

Tonkin + Taylor Group

2021 Strategic Report

e Pae Christchurch Convention Centre



Contents

Statement from our Chair

Message from our Managing Director

-Mili - Tonkin + Taylor at a glance Our Pathway

Our Operations

Our Future

06

Mordialloc Freeway project, Victoria, AUS

ER.



O1. Statement from our Chair

"2021 presented many challenges, but I am delighted to report the Group delivered a solid financial result. Tonkin + Taylor Group, and in particular our people, displayed exceptional levels of resilience in adapting to meet these challenges, while also achieving significant growth in very tight labour market conditions."



Jenn Bestwick, Tonkin + Taylor Group Board Chair

Click here for more from our Chair





O2. Message from our Managing Director

"Tonkin + Taylor Group approached 2021 with a bold response to the challenges of COVID-19, investing in our business to ensure we are future-fit and operating sustainably. We launched Our Pathway 2025, which articulates who we are, what we stand for and where we are going. Our Pathway 2025 was informed by what our people and clients wanted – a business that is clear about its purpose, values and direction."

Dr Tim Fisher, Managing Director

Click here for more from our MD

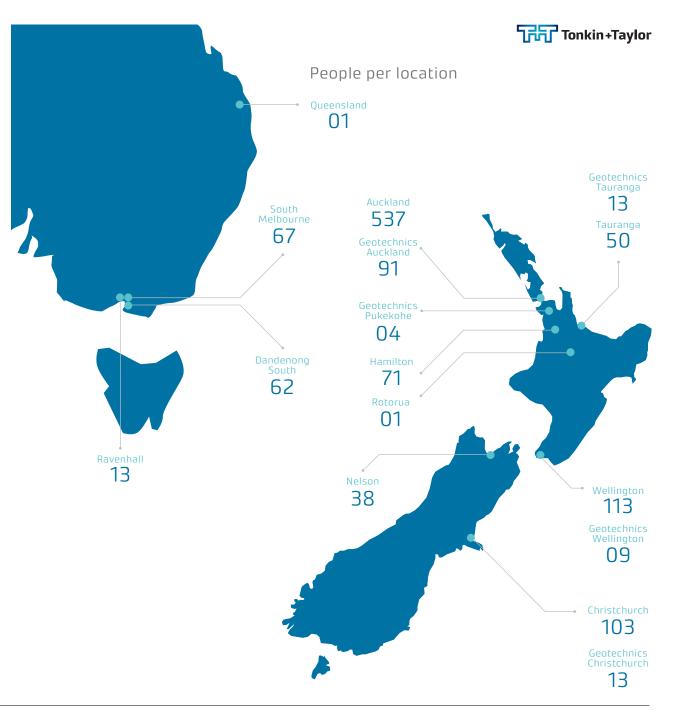


O3. Tonkin + Taylor at a glance

Tonkin + Taylor Group encompasses four proudly employee-owned companies.

In collaboration with our industry partners, we provide expert staff, specialist teams and project leadership to a highly varied client base, including national and multinational private sector companies, local, regional, state and national government agencies, developers, contractors, aid agencies, and regional development agencies.

With offices across Aotearoa New Zealand and Australia, we've supported our clients across five continents.





Our companies

Tonkin + Taylor New Zealand

Tonkin + Taylor New Zealand (TTNZ) is an environmental and engineering consultancy, offering market-leading specialist services in civil, project delivery, water engineering, environmental infrastructure and planning, strategic consulting, transport, ecology and water science, environmental geoscience, environmental engineering, geotechnical, data and digital, and design services. Our technical specialties combine to deliver for natural hazards resilience, land, transport, waste, water, energy and industry sectors.

Geotechnics

Geotechnics is a multi-channel provider of products and services to the environmental and engineering industries. Our services complement our product sales through providing calibration (MCC), field and laboratory testing, field investigations, instrumentation and telemetry services.

