SEPTEMBER 2025

KiwiRail Rautaki Whakauka Sustainability Strategy

2025-2028

Updated to align with FY27-29 Statement of Corporate Intent

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KiwiRail
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FOREWORD: A MESSAGE FROM OUR CHIEF EXECUTIVE, PETER REIDY

MANAAKI WHENUA. MANAAKI TANGATA. HAERE WHAKAMUA.

Care for the Land. Care for the People. Go Forward.

As Chief Executive of KiwiRail, it is my pleasure to share with you KiwiRail's Rautaki Whakauka Sustainability Strategy 2025-2028. KiwiRail has a major programme of transformation underway to deliver a thriving business that provides superior customer service, increases rail's share of the freight market, contributes to carbon reduction and does so within a safe working environment.

KiwiRail's vision is to be our customers' first choice as a trusted and sustainable partner to move freight and people. Sustainability is one of KiwiRail's strategic priorities that will help us realise this vision and continue to support the New Zealand economy. It is central to our purpose of providing Stronger Connections for a Better New Zealand.

We are the steward of New Zealand's rail corridor, and with that comes a responsibility to care for and protect the health of the environment, our society and the economy. These are the three central pillars of our Sustainability Strategy.

Every tonne of freight moved by rail produces, on average, 60 per cent fewer carbon emissions compared with heavy road freight. By partnering with our customers and stakeholders to move more freight and passengers by rail, we can contribute to decarbonising New Zealand's economy.

KiwiRail is proud to be a member of the Climate Leaders Coalition and to support New Zealand's transition to a net zero carbon, climate resilient future. As an energy efficient and low emissions mode of transport, the Benefits of Rail 2024 report found that rail freight and metropolitan rail saves New Zealand more than 410,000 tonnes of greenhouse gas (GHG) emissions a year.

This strategy outlines our vision, priority areas and targets across our three pillars. In the following pages, we discuss our priorities in more detail, including actions we'll take to achieve our goals, and what we're already doing to enhance our positive impact for New Zealand.

More detail about our plans to decarbonise our business and increase our resilience to climate impacts can be found in our first Carbon Reduction and Climate Adaptation Plans which we are proud to publish alongside this Sustainability Strategy.

Peter Reidy
Chief Executive

KIWIRAIL'S COMMITMENT TO MĀORI OUTCOMES

KiwiRail is committed to fostering Māori cultural integration, leadership growth and meaningful iwi partnerships. Many of our assets are located on land that is owned by, or significant to, Māori. Our activities potentially impact on issues of importance to Māori, including local employment, water quality, habitat loss and biodiversity.

We recognise the important role that iwi and hapū play in caring for and protecting natural areas as kaitiaki, in accordance with tikanga Māori, and we are committed to supporting these outcomes. For example, we embed Mātauranga Māori into the planning and design of our capital works projects. We also recognise the potential for KiwiRail to partner in economic and development opportunities for Māori and to engage in activities that will deliver mutually beneficial outcomes for both mana whenua and KiwiRail.

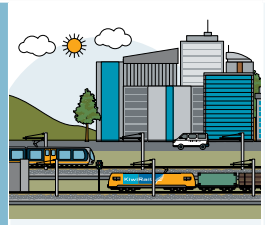
Our approach is guided by three key principles:

- **Te Tika me te Pono – Straight and True** - We will act reasonably, honourably and in good faith to ensure the making of informed decisions on matters affecting the interests of Māori.
- **Kaitiakitanga – Care and Protect** - We will take positive steps to ensure that we recognise, value and safeguard Māori cultural concepts, knowledge, experience, values, practices and interests.
- **Whai Wāhi - Participation** - We will enable and support Māori to actively participate in decision-making, planning, development and delivery, which will enable effective engagement.

Our Rautaki Whakauka Sustainability Strategy will also be guided by these principles, strengthening KiwiRail's position through meaningful partnerships with Māori, focusing on cultural integration and workforce development. Our strategy includes actions to work with Māori, iwi and hapū on activities including the restoration of nature, strategic economic partnerships and empowering Māori staff to thrive across KiwiRail to deliver mutually beneficial outcomes for Māori and KiwiRail.

Te Taurapa, by Kāi Tahu artist Steve Solomon, stands at Kaituna - Hillside Mechanical as a symbol of unity and remembrance. Representing the stern of a waka, it connects KiwiRail to mana whenua and honours those who have passed.

