

Tonkin + Taylor Group

2022/2023 Strategic Report

Karakia

Kia tau ngā manaakitanga
a te mea ngaro

kī runga kī tēnā, kī tēnā o tātou
Kia mahea te hua mākihikihi

kia toi te kupu, toi te mana, toi te aroha,
toi te Reo Māori

kia tūturu, ka whakamaua kia tīna! Tīna!
Hui e, Tāiki e!

*Let the strength and life force
of our ancestors*

*Be with each and every one of us
Freeing our path from obstruction*

*So that our words, spiritual power,
love, and language are upheld;*

*Permanently fixed, established
and understood!*

Forward together!



*Scan the QR code to
listen to our karakia*

Acknowledgement of Country

Tonkin + Taylor Group acknowledges the Traditional Custodians of the land and waterways on which we work and live, and recognise their continuing connection to land, water, and culture.

We pay our respects to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.



Contents

06

Message
from Jenn

07

Message
from Tim

08

T+T at
a glance

10

Markets

12

Our People

14

Our Pathway 2025

16

Better

18

Sustainable

20

Digital

22

Globally Connected

24

Awards

26

Operations

Te Awataha Awa was a piped stream that has been daylighted as part of the Kāinga Ora Northcote development. T+T has contributed ecology, water and civil expertise since early 2018, providing stream daylighting advice from concept design and detailed design to construction supervision.



Message from Jenn

2022 was another successful year for the Tonkin + Taylor Group. Results were above forecast, and our people continued to play a critical role in achieving great outcomes for our clients, for our communities and for our business.

Whilst companies in both New Zealand and Australia were thankfully free of COVID-19-type restrictions, ongoing illness and unseasonably wet years did disrupt operating conditions. The global economy continues to experience inflationary and recessionary challenges and a tight labour market, and New Zealand and Australia are no different. With this as a backdrop, I am hugely proud of what our people have continued to deliver and excited by how we will perform in 2023 and beyond.



Jenn Bestwick,
Tonkin + Taylor Group Board Chair



Message from Tim

As I look up and out of the business, the importance of sustainably evolving Tonkin + Taylor Group to respond to the fast-changing world has never been clearer.

To do that, we are strategically investing in our business in exciting ways as set out in this 2022/2023 Strategic Report. I'm also certain that we must seize new opportunities, while keeping match fit by running the business well and being exceptional at looking after our people and clients. That is how we will create T+T's sustainable future.

The good news is that T+T has a track record of successfully evolving the business for 63 years, and this last year was marked by some very encouraging steps on our journey.

A handwritten signature in blue ink, appearing to read 'Tim Fisher'.

Dr Tim Fisher,
Tonkin + Taylor Group Managing Director



T+T at a glance

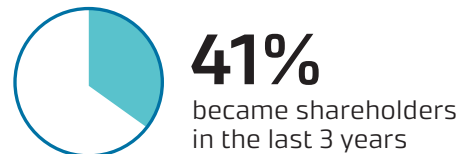
Tonkin + Taylor Group is comprised of leading employee-owned environmental and engineering consultancies and testing businesses with offices across New Zealand and Australia. The group is made up of four companies, delivering solutions to clients across five continents.

2022 saw us expand our geographical reach, with new office locations in Sunshine Coast, Queensland and Napier, New Zealand. Despite a competitive talent market, we've grown our team, too. A growth in staff numbers from 1173 to 1296 in the past year has further deepened our technical expertise, as well as provide new service offerings and solutions available for our clients.

Sustainability is woven throughout all we do, including as a service offering, confirming our commitment as people who are passionate about sustainability in all its forms: cultural, social, environmental and economic.

Our reputation for professional excellence, strong collaboration and trusted partnerships is one we continue to be very proud of and is a platform we have continued to build on in 2022, and for the years ahead.

