

BORAL NEWS

DEC 2015

**MANAGING PROPERTY
TO MAXIMISE VALUE**

TRANSFORMING THROUGH INNOVATION

Interview with Brian Below, President,
Light Building Products, Boral USA

**HOW WE'RE BUILDING A DIVERSE
AND INCLUSIVE CULTURE**

**A DAY IN THE LIFE OF OUR
NORTHERN TERRITORY QUARRIES**

INTRODUCING ZERO HARM TODAY



Zero Harm Today

During November, over 100 of Boral's leaders from our global operations came together for two days to consider how we can deliver our goal of Zero Harm.

Delivering Zero Harm is without doubt the biggest challenge of my career. We have comprehensive training programs, extensive safe working procedures, hazard reduction programs and committed people, yet people are still getting hurt.

While the overall frequency rate of medical treatment and lost time injuries in Boral has been reducing, lost time injuries have plateaued at around 1.8 injuries per million hours worked by employees and contractors. We have been at that level for four years now and we need to do better.

I often hear people say that Boral's safety performance is not bad – and it's true that statistically we are performing much better than average across our industries: manufacturing, materials extraction, transport and logistics. But that's not good enough! We are still hurting people at work and no-one should settle for anything less than Zero Harm.

Some of the serious incidences and near misses that our people are involved with are concerning. We need to all believe in Zero Harm so that no matter where we are – on a Boral site, at a customer's site, or in transit; in Australia, North America or in Asia – we need to be committed to stand up and say: "No, that's unsafe, I will not put myself or others in harm's way for the sake of production – ever".

During the Leadership Summit, we agreed that if we can perform our work for one minute without harm, then we can work for an hour without harm, and then a day without harm. And if we can go a day without harm, we can go two days, a week, a month, a year. It is achievable. We need to be committed. We need to think about working safely – looking out for each other now, today and every day.

If we start with Zero Harm today, we can achieve Zero Harm tomorrow too.



Mike Kane
CEO & Managing Director

FRONT COVER IMAGE:
Brian Below, President, Light Building
Products, Boral USA

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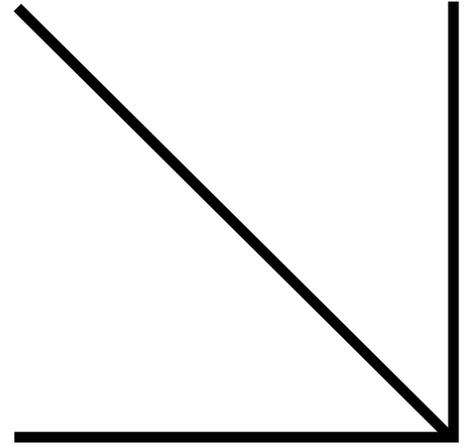
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TAKE NOTE

Five interesting projects across Boral



USG Boral China is supplying partitions, shaft walls, lining walls and ceilings to Shanghai Disney Resort



Bricks and pavers from Midland Brick used for Telethon charity home, Clarkson, WA



The Woodlands Convention Center in Houston, Texas used Cultured Stone® by Boral® Southern Ledgestone in Rustic



Boral's lower carbon concrete ENVISIA® used in 333 George Street, Sydney¹, commercial building



Hunters Hill, NSW home re-roof used Boral Terracotta Shingle™ in Eclipse

End of an era as Emu Plains Quarry closes



Last truck out of Emu Plains. Photo by Phil Rogers

After almost 130 years, the Emu Plains Quarry delivered its last truckload of sand and gravel on 21 September 2015.

Emu Plains Quarry sourced its raw feed from

the Penrith Lakes Scheme, of which Boral is a 40% shareholder. At its peak, the Penrith Lakes Scheme was the largest quarry in the Sydney basin, supplying up to 80% of the sand and

gravel needs of the Sydney construction industry. More than 160 million tonnes of sand and gravel have been extracted in its lifetime.

For Boral, it has been replaced by the Peppertree Quarry at Marulan in the Southern Tablelands of NSW, which has in excess of 100 years of resource.

The site is currently being rehabilitated before being transformed into recreational lakes and parklands and future urban development as part of the Penrith Lakes Parkland scheme. ■

East coast Brick JV branding comes together



Following the formation of the Boral CSR Bricks joint venture in May 2015, the best of Boral's and CSR's east coast bricks offerings have been launched under the PGH Bricks & Pavers brand in a series of events.

The branding is being implemented progressively with PGH Bricks & Pavers branded displays featuring the combined product range being rolled out in Queensland, NSW and Victoria from September.

Also in September, the combined product offer was launched on the PGH Bricks & Pavers website for Queensland and NSW; Victoria's range launch will follow in February 2016.

The united business under the PGH Bricks & Pavers brand is now focused on offering customers the most diverse range of quality clay bricks with the very best in service delivery. ■

Innovation and excellence recognised at CCAA awards



(From left) Hon Duncan Gay, Minister for Roads, Maritime & Freight presents an award to Ravi Mehrotra and Alex Wnorowski of Boral Cement

Boral Construction Materials & Cement businesses across Australia have been recognised at the annual state-based Cement Concrete & Aggregates Australia (CCAA) Environment, Health & Safety Awards for improving environmental performance and health and safety outcomes.

In NSW, Boral Construction Materials won the Health & Safety Innovation Award for its autonomous inspection unit at the Seaham Quarry. Boral Cement took out both the Environmental Innovation Award for efficiency works on the Marulan kiln bag filter and the Environmental Best Performance accolade for its Berrima Cement Works site rehabilitation.

