

Fletcher Living[®]

Sustainability

Impact Report 2023



The image is a collage of three distinct scenes. On the left, a man with glasses and a dark sweater carries a young girl on his shoulders. The girl is wearing a denim jacket and has her eyes closed. In the center, a young child is holding a small, black and white stuffed animal, looking upwards with an open mouth. On the right, a woman in a dark long-sleeved top stands with her hands on her hips, looking up at the sky. The background of the right side shows a body of water and a sunset or sunrise sky. The text 'this is living' is overlaid in the center in a white, lowercase, serif font.

this is living

Contents

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Introduction

Welcome to our FY23 Sustainability Impact Report for the 12 months to 30 June 2023.



Sustainability and affordability are two of the biggest challenges faced by New Zealanders today. Extreme weather events have highlighted the urgent need for climate-resilient homes and neighbourhoods. At the same time, a cost of living crisis has renewed the importance of affordable quality housing. Fletcher Living is perfectly positioned to create future friendly communities and homes that deliver the best value to Kiwis on both fronts, emerging as a New Zealand leader in 21st century living.

To share the progress we're making and to hold ourselves to account on targets we are setting, we are introducing our inaugural Sustainability Impact Report which will outline our ambition and progress. This is the first edition. We think that homeowners should be asking more questions about how their home performs, and when considering a new home, how that home has been built and how the environment has been considered.

Improving visibility of embodied carbon is critical to successfully decarbonising the residential construction sector. Industry-significant initiatives like the LowCO homes pilot which reimagines the 'home of tomorrow' have increased in pace this year. Construction is underway with the homes slated for completion in 2024. We are reducing embodied carbon in construction, driving low carbon materials and circular economy practices. Looking ahead we have strong momentum to take key learnings forward and raise our energy and water efficiency performance across our wider portfolio of homes.

With 66% of our Auckland homes sold under the Auckland median house price over the past three years, we are proud that affordable housing options are in place for the community in almost every Fletcher Living development.

We have ramped up our landfill diversion efforts, introducing soft plastic recycling on all Auckland residential sites alongside plasterboard recycling. We are rethinking our design and construction methods and working closely with suppliers to create a more sustainable supply chain. In this report you will see how we are minimising waste and finding new ways to reuse and recycle materials.

Fletcher Living is a significant participant in the residential business in Aotearoa New Zealand. Our focus is on building sustainable homes and neighbourhoods that care for the planet, the wider community, customers and employees.

Tēnā koutou katoa.



Steve Evans
Chief Executive



Nicola Tagiston
Head of Sustainability

About Us

One of the largest residential developers in Aotearoa New Zealand.



Our businesses include Fletcher Living, Vivid Living and Clever Core™.



We operate in Tāmaki Makaurau Auckland and Ōtautahi Christchurch.



In FY23:

615

Homes & apartments settled, with another 190 sold but not settled.

36

Active development sites.

369

Employees (Fletcher Living, Vivid Living, Clever Core™).



12,270 sqm high tech pre-fabricated house-building factory (Clever Core™).

FY23 Highlights

Decarbonising

- **15.17kWp** of solar power installed on four pilot homes, producing an estimated 20,529 total kilowatt hours of renewable energy annually
- **22 RAV4 Hybrids** out of 75 fleet cars on the road (30%)



Building performance

- **270** homes delivered to Homestar 6 design rating (v4.1) or above
- **80** homes delivered to Homestar 6 built rating (v4.1) or above
- **100%** of homes built to Healthy Homes standard
- **407** homes delivered with future proof EV charging capability



Positive environmental impact

- **19** infill/brownfield redevelopment communities (*excluding former golf courses*)
- Planted **126** street trees
- **32,184m2** vested or approved drainage, recreation, or esplanade reserves
- **495m** of walking tracks installed
- **1,062m2** of new public open spaces
- **1,800m2** of wetlands protected



Creating a circular economy

- **1000t** of waste diverted from landfill through site separation and sorting
- **464t** of plasterboard off-cuts saved for bulk recycled gypsum
- **100%** developments incorporating recycling into their standard on-site processes



Building community capital

- **468** volunteer hours across clean up events, working bees, school/kindy events, community days, place-making activities and charity volunteering
- Handed out **3,500** boxes of popcorn and **1,960** sausages



Hearts and minds

- **369** employees from **22** ethnicities
- **24** women in leadership positions
- **47** new hires were women
- Employee net promoter score (eNPS)¹ of **40** (Peakon global top quartile)
- **17** staff taking up the gender-neutral parental leave scheme



Keeping homeownership affordable

- **69** Kiwibuild homes settled
- **40** homes sold under First Home Partners scheme with Kāinga Ora
- **63%** of Auckland homes sold under the Auckland median house price



Customer satisfaction

- Customer net promoter score (NPS)² of **72** (global top quartile)



Safety

- Introduced a mandatory glove policy at **100%** of our construction sites
- **3.1** Total Recordable Injury Frequency Rate (TRIFR)³ (5.32 at end of FY21)
- **93%** of our people believe all injuries are preventable
- **219** contractor principals completed Safety Leadership Programme
- **70%** of our sites were injury free in FY23



Supported mental health and suicide prevention in construction by:

- **450** employees and contractors have been Mates in Construction inducted
- **56** employees trained as Mates in Construction Connectors (Mental Health 1st Aid)
- **6** employees trained in Mates in Construction Assist (Applied Suicide Intervention Skills Training)

(1) Employee Net Promoter Score (eNPS) measures how engaged our employees are with our business.
 (2) Net Promoter Score measures how satisfied our customers are with our business.
 (3) Total Recordable Injury Frequency Rate. Total number of recorded injuries per million hours worked.