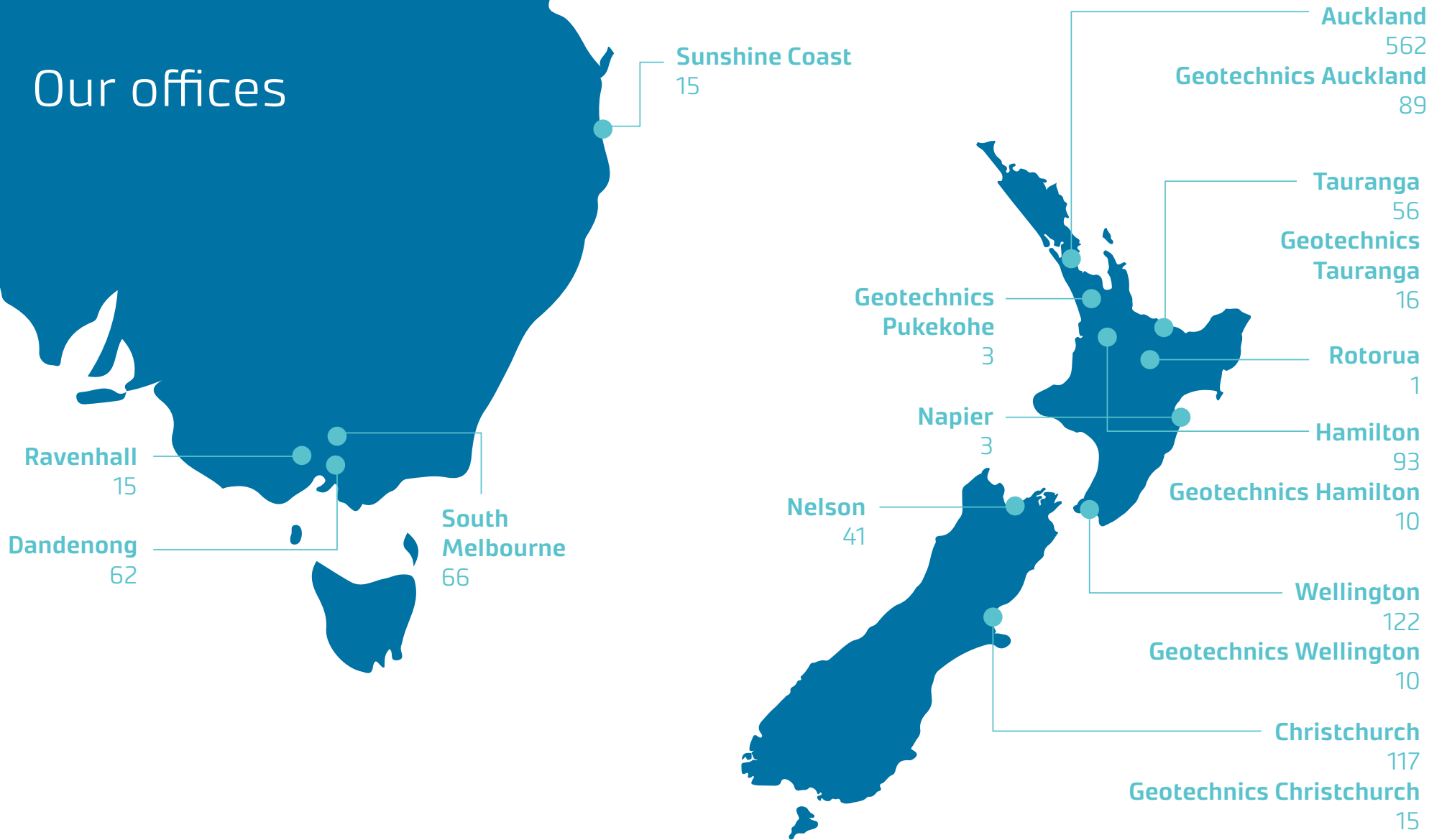
Shareholder statistics 2022



“T+T weren’t just providing all those professional services, but they also came with some real experience with alliancing. They became part of the leadership team for the program as well. It was the first time I had a situation where I’ve employed a consultant for more than just providing professional services in a more of the traditional master service situation.”

- Transport client

Our offices



Markets

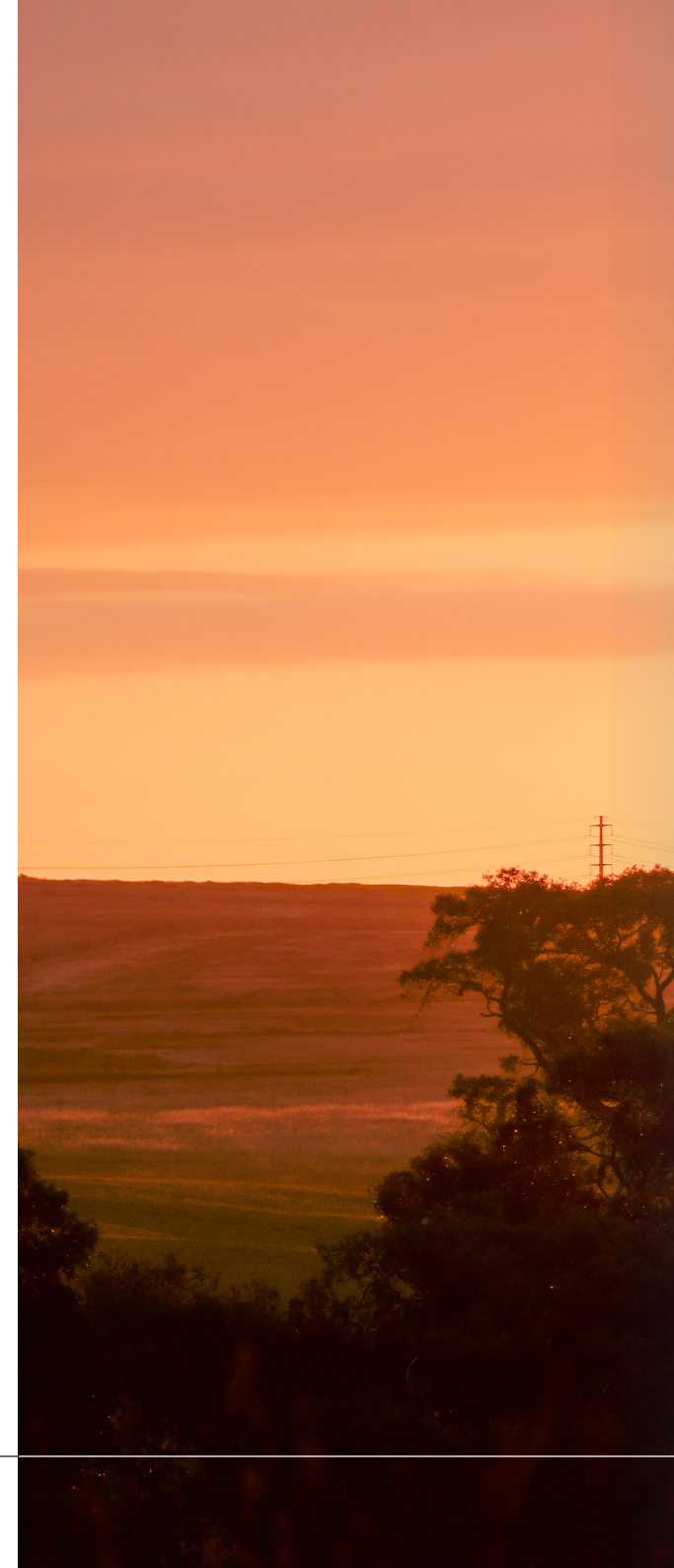
Macroeconomic tailwinds across Australia, New Zealand and the Pacific for much of 2022 were reflected in strong performance across the sectors in which we operate.