Boral's Orange Grove Quarry in Western Australia also clocked up two awards, with the Health & Safety Best

Performance in the extractive industries category for its site safety initiatives and the Environmental Innovation Award for its foam dust suppression system.

In South Australia, Boral Resources were joint winners of the Health & Safety Innovation Award for its tyre pressure checking device.

In Queensland, Boral Construction Materials took out the Community Leadership Award for its community relationship initiatives around the Ormeau Quarry, while in Victoria Boral was commended for both the Environmental Innovation Award for the Striped Legless Lizard salvage efforts and the Health & Safety Innovation Award for its Dunnstown Quarry product bin load out laser guide. Congratulations to all the winners! ■

Mobile product training direct to the pros



Boral USA is bringing product education direct to customers with six mobile training units designed to teach and train building professionals, installers and dealers about Boral's lightweight cladding products.

The travelling exhibits showcase the benefits and installation techniques of Boral TruExterior® Siding and Trim and Boral Versetta Stone®, with tools including installed wall sections in various profiles, colours and applications of Boral products and associated accessories.

Work stations set up outside the training units allow visitors to cut, rout, drill and fasten the products. A Boral Technical Installation Manager is on hand to answer questions and provide further information.

Director of Strategy and Business Development for Boral USA's Light Building Products business, David Odum, said, "Boral TruExterior® Siding and Trim and Boral Versetta Stone® are unique exterior products offering a superior set of performance benefits that often you have to see to believe.

"Our new training trailers allow building pros to see, touch, feel and experience each of these products, to provide a deeper understanding of and appreciation for the product lines so they can more effectively sell them, design with them and install them." ■

"Our new training trailers allow building pros to see, touch, feel and experience each of these products... so they can more effectively sell them, design with them and install them"

DID YOU KNOW?



NUMBER OF TRANSACTIONS PROCESSED BY MIDLAND BRICK'S ONLINE STORE IN ITS FIRST YEAR



PERCENTAGE OF RECYCLED MATERIALS IN TRUEXTERNALIOR® SIDING, TRIM AND BEADBOARD

New Sheetrock® Brand Cove cornice

USG Boral will launch its new super-strong, lightweight cove cornice in Australia and New Zealand in January 2016.

Sheetrock® Brand Cove is 5% lighter than the previous USG Boral cove products and is encased in a strong 100%-recycled paper liner.

The new product provides a more rigid cornice which makes carrying, handling and installing it easier for residential and commercial internal ceiling applications.

Sheetrock® Brand Cove is available in 55, 75 and 90 millimetre profile sizes and in lengths up to 5.4 metres. ■



Fresh designs for decorative concrete



Boral Concrete has designed new Boralstone®, Expose® and Colori® offers for customers, with fresh designs rolled out across Western Australia, South Australia and Far North Queensland to date.

There are new display areas featuring the refreshed decorative concrete designs at Boral's Cairns, Queensland, and Bunbury, WA, plants, as well as at Home Base building and renovation centre in Subiaco, WA. ■

New colours for Boral Versetta Stone®



In direct response to customer demand and shifting consumer trends in the USA, two new colours were launched in the Boral Versetta Stone® mortarless stone veneer product line in October. Mission Point combines light

greys and blues for a softer approach, while the more dramatic Graphite has a blend of near-black greys with whitewashed stones. Both colours are available in the Boral Versetta Stone® Ledgerstone and Tight Cut textures. ■



Previous Chairman Dr Bob Every and Boral's new Chairman Dr Brian Clark

Welcoming our new Chairman Dr Brian Clark

Dr Brian Clark was welcomed as the new Chairman of Boral at the end of the 2015 Annual General Meeting (AGM) on 5 November, as Dr Bob Every stepped down from the Board.

Brian joined Boral as a Non-executive Director in May 2007, and has experience as an executive and director in Australasia, Japan, China, Italy, the UK and South Africa.

"On behalf of the Board, management, Boral's employees and shareholders, I thank Bob for the important role he has played in steering the business in the right direction, for ensuring Boral has had the right type of leadership and culture at the right time and for maintaining the highest level of corporate governance standards," said Brian at the AGM.

Also announced ahead of the AGM was the appointment of Karen Moses as a Non-executive Director, effective 1 March 2016. This will maintain the size of the Board with eight directors, including seven Non-executive Directors – four of whom will be female. ■

"On behalf of the Board, management, Boral's employees and shareholders, I thank Bob for the important role he has played in steering the business in the right direction"

Chairman, Brian Clark

Our inspirational NT young achiever

Andrea Hodgson, a Laboratory Technician at the Howard Springs quarry in the Northern Territory, was recognised at a National Association of Women in Construction (NAWIC) awards night in September.

Andrea won the Laing O'Rourke Award to a Young Achiever or New Starter for her achievements in her first post in the construction industry, having come from a geology and mining background. NAWIC's Crystal Vision Awards recognise inspirational women who play a crucial role in the construction industry.



Andrea Hodgson from Boral Quarries, Northern Territory

Developing tomorrow's leaders

Following the success of last year's inaugural program, 21 leaders from Boral's Construction Materials & Cement operations have been selected to participate in this year's Future Leaders Program.

"The program so far has been extremely insightful and has helped challenge me as to whether I am spending the right amount of time on the right activity and how to be a higher performing leader"

Aimed at operational leaders, over six months participants will focus on self-development and how to bring Boral's strategies to life. The program is designed and delivered in partnership with the Australian Graduate School of Management (AGSM), and provides credits towards an MBA.

Chris Barras, General Manager Sales for Concrete in the Southern Region, said the experience has been invaluable. "The program so far has been extremely insightful and has helped challenge me as to whether I am spending the right amount of time on the right activity and how to be a higher performing leader," he said.

