA SOURCES: Employee headcount derived from Downer HR systems. Commuting data based on Australian national averages from: 2071.0.55.001 Census of Population and Housing: Commuting to Work - More Stories from the Census, 2016</p> <p>METHODOLOGY: Average-data method using Downer's employee headcount multiplied by national average km travelled multiplied by emission factors from DEFRA (UK Government GHG Conversion Factors for Company Reporting) 2023.</p> <p>CHANGES FROM PREVIOUS YEARS: None</p>
8. Upstream leased assets	<p>DESCRIPTION: Operation of assets leased by the reporting company (lessee) in the reporting year and not included in Scope 1 and Scope 2 – reported by the lessee.</p> <p>BOUNDARY: For Downer, this category is not applicable due to operational control boundary as any upstream leases are included in Scope 1 and 2.</p> <p>CHANGES FROM PREVIOUS YEARS: None</p>
9. Downstream transportation and distribution	<p>DESCRIPTION: Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer (if not paid for by the reporting company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting company)</p> <p>BOUNDARY: This category only includes emissions associated with the transportation and distribution of products used by the Mineral Technologies business. All other associated transportation & distribution emissions are accounted for within other categories.</p> <p>DATA SOURCES: Downer has not reported data for this category in FY24. Downer has utilised Adoption Provision 4 and 5 in the</p> <p>METHODOLOGY:</p> <p>CHANGES FROM PREVIOUS YEARS: Data has been excluded from Downer's reporting in 2024. The estimated omission is approximately 8% based on the highest emissions in comparative periods, being FY22. Downer will seek to improve data quality for this category and aim to report in FY25.</p>
10. Processing of sold products	<p>DESCRIPTION: Processing of intermediate products sold in the reporting year by downstream companies (e.g., manufacturers)</p> <p>BOUNDARY: All products sold by Downer are 'final' and hence this is not applicable.</p> <p>CHANGES FROM PREVIOUS YEARS: None</p>
11. Use of sold products	<p>DESCRIPTION: End use of goods and services sold by the reporting company in the reporting year</p> <p>BOUNDARY: Downer sells 3 products that have included asphalt, bitumen and concrete.</p> <p>CHANGES FROM PREVIOUS YEARS: This has been excluded from Downer's emissions boundary, to resolve potential double counting with Category 1 emissions. Downer's downstream emissions relating to the products noted was deemed immaterial in FY24.</p>
12. End-of-life treatment of sold products	<p>DESCRIPTION: Waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life. Downer sells 3 products that have included asphalt, bitumen and concrete.</p> <p>BOUNDARY: Downer's downstream emissions relating to the products noted was deemed immaterial in FY24.</p> <p>CHANGES FROM PREVIOUS YEARS: None.</p>
13. Downstream leased assets	<p>DESCRIPTION: Operation of assets owned by the reporting company (lessor) and leased to other entities in the reporting year, not included in Scope 1 and Scope 2 – reported by lessor</p> <p>BOUNDARY: This category is not applicable to Downer. Downer does not lease assets to third parties.</p> <p>CHANGES FROM PREVIOUS YEARS: None</p>
14. Franchises	<p>DESCRIPTION: Operation of franchises in the reporting year, not included in Scope 1 and Scope 2 – reported by the franchisor</p> <p>BOUNDARY: This category is not applicable to Downer. Downer does not operate a franchise model.</p> <p>CHANGES FROM PREVIOUS YEARS: None</p>

Category name	Description
15. Investments	<p>DESCRIPTION: Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in Scope 1 and Scope 2</p> <p>BOUNDARY: This relates to Downer's joint ventures and associates, which fall outside of Downer's operational control boundary.</p> <p>DATA SOURCES: Actual data for Downer's interest in Keolis Downer, sourced from Keolis Downer's FY23 s19 NGER submission, multiplied by Downer's ownership stake in Keolis Downer, then pro rata adjusted for changes in revenue between 2023 and 2024. Other joint ventures have been calculated based on the dollar value of revenue from joint ventures and associates throughout the year, sourced from Downer's financials.</p> <p>METHODOLOGY: Average-data method using Joint Ventures and Associates revenue for the reporting period and inputting into Envizi, and Eora factors (referred to within Category 1) applied.</p> <p>CHANGES FROM PREVIOUS YEARS: None</p>
16. Other	<p>DESCRIPTION: Emissions associated with upstream water usage.</p> <p>BOUNDARY: This relates to all of Downer's operations.</p> <p>DATA SOURCES: Direct invoices and supplier spending from procurement.</p> <p>METHODOLOGY: Hybrid method using actual data and proxies from invoices.</p> <p>CHANGES FROM PREVIOUS YEARS: None</p>

