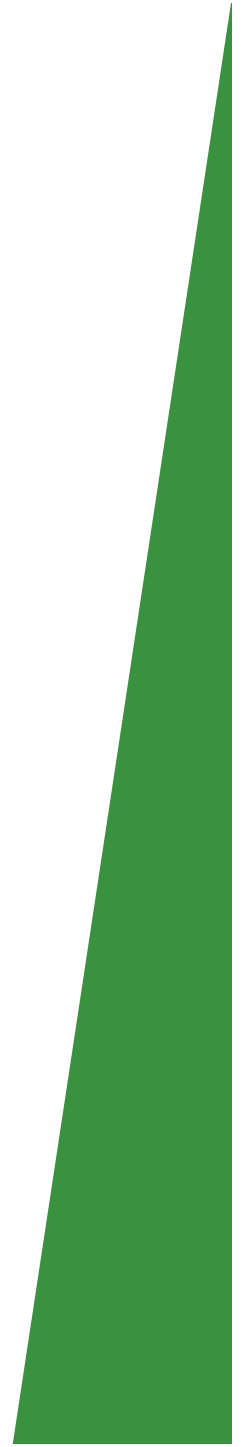


UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2022

McCONNELL DOWELL

January 2022



Introduction

McCONNELL
DOWELL

CREATIVE CONSTRUCTION™

McConnell Dowell
Corporation Limited
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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

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DRIVING PROGRESS

www.mcconnelldowell.com



Values

Safety & Care

We look after each other. No one gets hurt.

Honesty & Integrity

Everyone gets a fair go. We play by the rules. Honesty with ourselves and others builds confidence and promotes trust and loyalty.

Customer Focus

We develop and foster long term relationships. We deliver on our promises. We are rewarded for value delivered.

Working Together

We are on the same team. We trust, respect and support each other.

Performance Excellence

We achieve great results. We learn and drive continuous improvement

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

A shift to evolve our Sustainability Framework into an ESG Framework has allowed us to expand and develop our goals in line with the SDGs and the UN Global Compact Principles. The ESG Framework embraces our Values and our Purpose of Providing a Better Life.



The ESG framework

Our environmental, social, and governance (ESG) framework guides our organisational decision making and focus, aligned with our Values and Purpose of **Providing a Better Life**.



The ESG Framework



SAFETY & CARE

Home without harm, everyone every day. The health, safety and wellbeing of our people, the community and the environment is paramount.

HONESTY & INTEGRITY

We do what is right – consistently and transparently

CUSTOMER FOCUS

We build relationships by collaborating and delivering on our promises with excellence

WORKING TOGETHER

We respect and cooperate with each other and leverage our rich knowledge and diversity

PERFORMANCE EXCELLENCE

We hold ourselves and each other accountable and always strive to exceed expectations



Environment

Carbon & Our Environment

Carbon Emission

Reduce carbon intensity score and have a roadmap to carbon neutral

Waste & Pollution

All projects diverting waste from landfill

Climate Change

Engineering & design considers climate change and adaptation measures

Resource Depletion

Leverage partnerships to reduce consumption and improve resource efficiency

Environment Awareness

Environmental education series in place



Social

Our Community & People

Home Without Harm

Consistently improving our lead indicator performance

Supply Chain

Supply chain committed Modern Slavery statement

Customer Responsibility

Strong customer relationships at all levels

Community

Direct economic value generated by community investments

People & Development

L&D commitment to all employees



Governance

Conduct & Compliance

Sustainable Procurement

Sustainability forms part of procurement and risk management

Ethical Conduct

All employees complete the Annual Code of Conduct Pledge

Internal Procedure Governance

Delivering compliant projects in line with promises to Customers

Risk Management

Clear risk management framework and controls enforced

Corporate Governance

Financial (incl tax) transparency & compliance



ESG Framework



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Carbon & Our Environment

Carbon Emission

Reduce carbon intensity and outline roadmap to carbon neutrality

Environment Awareness

Environmental education and reporting transparency

Climate Change

Engineering and design considers climate change and adaptation measures

Resource Depletion

Partnerships with all stakeholders to reduce consumption and improve resource efficiency

Waste & Pollution

Reducing waste, diverting waste from landfill and increasing recycling. Identify and remediate sources of pollution

Objectives

Measure scope 1 and 2 CO2 emissions
Measure carbon intensity
Roadmap to carbon neutrality

Environmental education series
Measure and verify PEHAI ratio

Engineering and design considers climate change and adaptation measures

Active initiatives to reduce potable water consumption
Renewable energy to be business as usual.

All projects divert waste from landfill
Increase project recycled content

FY22 Targets

Baseline defined
Established and endorsed by the Board

Environmental awareness sessions run on all projects
PEHAI ratio > 40.