RAUTAKI WHAKAUKA SUSTAINABILITY STRATEGY 2025-2028

	Our vision	Our priorities	Our 2028 targets		
ECONOMY	 Grow low-carbon, resilient networks for freight and passengers	**Customer-led** **Climate adaptation and resilience** **Sustainable procurement**	**Customer-led** • 177,000 tonnes of CO_2e emissions avoided by moving freight by rail compared to road • 42 million low carbon metro commuter journeys enabled **Climate adaptation and resilience** • 70% of actions in Climate Adaptation Plan are on track • Maintain or reduce where possible the % of culverts that are condition 5 on priority lines, where 1 is best condition, 5 is very poor condition (baseline 4.4% for FY25)	**Climate adaptation and resilience (continued)** • Pilot of Dynamic Adaptive Pathway Planning completed for at least two sites/assets **Sustainable Procurement** • Increase in KiwiRail suppliers that have committed to a Scope 1 & 2 emissions reduction target (new target, baseline TBC in FY26) • Complete initial risk assessment of supply chain for modern slavery and human rights violations	**SDG 9** Industry, innovation & infrastructure
ENVIRONMENT	 We are a climate leader in low emissions transport and we protect the environment	**Emissions reduction** **Caring for our environment** **Minimising waste**	**Emissions reduction** • 40% reduction in Scope 1 & 2 CO_2e emissions by 2035 against FY19 base year[1] • 46% reduction in rail freight CO_2e emissions intensity by 2035 against FY19 base year • 30% reduction in Scope 3 operational CO_2e emissions by 2035 against FY24 base year • 14% reduction in Scope 3 capital goods CO_2e emissions intensity by 2035 against FY24 base year	**Caring for our environment** • Trial an Environment in Design process on selected projects. • Contribute to at least 3 environmental stewardship projects with iwi and/or community groups per year • 100% of culvert replacements on permanent streams provide for fish passage **Waste minimisation**** • 25% of operational waste recycled (offices and sites)	**SDG 13** Climate action
SOCIETY	 A relentless focus on zero injuries, quality employment and community relationships	**Safety, health and wellbeing** **Iwi partnerships** **Sustainable workforce**	**Safety, health and wellbeing** • High Potential Incident Reduction (Total 12-month rolling average) by 20% (FY27) & 15% (FY28)* (baseline FY25 89) • Lost Time Injury Reduction (total 12-month rolling average) by 20% (FY27) & 20% (FY28)* (baseline FY25 142) • 77% Employee Engagement Score* **Iwi partnerships** • Increase in partnerships underway with mana whenua • 20+ staff participating in Toi Toi Māori leadership programme/year	**Providing quality employment** • 23% women in workforce (baseline FY25 18.9%)* • 30% young people (under 35 years) in workforce (baseline FY25 30.2%)* • 100% of KiwiRail staff paid at least Living Wage • Maintain 150 employees in early careers programme (e.g. graduates, apprenticeships or trainee roles)	**SDG 8** Decent work & economic growth

Collaboration and partnerships: All pillars are supported by our commitment to partnerships and collaboration with the Energy Efficiency and Conservation Authority, Sustainable Business Council and the Climate Leaders Coalition and our ongoing support for policies that support the rail industry's transition to a low-carbon future.

[1] *Meeting our Scope 1 and 2 emissions reduction target will be contingent on initiatives, such as electrification of the Golden Triangle, which will require major additional investment.*
** Between FY26 & FY27 some targets have been updated to remain aligned with KiwiRail's Statement of Corporate Intent.*
*** Construction waste diversion target removed in FY27 as no longer tracked*

THE BENEFITS OF RAIL

Moving passengers and freight by rail contributes significantly to the New Zealand economy, boosting productivity and providing additional benefits to New Zealand.

