

UN Global Compact Communication on Progress

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

March 2020



STATEMENT OF SUPPORT



McConnell Dowell
Corporation Limited
ABN 11 008 444 880
Level 3, 109 Burwood Road
Hawthorn VIC 3122 Australia
PO Box 6055, Hawthorn West VIC
3122 Australia
P +61 3 9816 2400
F +61 3 9818 3553

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Statement of Support

I am pleased to confirm that McConnell Dowell reaffirms its support of The Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption and this commitment is reflected within our business strategy, organisational culture and our values.

McConnell Dowell is committed to supporting The Ten Principles and strengthening implementation of measures to integrate The Ten Principles into all areas of our business.

Yours sincerely,

Scott Cummins
CEO McConnell Dowell Corporation Ltd



OUR SUSTAINABILITY POLICY

SUSTAINABILITY POLICY



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

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

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

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



Scott Cummins

Scott Cummins
Chief Executive Officer
McConnell Dowell Corporation Limited

WHAT DOES SUSTAINABILITY MEAN TO MCD ?

ECONOMICS

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

HEALTH & SAFETY

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

ENVIRONMENT

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

GOVERNANCE

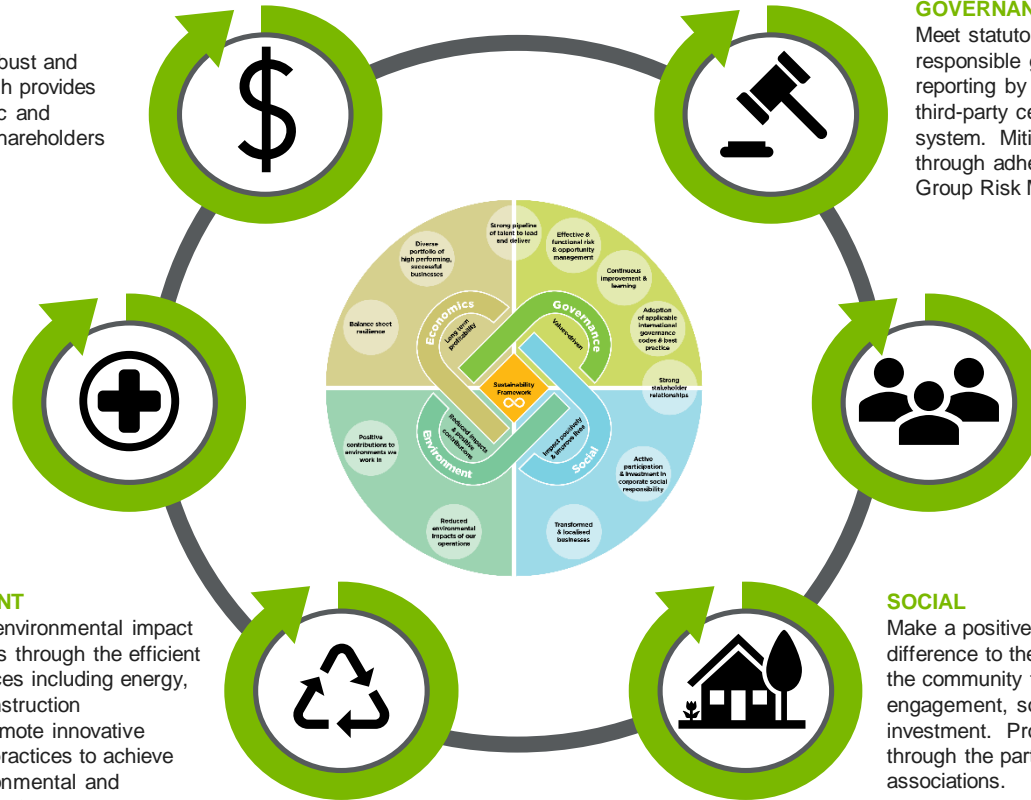
Meet statutory obligations and ensure responsible governance with transparent reporting by operating in accordance with our third-party certified integrated management system. Mitigate risk to acceptable levels through adherence to McConnell Dowell Group Risk Management practices.

OUR PEOPLE

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

SOCIAL












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





OUR SUSTAINABILITY FRAMEWORK

THE MCD SUSTAINABILITY RELATIONSHIP FRAMEWORK

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

Governance: Aligned with UN Global Compact Principle 10

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



Examples Of How Do We Do This On Projects?

- Utilise the MMS and audit process
- Application of the Code of Business Conduct and Annual Pledge
- Communication – demonstrate leadership
- Use the Legal and Commercial functions
- Risk registers updated regularly
- Zero tolerance to all forms of corruption and promote higher ethical standards across the industry



Outcome

- MMS compliance and use is measured and audited. KPIs met
- Code of Business Conduct and Annual Pledge measured on-line

Social: Aligned with UN Global Compact Principles 1 and 6

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

Examples Of How Do We Do This On Projects?

- Working with local charities
- Social procurement and involvement with Social Traders
- Supporting local schools
- Safety begins at home – provide education
- Using local labour
- Built Environs working with Auckland City Mission
- WPA in Melbourne collaborating with Melbourne City Mission

Outcome

- CSR reporting system confirms KPIs are met
- Codesafe platform used to increase safety education



Environment: Aligned with UN Global Compact Principal 9

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



Examples Of How Do We Do This On Projects?

- CEMP implementation
- Reuse of material
- LED or solar light towers
- Use sustainable materials
- Innovative engineering
- Providing mulch to schools from vegetation cleared from our projects

Outcome

- Data input into Sustainability Warehouse now at 100%
- Assurance of data measured by EY audit process, KPI met



Economics: Aligned with UN Global Compact Principle 4

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

Examples Of How Do We Do This On Projects?

- Accurate and timely reporting
- No surprises culture
- Use lessons learnt
- Good customer relationship
- Engagement with local labour hire companies
- Recruitment of refugees on the WPA projects
- Sourcing consumables through locally-based traders

Outcome

- Monitoring of employment diversity through employment records
- KPI met of increasing gender equity and diversity year on year



WHY USE MCD VALUES & GLOBAL OBJECTIVES ?

Why reference MCD Values ?

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

Why reference the Global Reporting Index (GRI) ?

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

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

The SDGs are designed to enhance the global comparability and quality of information about these goals, thereby enabling **employees to know what part they play** and accountability of organisations. They are a comprehensive plan of action to improve human lives and protect the environment.

Why reference the UN Global Compact ?

We are signatories to the UN Global Compact and report annually. Meeting these criteria reinforces the commitment to a set of core sustainable and socially responsible values. These provide a **balanced picture** of the organization's material topics (values) and related impacts (economic, environmental, or social), as well as how these impacts are managed.

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