Climate change addressed in the design solution at tender and delivery, providing options that can be offered to the Customer.

An average of 2 initiatives per project
Outline a pathway to 100% green energy

90% of waste diverted from landfill KPI

UNGC Principle 9 –
Encourage the development
and diffusion of
environmentally friendly
technologies



ESG Framework



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Our Community & Our People

Home Without Harm

Consistently improving our lead indicator performance

Supply Chain

Commitment and partnership with our supply chain for sustainable practices

Customer Relations

Innovation through strong and effective customer relationships

Community

Direct economic value generated by community investments

People & Development

Diversity and inclusion. Learning & Development commitment to all employees

Objectives

Measure and verify PHAI ratio

Safety Capacity Index

Commitment to local supply chain

Modern Slavery compliance

Collaboration on ESG measures with our customers

Increased social procurement spend

Commitment to RAP, mana whenua and tangata whenua

Increase diversity within MCD
Continuous development of all employees

FY22 Targets

PHAIR consistently above 189

Safety Capacity Index defined and adopted

Establish baseline measure of local supply chain % of total procurement spend

Meet Modern Slavery legislation requirements

Capture incidence of ESG innovation and collaboration with our Customers

Capture and increase social procurement spend

Capture progress against RAP actions and commitment to te reo Maori

Develop a measurable diversity strategy

50% of staff with I.D.P.s
Implement Group wide leadership, development and sales capability programs

UNGC Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights:

UNGC Principle 6 – the elimination of discrimination in respect of employment and occupation.



ESG Framework



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Conduct & Compliance

Decision Making

Sustainability forms part of all decision making processes

Corporate Governance

Financial transparency and compliance to standards and regulations

Risk Management

Clear and effective risk management framework and controls

Internal Procedure Governance

Delivering compliant projects in accordance with governing policies, operating standards and procedures

Ethical Conduct

All business performed in accordance with the Code of Conduct and verified by annual Pledge

Objectives

ESG to be a business as usual consideration at all levels of the company

Commitment to compliance with regulations and tax laws in all jurisdictions.

An Operating Risk Management culture in all parts of the business

MMS compliance auditing
Internal controls (process, standards, structures & systems)

Annual Code of Business Conduct pledge
'Tip off' line in place

FY22 Targets

ESG is a standing agenda item at monthly Exco, SLT meetings and quarterly Board meetings

Timely lodgement of unqualified statutory financial accounts and tax reporting in compliance with all local jurisdiction regulations

Effective review and reporting of project R&O and strategic risk reviews in BU, Exco and Board

MMS compliance audit targets met
Action plans established for any areas of non-compliance

Annual Code of Business Conduct pledge compliance greater than 95%
Timely resolution of 'Tip Off' line matters

UNGC Principle 4 – The elimination of all forms of forced and compulsory labour

UNGC Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery.



Human Rights

Policies/Standards/Reference Documents

- Code of Business Conduct
- Diversity & Inclusion Policy
- Operating Standard – Resources
- Operating Standard – Managing Employment Issues

Sustainability Development Goals

- SDG3
- SDG10

Monitoring Results

- MCD monitors the contributions made to local communities and reports through the company CSR reporting



Labour

Policies/Standards/Reference Documents

- Code of Business Conduct
- Diversity & Inclusion Policy
- Operating Standard – Resources
- Operating Standard – Managing Employment Issues

Sustainability Development Goals

- SDG5
- SDG8

Monitoring Results

- Monitoring of employment diversity through employment records.
- KPI of increasing gender equality and diversity year on year.



Environmental

Policies/Standards/Reference Documents

- Environment Policy
- Operating Standard Environment
- Sustainability Policy
- Code of Business Conduct

Sustainability Development Goals

- SDG9
- SDG11
- SDG14
- SDG15

Monitoring Results

- Measurement of data through the Sustainability Warehouse
- Assurance of data through EY audit process



Anti-Corruption

Policies/Standards/Reference Documents

- Anti-Corruption Framework
- Code of Business Conduct
- Hotline for Reporting Corruption
- Operating Standard Anti-Fraud
- Operating Standard Conflict of Interest

Sustainability Development Goals

- SDG8
- SDG16

Monitoring Results

- Data collected from mandatory Code Of Business Conduct e-learning module
- Monitoring of Anti-Corruption hotline activity.



UN Global Compact Principle 1 & Principle 10

McConnell Dowell respects human rights across its business operations - all employees, communities and countries. We are committed to ensuring healthy lives and well being, strong social performance reducing inequality within and among all countries. A key to achieving these goals is working with our subcontractors – support, education and teamwork to deliver improvements in employment and community initiatives.