References

Australian Government Department of the Environment (2023) *National Greenhouse and Energy Reporting (Measurement) Determination 2008 Compilation No. 16, effective 1 July 2023*. Published by the Department of the Environment. July 2023

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International Energy Agency (2023). World CO2 Emissions from Fuel Combustion database, Published 2023. <http://data.iea.org/>

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NZ Ministry for the Environment *Measuring emissions: A guide for organisations, 2023 summary of emission factors (using data from the 2021 calendar year)*. Published in August 2023 by the Ministry of the Environment, Wellington, New Zealand. <https://environment.govt.nz/publications/measuring-emissions-a-guide-for-organisations-2023-emission-factors-summary/>

Environment and Safety fines and prosecutions

Definitions

Environment fines means any monetary penalty imposed by a Regulatory Authority as a result of a breach or failure to comply with Environmental Laws that apply to Downer's operations.

An example of an environment fine is an unauthorised discharge into a waterway that is prohibited by a local, state or federal environmental authority.

Safety fines means any monetary penalty imposed by a Regulatory Authority as a result of a breach or failure to comply with Workplace Health and Safety Laws that apply to Downer's operations.

An example of a safety fine is a breach of Motor Vehicle regulations, that directly impact on people working on, or transiting through a Downer site.

For avoidance of doubt, regulatory fines of a general nature (such as parking infringements) that do not directly result in adverse environment and safety impacts will not be accounted for.

Boundary

Downer reports on all environment and safety fines and prosecutions for entities that fall under Downer's consolidated accounts. This includes joint ventures and associates where the fine or prosecution has been served on a Downer entity.

Downer includes fines and prosecutions in accordance with the following table. Downer also reserves the right to disclose fines and prosecutions in addition to the criteria listed below, in the event it is deemed qualitatively significant.

Environment and Safety Fines

Scenario	Outcome
Event occurs before balance date; and, Fine received and due before balance date	Fine, and associated value disclosed as a statistic in the this year's Sustainability Report. Fine amount added to total Environment and Safety Fine figures for this year.
Event occurs before balance date; and, Fine received and/or due after balance date.	Fine, and associated value disclosed in the next year's Sustainability Report and is added to the total Environment and Safety Fine figures for next year.

Environment and Safety Prosecutions

Scenario	Outcome
Prosecution proceedings commence before balance date; and, Prosecution finalised before balance date.	Prosecution disclosed in this year's Sustainability Report. Prosecution added to total prosecution figures for this year. If there is a fine associated with the prosecution and this is known at the time of the finalisation of proceedings, this will be disclosed this year, irrespective of whether the fine is paid or not before balance date.
Prosecution proceedings commence before balance date; and, Prosecution proceedings not finalised before publication of this year's Sustainability Report.	Interim details of the prosecution (that are known before balance date) disclosed in next year's Sustainability Report. Prosecution added to total prosecution figures in the reporting period to which the prosecution is finalised.
Prosecution proceedings commence after balance date; and, Prosecution proceedings not finalised before publication of this year's Sustainability Report.	Prosecution and associated details added to total prosecution figures in the reporting period to which the prosecution is finalised. No disclosure made in next year's Sustainability Report.

Safety related metrics (LTIFR/TRIFR/Fatalities)

Definitions

Direct Downer Control means Downer owns the assets and employs or engages the workforce in question in its own right, or Downer has a contractual obligation to other owners of the entity or assets in question or to other participants in the activity in question and has appropriate authority to operate the activity.

