20 July 2026

Fletcher Building, Govt to secure NZ cement manufacturing

- The Government has granted Golden Bay Cement up to $60 million to support the continued operation of Golden Bay Cement's Northland operations.
- This reflects a specific, one-time response to an exceptional set of circumstances.
- Golden Bay Cement has committed to continue producing cement at its Northland plant until at least 2040, and to invest at least $150 million through to 2040, phased over time.
- The agreement recognises the strategic importance of domestic cement manufacturing to New Zealand's infrastructure supply chain and national resilience and addresses the carbon cost disadvantage that Golden Bay Cement faces relative to imported cement.

Fletcher Building today announced an agreement between Golden Bay Cement and the New Zealand Government that provides certainty for Golden Bay Cement's continued domestic manufacturing capability and planned decarbonisation pathway.

Golden Bay Cement operates New Zealand's only domestic cement manufacturing facility at Portland, near Whangārei, supplying nearly 60% of the cement used in New Zealand with approximately 95% of its output sold domestically.

The agreement recognises Golden Bay Cement's role as the only domestic manufacturer of a critical building material, and as one of Northland's largest private employers.

Golden Bay Cement participated in an independent assessment which confirmed that without support, rising costs, including carbon costs, would force closure and a shift to an import-only model from 2030. That transparency underpinned a bespoke arrangement scaled to this specific risk. The agreement reflects the strategic importance both parties place on retaining domestic manufacturing capability. Golden Bay Cement has invested heavily in modernisation upgrades and alternative fuels to remove fossil fuels from its process, meaning the domestic supply this agreement secures is materially lower-carbon than the imported cement it would otherwise be displaced by.

Golden Bay Cement has committed to invest at least $150 million through to 2040 in continued operations, and optimisation, resilience and decarbonisation initiatives, at Golden Bay Cement's Northland plant. This investment will be phased over time and remains subject to Fletcher Building's normal capital governance and approval processes, with the specific programme to be agreed with the Government.

Andrew Reding, Fletcher Building Chief Executive Officer and Managing Director said: "Domestic cement production matters for New Zealand's resilience as much as for its economics. An onshore source reduces exposure to shipping disruption, supply shocks and price volatility, an increasingly important consideration as global supply chains become more unpredictable. Golden Bay Cement directly employs more than 150 people and supports a further 450 jobs across the Whangārei district, underpinning our ability to build homes, hospitals, roads and infrastructure with locally sourced materials.

"Without Government support, increasing costs, including carbon emission costs that our competitors importing cement from overseas do not currently incur at the same level, would likely have required us to close the plant and move to an import-only model from 2030. This agreement removes that risk, providing the certainty to keep investing in domestic manufacturing, operational resilience and lower-carbon production. It's a strong example of business and Government working together in the national interest."

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About Golden Bay Cement

- Golden Bay Cement operates New Zealand's only domestic cement manufacturing facility at Portland, near Whangārei, supplying nearly 60% of the cement used in New Zealand.
- The company is a significant contributor to the Northland economy, supporting $124.7 million in total annual expenditure and $66.9 million in GDP across the Whangārei district - equivalent to 1.5% of all district employment and 1.0% of district GDP once flow-on effects are included, and accounting for 8.2% of all manufacturing employment and 7.9% of manufacturing GDP in the district.
- Golden Bay Cement directly employs more than 150 full-time equivalent roles at its plant and quarries, supported by a further 120 contractor FTEs. Once supply chain and wider flow-on effects are included, the company's total employment footprint across the Whangārei district is more than 600 FTEs, making it one of the region's largest private employers and a key anchor for local supply chains.
- Golden Bay Cement's use of tyre-derived fuel in its kiln provides a productive end-of-life pathway for over 50% of New Zealand's waste tyres, supporting the country's tyre stewardship efforts while displacing higher-carbon fossil fuels in the manufacturing process.
- Economic impact data sourced from BERL Economic Impact Assessment, 2026.

Authorised for release to the market by Haydn Wong, Company Secretary.

For further information please contact:

INVESTORS **Alex MacDonald,** GM Corporate Finance & Investor Relations +64 21 221 4266 Alex.MacDonald@fbu.com
MEDIA **Christian May,** Chief Corporate Affairs Officer +64 21 305 398 Christian.May@fbu.com

For information on Fletcher Building visit **fletcherbuilding.com**