In addition, 22 leaders participated in the new Emerging Leaders program in October. Aimed at supporting new managers in frontline roles, the program will see participants recovene in April after delivering Skilled 4 Action training modules.



Institute of Quarrying NSW graduation night

Learning@Boral congratulates graduates

In 2015, the national learning and development hub for Boral's Australian operations, Learning@Boral, has proudly supported employees to graduate with a range of nationally recognised qualifications and from accredited short courses.

This has included a dual qualification of Certificate III and IV in Competitive Systems and Practices – a new program aligned to the Boral Production System – as well as Certificate II, III and IV, Diploma and Advanced Diploma qualifications in Surface Extraction, Certificate III in Civil Construction and Certificate IV in Laboratory Techniques.

Congratulations to our graduates and course participants for their dedication and achievements.



BORAL TRUExTERIOR® TRIM GETS INDUSTRY THUMBS UP



In the USA, Boral TruExterior® Trim has been named among the best of the engineered exterior trim category recently by industry expert and veteran carpenter, Gary M. Katz.

In assessing cost, installation requirements and performance attributes of a range of 10 of the latest modern exterior trim products, Boral TruExterior® Trim was reviewed very favourably. Gary highlighted the product's workability in cutting and milling and its ease of installation, with less cumbersome fastening and finishing requirements compared to competing products.

As Gary explains, "The most recent engineered trim option is made from resin and fly ash, a waste product of coal-generated electricity." Boral is currently the only manufacturer of fly ash trim. Industry experts like Gary are beginning to recognise the poly-ash technology as a new material type, unlike any other man-made material on the market today.

Of the 10 trim products reviewed, Boral TruExterior® Trim is the only product approved for ground contact. This is because, unlike other products, fly ash trim is both moisture resistant and thermally stable.

Made of 70% pre-consumer recycled materials, the TruExterior® suite of trim and siding products has been developed at Boral's Innovation Factory. Unlike traditional wood products, they are low-maintenance and resistant to moisture, rotting, cracking

and splitting. They don't need priming or sealing and can be installed using conventional woodworking tools and methods.

Gary has specialised in finish carpentry for over 35 years. He is a contributing editor to *Fine Homebuilding* magazine and produces the Katz™ Roadshow, which provides contractor-taught construction training and hands-on education for the construction industry.

Boral became a Global Sponsor of the Katz™ Roadshow in 2015, after a successful year as a key sponsor in 2014. Reaching nearly 2,000 contractors per year, the roadshow has proven to be effective in helping Boral to increase awareness of Boral TruExterior® Siding and Trim products. ■



"Today's Best Exterior Trim" by Gary M. Katz was published in the August/September 2015 issue of *Fine Homebuilding* magazine in the USA. Reprinted with permission courtesy of *Fine Homebuilding* magazine ©The Taunton Press, 2015.



BRIAN BELOW



Taking a new concept from the laboratory through to commercialisation and then turning it into a new business from scratch is no easy task. But that's exactly what Brian Below, President of Boral USA's Light Building Products business, has done. He's leading the way for future innovations and exemplifying what's required for the Transform phase of our Fix, Execute, Transform program.

Boral News caught up with Brian when he was recently in Sydney.

BORAL NEWS: Tell us a bit about your career before joining Boral.

BRIAN BELOW: I earned my undergraduate degree in chemical engineering from Georgia Tech. While there I had the opportunity to work for a division of Johnson & Johnson on the development of what's now Splenda®, the artificial sweetener, which gave me valuable hands-on experience. After graduation, I worked for several years in Texas for Solvay Polymers at a large production facility that was later bought by BP. It gave me a whole different perspective on industrial scale and scope as well as exposure to large, multi-national companies. Then in 2003 I decided to pursue an MBA at UCLA's Anderson School of Management.

BN: Why did you join Boral? What attracted you?

BB: I've always worked for companies that manufacture things. After my MBA, I wanted an opportunity where I could use my manufacturing and business school training – and Boral provided that opportunity. I also

wanted to be part of a company that was planning to invest and grow. This was back in 2005 – before the GFC – during the boom years for the US housing market. I started in a corporate strategy and planning role at Boral's US headquarters in Roswell (Atlanta) and then moved into a product development role in the Research & Development (R&D) group, what's now the Boral Innovation Factory. Our work in R&D led to the formation of Boral Composites Inc. as a start-up business and the commercial launch of Boral TruExterior® Trim. It's been an exciting journey! I celebrated 10 years with the company in September.

BN: Tell us more about what you do in the Light Building Products business.

BB: It includes the Boral Versetta Stone® and Boral TruExterior® Siding and Trim products, all of which represent new-to-market platforms for Boral. Our aim is to successfully commercialise these products across different geographies, channels and segments.

They're quite different to our long-established, traditional products in the US of



bricks, roof tile and veneer stone. In addition to diversifying our business, these products are more variable cost driven with lower capital intensity and higher return characteristics.

BN: What's been the hardest challenge in commercialising a concept and bringing a totally new product to market?

BB: The biggest challenge has been in launching unknown materials and products to distribution channels and geographies outside of our traditional businesses. The market already has a choice of incumbent products from well-known brands so we have to make our customers aware of our new products and why they're better. Like with most things people can be afraid of taking chances, there's a natural reluctance to try something new. In developing our marketing plans we focus a lot of our initiatives around driving awareness and inducing trial.

Internally the challenges have been around launching a start-up business. Historically in the USA, Boral has grown through M&A or expanding capacity in existing businesses. There really was no playbook for creating a new business from scratch so we had to work our way through the process.