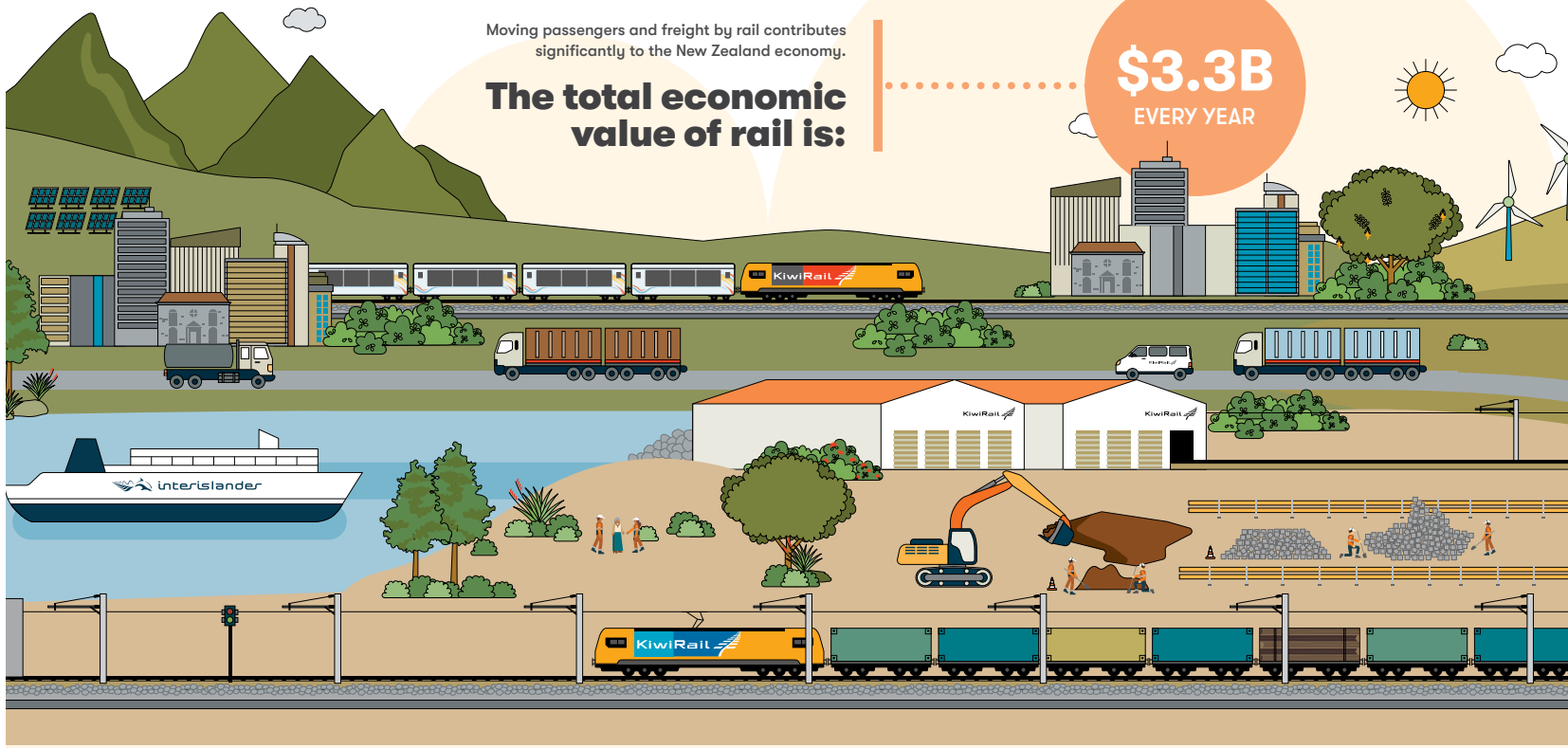
The total economic value of rail has been quantified as $3.3 billion* every year. These wider benefits are delivered to all New Zealanders through social, environmental and economic values and have been quantified below.

These benefits are only set to grow as KiwiRail delivers investment into the rail network with $9 billion of government funding and attracts greater passenger and freight volumes.

Moving passengers and freight by rail contributes significantly to the New Zealand economy.