Low interest rates and post-COVID-19 government stimulus packages in both countries underpinned our strong performance in both markets.

More recently, inflation has risen worldwide, and central banks' have responded with increased interest rates that are expected to cause slowing economies. In anticipation of this shift, we've undertaken significant work on how we operate within the sectors and our businesses.

Part of this includes preparing ourselves for emerging opportunities in our markets. In New Zealand, de-carbonisation of the electricity network, water reforms, climate change and resilience offer significant opportunities, and our sector strategies and resourcing have been updated to reflect this.

In Australia, large projects in the land and transport sectors have performed well and the ongoing focus will be to build on this experience and utilise the skills developed when opportunities occur in energy and circular economy.




Diversity in our sectors and the size of our clients and projects have contributed to T+T's ongoing financial performance.


Our projects in 2022 have delivered to both government and commercial clients and included multi-year engagements tackling large-scale, technically complex challenges.


It is this diversity in the depth and breadth of our clients and the scale of the projects that contributes to the ongoing financial performance of T+T and our purpose to create and sustain a better world.

8,141	total projects across T+T Group 2022	5,529	TTNZ	542	TTAU	1,588	Geotechnics	482	Chadwick Geotechnics
--------------	---	--------------	------	------------	------	--------------	-------------	------------	----------------------


Included in the project count are projects of **national significance**, including:

 **FIVE**
Renewable energy projects

 **EIGHT**
Major land development projects

 **SEVEN**
Circular economy + landfill projects

 **EIGHT**
Transport projects

 **FOUR**
Climate change + disaster response plans

T+T worked on the Stockyard Hill Windfarm design and construction which completed in 2021 for Goldwind and included 149 turbines constructed in four different geological conditions.

Our People

Together we create and sustain a better world. It's that first word - *together* - that forms the heart of our people approach.

In a local and global talent shortage we need to stand apart not just for our vision and what we do, but for being a great place to work. We're doing this by growing a thriving culture, finding and keeping the best people, and offering ways of working that meet the needs of people and their families while delivering the outcomes our clients expect.

An essential part of this is checking in to confirm that we're on track. This includes regular people surveys, both group-wide and more focussed.

The best culture means nothing without great people to bring it to life. That's why attracting the right people and helping them build long-term careers with Tonkin + Taylor Group is key.

External communication forms part of this, and in the last year we launched several talent attraction campaigns, including one showcasing people who've moved from overseas and succeeded at T+T. A particular highlight was having our "Suits me to a T+T" talent acquisition campaign recognised as New Zealand's best at the 2023 HRNZ Awards.

T+T has never really been a 9-5 office-based business, so we were well-prepared to meet the challenges of COVID-19 lockdowns. Three years on, those challenges have turned into opportunities for our people to design a work and family life that delivers both professionally and personally.

Our Working from Anywhere and Smart Working Week initiatives continue to meet the changing needs of existing employees and new hires.

T+T is well known for delivering great environmental and engineering solutions. But for that to happen we need to also be a great people business. That's why our people approach will always sit at the centre of our practice.

Overall engagement score



78%

participation rate

Highest scores

90% I would recommend this company as a great place to work

90% I am proud to work for this company

Trending upwards

85% I feel I am part of a team

86% I can be my authentic self at work

“I have worked in many large and small corporations and I rank T+T as one of the highest in regard to culture and its values.”

