

HSE management



Our leading priority is the health, safety and wellbeing of our people, and those we interact with through our activities. We also strive to eliminate or minimise our environmental impacts.

Our HSE policies include our:

- Work Health and Safety Policy
- Environment Policy
- Quality Policy, and
- Code of Business Conduct.



Zero Harm Today

We are committed to continually improve our processes and eliminate health, safety and environment (HSE) risks to achieve our goal of Zero Harm Today.

We work to maintain a safety-driven culture focused on trust, transparency and learning. We seek to achieve this through strong and compassionate leadership, clear accountability, employee participation, ongoing training, and proactive collaboration with our customers, communities and other stakeholders.

Information on our governance framework and leadership accountability for health, safety and environment matters is on page 27.

Regular leadership interactions with our people is a key element of focusing on health and safety risks, and provides invaluable two-way learning experiences. We regularly monitor the quantity and quality of these interactions to ensure we are taking full advantage of opportunities to learn.

We engage and communicate with our employees and contractors on HSE matters through daily pre-start meetings and shift handover meetings. We also hold more formal monthly HSE meetings at larger sites, Kaizen¹ events for focus areas and improvement projects, and formal HSE training.

See pages 16–19 to learn how we are managing COVID-19 health and safety risks.

HSE strategy

Our priorities and approach to managing our key HSE risks are guided by our Group-wide strategic objectives and supporting programs. These objectives are to have:

- capable and confident leaders
- an engaged, empowered and competent workforce
- fit-for-purpose health, safety, environment and quality (HSEQ) systems and processes, and
- maintain our privilege to operate and grow.

Each division is responsible for establishing and implementing its own HSE strategies and improvement plans, consistent with Boral's Group-wide direction.

1. A Kaizen is a continuous improvement approach in which people at all levels of the business proactively work together to achieve regular, incremental improvements in processes.
 2. The three lines of defence model includes: real-time management controls, oversight of risk management processes and controls, and independent assurance by Group HSE.
 3. Per million hours worked for employees and contractors in all businesses, including all joint ventures in FY2020; FY2016 data excludes less than 50%-owned joint ventures.

Our approach focuses on identifying and eliminating conditions and behaviours that have the potential to injure people or harm the environment. This includes thoroughly assessing risks, following effective systems and processes, and continually investing in equipment and other improvements.

We also review and assess HSE issues and risks as part of due diligence processes for all potential acquisitions, and new or expansion projects.

HSEQ Management System

Boral's Group-wide Health, Safety, Environment and Quality Management System (HSEQ MS) provides the standards, guidelines and tools that enable us to improve our performance.

Our HSEQ MS enables us to certify operations against external standards. We undertake certification at sites where doing so is important to our customers and where it drives additional value beyond the equally high standards of our HSEQ MS. We have:

- ISO 9001 *Quality Management* certification at 365 sites in Boral Australia, 11 in USG Boral and four in Boral North America
- AS/NZS 4801 *Occupational health and safety management systems* certification at 38 locations in the Asphalt business, and
- ISO 14001 *Environmental management* certification at 26 Asphalt sites in NSW and Queensland, and six USG Boral sites.

Our HSEQ MS also incorporates a risk-based approach to supplier and contractor safety management. We require any contractor or supplier who performs work on a Boral-controlled worksite to complete a formal supplier prequalification program.

In FY2021, we are set to refresh and improve our HSEQ MS. We will streamline the system to focus on controls and further tailor it to our frontline people. At the same time, we will maintain each division's flexibility to create controls that are relevant to the workers it protects.

Review of risk control indicators

Our existing health and safety reporting metrics reflect a strong desire to seek out leading and lagging indicators, and provide insight into the severity of incidents. This enables us to achieve better safety outcomes. Nevertheless, a growing number of influences are challenging the traditional approaches to measuring and monitoring health and safety performance.

In FY2020, we completed a review of Boral's health and safety reporting and assurance programs in light of emerging best practice. Key areas of consideration included:

- effectiveness of risk management practices that focus on eliminating or controlling serious risk
- encouraging the reporting and focus on significant events and potentially significant events
- balancing the limitations of lost time injury frequency rate (LTIFR) and recordable injury frequency rate (RIFR) metrics
- employees' participation in risk reduction, and
- increasing the focus on health and wellbeing.

We are now working to identify effective process and reporting improvements, including efficiently capturing new safety metrics.

HSE assurance

Our HSE activities are monitored by Boral's Group-level HSE assurance program which supports the management of our HSE risks.

HSE assurance processes present an opportunity to learn, share and continually improve our systems, processes and risk management practices, and effectively support management of our HSE risks.