Tonkin + Taylor Australia

Tonkin + Taylor Australia's (TTAU) expert environmental and geotechnical consultants provide highly specialised advice to clients with challenges in land development, industry, transport, mining, waste, and energy. TTAU has partnered with Chadwick Geotechnics to become trusted partners on important projects in the private and public sectors.

Chadwick Geotechnics

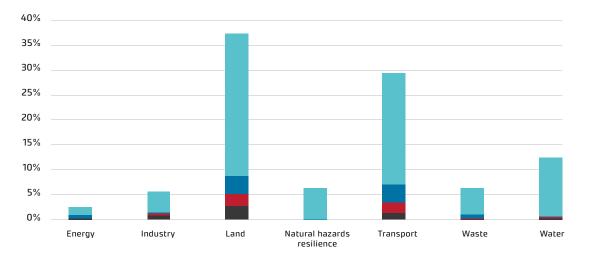
Chadwick Geotechnics is a reputable provider of investigative, drilling, specialist geotechnical testing, factual engineering, instrumentation and earthworks supervision services. With laboratories across Victoria and Queensland's Sunshine Coast, Chadwick Geotechnics is ideally positioned to service a growing demand for quality geotechnical data, as well as being an integral partner as TTAU grows its Australian footprint. Infographic data



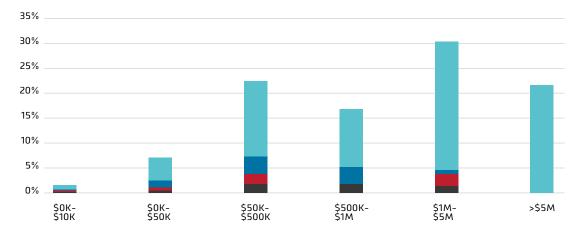




Percentage revenue by sector + company



Percentage revenue by client revenue size + company



2021 was a strong performing year with our land and transport sectors showing the highest percentage revenue growth in New Zealand and Australia. Our waste and energy sectors continue to stay steadfast. The water, natural hazards and industry sectors continued to provide opportunities for growth, in light of the New Zealand government water reforms, lwi engagement and climate change.

In 2022, we expect to build on last year's positive trends in New Zealand, meanwhile in Australia we expect a higher level of government and private client investment in infrastructure and land.



Our people

We are committed to fostering equity and to ensuring our workforce accurately reflects the diverse society we work in.

Our varied cultures and care for those around us are things we are immensely proud of. These unique aspects of Tonkin + Taylor Group directly influence our work with our clients and communities.

Governance + executive leader Māori cultural capability training

In 2021, we engaged Mather Solutions to provide Māori cultural capability training to our governance and executive leaders throughout Tonkin + Taylor Group. This training is providing tools to support our leaders to bring Te Ao Māori (Māori world view) to their work and ensure indigenous perspectives are considered at our highest levels of leadership.

Click here for more information

Gender at Tonkin + Taylor

We strive for a supportive environment that welcomes and celebrates all forms of gender expression.

Our commitment to the Diversity Accord, obtaining the Rainbow Tick, and our continued support of people of all genders through leadership and mentoring programmes, will see this representation continue to increase.

30% of our leadership roles, including 33% of our board and 45% of our executive team, are held by women, as are 36% of our technical roles.

Headcount by company

	2017	2018	2019	2020	2021
TTNZ	675	720	829	814	892
TTAU	38	51	58	57	63
Geotechnics	111	119	136	135	135
Chadwick Geotechnics	56	50	57	67	71
	880	940	1080	1073	1161

Our value 'Everyone matters' means equity and fairness are considered in everything we do, including performance and reward.

In 2021, we were proud to achieve pay equity, through:

- Introducing a simplified grading structure to gain metrics to track, measure and improve pay equity
- Making pay grades transparent, with role profiles to help our people understand their grade and what they can do to progress
- Taking a streamlined approach to where our people are positioned in their band, based on performance

family connection

overseas



nationalities

50%

of our people

have dependents (children or an older parent or relative) at home



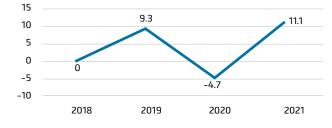
How our clients see us

We aspire to deliver a great experience for our clients and make it easy for them to do business with the Tonkin + Taylor Group.