“Incredibly proud. Generally when I meet people... they react positively when they learn I work for T+T.”

- 2022 engagement survey responses

Female representation 2022



40%
of the Board



42%
of the Group Leadership Team



31%
of other leadership roles



36%
of engineering and environmental roles

Cultural awareness training



222 staff members attended cultural awareness training in 2022

37% from Australian cultural awareness training

18% from New Zealand cultural awareness training

45% from Rainbow Tick across Australia and New Zealand



Our Pathway 2025

Four strategies underpin our progress towards our vision: to be Renowned for Inspiring Sustainable Futures.

In 2022 we continued our commitment to strive to be **Better**, which drives the continuous improvement of Tonkin + Taylor Group.

Our focus on all aspects of **Sustainability** remained central to our client work but also to how we operate as an organisation. The **Digital** enablement of our people and work processes and our growing digital product and service portfolio reflected this ongoing transformation in our business. Finally, our **Global connections** continued to flourish and the exchange of ideas, expertise and opportunities that they enabled increased.

Our Pathway points the way, but it is through our people, by living our values, and through the trusted relationships with our clients, communities and others that we look to make a positive impact wherever we can.

With a legacy established over the past 63 years Tonkin + Taylor Group continues to work with our clients and communities to embrace the challenges and opportunities around us: “Together, we create and sustain a better world.”

Our Pathway 2025

Purpose

Together we create and sustain a better world

Values

Everyone matters

Empowered 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**

Our Pathway 2025 embraces all of T+T and was formed through listening to the voices of our people and our clients.

T+T supported the risk assessment, engagement and adaptation responses as part of the pilot for Auckland Council's Shoreline Adaptation Plan programme.



T+T undertook evaluations for the indicative and detailed Business Cases of a 4km-long scenic cycle route along Wellington's waterfront.

Better

- for our people, our clients, and our communities

At Tonkin + Taylor Group we are committed to creating better outcomes not just for our people and clients, but also for the communities in which we operate. By dedicating ourselves to this strategy, we are building a foundation of partnerships that will last for years to come and ensuring that our work has a positive impact for everyone.

Better for our clients: Good client management means effective communication, understanding client needs, transparency, consistency, flexibility, and proactivity to build trust, foster strong relationships, and ultimately achieve successful outcomes. This past year has seen our presence expand in key markets where our clients needed us to be - our new offices on the Sunshine Coast in Queensland and in Napier, New Zealand, are examples of where we did just that.

Better for our people: In line with our pathway and values, we create a positive work environment, to foster collaboration, care and respect, so that our people can do their best work and feel part of something bigger than themselves. For our people, it means improving how we bring together their skills and the opportunities to create great solutions for our clients. In 2022, our new L&D platform, GROW, and our new HSW platform, Assura, were two ways in which we helped raise the bar in capability development and health, safety and wellbeing.

Better for our communities: The work we do in our communities provides better access to water, transport, electricity, energy and telecommunications. We do this with careful management of resources that improves sustainability, environmental outcomes, improving quality of life and supporting

economic growth. For our communities, who much of what we do ultimately flows on to, we delivered projects that made a real difference such as the award-winning Downtown Tāmaki Makaurau, sponsored key activities for our communities such as the Pūhoro STEM Academy and progressed our Reconciliation Action Plan commitments in Australia.

By planning for the future, especially when we think of disaster preparedness and resilience, our work improves safety in our communities and helps to minimise the impact of natural disasters.

We believe that doing *better for clients, our people and our communities* will help build a future that is brighter, more inclusive, and more sustainable for all.

Sustainable

Our long-term objective is that the natural environment will be truly valued and protected, places and communities will be thriving, and all people will be healthy, fulfilled, and empowered to pursue their aspirations.



With a long history of caring for the environment and work that often supports outcomes for our communities, sustainability is critical to our business, and we are working towards making sure that “being sustainable is embedded in everything we do.” Our journey is in two parts, each made up of several work areas.

Prioritising nature, people, and communities in our work with clients

Sustainability services

We continue to grow the sustainability services offerings that help our clients’ understand and address their impacts, and leverage expertise to support better outcomes for our environment, communities, and clients.

Developing capabilities and resources

This year, we are focusing on building sustainability capabilities across our businesses and providing access to sustainability resources to help integrate sustainability thinking into all our work.

Purposeful decisions

We are supporting our people to make sustainability-driven decisions about the sectors and partners we choose and how we approach our work.

Strengthening sustainability in our operations

Walking the talk

We are working towards being among the first companies in the world to achieve SDG Impact Seal certification, a voluntary management standard supporting meaningful change towards the UN Sustainable Development Goals.

Growing and integrating indigenous understanding into our activities

To build understanding across our business, we offer learning opportunities in Aotearoa New Zealand, including in Māori culture and language and Te Tiriti o Waitangi. In Australia, we are pleased to have moved from development to implementation of our first reconciliation action plan (RAP).