The total economic value of rail is:

$3.3B
EVERY YEAR



Total value is derived from:

$1,533m
Benefit from time savings and reduced congestion

$972m
Growth in GDP

$291m
Health benefit from reduced air pollution

$268m
Reduced fuel and maintenance costs

$161m
Improved safety outcomes

$36m
Reduced greenhouse gas emissions

20m
Driving hours avoided in Auckland and Wellington by rail use

1010
Additional jobs created through construction and increasing economic growth

168
Premature deaths and hospitalisations each year avoided by rail use

146m
Litres of fossil fuels each year, or approximately 1 mill. barrels

210
Fewer road injuries and fatalities each year

410,000
Tonnes of CO_2e avoided each year

**Based on the Australasian Railway Association's The Benefit of Rail to New Zealand report, 2024*

SUSTAINABILITY AT KIWIRAIL: OUR CONTRIBUTION TO A LOW-CARBON, CLIMATE RESILIENT NEW ZEALAND

KiwiRail's biggest contribution to New Zealand's net zero emissions ambition comes from the freight that we move by rail. We provide critical freight capacity, particularly for long-distance and heavy products, avoiding around one million truck trips annually on our roads. This reduces congestion and road maintenance costs, as well as providing improved road safety and environmental impacts.

We also support local government authorities to deliver metropolitan and inter-regional passenger rail services through our maintenance and upgrades of the rail network. Finally, we provide tourists with sustainable travel options through our scenic rail journeys and Interislander ferry services.

OUR IMPACT

- Serve more than 300 rail freight customers; in FY25, we moved **3.37 billion net tonne kilometres** (NTKs), producing on average, **60 per cent less carbon** compared to road freight
- Overall, across rail freight and passenger services, rail in NZ avoids around **410,000 t CO_2e** per year (Benefits of Rail report, 2024)
- Enable around **25 million low-carbon commuter trips** each year in Auckland and Wellington by maintaining and renewing rail networks for regional and local councils
- Support delivery of **inter-regional commuter rail journeys** (Te Huia from Auckland to Hamilton and Capital Connection from Palmerston North to Wellington)
- Carry around **800,000 passengers a year** across our scenic journeys and Interislander services - one rail passenger trip from Auckland to Wellington produces one third of the emissions of a flight
- Support local conservation groups and educate customers on environmental actions (including the Tiaki pledge) through our tourism services
- Educate and enable our own staff to act on climate change through training, activations and our internal environmental volunteer group, **Team Kākāriki**.

Climate change will bring both opportunities and risks for KiwiRail. In the Economy pillar of our strategy, we outline actions we will take to capitalise on opportunities for low carbon freight and passenger services and increase the resilience of our rail network to climate risks.

HIGHLIGHT

ELECTRIFYING RAIL FROM PAPAKURA TO PUKEKOHE

In 2024 KiwiRail delivered electrification of the rail system from Papakura to Pukekohe. This is a valuable contribution to reducing Auckland commuters' transport emissions.

We are now building new rail stations in southern Auckland at Drury and Paerātā to provide residents of this growth area with sustainable commuting options.

ECONOMY - CUSTOMER-LED

TARGETS

- 177,000 tonnes of CO_2e emissions avoided by moving freight by rail compared to road
- 42 million low carbon metro commuter journeys enabled

CONTEXT

KiwiRail plays a significant role in reducing emissions from New Zealand's transport sector. The more freight and passengers we move by rail, the greater the carbon savings and other benefits we can deliver for New Zealand. Over the next three years we will aim to become our customers' first choice to move freight, through providing superior customer service, ease of business, reliability and efficiency. We will increase the number of rail-served sites available to our customers and pursue opportunities to carry a wider range of commodities, including materials that support the transition to a low carbon economy, such as biomass, scrap metal and waste materials for recycling.

In our role as an infrastructure provider, we will continue delivery of upgrades and renewals across our rail network, with a focus in Auckland and Wellington to enable these cities to increase public transport patronage. We will support regional councils to deliver inter-regional passenger rail services such as Te Huia and Capital Connection. Finally, as a tourism provider, we will enhance sustainability of our scenic rail and Interislander passenger services.

KEY ACTIONS

- Growing our low carbon freight volumes
- Increase number of rail-served sites, e.g. container terminal sites, freight hubs, customer sidings
- Increase utilisation of our trains to move freight more efficiently
- Increase customer engagement on sustainability and provide customers with data on their carbon footprint through our Steel Wheels and Carbon Calculator tools. These will be externally verified each year.
- Support sustainable passenger travel
- Provide infrastructure, maintenance and upgrades to support local government authorities to achieve their targets for increasing passenger trips on metropolitan rail
- Embed sustainability and environmental education into delivery of our tourism services (Great Journeys scenic rail and Interislander passenger services).