We have focused on 15 of the 17 Sustainable Development Goals:

Sustainable Development Goals (SDGs) are a set of 17 global objectives established by the United Nations to address and tackle various social, economic, and environmental challenges by 2030.



Our Sustainability Journey

1909

- Sir James Fletcher and Albert Morris build a wooden villa at Broad Bay in Ōtepoti/Dunedin.



2011

- Fletcher Residential subsidiaries Kingsley Homes, Dempsey Morton, Winstone Home Builders and Fletcher Homes merge and consolidated under the Fletcher Living brand.
- First long-term master planned communities underway at Stonefields.



2014

- Expansion to Canterbury.
- First JV partnerships with iwi underway at Kōwhai Ridge, Massey and Te Uru, Hobsonville.
- Government partnership projects including affordable housing at Awatea, 350 Colombo, Atlas Quarter in Christchurch and Kōwhai Ridge in Auckland.



- Tōtara Heights won Urban Land Development Property Council award for its sense of community, park-like feel and playground.
- Atlas Quarter won Christchurch Civic Trust Award.
- Latimer Terraces, One Central won NZIA Canterbury Multi-unit housing category.
- Established the Sustainability Working Group to ingrain sustainability in everything we do.
- First New Zealand company in our sector to set a Science-Based Target for carbon reductions. We commit to 30% reduction in our combined scope 1 and 2 emissions by 2030, from a 2018 base year.
- Fletcher Building included In the Dow Jones Sustainability™ Australia Index.



2018



- Set up Clever Core™ off-site panelisation plant. We built our first panelised home at Hobsonville Point putting weathertight core up in one day.



2019

Our Sustainability Journey

2020

- Kōwhai Ridge in Massey North won Urban Land Development Property Council Award for our JV with Ngāti Whātua Ōrākei Whai Rawa delivering 30% social housing and working with Community Housing Providers.
- Switched to Green Gorilla, introduced plasterboard separation bags & smaller skips on all Auckland sites.
- Fletcher Building included in the Dow Jones Sustainability™ Asia Pacific Index.



2021

- Won Asia Pacific Place Leaders 2021 Award for Placemaking at One Central programme with Gap Filler.
- Bedford Terraces and Apartments, One Central won NZIA Canterbury Multi-unit housing and Planning/Urban Design category.
- Atlas Quarter won Landscapes of Distinction Award from Registered Master Landscapers.
- Received Waste Management and Innovation Fund.
- Began transitioning our diesel fleet to RAV4 Hybrids.
- First Kāinga Ora Construction Plus student and Fletcher Living cadet employed at Māngere.

2022

- Won Disposal to Landfill category at the Wasteminz National Excellence Awards.
- In partnership with Bracewell, selected for a Unitec/BRANZ/ESRC plastics audit.
- 212 Cashel at One Central won the Multi-unit award at the 2022 Canterbury Architecture Awards.
- Won Recreation Aotearoa - Outstanding Community Recreation Programme Award for Placemaking at One Central.
- First Head of Sustainability role reporting to CE added.
- First Divisional Rainbow Champion added.
- Completed Pride Pledge Stocktake and became a Gold Member.
- Construction begins on our Low Carbon Home pilot project (LowCO), measuring embodied and operational carbon emissions over the full lifecycle of the homes.
- Launch of Fletcher Building's Sustainability Strategy.
- Publish of Fletcher Building's 2nd Modern Slavery Statement.
- Fletcher Building Gender-neutral Parental Leave, Gender Affirmation Leave & Transitioning at Work Guidelines published.



2023

- Worcester Terraces, One Central won NZIA Canterbury Multi-unit housing category.
- Four finalists in the NAWIC Excellence Awards.
- Aurelie Le Gall won the Helen Tippett premier award.
- Achieved eNPS of 40 which places us in the Peakon global top quartile for employee engagement.
- Introduced EV car share scheme at Caldera and Te Uru apartments.
- Sold our first **Vivid Living** home at Red Beach. **vivid living**
- Broader roll out of Sustainability-related training with Sustainability Business Network (SBN).
- First Sustainability Impact Report published.
- Fletcher Building Rainbow Tick recertification.

Global Recognition

Our sustainability programmes, initiatives, and transparent reporting have earned us recognition on a global scale, putting us among the top sustainability leaders in the world.

Member of the:

- Dow Jones Sustainability™ Asia Pacific Index
- S&P Global Corporate Sustainability Yearbook

Ratings:

- 'A-' rating Carbon Disclosure Project (CDP)
- 'A' rating for CDP Supplier Engagement

Our Sustainability Memberships

- Climate Leaders Coalition • New Zealand Green Building Council • Sustainable Business Network • Sustainable Business Council • Rainbow Tick • Pride Pledge



Sustainability at Fletcher Building



Fletcher Building signed-off on an aspirational Sustainability Strategy this year, setting five strategic goals to deliver meaningful change.