Investing in innovation and thought leadership for sustainable outcomes

We continue to run our DreamLab innovation programme, funding or part-funding 38 projects in 2022. These include projects supporting outcomes in circular economy, reducing greenhouse gas emissions, and sharing sustainability knowledge.

Tonkin + Taylor Group Greenhouse Gas Emissions

Weather-related events in New Zealand in early 2023 have reinforced the importance of taking action on climate change to protect our communities, now and into the future.

Actions to reduce our emissions include progressively switching our New Zealand energy providers to carbon zero certified electricity retailer Ecotricity and supporting better travel decisions. In 2022, we formally adopted the following science-based targets for our operational emissions:

- 51% reduction in greenhouse gas emissions compared to 2018 by 2030
- 90% reduction in greenhouse gas emissions compared to 2018 by 2040

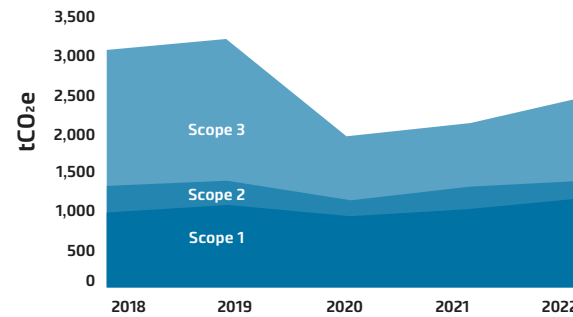
We are net carbon zero (certified by Ekos) by buying high-quality carbon offsets for emissions we haven't been able to avoid.

Our emissions have not returned to pre-COVID-19 levels.



We are carbon zero certified with Ekos (2022)

T+T Group Greenhouse Gas Emissions 2018-2022



Carbon offset projects T+T has invested in:

Kern Creek Forest Conservation Project – Nelson Lakes, South Island, New Zealand

Babatana Rainforest Conservation Project – South Choiseul, Solomon Islands

Strathburn Station Savanna Burning Project – Cape York, North Queensland, Australia



T+T is a technical advisor for various stopbank breach locations as part of the Hawke's Bay Regional Council's Stopbank Rapid Recovery programme following recent cyclone damage.

Digital

The focus of our digital strategy is to deliver better outcomes for our clients, faster.

New digital technologies are emerging constantly, and understanding their capabilities and costs is important. Aligning them to business strategy - rather than just pursuing technologies for their own sake - is even more critical.

In 2022 we continued with a disciplined approach to digital technologies, focussing on three areas:

- Digital enablement of Tonkin + Taylor Group
- Revenue growth and new revenue streams
- Better experiences for our clients and employees

Digital enablement. This has centred around developing and embedding digital capabilities and ways of working, ensuring all our people can leverage the efficiency of data and technology to deliver great outcomes faster and more effectively. In 2022 our data and analytics team piloted online learning platform datacamp.com to assess it against the data literacy and skill uplift needs of our consultants.

Revenue growth: We have continued to make our expertise available through digital products to existing and new clients, both to complement our existing services as well as in standalone areas that leverage our technical and professional skills in new, digital ways.

Landcheck (landcheck.co.nz) is one of the digital innovations we launched in 2022. This is a web-based app for people and businesses in Auckland to generate natural hazard risk reports at an address level. It uses digital resources to provide homebuyers and homeowners with natural hazard information that is actionable, helping them make sustainable decisions for the future.



A better experience: We want our clients, our partners and our communities to benefit from our digital ways of operating, to improve how they can engage with our people and their expertise, and how they can access great outcomes, solutions and information.

Project Orbit remains the platform of choice for many of our project managers to support complex