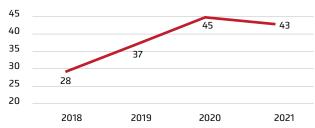
The Net Promoter Score (NPS®) is a popular metric used by firms to gauge client loyalty and satisfaction. It is based on the question "On a scale of 0-10, what is the likelihood that you would recommend Company X to a friend or colleague?" It is calculated by subtracting the percentage of detractors (those who gave a rating of 6 or less) from the percentage of promoters (those who rated 9 or 10). The resulting NPS® ranges between 100 and -100.

One way we measure our clients' experience of us is by tracking NPS scores and trends and benchmarking them alongside similar firms. From 2018 to 2021, Tonkin + Taylor Consulting's NPS scores have placed us ahead of our competitor set consistently. This speaks to our value of 'Excellence every day'.

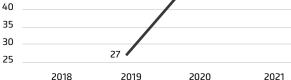












What our clients say about us

⁴⁴In the top set of consultants that I feel comfortable dealing with.⁹⁹

⁴⁴[Our project] wound up six, nine months ago, but we still communicate on WhatsApp, we still have a joke.³⁹

⁴⁴And the first call that I did was actually to [T+T]... that's something that I think talks about that trusted relationship with Tonkin + Taylor.⁹⁹



04. Our Pathway

For more than a decade, our Pathway has been our strategic framework to remind us why we are here and set our future direction.

In 2021 we launched Pathway 2025. This outlines our purpose (why we exist), our values (how we act), our vision (where we want to get to in five years) and our strategy (what we will do to get there), which combine to define our journey together toward 2025.

By 2025, Tonkin + Taylor Group will be renowned for inspiring sustainable futures, and that journey is already well under way.



Together we create and sustain a better world

Values

Everyone Empowered matters to deliver

Excellence every day

Vision

Renowned for inspiring sustainable futures

Strategy

Continually strive to be **better** - for our people, our clients and our communities

Being **sustainable** is embedded in everything we do

A **digital** approach to bring our expertise to the market

A company that is globally connected

Click here for more on our Pathway

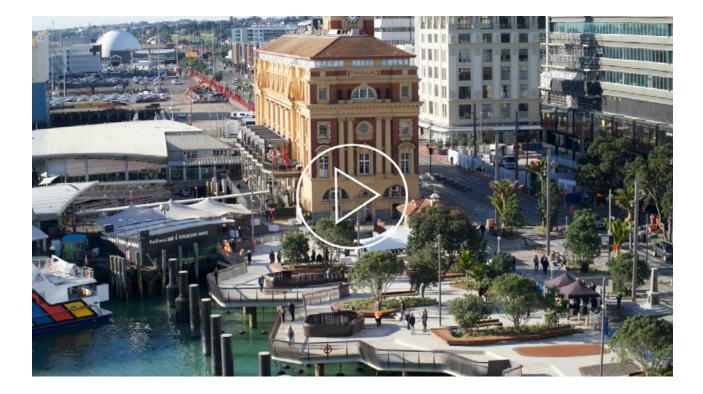


Our purpose:

"Together we create and sustain a better world"

Our purpose is what motivates and fulfils us and speaks to our power to make an impact together. The wairua, or spirit, of Tonkin + Taylor Group is a place of belonging, from which we journey together. We look after one another, take responsibility for improving the world around us and find satisfaction in doing great things together.

Click here for more on our purpose





Our values

Our values define our culture - our personal and professional behaviour - and create our collective moral compass, guiding who we are and how we act.



Our vision:

"Renowned for inspiring sustainable futures"

Our vision is where we want to be by 2025. Shaped by the voices of our people and clients, our vision speaks to the value we create for our clients, the outcomes we realise for our planet and the company we create for the next generation.