The strategy focuses on where the impact of our work is the greatest. This positions us to play a leading role in building a climate-resilient and sustainable economy, and have a positive impact on the environment.

Fletcher Building Strategic Goal: Creating a safe and diverse workplace

Our people can bring their whole selves to work and go home safely at the end of the day

Measures

- Zero serious injuries
- 40% women in leadership by FY27
- Engagement \geq eNPS 45% in FY24

How Fletcher Living is tracking

- 420 employees and contractors have completed our safety leadership programmes
- 43.4% improvement in TRIFR from FY21 to FY23
- eNPS of 75 for Safety Culture
- Grown to 28.5% operational leader roles held by women
- eNPS of 40 (global top quartile) with standout results on diversity and inclusion
- Fletcher Living staff leading the Fletcher Building Equality Network Group and Pride Groups



Fletcher Building Strategic Goal: Our communities at the heart

Our actions enrich our customers' lives and the communities we operate in

How Fletcher Living is tracking

- Built four public playgrounds, enabled two new childcare centres, two cafés, and four Schools (built or land sold to the Ministry of Education)
- 66% of Auckland homes sold under the Auckland median house price 2021-2023
- Fletcher Building Employee Education Fund and Employee Welfare Fund providing financial assistance to our employees and their families
- Supported youth development with 1 graduate position



Fletcher Building Strategic Goal: Eliminating waste and reusing products

We consciously eliminate waste and create ways to reuse products & materials

Measures

- 70% waste avoided, recycled and/or reused by FY26

How Fletcher Living is tracking

- We have increased diversion from landfill from <10% to diverted >30% of waste from landfill in FY23
- We have improved our measurement and reporting of waste.



Fletcher Building Strategic Goal: Leading the way in sustainable building products and solutions

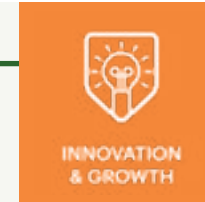
We innovate sustainable building products, and work with the industry to deliver lasting solutions

Measures

- 75% revenue from sustainably certified products by FY26 (in our manufacturing businesses)

How Fletcher Living is tracking

- We are trialling new sustainable product offerings including low carbon concrete, wood fibre exterior insulation, Formica and RibRaft® X-Pod® concrete waffle pod slabs.



Fletcher Building Strategic Goal: Making a positive environmental impact

Our mindset & actions focus on making a improving outcomes for the environment

Measures

- 30% reduction in our combined scope 1 and 2 emissions by 2030 from a 2018 base year
- Net zero carbon by FY50

How Fletcher Living is tracking

- Established Scope 1 and Scope 2 emissions reduction roadmaps
- Replaced 22 diesel utes with RAV4 Hybrids since 2021
- We are building LowCO homes designed with seven times less carbon than a standard-built home
- Promoting a shift to a shared economy by constructing a car-free community and conducting Electric Vehicle trials at three different sites
- In Canterbury since 2017, 220 homes have been future proofed with EV charging
- Paint washdown stations at all residential sites to avoid paint contaminated water from entering soil and stormwater systems, and to save water



Our Sustainability Ambitions

We have identified seven “ambitions” to drive sustainability through the business, and into industry.

Decarbonising our homes

Reducing the carbon in our homes, with the aim of getting our homes to carbon positive over their lifecycle.

Improving energy efficiency of our developments

Building homes with smart energy management, and finding solutions to optimise electricity provision across developments.

Highly water efficient homes

Innovating within the water cycle through network-wide green infrastructure, sustainable urban design and advanced water management.

Leaving eco-systems better than when we started

Accelerating progress on biodiversity and nature regeneration.

Supporting sustainable building products and solutions

Growing use of affordable, low carbon building products and systems, and working towards becoming Red List Free.

Circular economy across our business

Moving beyond diversion from landfill to designing out waste through standardisation, modularity and use of circular materials.

Long-term social value creation

Creating social value in communities delivered by our projects and assets including partnerships, place-making and employment opportunities.

De-carbonising

As a leading residential developer in New Zealand we take our carbon emissions seriously and we understand the need to mitigate the impacts of climate change.

Our combined Scope¹ and 2 emissions for FY23 were 500 t CO₂e. This is equivalent to the embodied carbon emissions (materials and products that form the home) and operational emissions (use of the home) of just two standard homes over a 90 year service life. This is why our greatest carbon reduction challenge is our Scope 3 emissions.

(1) Scope 1 emissions: direct emissions from sources owned or controlled by us e.g. the petrol used in our vehicle fleet

Scope 2 emissions: indirect emissions from our purchased energy e.g. electricity used in our offices

Scope 3 emissions: all other emissions associated with our upstream and downstream activities e.g. things we buy, sell and transport, waste in our operations and employee travel



Scope 3 Carbon reduction

We know that the use of concrete and cement is a major source of carbon emissions and this year we actively lowered our carbon footprint using lower carbon cement.

Across many of our development sites we use Firth's EcoMix™ concrete, New Zealand's lowest carbon cement against the Infrastructure Sustainability Council's baseline, we have reduced the level of embodied carbon (EC) in our residential concrete mixes for floor slabs, patios, landscaping and driveways. We achieved an average rating of EC22 on our Auckland residential development sites that use EcoMix™. This means CO₂ reduction of 22% compared to 2020 EC Baseline provided by the Infrastructure Sustainability Council.