HIGHLIGHT

FAIRFIELD FREIGHT HUB

The Fairfield Freight Hub opened in April 2024 in Ashburton. The hub was developed by KiwiRail working with the Wareing Group, a transport company, and with support from the Ashburton District Council and central Government.

The hub is expected to increase the amount of local freight carried by rail from 6000 containers to 20,000 containers a year, creating more efficient and lower carbon supply chains for New Zealand producers.

ECONOMY – CLIMATE ADAPTATION AND RESILIENCE

TARGETS

- 70 per cent of actions in Climate Adaptation Plan are on track
- Reduce percentage of culverts that are condition 5 on priority lines (where 1 is best condition, 5 is very poor condition) – (baseline for FY25 is 4.4%)
- Pilot of Dynamic Adaptive Pathway Planning completed for at least two sites/assets.

CONTEXT

Climate change presents a risk to KiwiRail's ability to move people and freight around the country. Climate-related natural hazards such as flooding, slips, coastal inundation, high winds and fires are affecting the reliability of our rail and ferry services and causing damage to our assets. We know these natural hazards will become more frequent and severe in future due to climate change.

This means we need to make changes now to how we manage our assets and services to prepare for future climate impacts. We have developed a Climate Adaptation Plan to guide our response to physical climate risks. By investing in maintenance and renewals and proactively managing our climate risks we can maintain more reliable services, aim to recover faster after disruption and potentially avoid the need for costly repairs after extreme weather.

KEY ACTIONS

Deliver Climate Adaptation Plan including:

- Develop Climate Adaptation Principle, resilience design criteria and guidance for specific asset classes
- Explore options to reduce our exposure to flooding risk through enhanced maintenance and renewal of drainage assets
- Complete pilot of Dynamic Adaptive Pathway Planning for two key assets.

HIGHLIGHT

NORTHLAND TO AUCKLAND FLOOD RECOVERY

The North Auckland Line from Swanson to Whangārei was badly damaged in the Auckland floods in January 2023 and again during Cyclone Gabrielle.

There were more than 200 damaged sites, including many major landslides. Repairing the line cost KiwiRail over $125 million and took 20 months to complete.

In total, 500 metres of retaining structures were installed, 28 bridges were repaired, and 25,000 tonnes of ballast were replaced.

Freight volumes in Northland are expected to increase to 23 million tonnes by 2042. With major roads into the region also subject to climate impacts, rail is crucial to developing an efficient, resilient and integrated transport system for Northland.

ECONOMY – SUSTAINABLE PROCUREMENT

TARGETS

- Increase in KiwiRail suppliers that have committed to a Scope 1 & 2 emissions reduction target (new target, baseline TBC in FY26)
- Complete initial risk assessment of supply chain for modern slavery and human rights violations.

CONTEXT

KiwiRail seeks to deliver best value, commercially and to New Zealand, through sustainable procurement practices that consider good outcomes in addition to price and quality. In Budget 2025, the Government allocated KiwiRail $604.4m; $461 million is being invested in the national rail network, and a further $143.6 million in the Auckland and Wellington metro networks. This will help us to grow through the delivery of efficient, reliable freight services for export, import and domestic freight customers, and help deliver reliable journeys for commuters in Auckland and Wellington.

KiwiRail has developed a Sustainable Outcomes Toolkit to guide our procurement process. We have identified priority areas where procurement can enable sustainable outcomes, these are: carbon reduction, resource efficiency and waste minimisation, quality employment, cultural heritage and supplier diversity. Focusing on these outcomes helps KiwiRail create meaningful employment opportunities and economic stability for our communities.

To be a sustainability leader, we need to better understand what approach our suppliers are taking to address key sustainability priorities, including reducing carbon emissions, managing climate risk, waste management and labour practices and how we can work together with our key suppliers to increase sustainability across our value chain.

KEY ACTIONS

- Develop an engagement programme for key suppliers to support them to reduce greenhouse gas emissions and effectively manage climate risks
- Assess supply chain for modern slavery and human rights risks, and take actions to help manage those risks (if any).

HIGHLIGHT

USING LOW CARBON CONCRETE IN OUR SLEEPERS

KiwiRail is reducing its carbon footprint by using lower carbon concrete sleepers across parts of our rail network. Working alongside one of our sleeper suppliers, a product review led to a change in our sleeper composition.

