



2025 Sustainability Report Basis of Preparation

21 August 2025

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Introduction

This 2025 Sustainability Report has been prepared in accordance with the GRI Standards for the period 1 July 2024 to 30 June 2025. All amounts are presented in Australian dollars which is the Company's functional and presentation currency, unless otherwise noted.

This Basis of Preparation (BoP) document provides methodologies, criteria, and assumptions used in compiling the Sustainability Report, 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:

- Environment and safety fines and prosecutions
- Significant Environmental Incidents
- Safety related metrics (LTIFR/ TRIFR and Fatalities)
 - Scope 1 and 2 Greenhouse Gas Emissions Intensity
 - Cultural Awareness Training
 - Mental Health First Aid

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 Fines¹

Scenario	Outcome
Event occurs before balance date; and, Fine received and paid 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 before or after balance date, but before the publication of this year's Sustainability Report, and paid before the publication of this year's Sustainability Report.	Fine, and associated value disclosed in the this year's Sustainability Report and is added to the total Environment and Safety Fine figures for this year.
Event occurs before balance date; and, Fine received before or after balance date, but before the publication of this year's Sustainability Report, but not paid before the publication of this year's Sustainability Report.	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. If the fine relates to a Significant Environmental Incident, or an LTI that was at least a Category 4 within Downer's Risk and Opportunity Matrix, then the details of the fine shall be disclosed in this year's Sustainability Report, irrespective of the payment status.
Event occurs after balance date; and, Fine received after balance date, irrespective of payment status	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.

¹ In the event of a fine that is subject to appeal in a future period, if the appeal is successful, a disclosure in the Sustainability Report during the period that the successful appeal occurred shall be made, and comparatives restated.

Environment and Safety Prosecutions

Scenario	Outcome
<p>Prosecution proceedings commence before balance date; and,</p> <p>Prosecution finalised before balance date.</p>	<p>Prosecution disclosed in this year's Sustainability Report. Prosecution added to total prosecution figures for this year.</p> <p>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.</p>
<p>Prosecution proceedings commence before balance date; and,</p> <p>Prosecution proceedings not finalised before publication of this year's Sustainability Report.</p>	<p>Interim details of the prosecution (that are known before balance date) disclosed in this year's Sustainability Report.</p> <p>Prosecution added to total prosecution figures in the reporting period to which the prosecution is finalised.</p>
<p>Prosecution proceedings commence after balance date; and,</p> <p>Prosecution proceedings not finalised before publication of this year's Sustainability Report.</p>	<p>Prosecution and associated details added to total prosecution figures in the reporting period to which the prosecution is finalised. No disclosure made in this year's Sustainability Report.</p>

Significant Environmental Incidents

Definitions

Significant Environmental Incident A significant environmental incident or significant environmental spill (\geq Level 4) is any environmental incident or spill where there is significant impact on or material harm to the environment; or an incident or spill that results in a significant impact or material harm; or there is long-term community irritation leading to disruptive actions and requiring continual management attention

Boundary

Downer reports on all significant environmental incidents 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.

Safety related metrics (LTIFR/TRIFR/Fatalities)

Definitions

Direct Downer Control refers to Downer's ability to direct the work activity, which may be through directions of:

- The work methodology
- The controls to be used
- The way in which risk must be identified and managed
- Use of our our management system, for example: permits, critical controls, or SWMS (or equivalent)..

Incidents occurring due to causal factors beyond Downer's ability to control the risk are deemed neither under Downer Control or Influence. This includes:

- *during a journey² or recess*
- *on a public road and is a result of a member of the public's negligence*
- *due to failure in public infrastructure not under Downer control*
- *Due to third parties conducting works under their own processes, and, at their discretion.*

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

² Definition of 'journey' is 'an injury that occurs during any travel which is not directly related to work, including but not limited to, commuting to/ from work, or a personal detour during work-related travel'.

- 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 FY25 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.

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

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 51% of all exposure hours within Downer. A calculation method is used by all business units, except for Rail & Transit Systems who use actual hours. For this year, 84% of contractor hours are sourced from this method, and applied across the Social Infrastructure and Citizen Services, parts of Transport & Infrastructure and parts of the Energy & 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 procedures set out within the Energy and Emissions Basis of Preparation, located in Downer's 2025 Annual Report (pages 225-235).

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. In FY25, this included revenue from Keolis Downer not accounted for within Downer's Accounts, that was otherwise earned but for the classification of Keolis Downer as an asset held for sale.

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. This course is also available to contractors.

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 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. This course is also available to contractors.

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. This course is also available to contractors.

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
 - Courses are generally 48 hours in length (i.e. six 8 hour days). However, some courses are up to 53.5 hours in length as a result of a night session being held within some workshops in addition to 8 hour day.
- Te Whanake Timatanga (Tumu) is a course (2 days, 16 hours) containing content to support Maori Leadership
- Te Ara Maramatanga – a 2 day (16 hour) 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. Some Te Ara Maramatanga courses are entered directly on to **Downer Learning** by course facilitators and therefore do not have a physical attendance sheet accompanying their completion.

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 2025. 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).