

HEALTH, SAFETY & ENVIRONMENTAL MANAGEMENT



Boral's people Take Five for Safety to identify hazards and risks before they start work

ZERO HARM TODAY

Across Boral, our overarching goal is to achieve Zero Harm Today. We are working on this by eliminating behaviour and conditions that have potential to injure our people and harm the environment.

We are committed to our goal of Zero Harm and work to eliminate adverse environmental impacts. Where elimination is not possible, we seek to minimise any harmful effects from our operations, which means that we target performance that is often better than environmental laws require.

OUR APPROACH

Managing health, safety and environment (HSE) is an integral part of the day-to-day activities of Boral's line managers. They are supported by a network of HSE professionals in Boral's divisions and a small corporate team headed by Boral's Group HSE Director.

The corporate team has responsibility for policy, governance and functional leadership, in consultation with divisional specialists and leadership. Each of Boral's divisions has responsibility for leading the implementation of their respective programs and providing expert coaching to line managers. Divisions have their own HSE strategies and plans, consistent with and complementary to Boral's Group HSE strategy.

Divisional management teams and the corporate HSE function provide formal reports on performance, risks and management actions to the Board's HSE Committee on a quarterly basis and to Boral's Executive Committee on a monthly basis.

During FY2017, Boral Australia established a divisional Executive HSE Committee, chaired by Boral Australia's CEO, with membership drawn from operational leadership and supported by the divisional HSE team. This committee assists Boral Australia's leadership team to fulfill its oversight of divisional strategies, systems, policies and practices in respect of HSE matters.

At a site level, safety performance and actions are discussed in various forums including daily pre-start meetings and at many sites, monthly HSE Committee meetings. More serious HSE incidents, including near miss events, are directly communicated to Boral's CEO & Managing Director and incident review meetings are held for serious near miss events, involving local line management, relevant divisional executives and the Group HSE Director. Reviews of serious incidents are also held at a divisional executive level.

Our HSE reporting framework and systems, in conjunction with a culture of transparent reporting, ensure that reliable HSE information is provided to both our internal and external stakeholders.

HSE STRATEGY AND PERFORMANCE

Following a review in FY2017, Boral's Group strategy for HSE has been simplified to four strategic objectives and 14 contributing programs. Across Boral's three divisions – Boral Australia, USG Boral and Boral North America – HSE strategies are consistent with Boral's Group strategy for HSE. Here is a summary of progress against our HSE objectives.

OBJECTIVE 1  Capable & Confident Leaders PROGRAMS	OBJECTIVE 2  Engaged, Empowered & Competent Workforce PROGRAMS	OBJECTIVE 3  Fit-for-purpose HSEQ Systems & Processes PROGRAMS	OBJECTIVE 4  Maintaining our License to Operate & Grow PROGRAMS
<ul style="list-style-type: none"> Leading Zero Harm Today 	<ul style="list-style-type: none"> Operationalising HSE Fitness for work & life Contractor safety & engagement 	<ul style="list-style-type: none"> Serious harm prevention Knowledge & sharing Reporting & information Self-insurance Personal & property security 	<ul style="list-style-type: none"> Healthy workplaces Driver safety Regulatory & stakeholder engagement Climate change adaptation & resilience Environmental compliance
PROGRESS <ul style="list-style-type: none"> Zero Harm Today well embedded in the business, with high levels of support and cascading sponsorship from business leaders Group-wide Safety Climate Survey underway, for completion early FY2018, to provide frontline teams with information on their own team culture to inform improvement plans 	<ul style="list-style-type: none"> Continued roll-out of SafeStart and allied human error reduction behavioural programs across Boral Australia and USG Boral Improved suite of HSE training material, focusing on operational responsibilities and induction, deployed through My Learning Space in Boral Australia first Boral Australia's Boral Production System (LEAN) refreshed to align with HSEQ Management System "Safety Absolutes" (key rules) reviewed and relaunched in Australia, and available globally Review of Safe Systems of Work process, clarifying use of processes and tools USG Boral's "Upset Conditions" program deployed USG Boral "Safety Engagement" program in place – senior executives visit sites and meet all personnel individually to hear about the site's safety New Drug & Alcohol Policy and Fitness for Work standard released, addressing pre-placement medicals, fatigue and drug & alcohol management Phase 1 of Supplier Safety program with pre-qualification process through BROWZ in Boral Australia. Broader supplier safety strategy also established 	<ul style="list-style-type: none"> Through membership of the Global Serious Injury and Fatality (SIF) Group, participated in annual workshop on global SIF research project, providing valuable benchmarking of large organisations with diverse and complex risk profiles Ongoing reviews of critical controls, linked to Safe Systems of Work review Early work to improve productivity tools and content management systems, to establish a superior "HSEQ knowledge warehouse" Working with a research partner to improve information from our incident database to further focus preventative strategies Self-insurance options reviewed, with decision to apply for self-insurance in NSW and supported by an upgrade of our case management system in Australia Travel security services upgraded Physical security review completed and standards established – piloting in Australian quarries 	<ul style="list-style-type: none"> Tobacco smoke-free trial site underway Upgraded occupational hygiene program now broadly implemented in Australia, and Occupational Safety and Health Administration-compliant US program Comprehensive heavy vehicle safety program, with agitator roll-over avoidance program receiving industry recognition Building on Boral Australia's award-winning stakeholder engagement program, and demonstrating a leadership position within industry associations Beyond our energy efficiency programs, commenced a Group-wide strategic review to assess the climate-related risks and opportunities facing our businesses, with the outcomes expected to guide the evolution of our business strategies Further roll-out of environmental compliance audits across Boral Australia, including development of Permit Planner to assist operations meet compliance requirements. Process shared with other divisions

OUR HSEQ MANAGEMENT SYSTEM

Boral continued the implementation of its revised Health, Safety, Environment and Quality Management System (HSEQ MS) in FY2017 which integrated a number of previously separate management systems. The HSEQ MS is a Group-level system which clarifies and targets the responsibilities and actions needed to deliver improved performance and strong governance. It has enhanced our capacity to certify our operations to external standards. Boral's asphalt businesses are ISO 14001 (Environment) certified, incorporating 25 certified locations across several states. We have 38 sites with AS/NZS 4801 (Safety) certification and 386 sites with ISO 9001 (Quality) certification.