Click here for more on our vision

Our strategy

Our strategy areas are what we will focus on to bring our vision to life. These four areas connect in all that we do, driving us toward our vision of being renowned for inspiring sustainable futures.

Clients + Brands wraps around and connects with all our strategy areas. Our clients are our lifeblood and our future, and our brand is how we are perceived by the world - our reputation in the market and our relationships with our clients, partners, and communities. Our sector directors help maintain our outward focus, to understand our clients, markets, and future pipeline of work.

Click here to explore their insights



Tonkin+Taylor

Being sustainable is embedded in everything we do

Being sustainable is embedded in everything we do is about making good choices about how we work and live. These choices are critical to the long-term future of our planet and people, and our work contributes to that future in a positive way. Given that, historically, much of our work has been engineering and science-based, it is natural that environmental sustainability is at the front of our thinking for operating our Group and serving our clients.

Our sustainability strategy combines social, economic, and environmental sustainability. It recognises the dependencies between each of these outcomes and draws upon their individual strengths to help us achieve equitable collective results – for our people, our clients, and our communities.

Our sustainability leadership and team has developed our sustainability framework in alignment with the United Nations' Sustainable Development Goals and in collaboration with our people and clients.

What we are doing with our clients:

- Enhancing and communicating our environmental services
- Growing our environmental and community capabilities and partnerships
- Developing tools to support our projects including our Põhutukawa Carbon Calculator
- Targeting work that prioritises people and communities like the Mordialloc Freeway

Click here to find out more

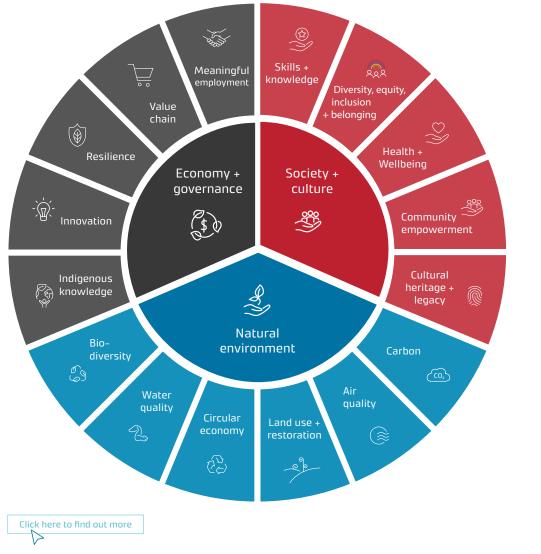
What we are doing in our operations:

- Investing in innovation and thought leadership
- Growing and integrating our indigenous understanding - both internally, and on projects like Te Wānanga
- Embedding prioritising nature and people into our operations





Our sustainability framework

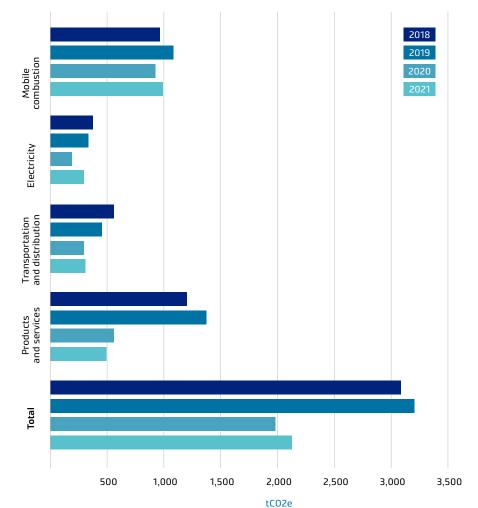


Our carbon emissions

Tonkin + Taylor Group Ltd's emissions by activity and year-on-year comparison



We are carbon zero certified with Ekos (2020)







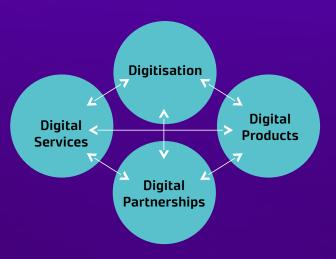
A digital approach to bring our expertise to the market

Growing and developing our Digital capabilities will enable Tonkin + Taylor Group to become a leading voice in global, driving us toward our vision of being renowned for inspiring sustainable futures.