Another key challenge was taking the technology from the lab scale to pilot scale

and then to commercial manufacturing. A scale-up like that is challenging and in this case we were working with a new technology and unique manufacturing process. It's a credit to our strong operations and R&D teams that we've overcome the challenges.

We've been working with this technology for less than nine years, and have been commercial about four years, so there's tremendous opportunity as we continue to grow.

“We wouldn't exist without innovation; it's a must-have for us to maintain our rapid growth”

BN: What's been the key to the success of the business to date? Any lessons?

BB: A clear vision for where we want to go, a solid strategy on how to get there, and support from management in providing the resources to make it happen. In addition, we've been fortunate to have great collaboration, not only from the Boral Innovation Factory but with all the teams.

We've learned a tremendous amount. As a start-up having the right people, with the right skills and culture in the right roles is vital. Everyone has to be committed to the vision and to be part of growing something from nothing. We've been able to overcome a lot of challenges because of the talent, passion and perseverance from the folks on our team.

BN: How important is product innovation for a sustainable Boral?

BB: Mission critical! Traditionally the building materials industry has been slow to change. Many products have been around, essentially unchanged, for decades if not centuries. Unlike, say the semiconductor industry, the importance placed on product innovation has not been as high as in other industries. However, I believe that the rate of change in our industry is accelerating and as this plays out, companies that adapt and respond will succeed and grow and those that don't will suffer. As part of our *Fix, Execute, Transform* program, innovation is critical to our growth. For Light Building Products for instance we wouldn't exist without innovation; it's a must-have for us to maintain our rapid growth. In fact, our medium-term aim is to have half our future revenue come from new products.

BN: What are some of the challenges for the Light Building Products business over the next five years or so?

BB: One of the challenges is continuing to scale the business to match growth. From a resourcing and organisational design perspective, as well as the systems and processes we use, everything needs to be sufficiently scalable. Maintaining the culture, particularly the focus on Zero Harm, is also critical.

BN: What excites you about the future of the Boral USA business?

BB: After coming through the GFC and breaking through to profitability in FY2015, there's a lot of optimism about our business. The US businesses are launching new products, improving our service platforms and expanding our manufacturing capabilities. I'm excited about how our businesses are positioned for the market recovery and what's being done to further diversify the US portfolio and improve performance. Also, our focus on safety over the last several years is exciting.

BN: Best advice you ever received?

BB: Before starting my first role, my Dad told me that if I wanted to do well I should spend as much time as possible with the experienced operators, supervisors and managers and try to absorb everything they knew about the business. In essence, he was telling me to be humble and never stop learning. It was advice that served me well and I've tried to keep that mindset ever since.

BN: What do you do in your spare time?

BB: I have a lot of different interests and hobbies but most of my spare time these days is spent with my wife and two children. Our latest trip is to Peru to visit Machu Picchu and the Amazon. ■

“I'm excited about how our businesses are positioned for the market recovery”



MANAGING OUR PROPERTIES TO MAXIMISE VALUE

When you think of Boral, property may not be the first thing that comes to mind but in fact property sales are a normal part of our operations. When our quarries, concrete and asphalt plants and other operations come to the end of their economic lives, they are replaced with alternate operations at other sites. The land, which can become more valuable as a result of urban growth, is then sold. Because of this, we manage a network that is continually adjusting and changing.

In Australia, Boral has more than 400 operating and 120 distribution sites, most of which are owned, not leased. The management of our Property portfolio is the responsibility of our Construction Materials & Cement division which has the largest share of Boral's land holdings.

Brian Tasker, National General Manager of Boral Property Group, says his team must work closely with Boral's businesses as early as possible to maximise returns and ensure the portfolio is managed efficiently.

Indeed, Boral Property has contributed an annual average of \$36 million to earnings over the past 10 years, and \$24 million per year over the past five years following the completion of major, multi-year re-developments of an old Boral brick site at Moorebank and our old Prospect Quarry, both in Sydney.

A prime focus in the past five years has been streamlining the portfolio and our balance sheet. But significant development opportunities and exciting new projects will see the company placing even greater reliance on the skills of our Property Group in the years ahead.

EBIT¹, A\$ million



¹ Excludes significant items

"We work in partnership with our operational management teams as early as possible to liberate value, reduce our costs and create market-based opportunities. Good, early planning that considers the potential end use of a property cannot only make us a considerable profit, it can save us money in future as well."

Brian Tasker
National General Manager of Boral Property Group



400+
operating sites across Australia

PROPERTY PIPELINE

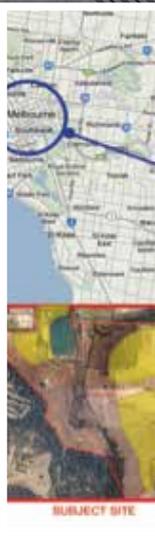
At any one time, we have 20 or more properties in the pipeline, with earnings potential and timing of sales dependent on a range of factors.