We continue to improve and evolve our Group-level HSE assurance program to align it more directly with the 'three lines of defence' model.² This model establishes boundaries, helps to avoid gaps and duplication (particularly in audit processes), and supports an integrated and effective approach to our assurance activities.

Harm prevention

Serious harm prevention

Preventing serious harm incidents that cause fatalities or life-threatening or life-changing injuries is a key safety priority.

Since FY2016, we have implemented programs and introduced metrics that build on the lessons learned through our participation in a global research project facilitated by DEKRA Insight. This project focused on identifying and preventing incidents that cause serious harm.

Programs we implemented include our revised Safe Systems of Work program, which encompasses all aspects of managing risks and keeping people safe at work, and incorporates best-practice behavioural science principles and learnings from extensive consultation across our operations. We have also begun rolling out our Leading Safe Work program that supports our Safe Systems of Work program.

This year, we continued to increase our use of Critical Control Gembas – inspections that focus on verifying we have effective controls in place for high-risk activities.

These initiatives have resulted in a significant reduction in the rate of serious harm events. Boral Australia reported a 65% reduction in its serious harm incident frequency rate³ from 7.7 in FY2016 to 2.7 in FY2020. Over this time, we have also reduced the severity of lost time injuries and medical treatment injuries.

Leading Safe Work program

The Leading Safe Work program focuses on coaching and educating frontline leaders and workers in how to make better decisions on the job. It teaches strategies for building new habits that focus on how the brain works, including how people make decisions. The program combines online and face-to-face learning, which we continued to deliver during COVID-19 restrictions via a virtual classroom. The program is being rolled out across Boral Australia and is serving as a blueprint for implementation across our other businesses.

HSE management (continued)

Managing HSE incidents

We have a formal process for communicating, investigating and sharing safety learnings for more serious HSE incidents. These include near-miss events, with requirements tailored to the severity of the actual or potential consequence.

More serious HSE incidents are escalated to senior management, including the CEO & Managing Director. We also hold incident review meetings with relevant divisional leaders, the Group President HSE, Sustainability, Innovation & Operations Excellence, Group HSE Director and local line management.

In the event of an extremely serious incident, including a fatality, Boral's Crisis Management Team is activated, which involves Boral's most senior executives, including the CEO & Managing Director.

Learnings from all HSE incidents that have broader organisational implications are discussed at cross-divisional meetings and, where appropriate, integrated into systems changes and training material.

Dust management

To minimise the dust generated by our operations, ensure the safety of our people, and comply with HSE standards, Boral has a comprehensive approach to dust management. This includes environmental dust monitoring and occupational health and hygiene monitoring.

We strive to take a leading role in the extractive industry in relation to health and safety management, including best-practice management of respirable dust and respirable crystalline silica.

Long-term excessive inhalation of dust containing respirable crystalline silica can lead to illness or disease, including lung disease such as silicosis. A total of 737 of our people are involved in occupational activities at sites that have extractive operations for materials containing quartz. All such quarry sites have comprehensive dust management plans in place to minimise the risk of silica-related dust disease.



We work with specialists and regulators to help ensure we are using modern management practices and dust control technologies in line with industry best practice.

We undertake static dust monitoring at relevant sites and regular personal dust exposure monitoring, also known as hygiene monitoring. We also conduct health surveillance of employees who may be at risk of exposure.

Static dust monitoring and personal exposure monitoring help us better understand where potential risks to our people exist and whether additional control measures are required. Health surveillance includes respiratory function tests and chest X-rays, conducted by specialist radiologists accredited in occupational lung health.

Based on our workers compensation data, we had one new case of mild to moderate silicosis in FY2020. This equates to an incidence rate¹ of 1.36 cases per 1,000 workers, based on the number of people who work at sites that generate silica dust.

We are continuing to work towards containing fugitive dusts because we recognise that mitigation of the source is the most effective, sustainable solution.

Public road safety

Mostly in Australia, Boral operates or contracts a large number of trucks to transport and deliver our products and services on public roads. We invest significant time and resources to ensure that our heavy vehicle safety compliance requirements are well defined and implemented.

We comply with or perform better than legal requirements and industry norms in several areas, including by investing in higher-specification concrete agitator vehicles, telematics and driver behaviour management systems.

In Boral Australia, our dedicated Heavy Vehicle Safety and Compliance team works to meet the requirements of the National Heavy Vehicle Regulator. These requirements include mass management and load restraint verifications, tracking and managing of driver hours and undertaking vehicle condition inspections.

Safety training

We provide our workforce with standardised training that aligns with our HSEQ standards. Training includes inductions for all new staff members; internal leadership courses; training for frontline managers, supervisors and operators; and behaviour-based programs such as our Leading Safe Work Program.