For avoidance of doubt injuries resulting from Motor Vehicle incidents on a public road, where they are travelling and not predominantly there for specific work activities, are not under Direct Downer Control.

Fatality means injury sustained during a work activity that results, directly or indirectly, in the death of the person.

Hours Worked means the actual hours worked by Downer Workers. This excludes any time the worker is on leave. The number of Hours Worked may be defined by a calculated process and includes contractor exposure where applicable.

Injury means an acute injury resulting in harm from a physical hazard in a single traumatic event or occurrence in the workplace, whilst on duty

Medical Treatment Injury (MTI) means harm resulting from a single workplace incident, requiring treatment by a medical practitioner, and/or more than three (3) sessions of physiotherapy, chiropractic, or other physical therapy, where prescribed by a medical practitioner.

Lost Time Injury (LTI) means any injury that causes the injured person to be unfit to perform any work duties for one whole day or shift, or more, after the shift on which the injury occurred.

Total Recordable Injury (TRI) means either a Fatality, Lost Time Injury (LTI) or Medical Treatment Injury (MTI).

Workplace is the place where one or more Downer workers are working or present as a condition of their employment or contract with Downer, including:

- A place where work activity occurs under Downer's direct control
- Fixed, temporary or mobile sites (for an office or facility, the property line defines the normal place of work)
- any other location visited by the person as a condition of their employment or contract (such as a customer site)
- vehicles, mobile plant or vessels driven or operated by a Downer worker if the vehicle or vessel is being used for and/ or on behalf of Downer; and
- home (where the Downer worker is authorised to work from their home).

Boundary

Downer reports on all injuries where individuals work for Downer operations in Australia, New Zealand and other jurisdictions. The performance data also includes Downer contractors and Downer employees involved in unincorporated joint ventures under Downer’s management control which for FY24 include:

- Confluence Water
- GCI Solutions
- SFP JV

Downer reports on all injuries where individuals work for Downer or related entities as: employees, contingent labour hire, contractors, subcontractors, apprentices, trainees, and work experience students.

Downer uses a number of processes to capture, collect and collate exposure hours which in some cases involves calculation and estimations (see further details below).

Downer includes injuries that occur under Direct Downer Control only.

Injury Reporting Calculations

Downer uses the following formulas to calculate Lost Time Injury and Total Recordable Injury frequency rates.

Total Recordable Injury Frequency Rate (TRIFR)	$\frac{\text{Total Recordable Injuries (Fatality + LTI + MTI)} \times 1,000,000}{\text{Hours worked by the work unit}}$
	$\frac{(\text{Lost Time Injuries} + \text{Fatalities}) \times 1,000,000}{\text{Hours worked by the work unit}}$

Notes:

- If a business acquisition occurs during the year, injury and hours data is quarantined for the reporting period in which they are acquired, and are not disclosed in the reported total. Data relating to new acquisitions is quarantined for up to 12 months and is not included in injury or hours worked counts until the reporting period following acquisition, to allow time for integration into Downer’s policies, processes and systems.

Estimates

Employee Exposure Hours – Interface files from JDE systems (including Australia and New Zealand) have a 25% uplift factor on Salary payroll codes to account for rosters that exceed the usual 7.6 hours/day. This applies to all business units in Downer Group except where the SAP system is used as the primary source i.e. Social Infrastructure & Citizen Services excluding Downer Professional Services).

Contractor Exposure Hours – Contractor hours account for 48% of all exposure hours within Downer. A calculation method is used by all business units, except for Rail & Transit Systems. For this year, 67% of contractor hours are sourced from this method, and applied across the Industrial & Energy, Social Infrastructure and Citizen Services, parts of Transport & Infrastructure and parts of the Utilities business units. This is a standardised process utilising the value (in \$) spent on subcontractors (for each month) and divides it by a variable. The variable uses Downer's total revenue, staff labour costs, subcontractor financial data and employee hours to calculate an average labour percentage and average labour rate. This variable is calculated for each business unit, tailored to the subcontractor relationship between costs and hours worked.