There are currently 20+ discrete, lower value sites in the pipeline, including:

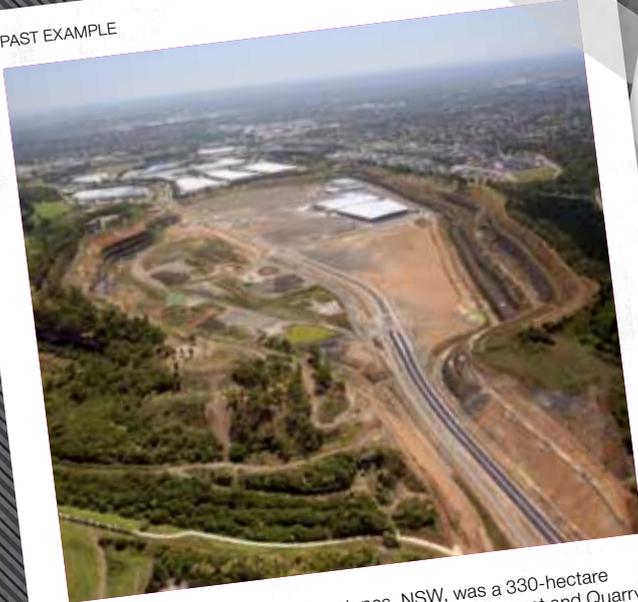
- Properties in WA, including surplus buffer lands and former clay pits, to contribute to earnings from FY2016
- Ex-concrete sites in NSW, subject to rehabilitation/rezoning, could contribute to earnings from FY2017/18
- Surplus land around the Stonyfell Quarry, SA, could deliver potential benefit in FY2016/17
- Bridgewater Quarry, Tas, subject to rezoning, has potential benefit from FY2017/18

Development opportunities in the pipeline:

- 40% stake in Penrith Lakes Development (former quarry), NSW
- Stapylton Quarry, Qld
- Donnybrook Quarry, Vic
- Jandakot Masonry site, WA
- Scoresby brick site, Vic
- Nelsons Ridge, NSW – final two contracts could deliver ~\$10 – \$15m of earnings over two years from FY2016

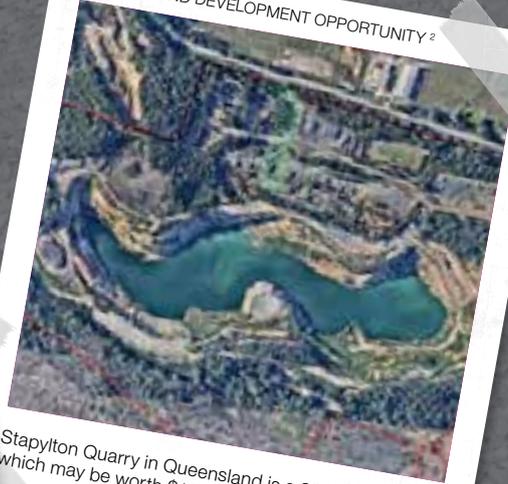


PAST EXAMPLE



Former Prospect Quarry in Greystanes, NSW, was a 330-hectare site developed as Nelsons Ridge residential development and Quarry West industrial precinct, generating in excess of \$190m in EBIT from 2000 to 2015

FUTURE LAND DEVELOPMENT OPPORTUNITY²



Stapylton Quarry in Queensland is a 92-hectare site which may be worth \$15m to \$30m in future

PAST EXAMPLE



Former Moorebank brickworks in NSW was a 109-hectare site developed as Georges Fair residential park, generating \$150m in EBIT from 2003 to 2015

FUTURE LAND DEVELOPMENT OPPORTUNITY²



The former quarry servicing all of Sydney, the Penrith Lakes Development in NSW in which Boral has a 40% share, is being rehabilitated and 5,000+ families

120
distribution
sites across
Australia



FUTURE LAND DEVELOPMENT OPPORTUNITY²

Scoresby, Melbourne, Victoria

The 171-hectare brick site in Scoresby, Melbourne, is currently leased to the Boral CSR Bricks joint venture. However, after 2025 we could have an option to sell the land, which is currently estimated to be worth in excess of \$100 million if potential rezoning and redevelopment is realised

² Potential sale proceeds / value assumes future land value if rezoned and rehabilitated as planned



Building a diverse and **inclusive** culture



Pictured: Experienced concreter, Tony Ianni, and young leading hand, Natale Mascera on site at a Boral De Martin & Gasparini operation



With the help of Boral's Diversity Council, there is a renewed focus on diversity and inclusion in the workplace. *Boral News* talks to Wayne Manners, Chair of Boral's Diversity Council, about the benefits that diversity and inclusion bring and we share stories from across our businesses.

Buddying brings together the generations

Dealing with the challenge of an ageing workforce is nothing new for Boral's De Martin & Gasparini operations in Sydney, Australia. The concrete placing specialists have traditionally had a mix of older and younger team members in their crews.

"It brings a unique set of challenges," says General Manager Louie Mazzarolo. "Going back in time, our workforce comprised mostly first-generation Australians and post-World War II European immigrants. As they retired, younger employees were hired to take their place. The older, more experienced team members now account for around a quarter of our workforce."

A few years ago, an informal buddying system was trialled to help build an inclusive team culture. New starters were buddied with an older crew member who helped them learn the ropes. It's now become common practice for many crews.

Young crew member Natale Mascera says there are many benefits to buddying. "I've learned ideas on how to approach my work and about the older generation's work ethic, as well as a variety of skills by having a more experienced worker to engage with. It helps build a pool of knowledge all crew members can learn from."

Buddying can also help build care and empathy in the team. "Concreting is a physically demanding job and the younger team members make an important contribution which everyone appreciates," says Louie. "We haven't resolved all the issues related to an older workforce but we're doing our best to ensure a safe and productive workplace for all our crews, at all times." ■



Making the case for change

Wayne Manners steps out from behind the bright lights and camera, adjusting his jacket.

The head of Boral's Construction Materials business across Western Australia and the Northern Territory has just completed filming a video to raise awareness for Boral's Diversity Council, an internal taskforce which he chairs. "Was that okay?" he asks.

At first glance, Wayne fits the profile of an average employee. Eighty-six per cent of Boral's 8,356 full-time equivalent employees globally are male and on average aged in their 40s or 50s.