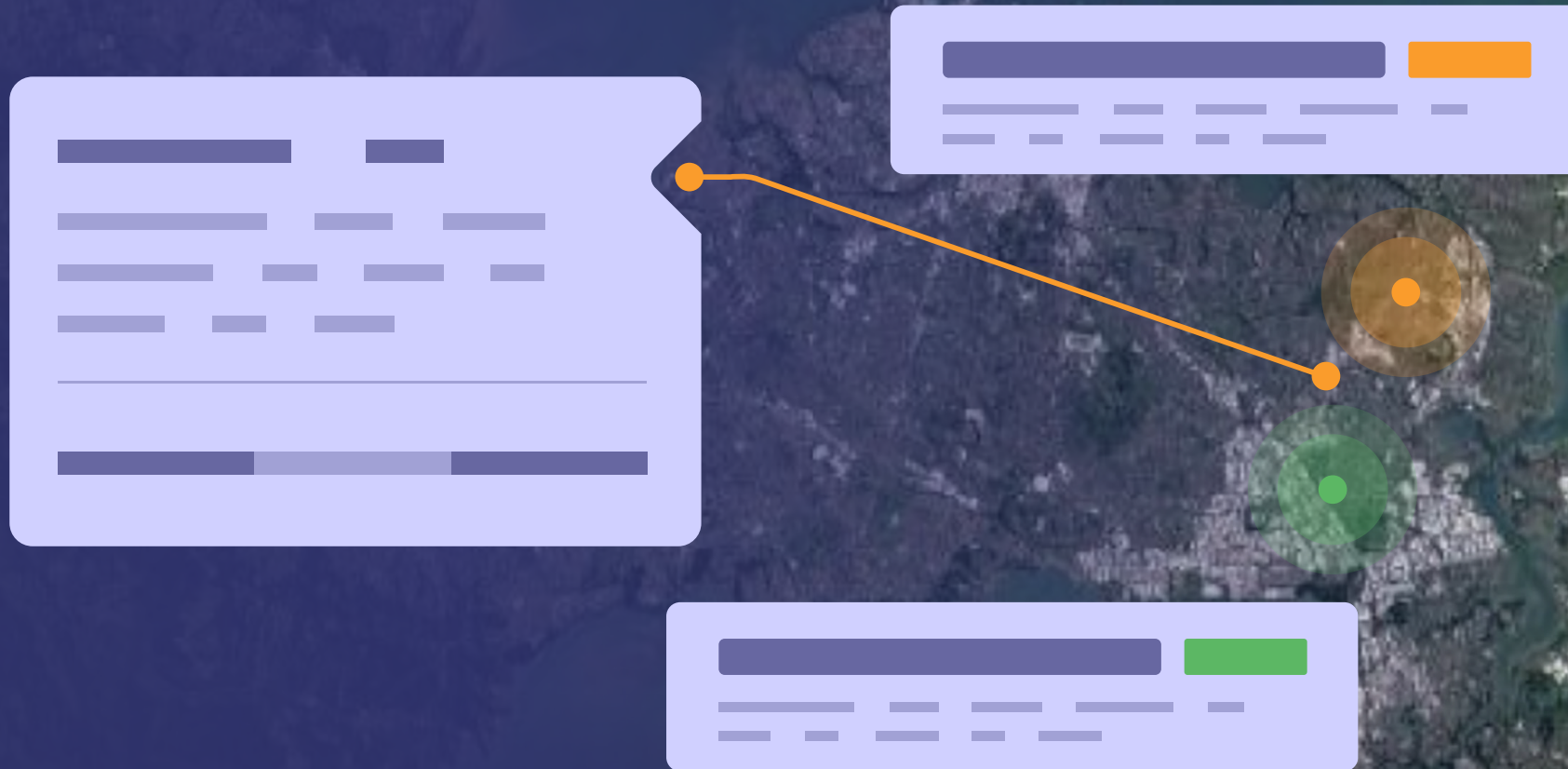
collaboration, workflows and reporting associated with major infrastructure projects.

A driving simulator is a new service that came about through our involvement in the Te Ara o Te Ata alliance at Mt Messenger. This was used to re-engage the community on the project after a delayed start, and allow them to experience the proposed route before it was constructed.

Geotechnics launched Cirro, which comprises of the supply and install of Instrumentation which is then monitored through our digital platform. It's a real time site data and analytics solution that streamlines data, saves time, and eliminates site risk by providing best in class end-to-end solutions.

Our digital growth also includes partnering with innovative companies. This year we invested in Software as a Service (SaaS) company www.InfinityStudio.AI, aimed at the geotechnical and natural hazard markets. InfinityStudio's platform enables engineers, scientists and advisors to digitally integrate their tools, designs, and datasets.





Landcheck is a web-based app for people and businesses to generate natural hazard risk reports at an address level in Auckland.



T+T is currently undertaking a feasibility study for the expansion of Pohnpei Port in Micronesia.

Globally Connected

While every project we tackle, every client we partner with and every community we serve is unique, being globally connected will help us deliver better on all counts.



For our Globally Connected team, 2022 was a year of seeking out new opportunities around:

- Relationships,
- Understanding, and
- Ways of working

Relationships

Developing relationship excellence alongside our technical excellence means building out our trusted network across the globe. 2022 saw us join the Inogen Alliance

(www.inogenalliance.com), connecting us to a 5000-strong network of Environmental, Health, Safety + Sustainability professionals, delivering solutions to significant clients around the world.



The partnership not only strongly aligns with our strategic priorities and values, it provides unique professional development and project opportunities for the Tonkin + Taylor Group. We are thrilled to be a part of an alliance that enables us to engage with the best thinkers, ideas, and experts on the world stage, and share our skills and experience with a global market.

Understanding

Engaging with global challenges, bringing our expertise in areas like climate and resilience, environmental health and safety, and natural hazards to wherever they are needed, such as

through our renewed work in the Pacific, benefits both the communities we work with and our people through the global perspectives they gain.

Ways of working

Global working - already on the increase pre-COVID-19 - has continued to grow, supported by our flexible, digital-enabled ways of working. This means we can access talent wherever it is located, as well as allow our people to align their work contribution with their personal and family commitments.



