

Health, safety and wellbeing



SAFETY OUTCOMES

We are committed to achieving our Zero Harm safety goal, and encouraged by our continuing progress in reducing our injury rates. Each of our three divisions reported a marked improvement in recordable injury frequency rate (RIFR^{1,2}).

By sticking to the programs and improvement initiatives we have established, we are confident we will achieve our goal.

Pleasingly, in FY2019, we had no fatalities among employees or contractors.

Our injury rates improved significantly, continuing our long-term improvement trend. Our RIFR of 7.5 is a 14% improvement on 8.7 reported in FY2018.

Our lost time injury frequency rate (LTIFR¹) of 1.3 is a 19% improvement on 1.6 reported last year.

Boral Australia reported an RIFR of 10.5, a 7% improvement on 11.3 last year.

Boral North America's RIFR improved 15% to 7.6, down from 8.9 in FY2018, demonstrating our continued efforts to embed a Zero Harm Today culture across the Headwaters businesses. Safety integration efforts in these businesses are discussed on page 31.

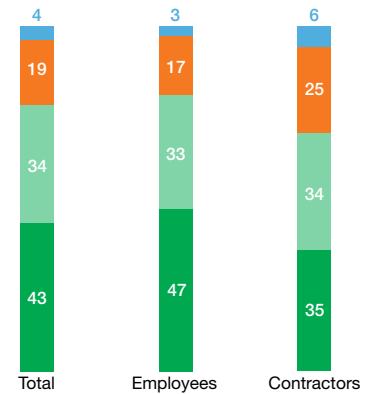
USG Boral's 24% improvement in RIFR to 3.4 from 4.5 last year (including all minority-owned joint ventures) demonstrates the benefit of targeted safety improvement programs and a maturing safety culture.

Percentage hours lost³, which monitors the severity of our more serious injuries by the total time lost, remained steady in FY2019 at 0.05%.

Hours away on restricted or transferred duties³, a more holistic measure of the effect of all recordable injuries, also remained steady at the relatively low level of 0.17%. This suggests that injuries remain generally less severe or respond well to treatment and return to work programs.

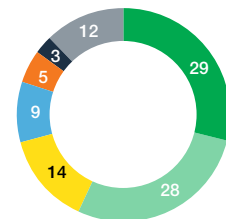
INJURY ANALYSIS

Injury analysis assists in developing corrective action plans and training, and redesigning processes.



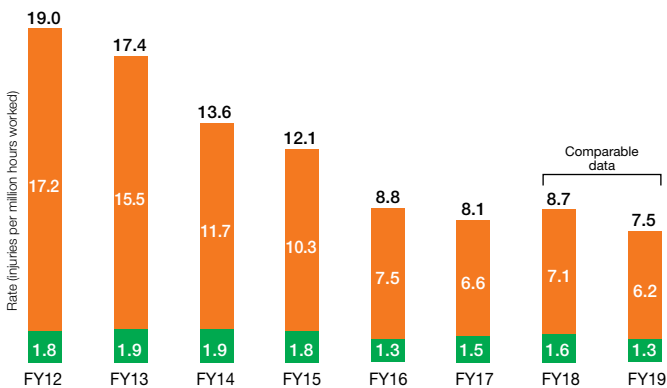
INJURY TREATMENT⁴ (%)

- No treatment
- First aid injury
- Medical treatment injury
- Lost-time injury



MECHANISM OF INJURY⁴ (%)

- Muscular stress
- Hit object with body part
- Fall on same level
- Hit by moving object
- Contact with substances
- Fall from height
- Other



BORAL GROUP RECORDABLE INJURY FREQUENCY RATE

- Lost time injury frequency rate
- Medical treatment injury frequency rate

1. Per million hours worked for employees and contractors in 100% owned businesses including Headwaters, and all joint ventures businesses regardless of equity interest from FY2018 onwards. Data for prior years only includes 50% owned joint ventures and excludes Headwaters.
 2. RIFR is the combined LTIFR and medical treatment injury frequency rate.
 3. Defined as a percentage of total hours affected against total hours worked – for employees only.
 4. Boral Australia reported injuries in FY2019.

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(continued)

LEADING INDICATORS

We increasingly focus on capturing leading indicators of safety performance to monitor the efficacy of processes designed to prevent incidents.

While leading indicators tend to vary across our businesses, we monitor hazards, near-miss and regulatory intervention reporting at the Group level.

In FY2019, hazards reported increased 65% to more than 150,000, while near-misses reported increased by 88% to more than 30,000 compared to the prior year.

The significant increase in hazards and near-misses reported reflects the initiatives we have implemented to encourage staff to increase the quality and quantity of reporting. This includes user-friendly safety reporting apps that make it easy for our people to readily log a hazard or near-miss. High levels of reporting offer valuable learnings and enable us to make our workplaces safer.

During the year, we also commenced tracking priority training completion and Critical Control Gembas – these are inspections focused on verifying that controls around high-risk activities are in place and effective.

CREATING A SAFER WORKPLACE THROUGH INNOVATION

We are developing innovative solutions to improve the safety of our workplaces and work practices.

Boral's new Forward Moving Aggregate Spreader (FMAS), a design led by Boral Asphalt's National Asset Manager, revolutionises how spray is applied when building sealed roads in Australia.

To improve safety and maximise visibility, the Boral FMAS disperses aggregate from the front of the truck, giving the operator a clear line of sight. This compares to the traditional process of spray sealing, which requires road crews to work with reversing trucks that apply aggregate through an elevated tipper body.

We are also improving pedestrian site safety through our smart CCTV technology, Angel-i. Developed through our B/HUB innovation facility, Angel-i integrates artificial intelligence with Boral's existing on-site security and safety camera systems.