We saw the opportunity to tweak the cement mix used for our prestressed concrete sleepers which will save more than 300 tonnes of CO_2e over the next five years. Such changes were subject to independent engineering testing to ensure they still meet our stringent specifications without compromising form and function.

This example shows how we can work with our suppliers to support a transition to lower carbon products.

ENVIRONMENT – EMISSIONS REDUCTION

TARGETS

- 40 per cent reduction in Scope 1 and 2 gross emissions by 2035 against a FY19 baseline
- 30 per cent reduction in Scope 3 gross emissions (operational) by 2035 against a FY24 baseline.
- Achieve net zero emissions by 2050

INTENSITY TARGETS

- 46 per cent reduction in rail freight intensity (g CO_2e/NTK) by 2035 against FY19 baseline
- 14 per cent reduction in Scope 3 emissions intensity (capital goods) by 2035 against a FY24 baseline

CONTEXT

As a business which relies on diesel, we recognise the impact our operations have on the environment, and the carbon emissions we produce. We have set ambitious but feasible targets to reduce our Scope 1, 2, and 3 emissions, with specific actions and timelines to achieve these targets. Our pathway to net zero carbon by 2050 will require strong leadership, an ongoing focus on operational efficiency, investment in efficient technologies and infrastructure, and a clear commitment to sustainability.

Our Carbon Reduction Plan outlines our pathway to reducing emissions across our operations including rail freight, ferries, vehicle fleet, other business activities and our value chain in more detail.

Meeting our Scope 1 and 2 emissions reduction target will be contingent on initiatives, such as electrification of the Golden Triangle, which will require major additional investment.

KEY ACTIONS

Execute our carbon zero pathway, to reduce Scope 1 and 2 emissions:

- Refurbishment and reinstatement of electric locomotives
- Complete business case for the Golden Triangle Electrification Programme (GTEP)
- Implement actions from energy audits on our Interislander ferries
- Transition our passenger vehicle fleet to electric
- Replace gas assets with low/zero carbon alternatives
- Transition container terminal and yard assets to low/zero carbon alternatives.

Reduce Scope 3 emissions:

- Reduce fuel consumption across business operations to reduce well-to-tank emissions
- Work with construction contractors and suppliers to reduce emissions from capital works.

HIGHLIGHT

REMOTE OFFLINE SWITCHES

We have installed 53 remote offline switches on some of our DL locomotive fleet which operate in the North Island.

The remote switch allows a locomotive engineer to turn the engine of the second, trailing locomotive to offline (engine stays in idle), reducing fuel use and emissions when the second locomotive is not needed.

Most of our rail lines have sections which have gradients (slopes) and flat track, which means most trains only need two locomotives for short parts of the journey when travelling uphill.

With these switches, locomotive engineers can offline the trailing locomotive, without stopping.

ENVIRONMENT – CARING FOR OUR ENVIRONMENT

TARGETS

- Trial an Environment in Design process on selected capital works projects
- Contribute to at least three environmental stewardship projects with iwi and/or community groups per year
- 100 per cent of culvert replacements on permanent streams to provide for fish passage.

CONTEXT

KiwiRail owns more than 18,000 hectares of land, traversing many sensitive habitats, waterways, and areas of significant cultural and heritage value. Our short-term focus will be improving our data to identify what our environmental assets are, and where we should focus our efforts to improve the biodiversity on and around our land. A lot of this work will be on identifying and incorporating existing datasets held by local council and environmental agencies into our systems. We also will work to provide environmental education and training opportunities across KiwiRail, to increase our awareness of the importance of biodiversity.

Our long-term focus will be moving from environmental mitigation to enhancement, by taking a catchment and ecosystem approach. This includes weaving Te Ao Māori into our environmental ethos. Working with environmental groups and adjacent landowners and in partnership with mana whenua and our stakeholders we will ensure that the lineside estate contributes to improving the biodiversity of the local area, and also maximises the value and connectivity of its routes as wildlife corridors.

KEY ACTIONS

- Incorporate Environment in Design into BAU
- Identify opportunities to work with iwi, hapū and/or community groups to provide 'in kind' or partnership support
- Identify instream structures such as culverts that impede fish passage and provide for improved fish passage.