But the seasoned executive who has spent most of his career in traditionally male-dominated industries such as construction and manufacturing is championing a change across the Australian operations. He believes diversity and inclusion are needed to keep the organisation growing and at the top of its league.

"To be number one for our employees, we need to attract and retain the best people regardless of their culture, gender or background," explains Wayne. "And to be number one for our customers, our workforce needs to reflect them. So diversity and inclusion is central to Boral."

It's also a critical part of Boral's safety culture. "There's more to lost time injuries than physical ones. What about the lost time we incur when someone is made to feel less than what they are, not included or not valued? Diversity and inclusion is central to our aim for Zero Harm."

Clearly, it's a topic close to Wayne's heart. "I've seen too much of bullying and harassment in workplaces I've been at in the past and there's no place for it. I think to myself, how would I feel if it was my wife, or my daughter, or my son, or one of my friends who was mistreated or wasn't respected in the workplace?"

Why is diversity and inclusion so important? "Because it leads to a diversity of thinking," says Wayne.

"We know that companies that adopt a culture of diversity and inclusion outperform others by up to 35%. It generates more innovation, supports higher productivity and makes for a more enjoyable workplace. People feel valued, are engaged and motivated and that means that they can always be their best at work."



Wayne Manners, Executive General Manager, Construction Materials WA/NT and Chair of Boral's Diversity Council

"Our leaders need to understand and embrace diversity and inclusion and be visible around that, like they are with safety"



Boral's Diversity Council

In addition to his day job, Wayne chairs Boral's Diversity Council, a cross-functional team of nine people from across the organisation tasked with educating and communicating with employees about diversity. They are putting in place a series of leadership development programs to be rolled out across 2016 and 2017.

Wayne says that managers will be the first to feel the changes. "Our leaders need to understand and embrace diversity and inclusion and be visible around that, like they are with safety. They need to lead by example.

"We also need to have the systems and tools to support diversity and inclusion and ensure it's embedded in our processes – like recruitment, succession planning, personal development and talent management."

So how will we know if we've succeeded? "When all our people truly respect each other and embrace each other's differences. When diversity is not just tolerated, it's celebrated.

"We're not necessarily going to do it well, everywhere, overnight. But in time we want to be an organisation that talks proudly about our achievements and celebrates our diversity by sharing stories. So, let's start the conversation!" he says. ■

Leading the way in Indigenous relations

There's a lot of activity keeping Boral's Indigenous relations team busy over the coming months. National Indigenous Affairs Manager Vince Scarcella is leading efforts to develop the first ever company-wide Reconciliation Action Plan, refreshing our Aboriginal employment and training plans, and entering into a partnership with Supply Nation, a procurement group that specialises in Indigenous-owned businesses.

Boral in Australia has a proud history of building Indigenous relations, and much credit goes to Vince, who has been developing employment and training plans to support the recruitment of Aboriginal women, trainees, graduates and apprentices over the past 10 years. Today, about 3% of Boral's Australian-based workforce is of Aboriginal descent. The company also invests in mentoring to help retain Indigenous employees.

"Our programs complement the mainstream recruitment of Aboriginal people, targeting areas with high Aboriginal populations and in areas where we work with Indigenous land owners," explains Vince. "Since 2010 our Indigenous employment plans have employed over 150 Indigenous people with a 94% retention rate after 12 months."

Vince and his colleagues work with many Aboriginal communities to establish better links and outcomes for all Australians. For example, Boral sponsored the Unmarked Graves for East Kempsey Cemetery project in NSW and sponsors 36 Aboriginal school students every year through a future

"Since 2010 our Indigenous employment plans have employed over 150 Indigenous people with a 94% retention rate after 12 months"



Top: Linda Barlow, one of Boral's six Indigenous female employees, is Team Leader for Quarries & Recycling in NSW
Bottom: Vince Scarcella, National Indigenous Affairs Manager

leaders program. And through the community partnership with Bangarra Dance Theatre, the company supports the employment of four trainee dancers.

Boral has been a member of the Australian Government's Corporate Leaders for Indigenous Employment Program, which

represents the company's commitment to improve the employment prospects of Aboriginal and Torres Strait Islander people, since its inception in 1999. ■



“You need to be flexible to get flexibility. In the end, however, I believe things work out the right way and everyone gains”



Paul Jackson, Stakeholder Relations Manager NSW & Southern Region

Flexibility improves loyalty and retention

Paul Jackson is a busy man. At work he is responsible for the stakeholder relations portfolio for Boral across NSW and the Southern Region, and often visits the company’s operations and engages with surrounding communities. He is also a busy father, with sole parenting responsibilities for his daughter half the week.

“In the five years I’ve been at Boral, the company has shown its support for me as a valued employee by being flexible about my personal situation and family responsibilities,” says Paul. “It would have been difficult to have made any contribution to the business otherwise.”

Paul manages his week around when he has care of his daughter, adapting his work patterns and location to meet his obligations to both the organisation and his personal life. He is grateful that his

managers have respected his family commitments, and believes that in turn, it has strengthened his dedication and loyalty.

According to the Diversity Council of Australia, workplace flexibility is a key driver of employment for men as well as women. Having the flexibility to manage family and personal life is in the top five most valued job characteristics for men. And people who enjoy such flexibility are more likely to be engaged and make extra efforts at work.

However it’s not without challenges, and not always appropriate. “We try to facilitate it wherever we can if it’s mutually beneficial for the organisation and our people,” says Bill Fisher, Executive General Manager HR for Construction Materials in Australia. “But there are some roles that don’t lend themselves to a flexible arrangement, especially in our frontline operations.”

