

POWERING FUTURES,
CREATING LEGACIES.



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BMD GROUP 2032 EMISSIONS GUIDANCE



The BMD Group is working towards reducing its Scope 1 and Scope 2 greenhouse gas (GHG) emissions intensity in Australia by 20% by 2032, relative to 2024 levels. This ambition supports our broader sustainability strategy and reflects our commitment to operational excellence, innovation, and responsible leadership across the infrastructure and construction sectors.

Our Scope 1 and Scope 2 GHG emissions reduction ambition will be achieved through the following strategic initiatives:

- ▶ Strategic procurement of renewable energy
- ▶ Transitioning to hybrid or electric vehicles
- ▶ Utilisation of solar, solar hybrid and battery energy storage systems.

With the exception of the 'Strategic Procurement of Renewable Energy', this guidance is issued on an emissions intensity reduction basis, rather than absolute emissions, to align our emissions reduction ambition with strategic growth objectives for the Group. This guidance will be reviewed annually and updated as part of BMD's sustainability reporting cycle.

STRATEGIC PROCUREMENT OF RENEWABLE ENERGY

- ▶ BMD's 2032 Emissions Guidance relies on BMD purchasing and retiring renewable energy certificates (RECs) through our retail electricity contracts, equivalent to its total grid supplied electricity consumption across all offices and project sites under operational control, as defined by the National Greenhouse and Energy Reporting Act 2007.
- ▶ The Guidance relies on obtaining RECs that represent zero-emissions renewable energy such as wind, solar and hydro, and that are tracked through leading, credible systems in Australia.
- ▶ The Guidance acknowledges that fuel type, location and GHG emissions profile cannot be physically traced within the greater electricity grid. Therefore, all purchased RECs will clearly convey the renewable attributes of the electricity purchased.
- ▶ The Guidance acknowledges potential risks from regulatory fragmentation and changes to Australia's greater emission reporting frameworks. The Guidance assumes continued access to REC markets and that any potential volatility will not adversely impact availability.

TRANSITING TO HYBRID AND ELECTRIC VEHICLES

- ▶ BMD's 2032 Emissions Guidance relies on a 50% reduction in Scope 1 emissions from BMD's light vehicle fleet used for business travel, based on 2024 fuel consumption data. This baseline includes management and tool-of-trade vehicles tracked via BMD Fleet (an internal division of BMD responsible for managing company vehicles) and excludes subcontractor vehicles.
- ▶ The Guidance relies on BMD having access to hybrid and electric replacement vehicles that are fit-for-purpose considering the operational needs of the business such as range, payload and terrain. BMD will consider vehicle whole-of-life cost rather than upfront cost when assessing economic feasibility, while also leveraging applicable government incentives.
- ▶ The Guidance acknowledges current limited supply of commercial and utility vehicles in Australia, which may delay transition. BMD's ability to achieve this initiative will depend on ongoing developments in technology, supply chain production capacity, reasonable whole-of-life pricing and supportive government policies.
- ▶ The Guidance acknowledges operational changes such as fleet optimisation, hybrid vehicle mandates, vehicle pooling and improved tracking systems are also to be implemented.

UTILISATION OF SOLAR, SOLAR HYBRID, AND BATTERY ENERGY STORAGE SYSTEMS

- ▶ BMD's 2032 Emissions Guidance relies on greater adoption of solar, solar hybrid and battery energy storage systems (BESS) for electricity consumption across BMD sites that are not connected to the electricity grid. Baseline emissions are currently being recorded based on diesel generator usage, with future reductions measured against this benchmark.
- ▶ The Guidance relies on BMD having access to fit-for-purpose technologies that align with the business's operational requirements including loading capacity, equipment runtimes, scalability and site-specific feasibility.
- ▶ The Guidance acknowledges increasing technological maturity and cost competitiveness in these solutions, however BMD's ability to meet this initiative relies on continued external developments in technology, supply chain production capacity, certification, capital cost and government policy support.
- ▶ The Guidance acknowledges operational changes including integration of energy management platforms for real-time monitoring and control.

ADDITIONAL DECARBONISATION

- ▶ In addition to the foundational decarbonisation strategies outlined in this 2032 Emissions Guidance, BMD is actively exploring further opportunities to reduce emissions intensity through emerging technologies and alternative low or zero-emissions fuels. These initiatives will be incorporated into future reporting where applicable and include the following:
 - BMD is assessing the feasibility of adopting electric construction machinery and equipment across aspects of its operations. Where commercially viable and fit-for-purpose, electric alternatives may be deployed, initially as pilots, and monitored for effectiveness in reducing GHG emissions. Emissions reductions associated with this decarbonisation solution will be calculated using standardised emissions factors for liquid fuels consumed in representative equipment over a defined 'run-time' and reported as part of BMD's broader decarbonisation ambitions.
 - BMD is examining the use of renewable diesel (hydrotreated vegetable oil - HVO) as a substitute for mineral diesel in construction plant, machinery, and equipment. Trials are underway to evaluate performance, availability and emissions impact.
 - Pilot programs are currently being scoped, with initial trials in renewable diesel having already commenced on selected project sites. These trials will inform future investment decisions and operational integration.
 - Where renewable diesel is available and operationally suitable, its use will be quantified and reported using lifecycle emissions factors consistent with national reporting frameworks. These emissions reductions will be reflected in future sustainability disclosures.
- ▶ The success of these initiatives is contingent on several enabling factors, including Original Equipment Manufacturer (OEM) innovation and progress in electrification technologies, supply chain maturity, fuel availability, and federal and state government policy levers and incentives.
- ▶ BMD will continue to engage with suppliers, clients, and industry bodies to support innovation and advocate for scalable low-emissions solutions.

Note:

This guidance reflects BMD's current expectations regarding decarbonisation pathways and is subject to change based on evolving technologies, market dynamics, and regulatory developments. It will be reviewed annually and updated as part of BMD's sustainability reporting cycle.