In addition, we have developed a Biodiversity Action Plan, which we plan to deliver over the next three years. Key actions include:

- Identify existing high value biodiversity sites within our land holdings
- Develop a biosecurity (flora) management plan
- Develop a fish passage action plan
- Improve environmental awareness through providing biodiversity training to staff.

HIGHLIGHT

PROVIDING SAFE FISH PASSAGE

Our rail network includes around 12,000 culverts and more than 1300 bridges that traverse many rivers and wetlands. Much of New Zealand's native freshwater fish species need to move between freshwater and the sea to complete their lifecycles. Already, 70 per cent of New Zealand's native fish are threatened or at risk. Therefore, careful management of our culverts is required to ensure they do not act as barriers to fish passage.

Working with NIWA, our teams replaced a failing fish passage under our track at Waipuku, Taranaki. The engineered rock ramp installed offers resting areas and manageable flows for fish, while also providing flood protection and grade control to the stream itself.

ENVIRONMENT – MINIMISING WASTE

TARGETS

- 25 per cent of operational waste recycled (at offices and sites)

CONTEXT

KiwiRail generates a range of solid and hazardous waste through its operations and capital projects. As part of our environmental commitment, we have implemented a waste minimisation programme focused on diverting waste from landfill.

To date, we have engaged with 80 per cent of our eligible sites, such as container terminals and mechanical workshops, to establish or enhance recycling systems. Since initiating waste data monitoring in 2022, we have seen consistent year-on-year improvements in the diversion of key recyclable materials. In FY24 alone, we diverted 16,000 tonnes of scrap metal, a high-priority, energy-intensive material, from landfill.

Our major capital works programmes are achieving strong diversion rates for construction and demolition waste. We are also managing key second-hand materials from the rail corridor for reuse, for example, our sleepers and track.

To support organisation-wide engagement, we continue to expand educational resources, including the development of the 'Waste-cyclopaedia', our internal online database for waste stream management.

KEY ACTIONS

- Continue to deliver our operational waste minimisation programme
- Set and track landfill diversion targets for reuse of key network materials (i.e. sleepers, track)
- Develop and implement a waste standard for contractors
- Develop and embed a ballast management process.

HIGHLIGHT

RECYCLING CONCRETE SLEEPERS

We are replacing a large number of old concrete sleepers in Auckland to improve the resilience and reliability of the network. Where possible, we re-use old sleepers on quieter parts of the network. For these sleepers that cannot be recycled, we have found suppliers who will recycle them, at a much lower cost than landfill.

These providers extract the steel rebar (wires) in the sleepers for reuse and crush the concrete to be repurposed as fill material in construction projects. Since 2022, we have recycled nearly 5000 sleepers in Auckland alone – that's more than 1000 tonnes of concrete and 34 tonnes of steel.

SOCIETY – SAFETY, HEALTH AND WELLBEING

TARGETS

- High Potential Incident Reduction (Total 12-month rolling average) by 20% (FY27) & 15% (FY28)* (baseline FY25 89)
- Lost Time Injury Reduction (total 12-month rolling average) by 20% (FY27) & 20% (FY28)* (baseline FY25 142)
- 77% Employee Engagement Score*

CONTEXT

The safety of our staff, customers and the public is our top priority. Our Toitū Te Mauri safety culture programme is enhancing our leaders' safety awareness and capability, as well as improving the controls we have across the business to ensure our people go home safe every day. We are also committed to improving our staff psychosocial wellbeing and engagement.

Our goal is that we all consistently choose to be responsible for our own safety and for the safety of everyone around us. Teams that demonstrate this have a common safety mindset that believes each of the following:

KEY ACTIONS

Deliver Toitū Te Mauri, our safety transformation programme, including:

- Develop team specific KPIs to enable ownership of safety outcomes
- Delivery of safety leadership training programme
- Develop Critical Control Principles for 14 safety critical risks
- Deliver an Employee Engagement Index survey and staff engagement action plan.

HIGHLIGHT

TOITŪ TE MAURI SAFETY CULTURE TRANSFORMATION

Our Toitu Te Mauri programme is focused on transforming our safety culture. Key aspects of the programme include engaging our senior managers in safety leadership training and developing control principles for our critical risks. We are ensuring accountability for safety outcomes by assigning safety KPIs at a team level. Improving wellness and staff engagement is also a top priority for the programme. We are starting to see the positive impact of our safety culture work, with 13 per cent fewer injuries and a 23 per cent reduction in high potential near misses over the last 12 months. We are committed to improving these results further.