Angel-i detects when a person enters a safety exclusion zone or comes within range of a moving vehicle, and sounds a real-time alarm.

We have achieved remarkable behavioural change at the trial work sites and are introducing the technology at other operating sites.



Boral Australia's new Forward Moving Aggregate Spreader

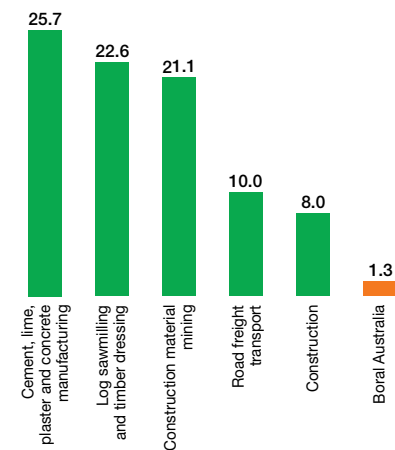
OUTPERFORMING AUSTRALIAN INDUSTRY SAFETY BENCHMARKS

The broader industries in which Boral Australia operates experience extended duration lost-time injuries between six and 20 times more frequently than Boral's workers, based on Safe Work Australia's latest injury statistics reports.

Boral Australia's operations pour concrete and lay asphalt across major projects and construction sites; have around 70 quarries and more than 300 manufacturing operations producing cement, concrete, asphalt, bricks, roof tiles and timber products; and manage a fleet of more than 3,000 heavy vehicles.

Boral Australia's eLTIFR¹ (five or more days lost) was 1.3 in FY2019, which compares to industry averages ranging from 8.0 to 25.7 across construction; road freight transport; construction material mining; log sawmilling and timber dressing; and cement, lime, plaster and concrete product manufacturing.

BORAL AUSTRALIA'S eLTIFR¹ RELATIVE TO AUSTRALIAN INDUSTRY AVERAGES²



1. Extended duration LTIFR rate per million hours worked.

2. Statistics on workers in Australia published by Safe Work Australia, Table 2.1 – number, frequency rate and incidence rate of serious claims by industry (2011–12 to 2015–16). Based on Safe Work Australia's definition of LTIFR, which is based on workers' compensation claims for work-related injuries that resulted in five or more days of lost time from work.

HEALTH AND WELLBEING

We provide a range of programs focused on the physical and mental wellbeing of our people, helping them be more effective at work and in their personal lives. These include occupational hygiene programs, health and fitness checks, drug and alcohol support, quit smoking programs, a confidential counselling service and health seminars.

Boral Australia has developed a Mental Health and Wellbeing strategy focused on preventative interventions, encompassing a range of initiatives.

In FY2019, we began rolling out the MindFit program. It equips frontline leaders with practical skills for identifying and supporting employees facing mental health challenges. Further initiatives will be progressively rolled out in FY2020.

Building on our pilot cigarette smoke-free site in our Quarries business, our Queensland Quarries business has become smoke-free, joining other sites across the Group that have adopted a smoke-free policy.

IMPROVING FORKLIFT SAFETY IN USG BORAL

Forklifts are integral to USG Boral's 53 operating sites and 88 distribution sites in Australia, Asia and the Middle East. Forklifts also pose one of the highest safety risks in the business.

To significantly reduce the risk of pedestrian and forklift interaction, the team has developed an innovative approach using artificial intelligence (AI).

AI is being used to continuously monitor a three-metre pedestrian exclusion zone around a moving forklift, and to immediately alert drivers, pedestrians and site managers if the exclusion zone is breached. This means that an alert is triggered when a forklift is too close to a moving or stationary person, and when a collision between a forklift and a person is likely.

Data collected from the pilot system is being collated for trend analysis. This data is being shared across USG Boral's businesses and compared to data from Boral's Angel-i smart CCTV system, which is more focused on monitoring areas rather than mobile plants. Initially, the AI system is being rolled out at trade stores with higher traffic, but is intended to be used more broadly across the business.



REDUCING HEAVY VEHICLE ROAD SAFETY RISKS

Boral Australia's logistics business manages a fleet of more than 3,000 heavy road vehicles that drive some 150 million kilometres a year. Reducing heavy vehicle road safety risks, including rollover risk, is therefore a high priority.

Since 2012, we have made considerable progress to reduce the risk of heavy vehicle rollovers through improved truck design and driver training. For example, we mandate that new company and contractor agitator trucks are fitted with electronic roll stability and that new tipper trucks are fitted with low-friction bin floor liners.

After reviewing our performance against world's best practices in FY2018 we established a comprehensive improvement program in FY2019. The program encompasses: driver onboarding, ongoing training, behavioural safety, developing formal minimum operating standards and improving vehicle standards.

PROMOTING A SAFETY-FOCUSED CULTURE

The acquisition of Headwaters added over 4,000 employees, more than doubling the size of our USA workforce, and tripling our USA operating sites to 170. Improving Headwaters' safety performance has been a key focus of our integration activities.

Our efforts have focused on embedding a Zero Harm Today culture through proactive leadership, improvement programs, safety training and ongoing engagement with our frontline people. We also invested in safety upgrades, including machine guarding and improving traffic flow, facilities' lighting and processes across Headwaters' businesses.

A recent Safety Cultural Awareness Survey conducted by the Boral North America division had an impressive 80% response rate. The survey results revealed that the business has a mature safety culture that rates 74% above other comparable benchmark organisations and is working hard to embed a Zero Harm Today culture; and employees feel comfortable stopping work if they feel it is unsafe, and believe injuries are preventable.

The survey also highlighted several areas for further improvement, which will be a key focus in FY2020. These include continuing to standardise common tools and approaches, developing new leading indicators to drive behaviours and performance, and increasing face-to-face interactive training.