Equality and Leadership Representation

At Group level, McConnell Dowell completes a comprehensive review of pay across genders to ensure that there are no gender pay discrepancies for all positions.

Recognising the need for under represented groups to move into leadership roles, McConnell Dowell's leadership program provides leadership opportunities to those in under represented groups.



UN Global Compact Principle 1 & Principle 10

- The Auckland Office support KidsCan, by collecting donations from the business unit and hosting fundraising events. KidsCan is a charity that provides over 161,000 kids with access to food, clothing and healthcare items in partnership with 675 schools across the New Zealand
- Built Environs support the Salvation Army's DUO program. Working alongside South Australian police to provide a safety presence for late-night revellers and to connect with rough sleepers. The café van is an extension to this ministry, to provide a static point of contact.
- WPA in Melbourne continues to collaborate with Melbourne City mission, a charitable organisation who work with refugees, and other disadvantaged groups to build capability in our teams to understand cultural diversity and the positive of inclusion in the workplace.
- Built Environs in New Zealand is working with Auckland City Mission to construct their new Mission building. As part of the process, Built Environs is supporting the Mission with it's work – providing shelter, food and care to Auckland's homeless and disadvantaged residents.



UN Global Compact Principle 4

Indigenous Employment

The Western Program Alliance worked with Outlook to offer long term employment to people who face significant barriers to employment due to disability. The team has collaborated with Outlook in sharing the vision for empowering people with disability.

The Western Program Alliance (WPA) has implemented initiatives to engage businesses that are indigenous owned in the Western Suburbs of Melbourne.

McConnell Dowell remains committed to equal employment opportunities on all of our projects Worldwide.



UN Global Compact Principle 4

Engagement from local communities in disadvantaged areas

WPA has implemented local social procurement initiatives with PPE purchases, catering, stationary and consumables through locally-based traders

WPA is continuing to support a program to recruit refugees who are looking to work in the civil engineering and construction industry.

Codesafe Platform – Education & Development

Our Home Without Harm Codesafe platform has allowed our subcontractors, as well as our direct workforce and Clients, to access material to assist in education about risks on projects. The platform provides access, via scanning a QR code, to educational films and documents – designed to increase safe practice in the workplace.

The platform is actively shared with all of our workers, regardless of the employer, plus our Clients – the aim is to increase safety within the industry as a whole and improve the knowledge base of the whole labour force.



UN Global Compact Principle 9

At McConnell Dowell we focus on the small everyday environmental achievements and initiatives as much as the larger ones. We encourage our project teams to think for themselves and implement activities to minimise environmental impact – supporting this learning process results in a network of environmental initiatives that are then continued in the individual homes.

Examples are:

- Use of recycled content on projects where possible.
- Diesel generators changed out with biofuel generators where possible.
- Recycling of vegetation cleared from our projects in Victoria to provide mulch to local schools.
- Maintaining the public roads in Singapore – cleaning and providing shelter for the public on areas of road near our projects. Providing a clean and safe environment for all public road and transport users.
- Active protection of local wildlife in New Zealand
- Increased use of Eco bins into Melbourne Head Office – reduction in landfill waste of 90%
- Involvement in construction of 'waste for fuel' plants
- Solar sheds installed on some projects



UN Global Compact Principle 9

On our projects, environmental management is everybody's responsibility, regardless of their role and the nature or location of the projects.

We lead by example in promoting environmental management. We empower our people and teams to be their best and our people are actively encouraged to be creative and innovative in approaching environmental management.

We have a dedicated team of environmental professionals that actively supports all staff in achieving the high environmental standards expected. We do this with a positive and collaborative approach and a focus on accountable leadership; reducing emissions; managing efficient use of energy, resources and project materials; minimising waste; and through responsible biodiversity management of local flora and fauna.

We take on a "one team" approach with our clients and partners in our commitment to the environment. Our method has created a framework for our environmental standards which have been recognised throughout the industry.



UN Global Compact Principle 10

Our Code of Business Conduct is issued to every employee globally, in addition each employee has annual mandatory training – this is across all countries and locations.

It is our vision is to build a legacy that every employee, their families and future generations can be justly proud of and at its very foundation it assumes that everything we do is of the highest ethical standard.

We take pride in our commitment to corporate citizenship, which is formalised in our code of business conduct. We expect every person at McConnell Dowell to adhere not only to the letter, but also to the spirit of this code and all relevant legislation.

We expect that ethical behaviour be practised by every employee, from the executive team to each and every person employed by every operating group.

We have zero tolerance policy to all forms of corruption and have developed an Anti-Corruption Framework as a working framework, not only to assist us in avoiding corruption in our own activities, but also doing what we can to promote higher ethical standards across the entire sector.