Our LowCO homes pilot features an impressive EC34 rated low carbon concrete where some of the cement has been replaced with a 'fly ash' substitute. In the LowCO terrace slab low carbon concrete emitted 1.3 tonnes less CO₂ than a standard mix design, and required around 2.3 tonnes less cement.



Featuring low carbon products

Through the design and consenting phase of LowCO we have had a clear focus on featuring lower carbon, sustainable building products both within our Fletcher Building portfolio and beyond:

- EC34 rated EcoMix™ low carbon concrete for the terrace slab and house garage slab and pile foundations.
- A wood fibre insulating material from Comfortech™ covering the timber framing.
- Natural Weathertex timber cladding.
- saveBOARD as an internal lining for the garage made from upcycled plastic packaging waste.



Transitioning our fleet

In FY2023, we changed 22 vehicles in our fleet of 75 to hybrid RAV4 Hybrid vehicles. These hybrid vehicles are known for their lower emissions and improved fuel efficiency with 4.8L/100km fuel consumption, compared to 7.4L/100km on a Hilux ute, meaning our people only need to fill up with fuel half the number of times.

Fleet model and fuel mix changes align with our Scope 1 carbon emissions roadmap and underscore our dedication to Fletcher Building's '30 by 30' (30% reduction in combined scope 1 & 2 emissions by 2030 from a 2018 base year) target. From FY24 we will introduce EVs to the fleet.



LowCO case study



LowCO is an ambitious pilot project that rethinks how we will build houses for people in the future. We began construction on our LowCO homes in FY23 with a 3-bedroom family home and three 3-bedroom terrace homes at our Waiata Shores neighbourhood in Tāmaki Makaurau Auckland. LowCO is designed to consume seven-times less carbon over its lifetime, using today's practices and products.

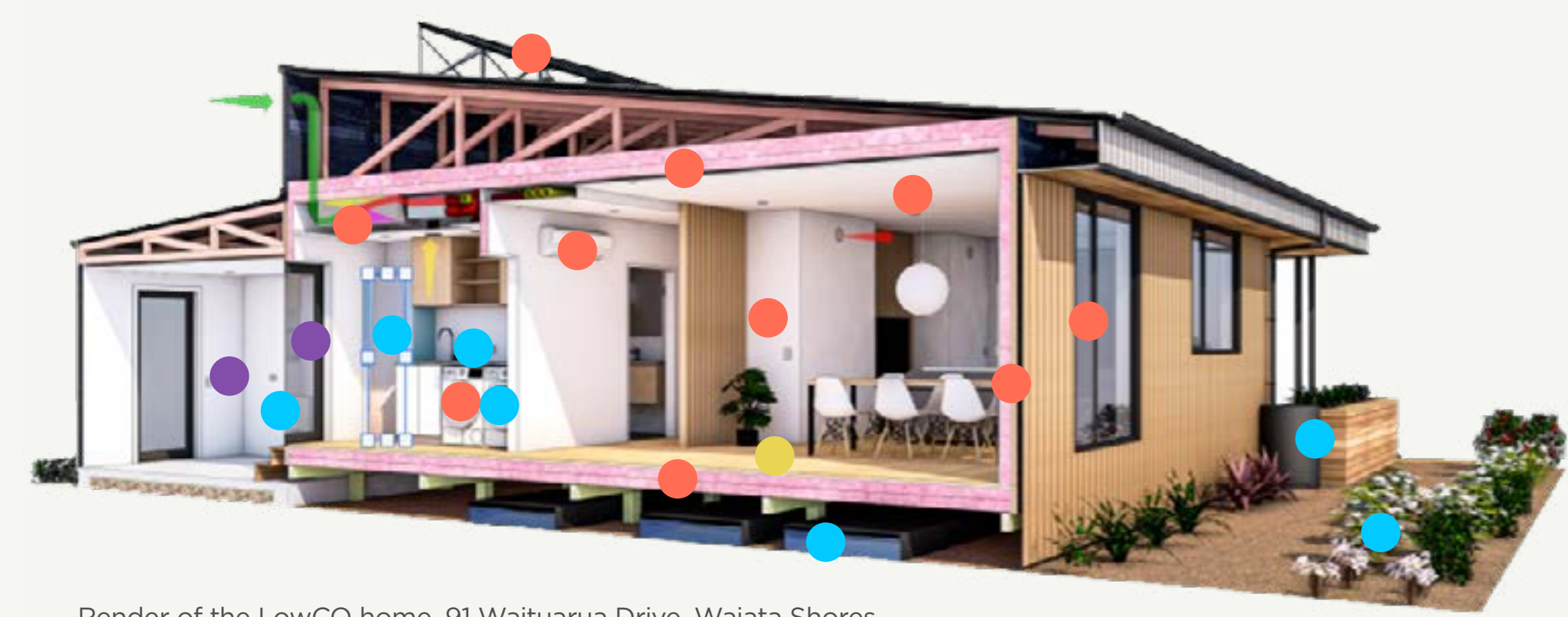
The benefits extend beyond the carbon footprint, into water and energy efficiency, meaning it is warmer, drier and cheaper to operate for families. LowCO is an industry leading sustainable housing offer and has already opened up a number of new product offerings and partnerships with like-minded industry players including Watercare.