Since the Working Away initiative started in 2021, we've had

53 people working away in **25** different countries

As we journey into 2023 we will continue to grow our global relationships, benefiting our clients, communities and people both at home and around the world.

Awards

Industry awards are recognition from our peers that the work our people are doing is achieving at the highest level. Award wins reinforce to our clients the value of partnering with Tonkin + Taylor Group, reward our people for their best work and showcase T+T to potential new hires.

In 2022/2023, our depth of knowledge and expertise were recognised at significant industry awards, including:

Client Choice Awards (Beaton)

- Best Provider to Government and Community

Engineering New Zealand Auckland Branch Awards

- Arthur Mead Award for the Te Wananga Project

Water New Zealand Conference Awards

- Pipeline and Civil Project Award for the Drury South Stormwater Wetland
- Ixom Operations Award (as a collaborator) for the Pukekohe Water Treatment Plant Return to Service

LGFA Taituarā Local Government Excellence Awards

- Martin Jenkins Award for Collaborative Government Action - Wynyard Edge Alliance

New Zealand Commercial Project Awards

- Gold - Te Ngau o Horotiu (Ferry Basin Redevelopment) and Te Wānanga (Downtown Public Space), submitted by Auckland Transport, Auckland Council, and the Down with T+T as project partner

ACE New Zealand Awards

- Gold for Downtown Tāmaki Makaurau
- Silver for North Canterbury Transport Infrastructure Recovery (NCTIR) self-cleaning rockfall canopy

Human Resources New Zealand Awards

- Best Talent Acquisition Campaign - “Suits me to a T+T” campaign

Celebrating our partnerships with educators and universities:

New Zealand

University of Auckland

- Women in Engineering Gold Sponsor
- Engineering Society Gold Sponsor

- South Pacific Indigenous Engineering Students Moana Sponsor

University of Canterbury

- Women in Engineering
- Rocksoc (Geology Society) Bronze Sponsor

Pūhoro STEM Academy

TupuToa

- Growing Māori and Pacific leaders for a greater Aotearoa

Australia

Monash University

- Monash Association of Civil Engineering Students Gold Sponsor
- Monash Engineering Students' Society Silver Sponsor

Melbourne University

- Civil and Structural Society Gold Sponsor
- Environmental Engineers' Society Atlantic Sponsor

RMIT University

- Civil Engineering Student Association Gold Sponsor



T+T led the design of Te Wananga with a multi-disciplinary offering. Our structural and ecological teams partnered with mana whenua and the aquaculture industry to develop suspended floats with mussels under the deck.

Operations

By working together both within and between teams, our people delivered a strong 2022 across our business.

In New Zealand, we saw strong delivery across all our sectors. We were part of the Nelson/ Marlborough region flood recovery effort. We led the design of the KiwiRail Tar Barrel Tunnel resilience works and the Ngā Ūranga ki Pito-One section of Te Ara Tupua. We celebrated the final engineering and sub-division signoff for Phase 1 of the Drury South Crossing. On Te Ara o Te Ata (Mount Messenger Bypass) we monitored and protected North Island Brown Kiwi and other ecological taonga ahead of construction.

Geotechnics had a strong year too, successfully bringing digital tools such as Cirro, a digital solution which centralises and consolidates critical instrumentation data from different sources into a central platform, to market.

In addition to Cirro, Geotechnics and the Tonkin + Taylor Geotechnical Discipline have developed

the Adit portal to streamline and improve the process of testing and delivering laboratory tests. This end-to-end platform covers sample data and lifecycle, and direct data entry into the platform for tests - allowing automatic report generation into multiple formats, including AGS4.

The outcomes are only half the story though.

In line with our Tonkin + Taylor Group culture, *how* we delivered was just as important as *what* we delivered.

This included individuals and teams from around the country stepping up to respond to the devastating Nelson floods at the end of winter, demonstrating our group purpose “*Together we create and sustain a better world.*”

In Australia, T+T Australia and Chadwick Geotechnics continued to explore growth beyond Victoria, leveraging the strengths of both businesses to work Better Together.

The opening of our NATA-accredited facility on the Sunshine Coast further enhanced

our Testing Centre of Excellence aspiration. This complemented other annex facilities set up supporting key projects such as NSW’s Coffs Harbour bypass and Western Victoria’s Ryan Corner Wind Farm.

Results and staff engagement remained strong throughout the year despite COVID-19 and weather restrictions, and we are proud of our progress on the Reconciliation Action Plan (RAP). The strength of our Australian expertise was also recognised in 2022 through ANCOLD (Australian National Committee on Large Dams) committee membership.

With an ambitious growth plan out to 2030 in Australia, these important foundation stones represent the critical early steps in that journey.

Our people on both sides of the Tasman worked closer together in 2022, with our centres of technical excellence (CoTE) helping bridge the geographical gap, to bring our collective expertise to bear on the work we do, wherever it may be.

Feedback from our clients

TTNZ:

“T+T understands the business well. They’re proactive and good at coming and seeing us and making recommendations about how we can do things.”