Other Metrics

Scope 1 and 2 Greenhouse Gas Emissions Intensity (Location-based, tCO₂-e/AU\$m)

This metric is calculated as A divided by B, where A and B are as follows

A = the Group's absolute Scope 1 Emissions and Scope 2 Emissions (Location-based) for that financial year, in each case measured as tonnes of CO₂-e emitted ("tCO₂-e") as detailed in the Sustainability Report for the relevant financial year. Data is collected and maintained in accordance with **Downer's Energy and Emissions Procedure, page 7-21**; and

B = the Group's total revenue during that financial year as detailed in the Accounts for that financial year. Revenue is defined as Downer 'Total Revenue', which is a non-statutory disclosure and includes revenue from joint ventures, other alliances and other income.

Indigenous Cultural Awareness Training, Te Ara Whanake & Te Ara Maramatanga Training

Indigenous Cultural Awareness Training (ICAT) for employees is a 30 minute eLearn training targeted at all employees to designed to develop existing knowledge and cultural competence of Downer's employees to understand the history, cultural norms and protocols of Aboriginal and Torres Strait Islander peoples.

Indigenous Cultural Awareness Training (ICAT) for leaders is a 40 minute eLearn training targeted at 'Supervisor' level and above designed to develop existing knowledge and cultural competence of Downer's leaders to understand the history, cultural norms and protocols of Aboriginal and Torres Strait Islander peoples. Note as 'Supervisor' isn't defined and there are different role titles across the organisation, the definition of a leader is at the discretion of each function and each business unit. Participants complete the same 30 min course as the ICAT for employees course, and then move into a 10 minute video tailored specifically to leaders.

Indigenous Cultural Awareness Training (ICAT) for new leaders is a 10 minute eLearn training targeted at new leaders who have previously completed the ICAT for employees course. This is solely the video that is shown at the end of the ICAT for leaders course.

Māori Leadership Training consists of two different training programmes, both delivered in person:

- Te Ara Whanake – a 6 day New Zealand based programme to support Maori Leadership, a key initiative to help attract and retain Maori in a tight labour market. Two spinoffs of the main Te Ara Whanake program have been created (following the same format and length, for nuanced cohorts):
 - Te Ara Whanake Ake is a course tailored for senior Māori leadership.
 - Te Hā is a course tailored for females
- Te Ara Maramatanga – a 2 day New Zealand based training programme for Non- Maori's to provide them with a deeper understanding of Maori history, culture and Tikanga and become proponents of cultural diversity within Downer.

Metric based of hours given various formats of delivery with different time commitments, hours of training delivered has been deemed to be the most accurate reflection of Downers delivery of this diversity training.

Data sources are:

- **ICAT** – Directly logged when an employee completes training within the **Downer Learning** platform
- **Te Ara Whanake and Te Ara Maramatanga** – Based on attendance sheets that are uploaded from individual programme coordinators, and sent through to **Downer Learning** upon completion of each training session.

Mental Health First Aid

The metric is calculated by dividing the total number of active employees trained in Mental Health First Aid (over the last three years) by Downer's FTE as at 30 June 2024. This calculation follows the MHFA method for computing FTE (extract below).

FTE is defined in accordance with the Mental Health First Aid Recognition Program and Downer's internal definitions. This is as follows:

Active employees includes:

- Full-time employees (fixed term and permanent)
 - To calculate – divided assignment hours by 38 to attain FTE.
 - *If assignment hours were > 38 hours, assume an FTE of 1 for those employees.*
 - *If assignments were zero or blank, assume an FTE of 1 for those employees.*
- Part-time employees (fixed term and permanent)
 - To calculate – divided assignment hours by 38 to attain FTE.
 - If assignment hours were zero or blank, assume an FTE of 0.5 for those employees.

Casual employees are not included in FTE. If casual employees have been trained in Mental Health First Aid, they are expressly excluded from the numerator and denominator of this metric.

Mental Health First Aid Training is a two day programme available to all employees at Downer. Having initially been offered to the highest risk individuals (Fly in, Fly Out employees) in 2019 Downer expanded the Mental Health First Aid Training out across the entire business. Upon completion of the course the individuals become accredited Mental Health First Aiders (MHFA).