Paul agrees. It involves common sense and give-and-take, he says. “You need to be flexible to get flexibility. In the end, however, I believe things work out the right way and everyone gains.” ■

A bright future for female leaders

Women make up half the Board and comprise 23% of Boral’s senior executive team, but only represent approximately 13% of management positions.

Yet they comprise 46% of Australia’s labour force and 56% of all tertiary enrolments. That indicates there is a large pool of resources that the company is not taking advantage of, says Linda Coates, Boral’s Human Resources Director. Moreover research shows that a greater number of women in management is linked with better performing companies, Linda says.

Amy Wells and Kate Haines are leading by example. Both are participants in Boral’s Future Leaders Program delivered in partnership with the Australian Graduate School of Management which aims to help talented managers become executives.

Amy joined Boral as a graduate in 1995 in Sydney’s concrete operations before moving into the asphalt team, and later moved to Victoria where she now heads up the Asphalt Manufacturing Operations team across the Southern Region. Being the last remaining member of her graduate intake year 19 years on, she says that an attitude of “rolling with the punches” – and supportive managers early in her career – have been critical for her success.

“I’ve had one or two managers who’ve really understood the impact they’ve been able to have on my career,” says Amy. “It was their attitude that made a difference and was instrumental in my development. Perhaps they had a wife with a professional career or a daughter of a similar age entering the workforce.”

for her current role. “I worked with the tendering team on this project for the better part of 12 months as a project estimator,” she says. “It gave me an understanding of potential risks and opportunities.”

More than that, Kate and Amy believe that diversity and inclusion have commercial implications. “There’s real



Left: Kate Haines, Project Supervisor, Construction Materials, WA; and right: Amy Wells, Manufacturing Operations Manager – Asphalt, Construction Materials – Southern Region

Research shows that the junior and middle career stages are the most critical for determining if managers like Amy progress to executive ranks, as is an inclusive culture and diversity of thinking.

Kate Haines, who is supervising one of Boral’s largest concrete projects in Perth, says her exposure to a variety of roles and experience set her up well

opportunity for Boral to be well aligned with our customers,” says Kate. “It’s not just an intangible thing. For example, Indigenous engagement can be an integral part of our commitment, along with safety. Diversity and inclusion can make a big difference in ensuring we are first choice for our customers and employees.” ■

“Diversity and inclusion can make a big difference in ensuring we are first choice for our customers and employees”

“We all have knowledge, skills, and experiences that are valuable, and when passed on, can transform an individual or a team”

Diversity in Boral USA

With a culturally diverse and ageing workforce, diversity and inclusion are key priorities for Boral’s US operations.

Boral USA President Al Borm says current efforts are focused on increasing gender diversity when recruiting and in building professional development plans for junior managers. “It is important for the future leaders to be exposed to a diverse group of their peers. This allows for sharing of diverse ideas and helps these leaders make better, more informed decisions in the future. Other priorities include safety-related matters, especially for our ageing frontline people,” says Al.

Plant manager Rachael Elliott knows too well the challenges of being one of the only female leaders in a traditionally male-dominated industry. Rachael is inspired by another pioneer, Dr Ruth Ann Cade who in 1954 was the first female engineering graduate from Mississippi State University. Dr Cade went on to become the Director of the School of Engineering Technology at the University of Southern Mississippi where Rachael earned her undergraduate and graduate degrees. Rachael says that role models are important. “We all have knowledge, skills, and experiences that are valuable, and when passed on, can transform an individual or a team. Seeing others like themselves succeed provides real inspiration for current and future employees,” she says.

Boral USA is committed to the principles of Equal Employment Opportunity and Affirmative Action. ■

The research referred to in this story includes: Catalyst, “Why Diversity Matters”, July 2013; Bain & Company, “Creating a positive cycle: Critical steps to achieving gender parity in Australia”, 2013; Diversity Council of Australia, “Men Get Flexible! Mainstreaming Flexible Work in Australian Business”, August 2012; Catalyst, “Women in Australia”, 2015. For more information, refer to the Diversity Council of Australia website at www.dca.org.au.



A DAY IN THE LIFE OF...

BORAL'S NORTHERN TERRITORY QUARRIES

In the Northern Territory, Boral operates a sand quarry at Howard Springs and a hard rock quarry at Mount Bunday. They supply material for residential and commercial construction in Darwin, and a range of infrastructure projects throughout the territory.

A total of 30 employees and a number of contractors work at Howard Springs and Mount Bunday. Travis Potts, General Manager, Northern Territory, Quarries takes *Boral News* through a day at these facilities.



Staff arrive at the sites where supervisors and operators lead Toolbox talks, starting with a discussion of safety hazards (including crocodiles from the river behind the Howard Springs quarry!) and the day's plans.

06:00



Weighbridge operators – Stephanie at Howard Springs and Lisa at Mount Bunday – call customers to confirm quantities and delivery timings of orders. They're responsible for weighing trucks, printing customer dockets, dispatching vehicles from the quarries and lots more. Today there's aggregate for road base being delivered from Mount Bunday to the Ichthys Project Onshore LNG Facilities near Darwin, and deliveries to Boral's Winnellie concrete plant and others.

06:30



Operators and drivers begin their pre-start safety inspections on all plant machinery, mobile equipment and vehicles.

06:15



Photo supplied by INPEX Australia

Supplying NT's largest construction project

Boral and our subcontractor trucks cart aggregates in single, double, triple or quad road trains, carrying up to a 93.5 tonne payload.

For the past three years, Boral has supplied up to 5,000 tonnes of quarry products per day to the Ichthys Project Onshore LNG Facilities. This requires 20 triple road trains to complete three 100-kilometre each way trips per day!

