



2026 ESG Impact Report Basis of Preparation

20 August 2026



Table of contents

Table of contents	1
Introduction	2
Environment and Safety fines and prosecutions	3
Definitions	3
Boundary	3
Significant Environmental Incidents	6
Definitions	6
Boundary	6
Safety related metrics (LTIFR/TRIFR/Fatalities)	6
Definitions	6
Boundary	8
Injury Reporting Calculations	8
Estimates	9
Other Metrics	10
Scope 1 and 2 Greenhouse Gas Emissions Intensity (Market-based, tCO ₂ -e/AU\$m)	10
Mental Health First Aid	10
Energy Production	11

Introduction

This 2026 ESG Impact Report has been prepared in accordance with the GRI Standards for the period 1 July 2025 to 30 June 2026. 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 ESG Impact 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 ESG Impact 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

Balance date means 30 June 2026.

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.

For example, receiving an environmental fine for the unauthorised discharge of a contaminant 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.

For example, receiving a safety fine for the 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 reporting boundary. This includes joint ventures and associates where the fine or prosecution has been served on a Downer entity.

Fines and prosecutions relating to entities acquired during the period are included from the date the acquisition is finalised. Fines and prosecutions relating to entities divested during the period are excluded from the date the divestiture is finalised. This reflects the period during which these entities are controlled by or consolidated within Downer.

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 in this year's ESG Impact 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 ESG Impact Report, and either paid or processed for payment before the publication of this year's ESG Impact Report.	Fine, and associated value disclosed in this year's ESG Impact 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 ESG Impact Report, but not paid before the publication of this year's ESG Impact Report.	Fine, and associated value disclosed in the next year's ESG Impact 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 ESG Impact 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 ESG Impact 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 ESG Impact Report during the period that the successful appeal occurred shall be made, and comparatives restated.

Environment and Safety Prosecutions

Scenario	Outcome
Prosecution proceedings commence before balance date; and, Prosecution finalised before balance date.	Prosecution disclosed in this year's ESG Impact 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 ESG Impact Report.	Interim details of the prosecution (that are known before balance date) disclosed in this year's ESG Impact 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 ESG Impact Report.	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 ESG Impact Report.

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 reporting boundary. This includes joint ventures and associates where the fine or prosecution has been served on a Downer entity.

Significant environmental incidents relating to entities acquired during the period are included from the date the acquisition is finalised. Significant environmental incidents relating to entities divested during the period are excluded from the date the divestiture is finalised. This reflects the period during which these entities are controlled by or consolidated within Downer.

Management undertakes a review and assigns a provisional rating for each environmental incident, using Downer's incident classification standard, within 10 days after the incident. A detailed investigation is undertaken with a final rating determined within two months of the incident occurring. There may instances where additional information regarding an incident that occurred during the period, becomes available to Downer during the following period. If this is prior to the report release date, Downer will update for the final rating in the report. If this changes the final rating disclosed by Downer in the prior period, Downer will disclose this as a restatement.

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.*

Downer Workers means all individuals working for Downer or its controlled and consolidated entities as employees, contingent labour hire, contractors, subcontractors, apprentices, trainees, and work experience students.

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

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).

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.

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).

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'.

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 FY26 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)	$\frac{\text{Total Recordable Injuries (Fatality + LTI + MTI)} \times 1,000,000}{\text{Hours worked by the work unit}}$
Lost Time Injury Frequency Rate (LTIFR)	$\frac{(\text{Lost Time Injuries} + \text{Fatalities}) \times 1,000,000}{\text{Hours worked by the work unit}}$

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. If a divestment occurs during the year, injury and data hours are included up until the date the divestment is finalised.

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 Downer's standard working hours of 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 50% of all exposure hours within Downer. The proportion of contractor exposure hours as a percentage of all exposure hours per business unit is as follows:

Business Unit	Contractor hours %
Energy & Utilities	37 %
Rail & Transit Systems	38 %
Social Infra & Citizen Services	63 %
Transport & Infrastructure	51 %

A calculation method is used by all business units, except for Rail & Transit Systems who use actual hours. For this year, 91% 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.

These hours are calculated in the following manner:

Step	Calculation Used
Calculating exposure hours	$\frac{\text{Monthly spend on contractors}}{\text{Estimated rate per hour}^*} = \text{Contractor hours worked}$
*The estimated rate per hour is calculated for each business unit using the same process. This uses Total Revenue, Staff Labour Costs, Subcontractor financial data and Employee hours recorded within InControl for a 12-month period (usually a financial year) to calculate average labour percentage and average labour rate.	

Other Metrics

Scope 1 and 2 Greenhouse Gas Emissions Intensity (Market-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 (Market-based) for that financial year, in each case measured as tonnes of CO₂-e emitted ("tCO₂-e") as detailed in the ESG Impact 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 2026 Annual Report (pages 77-84).

B = the Group's total revenue during that financial year as detailed in the Financial Statements within the Annual Report for that financial year. Revenue is defined as Downer Statutory revenue, including other income and assets held for sale.

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 2026. 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 program 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).

Energy Production

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.

This excludes the reporting of Energy Production for Downer's non-Australian facilities. For non-Australian facilities, a threshold of 1MW energy generation and 1,000,000 kWh electricity generated was applied for each generator in order to be considered reportable.