Centring around four delivery vehicles, our Digital leadership and team have developed our Digital Strategy. This focuses on transforming Tonkin + Taylor Group, and inspiring our industry to grow its mindset, becoming more adaptive and responsive to infrastructure challenges through using data, digital technologies, and innovation.

- Digitisation: Digitising our workstreams and evolving our culture and mindset to one of efficiency and effectiveness (for example, our Field Logging Data Capture Application)
- **Digital Products:** Applications and solutions like Plexus 5.0 that increase efficiency and use data in innovative ways, enabling our clients to work smarter and accomplish more, faster
- Digital Partnerships: Partnering with others

 like our agreement with Komatsu to operate better through sharing data, tools, and resources, and working together to create and sustain a better world

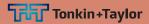


 Digital Services: Consulting services that support our clients on their own digital journey, enabling smarter, faster, more empowered ways of working

Click here to find out more

Digital data and technology are present in every part of our lives, driving expectations for people and businesses to be more connected, data-driven, efficient, and virtual.

Click here to see more examples of digital in action





Globally Connected

A company that is globally connected is about having access to insight, resources and networks, and applying them to benefit our people, our clients and our communities.



Our globally connected leadership and team are focused on moving from being globally aware, to becoming globally connected:

- Creating opportunities for our people to connect with new people, ideas, and experiences
- Building partnerships to grow our client base
 and skills
- Expanding our markets, through developing our international reputation and impact

Becoming globally connected is about more than international clients and offices overseas - it is about bringing in the best from the world and delivering our best to the world.

Just as we breathe, we inhale what our world has to offer:

- We bring in skilled, experienced people to work with us
- We partner with external groups and organisations to capitalise on their capabilities and thought leadership
- We use our networks as a source of innovation, knowledge, skills, and ideas

At the same time, we exhale our best capabilities, expertise, and ways of operating, to create mutually beneficial networks:

- We create opportunities for our people to share their ideas and thinking with international networks, building the strength of our reputation
- We reach out to clients and partners, taking our services and products to a global market
- We expand our presence across the globe

We are at the beginning of our journey to become globally connected, mapping out opportunities and defining our approach, so we can grow and develop in the future. We are excited to bring our expertise to global challenges – working alongside our international colleagues, clients and partners, to create and sustain a better world.

Click here to find out more





Better

Threaded throughout all that we do is our desire to be better, for our people, our clients, and our communities. This drives our ongoing work, ensuring that we are building an enduring, sustainable legacy that benefits everyone.

So how do we put that into action?

Click here to learn what "better" means to our senior leaders

Our strategy in action in 2021

What did we achieve in our strategic areas in 2021?



Became net carbon zero for 2020 business operations

Continued to diversify our workforce, with particular focus on women, and people from indigenous and Rainbow communities

···) [/____ (

Built our engagement with and support of community-focused and educational organisations, including TupuToa, Pūhoro STEMM Academy and various universities Established policies to support remote and flexible working

Fu ar

 Furthered our indigenous knowledge and brought this into our work internally
 and through projects like the beautiful Te Wānanga, which centres on mātauranga Māori to transform downtown Auckland



Moved into our sustainable, energy-efficient flagship office in Fanshawe Street, Auckland

- Pōhutukawa Carbon Calculator: developed through our DreamLab innovation programme, this simple, easy-to-use tool calculates embodied carbon emissions from the projects we design
- We built the foundations of our future digital business with a Digital Discipline and Digital Ventures business unit, establishing processes and assurance for digital ways of working
 - Digitisation of our workstreams, including our Field Logging Data Capture Application, which improves efficiency through digital data logging processes

Launched our digital product Plexus 5.0, and more digital products are underway

```
Click here for more on these achievements
```

Awards

We are driven by delivering better community and environmental outcomes and take pride in finding new and innovative ways to achieve these.