The pilot will also collect and analyse building performance data once the homes are occupied by using digitally connected meters and sensors. Knowing the water and electricity used to run a shower, for example, can help improve how people use these resources in their homes.

7 x less carbon emitted than a standard home over its lifetime	1/3 of typical space heating requirement of a standard built home	Targeting a 10 Homestar Version 5 rating
Will achieve MBIE's Building for Climate Change 2035 proposed water use and thermal performance cap by 2023	Comfortable year-round temperature of 20-21°C	Little, if any need to use heaters or to open windows (unless occupant wishes to)
Fresh, filter indoor air quality	Targeting 80% diversion from landfill during construction	Low carbon landscape design with high ecological value, low-water use planting

Live well	●
Ventilation system with heat recovery	
Solar PV array	
LED lighting	
Insulated exterior walls	
Super wall, roof and floor insulation	
Double glazed, Low-E, Argon fill windows	
Heat pump	
CO2, humidity, temperature sensor	
10 star Energy Heat pump Condensing Dryer (F&P)	
Smart home tech	●
CAT 6 Wiring	
Keyless entry door lock	
EV enabled	
Pre-wire for CCTV	

Water efficient	●
Aquacomb rainwater tanks with carbon/UV filtration	
Hydraloop greywater recycling system	
Hot water heat pump	
4 WELS shower head & toilet	
Thermostatic shower mixer	
6 WELS kitchen & basin mixer	
4.5 WELS front loader washing machine	
Raised vege garden supplied with recycled greywater	
Drought resistant landscaping	
Interior design	●
Engineered timber floors	
Formica benchtop	
Ply kitchen cabinetry no edge tape	



Render of the LowCO home, 91 Waituarua Drive, Waiata Shores

Optimising building performance



One Central in Ōtautahi Christchurch

We incorporate sustainable fixtures into every home so people spend less money on water, heating and cooling.

Fletcher Living is dedicated to curbing greenhouse gas (GHG) emissions by constructing homes that continue to improve energy and water efficiency. This financial year 80 homes were completed and delivered to Homestar 6 (v4.1) built rating or better and 100% of homes built to Healthy Homes standard.

During 2022/23 in Canterbury, 101 units at Superlot 10 and 15 within One Central began construction, all of which adhere to the Homestar 6 (v4.1) standard. Looking ahead, another 120 units at Superlot 2 are scheduled to commence construction in early FY24, also aligning with Homestar 6 requirements.

In addition, some Fletcher Living developments such as the 189 homes at Te Uru in Hobsonville Point include hot water heat pumps and rainwater detention-retention tanks where water is reused for downstairs toilet flushing and garden irrigation.

Ongoing commitment to becoming Red List Free

Red List Free means removing Red List products or materials from our builds that use substances that are harmful to human health or the environment. In 2021 we audited products and materials specified and installed in our house builds. Any of our homes with PVC pipes and spouting are now specified as uPVC and we have eliminated two vinyl flooring products. We will phase out three remaining red list materials – formaldehyde from Pink Batts, Copper chrome arsenate (CCA) treated timber, and intumescent coatings by 2027.

When you're building, buying or living in a new home you want to know that the building materials are safe and won't impact on your health, triggering asthma or other ailments. All of our Kiwibuild Homes specify paints which are low in volatile organic compounds (VOCs), and we are actively working towards extending this across all homes.

Future Ready Homes

FY23 saw us consolidate the first phase of our smart-enabled home journey. We established our **Future Ready Home** base specification including prewiring for CCTV, home alarm system, keyless entry door locks, and introduced Iconic switch gear for lighting, power points, humidity and leak tracking and control.

Our homes are now built with 7.4kW charging capacity installed either within garage, on an external wall or to an in-ground pedestal termination pit.*

This year 407 homes were delivered with future proof EV charging capability.

Equipping homes with modern digital design to enhance home comfort, control and security as well as home energy optimisation is at the heart of our vision.

**Some exceptions in specific locations apply.*

Positive environmental impact

Sustainable Master planning

From land acquisition to the construction of the final home, we maintain a focus on creating resilient neighbourhoods that make a positive impact on the environment, working with mana whenua, local agencies and regulations.

Our engineering design addresses both water management and urban development needs. We prioritise the protection of streams and ecology, and design modern stormwater systems incorporating raingardens, vegetation, permeable surfaces and retention ponds to control the flow of water.

FY23 by the numbers:

126

street trees planted

3,040m²

vested drainage, recreation or esplanade reserves

495m

of walking tracks installed

29,144m²

of approved drainage, recreation or esplanade reserves

1,062m²

of public open spaces

1,800m²

of protected wetlands

Positive environmental impact

Biodiversity

Our greatest opportunity to positively impact biodiversity lies in the spatial planning of our developments. Biodiversity was not a material focus of our sustainability efforts in FY23, although projects like Ōkahukura with Ngā Maunga Whakahii o Kaipara Whenua Hoko Holdings Ltd at a 9.7 hectare site in Albany have protected a 12,700m² wetland and gully ecosystem.