Geotechnics:

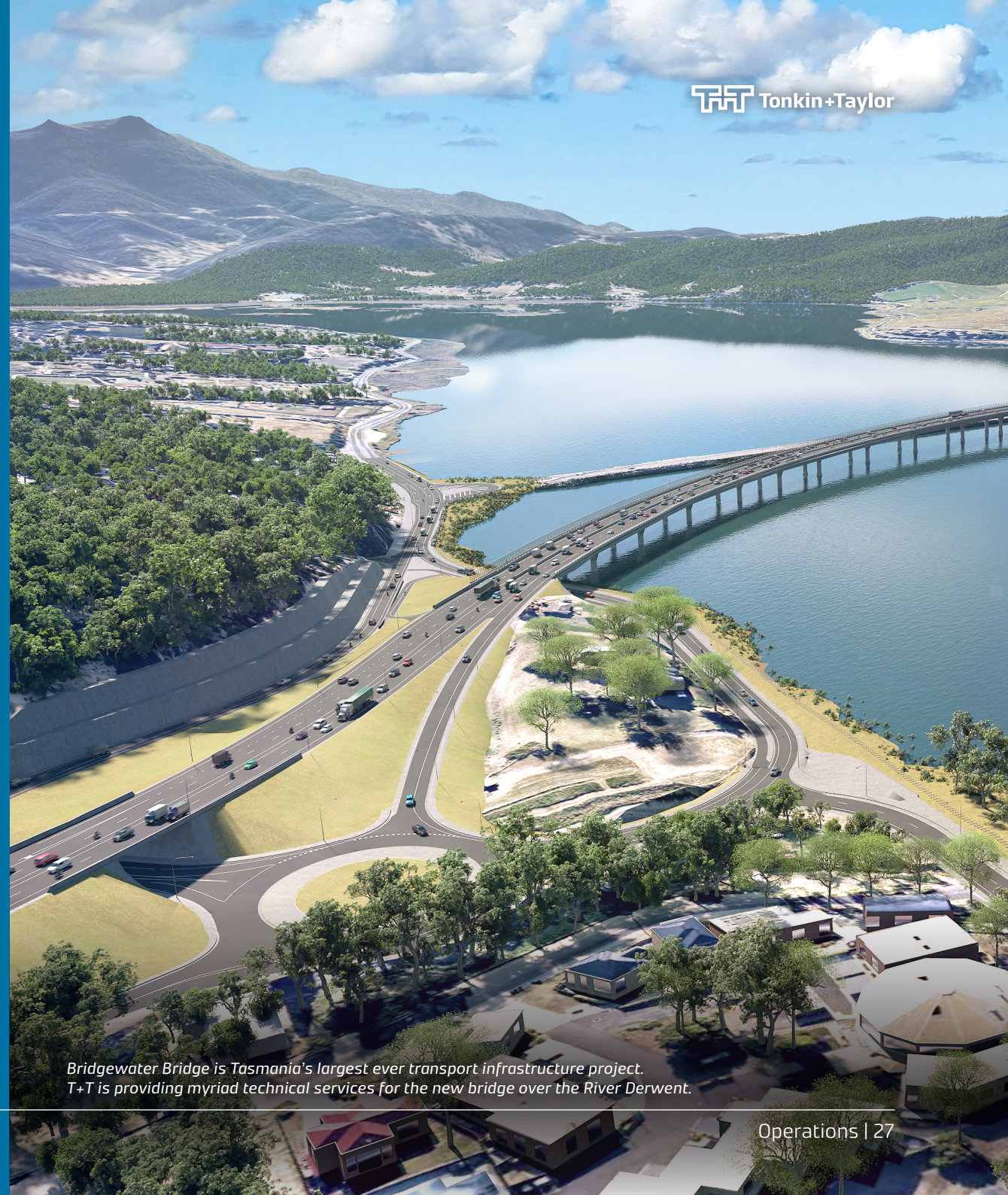
“We love the products and the team - we’ve used Geotechnics for the past 15 years and will continue to do so despite other local competitors.”

TTAU:

“It is, so far, the benchmark for documents they (industry regulators) have seen in industry and they were impressed with the detail. (They) referenced the document at an internal meeting to demonstrate to their colleagues how well we (client) are managing our risks”

Chadwick Geotechnics:

“Your team was professional and knowledgeable from start to finish. They did an exceptional job. They paid attention to detail, assessed the site thoroughly, and provided valuable recommendations. I had complete confidence in their expertise.”



Bridgewater Bridge is Tasmania's largest ever transport infrastructure project. T+T is providing myriad technical services for the new bridge over the River Derwent.



 CHADWICK
GEOTECHNICS
chadwickgeotechnics.com.au

 **GEOTECHNICS**
geotechnics.co.nz

 **Tonkin+Taylor**
tonkintaylor.co.nz | tonkintaylor.com.au

T+T provided engineering geological advice to City of Melbourne on sourcing boulders for the 'Rocks on Wheels' playground.