In 2021, our projects were recognised at significant industry award events, including:

- Beaton Client Choice Awards: Tonkin + Taylor won the Best Provider to Government & Community award, for client services in 2021 and was a finalist in two other categories
- The ENVIs (Engineering New Zealand's bi-annual awards): The National Climate Change Risk Assessment (NCCRA) consortium won the Supreme Award and the Engineering Impact Award. Because of this project, our decision-makers have the best available evidence and assessment for a planned approach to climate change. Doug Johnson, Principal Consultant and our former Managing Director, also won the Engineering Leadership Award.
- The ACE (Achieving Consulting Excellence)
 New Zealand Awards: The Wynyard Edge
 Alliance won gold with the 36th America's Cup
 Infrastructure Project, the NCCRA won silver,

and Plexus 5.0 won merit. Doug Johnson was also made an ACE New Zealand Honorary Life Member

- The Association of Land Development Engineers (ALDE) Excellence Awards: TTAU and Chadwick Geotechnics won the ALDE Sub-consultant/Supplier of the Year
- The IPWEA (Institute of Public Works Engineering Australasia) New Zealand Asset Management Excellence Awards: Piritahi won the Excellence in Environmental & Sustainability Award and Kōmata o Te Rangi, the Supreme Asset Management Excellence Award
- T+T and the team from Brian Perry Civil, Watercare Services Limited, SUEZ, ACH Consulting Engineers, and Neo Consulting won Excellence in Water Projects for the Papakura Water Treatment Plant. Our inputs were highlighted by the judges during the awards ceremony.

Click here for more on where T+T has been recognised

Our Operations

Our operations are foundational to the resilience of our business.

Health, Safety, and Wellbeing

Our strong culture of raising awareness of Health, Safety and Wellbeing (HSW) incidents keeps our people informed and in touch with the environment in which they operate. In 2021, we achieved ISO45001, a globally recognised HSW certification which recognises the soundness of our HSW framework, positioning us well when competing for tenders.

Our board and group leadership team reset HSW objectives to embedding HSW leadership, developing a thriving HSW culture, integrating Safety in design into all our practices and ensuring our people's mental health and wellbeing is supported by having a fully integrated HSW approach.

Governance

The Tonkin + Taylor Group Board provides governance across our four companies, in four main roles:

- Setting our purpose, vision and strategy
- Setting the tone of our culture and ensuring effective relationships with management and shareholders
- Setting our risk appetite and holding management to account
- Ensuring effective compliance with our regulatory obligations

The board has committees for Risk & Assurance, People & Culture and an Australian board for targeted governance activity.

Click here for more information on the board committees

Risk management

Delivering services, solutions and products involves uncertainty, and managing risk is central to achieving our strategic objectives and ensuring business continuity.

Click here for more on our risk management approach

Tonkin+Taylor

06.

Our Future

With Tonkin + Taylor Group's Sustainability, Digital and Globally Connected strategies set to deliver more in 2022 and beyond, and our focus on becoming better for our people, our clients, and our communities, the future is exciting.

Turning from 2021 to the future, we will focus on embedding a strong Health, Safety and Wellbeing culture, managing risk proactively while facilitating growth and innovation, and developing our policies and processes to ensure our people are empowered to do their best work.

As we embark on our Pathway – our journey to 2025 – and work together toward achieving our vision of being renowned for inspiring sustainable futures, we all need to play our part. Our people's care, collaboration, and expertise will keep us at the leading edge of sustainability and resilience.

Our work will help to build a better world for future generations, and that journey has already begun.

「元」 Tonkin+Taylor

ALL REAL

tonkintaylor.co.nz | tonkintaylor.com.au





chadwickgeotechnics.com.au

Tar Barrel Tunnel Bypass