“Restoring the wetland is an important part of the development for Ngā Maunga Whakahii o Kaipara. We want to recreate an area of native flora and fauna which we see as part of our kaitiakitanga responsibilities. We would like to see this area used for rongoā rākau (plant remedies) and reflect the history of the area. An important part of the design is ensuring ongoing public access through the

reserve to allow the community to enjoy the restored wetland.” Daniel Clay, Tumuaki Chief Executive

In 2024 we will start biodiversity work by measuring our baseline and demonstrating no net loss across some of our existing and planned developments, and we aim to create a Divisional Net Positive Biodiversity Strategy with clear targets and principles to apply to sites.

Three Kings case study



Render of the Three Kings sports fields

The Three Kings quarry, established in 1922, served as a significant source of aggregates for Tāmaki Makaurau Auckland. However, following its decommissioning in 2015, the site has undergone a transformative journey.

The attention has shifted towards the development of a thoughtfully designed master planned community, paying homage to Te Tātua a Riukiuta / Big King, the area's cultural heritage and sustainability. Through FY23 the level of the riu (the central development area named after the hull of a canoe) was raised 30 metres from its deepest point. Development works were completed in the south-eastern corner of the quarry edge and 9 homes were sold along Grahame Breed Drive and 20 at Caldera Apartment.

The sustainability initiatives at the Three Kings site are diverse and comprehensive, reflecting a commitment to environmental stewardship and cultural heritage preservation. Examples include:

Repurposing of rock and scoria material for reuse on-site:

- Rock for retaining wall gabion baskets
 - Backfill GAP65 for retaining walls
 - Roading and scoria drainage aggregate
 - Geotechnical surcharge stockpiles
 - Gifting of rocks to Mangapikopiko and Ngākōroa schools for playscapes and future public reserves at Three Kings
- We have been collaboratively working with mana whenua since 2013 on the Three Kings Precinct
 - Celebrating remnant volcanic features and preserving sightlines to existing volcanic cones including Maungawhau (Mount Eden) and Te Tātua a Riukiuta (Big King).
 - Use of traditional names and cultural narratives in landscaping design to celebrate the history and culture of the site and its people
 - Kōwhatu (stone/rock). Mana whenua nominated artists have used larger volcanic boulders for entrance carvings.
 - All imported fill material has been carefully sourced to ensure no adverse ground contamination.
 - Ground water reuse for project and end use operations.

- Stormwater ground soakage discharges stormwater into the aquifer through treatment devices.
- Protection of the aquifer and ground water. Approximately 40% of the development is a perimeter reserve including sportfields, playground, a terrace park and a 1km walking track.
- Kauri flooring and multiple vintage villa doors were successfully able to be salvaged from the old pump house.

Auckland flooding case study

The green spaces we build in our master planned communities are more than just recreation spaces with attractive landscaping – they keep our homes free from flood risks.

The green spaces we build in our master planned communities are more than just recreation spaces with attractive landscaping – they keep our homes free from flood risks.

For example, Waiata Shores has over 10 hectares of stormwater reserve which provides for 100-year flood storage as well as a cycling and jogging route along the adjacent Papakura Stream and foreshore.

Stonefields, lies within an old quarry basin with no option for gravity discharge of stormwater. Without proper consideration at master planning stage, untreated stormwater runoff would have put thousands of homes at risk of flooding and unsightly ponding and sedimentation. A system of rock gardens within the roads treat stormwater before releasing the treated water into a large permanent pond within a stormwater management reserve. The pond provides amenity for the community as well as ensuring flood protection for the development.

Both these developments performed admirably during the January 2023 Auckland storm event.

Regrettably, a number of residences within our Superlot 05 Māngere project, situated along Bader and Ventura Drives, were impacted by flood damage during the Auckland Anniversary floods. The widespread flooding predicaments encountered across Māngere underscore the difficulties confronting numerous neighbourhoods and the critical significance of integrated planning at the outset, and contemporary stormwater design.

It's important to note that Fletcher Living, serving as a Build Partner for Kāinga Ora in the Māngere Development, bore no responsibility for stormwater infrastructure, having procured a fully serviced superlot.



*Stonefields basin performing during Auckland Anniversary floods.
Image by Margaret Stanley.*

Data driven accountability

- Continuing to build a robust waste baseline so we can see and track data on recycling and diversion from landfill and waste to landfill by both branch and subdivision. Monthly Waste Leaderboards help drive improvement and awareness.
- Plasterboard analysis project at Red Beach to understand how much was specified, ordered, used and put into the separation bag to prevent it from getting into the bag in the first place.

Elimination of waste to site

- In FY23 Fletcher Living now receives unwrapped frames from Auckland Frames and Truss in an effort to stop the waste arriving on the construction site from suppliers.
- One in six homes delivered to Fletcher Living by Clever Core™, in which less than one wheelie bin of waste is produced per home in the factory.

Improving waste management



Responsible resource management

- Roll out of soft-plastic recycling stations across all residential sites in Auckland in collaboration with saveBOARD.
- Neighbourhood-wide trial separating steel, cardboard, cladding, timber, polystyrene and soft plastics at a large-scale residential development at Homai, Manurewa.
- 80% landfill diversion target at a duplex home in Oranga Auckland with Junk Run with waste being returned to community organisations for reuse.
- Waste Management Plan and full site separation underway the LowCO home and terraces with Green Gorilla.

Waste is a material issue for the residential construction sector. We are firmly focused on improving our waste management practices with a clear ambition of circular economy.