** Between FY26 & FY27 some targets have been updated to remain aligned with KiwiRail's Statement of Corporate Intent.*

SOCIETY – SUSTAINABLE WORKFORCE

TARGETS

- 23% women in workforce (baseline FY25 18.9%)*
- 30% young people (under 35 years) in workforce (baseline FY25 30.2%)*
- 100 per cent of KiwiRail staff paid at least Living Wage
- Maintain at least 150 employees in early careers programme (e.g. graduates, apprenticeships or trainee roles)

CONTEXT

KiwiRail employs more than 4600 staff and we know our people are the key to our future success. We aim to pay 100 per cent of our staff at least a living wage, providing quality jobs with development opportunities to staff in regional New Zealand. We work collaboratively with our four union partners through a High-Performance High-Engagement approach, to ensure meaningful input from our staff into our planning and operations.

To ensure the future sustainability of our workforce, we will focus on attracting and retaining more staff who are under 35 and more women to work in our operational divisions. We will also continue our investment into training and development, ensuring that staff who join our business in junior roles are provided specialist training which meets our business needs and equips them to thrive in the rail sector.

KEY ACTIONS

- Execute strategies for attracting women and younger people into leadership and operations roles
- Targeted action to overcome barriers to women taking on operational roles
- Provide training and development opportunities to enable our staff to gain critical skills and specialised roles to succeed in the rail sector.

** Between FY26 & FY27 some targets have been updated to remain aligned with KiwiRail's Statement of Corporate Intent.*

HIGHLIGHT

AWARD-WINNING GRADUATE PROGRAMME

Our graduate programme supports our goals of attracting younger people and women into our workforce. The programme won Best Graduate Development Programme in 2023 at the New Zealand Association of Graduate Employers' (NZAGE) awards.

The programme offers an exciting and comprehensive two-year rotational programme to graduates to help them learn a range of skills and experience areas of the business. Graduates receive a guaranteed permanent position on successful completion of the programme and senior management mentoring to ensure their success.

SOCIETY – IWI PARTNERSHIPS

TARGETS

- Increase in number of formal partnerships underway with mana whenua
- 20-plus staff participating in Toi Toi Māori leadership programme per year.

CONTEXT

KiwiRail is committed to enhancing our relationships with iwi and fulfilling our responsibilities under Te Tiriti o Waitangi. Our Māori Relations Plan guides our work with Māori in meaningful engagement processes for projects that affect them, ensuring that Māori values and aspirations are recognised in our capital works delivery and our operations and services integrate Te Ao Māori.

We will enhance Māori wellbeing by ensuring that iwi communities benefit from the economic opportunities created by KiwiRail's operations and explore opportunities for commercial partnerships with iwi and mana whenua for mutually beneficial outcomes. We will invest in training and development of our Māori staff to ensure a sustainable workforce for the future.

We will continue to work with Te Kupenga Mahi, the rail industry Māori network open to past and present rail employees and their whānau, with roopu (groups) across the country. Te Kupenga Mahi celebrates Māori culture and shares a Māori world view perspective with its partners. Partnering with Te Kupenga Mahi to build its influence and leadership capability will support KiwiRail in its strategic objectives while growing our people through a deeper connection to purpose and their communities.

KEY ACTIONS

Deliver our Māori Relations Plan, including:

- Enhance our relationship with mana whenua and increase the number of strategic partnerships that we have agreed with iwi
- Ensure the growth and sustainability of the Toi Toi Māori leadership programme through strong partnerships with Te Kupenga Mahi and external organisations.

HIGHLIGHT

TOI TOI MĀORI LEADERS PROGRAMME

KiwiRail's Toi Toi Māori Leaders Programme focuses on developing the leadership journey of attendees using Te Ao Māori (the Māori worldview) principles. Toi Toi was developed in partnership with Te Kupenga Mahi, the rail industry Māori network.

Toi Toi supports attendees to understand how effective leadership can be applied within their business, community and family environments. It builds a cross-enterprise community of influential leaders, whose values and principles encourage growth and self-development.

Since inception in 2017 there have been 115 graduates from the programme. Around 70 per cent of graduates are promoted during or soon after the programme and report many benefits in terms of their confidence and growth.

KiwiRail