Drive to Net Zero fuels a transformation of Downer's rail and transit systems

Downer announces key strategic collaboration with IBM at IBM's flagship event THINK 2022 in Sydney

IBM study finds adoption of AI remains low among Australian businesses, a focus on AI skills is needed to help accelerate adoption



Sydney, June 16, 2022: Leading integrated services company, Downer has entered into a 10 year collaboration with IBM (NYSE: <u>IBM</u>) to further work to improve the efficiency, reliability and carbon footprint of its rail and transit systems which services a significant portion of the Australian public transport network.

Speaking at IBM's annual flagship Think 2022 conference in Sydney, themed *Leading in a Changing World*, Head of Growth for Downer's Rail and Transit Systems business, Adam Williams said, "Sustainability is a critical focus for Downer and our customers. We have a clear roadmap to get to Net Zero by 2050, and we are excited to be building on our relationship with IBM Consulting and exploring what is possible with AI and other future technologies to help reduce the carbon footprint of our rail and transport systems."

Downer first began working with IBM in 2017 to modernise its technology platform, embedding digital and intelligent capabilities into its civil infrastructure operations. The platform leverages IBM Maximo along with <a href="IBM Maximo

safety of its services and the fleets it maintains.

The next phase of Downer's digital transformation journey will involve a range of IBM technologies and services that work together to give Downer a single view of the life, health and carbon footprint of all assets within their Rail and Transit Systems division, while working to keep it secure from cyber security threats.

Downer believes the next opportunity is translating these industry insights coupled with IBM technology, to drive a more efficient transit system and enable a reduction in energy consumption and carbon emissions across the millions of passenger journeys undertaken on fleets maintained by Downer every year.

"With IBM we have jointly created a single platform that provides a comprehensive suite of capabilities to support the sustainment of rolling stock (all railway vehicles). Our Rail and Transit Systems division is evolving towards becoming a supplier of Digital Services and this is how we will differentiate ourselves in the marketplace," Mr Williams added.

Ric Lewis, Senior Vice President, IBM Systems, echoed this sentiment in his keynote address at Think 2022, Sydney,

"Leaders recognise the transformative ability and importance of technology in almost every part of a business. Technology is a source of fundamental competitive advantage. It is no longer viewed as a cost of doing business. Downer's mission to deliver improved safety, improved asset accessibility and improved sustainability puts them on the map as an industry leader."

In the Australia edition of the IBM Global Al Adoption Index 2022 study findings released today by IBM, only 24% of Australian IT professionals say their organisation has actively deployed Al in their business. The IBM Global Al Adoption Index surveyed 500+ executives in Australia. The study found that the main driver of Al adoption in Australia is the need to reduce costs (42%) and automate key processes (39%).

The study also found that the greatest barrier to successful AI adoption according to IT professionals in Australia is limited AI skills, expertise, or knowledge (36%).

"Skills and talent remain the greatest challenge and hinderance to successful implementation of new technologies. IBM recognises this growing challenge and believe strategic partnerships are necessary to overcome skills and talent shortages. IBM's new ecosystem led approach represents the biggest change to our go-to-market model in 30 years. We continue to simplify the way our partners work with us, access clients, and deliver consistent client experiences," said Mr Lewis.

IBM also released the results of CEO Study today. The study, which surveyed 3,000 CEOs globally, found that sustainability is the greatest challenge Australian CEOs face in the next two to three years (54%), more pressing than cyber risk (52%), challenges with their technology infrastructure (49%) and even regulation (48%). This is a significant shift since 2021, when only 28% of CEOs saw sustainability as a key challenge for their organisation. Now, 56% of CEOs agree that business leaders must take responsibility for business impact on the environment, and 47% believe sustainability investments will accelerate business growth.

"This shift in attitudes is being driven by a combination of a sense of urgency, pressure from stakeholders, a

societal pivot from talking about sustainability to instead taking action, and, more worryingly, uncertainty about how to take and measure action." Mr Lewis added.

The live stream of THINK on Tour in Sydney can be accessed here until June 30, 2022.

About IBM

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