We were proud to receive the 2022 WasteMINZ National Excellence Award in the 'disposal to land' category recognising our outstanding contribution to eliminating and minimising the waste generated in the construction of the homes we build.



Supporting industry research and collaboration

- Auckland Council 'Great Skip Dive' waste audit at Lot 568 in Stage 7 Whenuapai to understand the composition and volume of waste associated with a standalone house build.
- Massey University / BRANZ / Environmental Solutions Research Centre completing a full plastic audit of a 42-unit apartment building at Rockfield Road, Oranga. FY23 a total of 1077kg plastic was collected with 57% recycled.
- Residential Construction Waste Tool
- Astron Plastics hard hat recycling study
- Sustainable Business Network Building out Waste Group
- Sustainable Business Network / Construction Sector Accord Building our Waste
- Āmiomio Aotearoa / Waikato University on material flow through the construction sector
- Massey Uni / BRANZ / Auckland Council on the development of the

Behaviour change and education

Our construction teams and external contractors play an active role in diversion, putting waste generated on site in the correct bin. In FY23 we held: 12x Branch updates, 1x Site Managers Workshop, 2x resource efficiency specific toolbox talks with contractors; 2x Civil Contractor EHS Forums.

Key statistics

31%

FY23 we increased our waste diversion rate to 31% overall across all Branches

84%

In Canterbury alone, we achieved 84% diversion from landfill through hand sorting with WasteCo

3.2t

Averaged 3.2 tonnes waste per home across 1,013 residential homes under construction / completed against

Material flows from Fletcher Living

Treated timber >
Golden Bay Cement =

Biofuel replacing coal to
fuel the cement kilns.



Plasterboard >
Green Gorilla =

Gypsum additive to fertiliser,
compost or cement.



Soft plastics >
saveBOARD =

Downcycled into 100% recyclable
multi-use panels used on our sites
as a temporary ply substitute.



Untreated wood offcuts >
Green Gorilla =

Landscaping wood chip
and animal bedding.



Old uniforms >
Upparel =

Repurposing textiles
into a non-woven felt.



Larger waste streams by weight

Smaller waste streams by weight

Our communities at the heart

We actively participate and support our communities in as many ways as we can, whether it be working with schools, holding community events or a simple meet and greet.

Supporting schools and ECE's

- Oke School Garden sponsorship and working bee at Mangapikopiko School next to our development at Park Green, Karaka
- Oke School Garden sponsorship and working bee at Oranga School including new fence and 13,500L water tank within our Oranga development
- Digger Day at Massey Child Care Centre, Albany
- Bridges to Schools programme with Te Raekura Redcliffs Primary School, Christchurch
- Three Kings School Scarecrow Festival support, Three Kings
- Whenuapai Primary fundraising at the Community Fun Day, Whenuapai



 **3,500**
boxes of popcorn

 **1,960**
sausages

Supporting charitable organisations

We continue to be dedicated to supporting the communities where we build. We have historically supported a wide range of non-profits. Organisations supported in FY23 include:

- Oke Charity
- Salvation Army
- Kumanu Buddy Bench
- Sustainable Coastlines
- Project Twin Streams
- Ronald McDonald House
- Dress for Success
- Will & Able
- Eastern Women's Refuge
- Whenuapai Scouts
- Red Beach Surf Life Saving Club

Placemaking at One Central

For the last six years the One Central area being redeveloped by Fletcher Living in Christchurch's central city has been home to a programme of placemaking installations and initiatives delivered in partnership with Gap Filler. FY23 saw two Skate Jams held at the Detour Pump Track and a Bloco De Carnaval, a Brazilian themed festival for families.



Bloco De Carnaval event



One Central swings and pump track

Hearts and minds

Fostering the growth of our wāhine

Making Fletcher Living a great place to work for women remains a priority. Women hold 41.7% of our roles overall and 28.5% of operational leader roles. This past year we have 47 more women and 6 new female leaders. 18 women from across the business participated in our Women to Leadership group mentoring programme in FY23 and from those who took part, 17% were promoted.

We have gender pay parity



Supporting different career and life stages

This year Fletcher Building developed a gold standard parental leave policy that helps our people create a great start for their children, as well as making it easier to continue their career with us when they return. That includes 26 weeks fully paid leave for primary carers (or 50% of full pay for 52 weeks) and 4 weeks fully paid leave for secondary carers, with continued Kiwisafer contributions.

We offer phased return-to-work options which includes the option to work part-time and receive full pay for six months. Carers are also entitled to an extra five days 'New Parents Leave' in their child's first year.

17 Employees have taken up our new parental leave policy



Volunteering

Giving back to our communities is a characteristic of Fletcher Living's workplace culture. Our employees contributed 468 volunteer hours to many worthy causes, translating to \$22,500 of value for the year.



Planting **400 native trees** at Duncan Park in the Port Hills, Christchurch (adding to a total of 2,500 trees planted during past five years)

Bringing the **'Bridges to Schools'** programme to 30 Year 7 & 8 students from Te Raekura Redcliffs Primary School in Christchurch

40 volunteers **removing 1,100L of litter** from the Papakura Stream in Waiata Shores, Auckland

Fletcher Living North Branch helped provide **200 meals** at Ronald McDonald House

Contributing **teaching time** and on-going support to Massey University MBA Sustainability students

Clothing and bedding for East Coast and Auckland flood victims

Clean up of Otakaro / Avon River with Sustainable Coastlines

Hearts and minds



BUILDhers site planning

At Fletcher Living, we don't just build houses. We create spaces for living. That starts with creating space for our people to bring their whole self to work. We are committed to become the safest, most inclusive and socially responsible company in the residential construction sector. It begins with believing that all injuries are preventable and making sure our people know they are valued and able to reflect their true selves.

Investing in learning and development

We help our people learn new skills, push boundaries, and take on new challenges. From mentoring to professional qualifications, targeted leadership courses and personal development opportunities to help employees continue to grow their career.

We completed 1,358 e-learning and face-to-face courses. Our people completed 1,724 hours of training.

12 family members of Fletcher Living employees received support for study, extra tuition and programmes through Fletcher Building's Employee Education Fund (EEF). 11 received tertiary scholarships. Additionally, in FY23 the business received direct funding from EEF of over \$100,000 to support divisional-wide learning and development initiatives to support the growth of our employees.

Cultivating inclusion and diversity

We continued our efforts to ensure an inclusive working culture across all our business functions and locations.

In FY23 we continued to run FBU Say, our employee engagement survey. We achieved an employee net promoter score (eNPS) of 40 which places us in the top 25 percentile of the global organisations who participate in this survey.

We received over 2,000 individual comments across our division and a response rate of 93%, with participation 7% above the Peakon benchmark response rate. Encouragingly our inclusiveness score reflects people feel accepted for who they are with a score of 58 putting us 8 above the Peakon global benchmark.

We offer free NAWIC National Association of Women in Construction (NAWIC) and NZ Women's Infrastructure Network (WIN) Membership.

12 Employees completed comprehensive cultural competency training with Te Kaa (total of 24 employees since FY21)

30 Completed online beginners te reo learning

People features



Supporting the Rainbow community:

Fletcher Living's Digital Marketing Specialist and Pride Chair, Eric Yu

"As a proud Rainbow employee at Fletcher Living, I find the workplace to be exceptionally healing and supportive, fostering an inclusive environment where diversity is celebrated. The opportunity to collaborate with senior leaders on addressing crucial diversity and inclusion issues is both empowering and enriching, reflecting our commitment to creating a workplace that embraces and values every individual's unique contributions."

[Learn more](#)



Building skills and providing jobs:

Fletcher Living's Assistant Site Manager at Auckland Central Branch, Tua Maeva

"At the completion of my pre-trades course at MIT, I sought an apprenticeship in building construction—a path that led me to score a role in my hometown, Māngere, as the first Kāinga Ora Construction Plus student at Fletcher Living. I embraced challenges, progressing steadily into a Cadet Construction Supervisor role, and supported by an encouraging construction team, my confidence grew. Fletcher Living's guidance paved the way for my growth and development, culminating in my current position as an Assistant Site Manager. I'm on a winning team."



Leading women in construction:

Fletcher Living's North Branch Manager and Chair of The Equality Network, Aurelie Le Gall on the BUILDhers build project underway at Whenuapai

"The idea behind the female-led BUILDhers project is to spotlight the diverse skills of women who are already successfully holding their own and excelling the building and construction industry. I want to see women on construction sites achieve great things and be safe in the knowledge that they belong there."

[Learn more](#)

Vision for FY'24

Decarbonising

- LowCO homes achieve carbon target of 39t CO₂eq, obtain a high Homestar rating.
- Complete build phase and get energy and water monitoring of LowCO homes underway.
- Develop a plan to take energy and water efficiency and low embodied carbon learnings from LowCO into our standard build.
- Support Fletcher Building on its disclosure of Scope 3 emissions and work collaboratively towards greening our supply chain.
- Support civil contractors to realise lower carbon results in land development phase mix design and pilots.
- Accelerate the electrification of our company fleet targeting 8x EVs and extending our shared mobility offering.

Optimising building performance

- Reduce embodied carbon by 20% by increasing use of low carbon concrete and specifying cement replacements.
- Reduce operational carbon by thermal improvements to joinery suites, walls, roofs and slabs and new product specification.
- Continue to create healthier indoor environments through use of low volatile organic compounds (VOC) paints and continuous mechanical extraction.
- Continue to phase out Red List products or materials from our builds.

Positive environmental impact

- Confirm strategy to measure our biodiversity baseline and demonstrate no net loss on our masterplan developments.
- Examine pathways to a net positive biodiversity position.

Creating a circular economy

- Reduce waste to landfill by 40% across our residential developments.

Our communities at the heart

- Employ a Place-making and Community Engagement Lead in Tāmaki Mākauau Auckland.
- Extending charity drives and volunteer activities within the community.
- Build our fifth OKE Outdoor classroom and school outreach activities.
- Each Branch hosting or supporting a community-wide event.

Hearts and minds

- Grow women in operational leadership roles from 26% to 29% in FY24 with plans and initiatives in place to get to 40% women in operational leadership roles by the end of FY27.
- Focus on cultural competency training for people leaders.
- Assessment of our employee attraction and recruitment processes from a Rainbow lens.
- Employee survey results guiding our focus on recognition and purpose development.



Fletcher Living®

Thank you