For the Ichthys LNG Project alone, trucks from Mount Bunday have driven over four million kilometres in three years!

at Howard Springs Quarry

at Mount Bunday Quarry



Operators in excavators, a dozer and a grader begin stripping and campaign mining of the Howard Springs sand quarry (this work takes place in the dry season).

10:30



The raw feed goes into the wash plant, where wash hut Operator Remy controls a water cannon to spray the sand over a screen to the slurry pump. During sand washing, an average of 420 litres of water is used per second – all of it recycled on site via a series of settling ponds.

14:00

Pre-screened sand is loaded into dump trucks and carted up to the raw feed stockpiles. Haul truck drivers Hannah and Mark will spend about 10 hours today carting materials from the pit.



11:00

The washed and screened sand is stockpiled for future sale. Boral's Howard Springs quarry produces three sand products for use as bedding sand, in concrete, landscaping and other applications.



15:00



At Mount Bunday, drilling and blasting occurs about every three weeks. After blasting, face loaders will fill haul trucks with material from the quarry pit, which they cart to the tip bin of the crushing and screening plant.

8:00

Laboratory Technician Andrea takes samples of sand from test pads at Howard Springs and aggregate products from Mount Bunday for testing and quality assurance at the Howard Springs laboratory.



14:00



11:45

Operator Peter uses the plant's automated systems to manage and crush quarry materials. Mount Bunday quarry produces dozens of aggregate, rock and road base products.



13:00

Quarry products are stockpiled on site, before being loaded into road trains for customer orders.



Showing the way to **ZERO HARM TODAY**

Leadership Summit 2015

More than 100 senior leaders, board members and managers from across Boral's operations in Australia, the USA and USG Boral congregated in Sydney in November for a leadership summit to discuss 'Leadership for Zero Harm'.

Led by CEO & Managing Director Mike Kane and Group Health, Safety & Environment Director Michael Wilson, and with the help of guest speakers, panel discussions, workshops and debates, senior leaders shared insights and challenged each other over two days to ask, what does Zero Harm mean, why it's important and how can it be achieved across all work sites.

The outcome was resoundingly that Zero Harm can't wait for a future date – in fact we must all strive to achieve Zero Harm Today. ■

"Our people are achieving Zero Harm in parts of our business today, so we know it's achievable."

Mike Kane, CEO & Managing Director

"Our results compared with external safety benchmarks are good but the fact remains that our people know what needs to be done to achieve Zero Harm"

Michael Wilson, Group Health, Safety & Environment Director



"Zero Harm is personal. It is unacceptable that we hurt people in the execution of our work when in the majority of cases we know it was avoidable"

Ross Harper, Executive General Manager, Boral Cement

"What I learned from the summit was the power of leadership and its impact on the behaviour of our people. My teams are freshly energised for a step change"

Greg Price, Executive General Manager, Construction Materials NSW/ACT



WITH UP TO 30 NEAR MISS EVENTS REPORTED DAILY, WE ARE LEARNING & IMPROVING

“Zero Harm is ensuring that everyone returns home from work in the same condition they started”

Paul Dalton, Executive General Manager, Construction Materials - Southern Region



“Leaders need to listen to their people about how they can make their jobs safer and easier”

Greg Smith, General Manager Midland Brick

“In my mind, Zero Harm starts with a promise, and that promise starts with me”

Paul Samples, President of Sales & Distribution Cladding, Boral USA



“Can we get to a place where a sales representative never has a car accident, or an older employee loading product onto a ute never has a muscle strain? I think it’s a challenge but it’s well worth the effort”

Tony Charnock, Senior Vice President Asia Pacific, USG Boral

“It really shows that we care enough about ourselves and all our people to make Zero Harm our number one priority”

Dan Casey, Senior Vice President – Asia/Middle East, USG Boral



Dr Eileen Doyle, Chair of the Health, Safety & Environment Committee of the Board, was one of five Non-executive Directors of Boral who joined the discussion

“Several of our US roof tile plants are approaching 10 years injury free, so we know that Zero Harm is possible. But we must have this same culture take root across all of our business”

Chris Fenwick, President of Boral Roofing, Boral USA

MORE THAN 150 SAFETY HAZARDS ARE IDENTIFIED EVERY DAY

“To me, Zero Harm is making sure all employees and their families enjoy a better life because they come to work at Boral”

Wayne Manners, Executive General Manager, Construction Materials WA/NT



In the community

APR



CHARITY EVENTS FOR REDKITE RAISE \$52,500!

Boral Construction Materials WA hosted its second charity golf day with customers and suppliers at Joondalup Golf Resort, and combined with their annual SCODY 5 Dams Challenge bike ride, raised a massive \$52,527 for Redkite. What an amazing effort! Together with Boral's corporate contribution to Redkite's financial support services, in FY2015 we helped Redkite support 187 families of children with cancer.

MAY



BACK TO SCHOOL FOR BORAL LOGISTICS

The Boral Logistics team from the Wacol, Queensland, depot visited local pre-school children to share stories about Boral trucks and raise awareness of road safety. The kids even got to sit in a truck cabin! Boral regularly conducts school visits in our local communities to increase general awareness of heavy vehicles on our roads and the importance of road safety.

OCT



SUN SHINES FOR FAMILY DAYS AT TARONGA ZOO

More than 600 Boral staff and their families attended Family Days at Taronga Zoo in Sydney, with children's activities and encounters with a furry possum, a prickly echidna and a bearded dragon. The zoo will celebrate its centenary in 2016 with a series of events throughout the year, starting with New Year's Eve celebrations in grounds.

NOV



TAKING TO THE AIR FOR CYSTIC FIBROSIS RESEARCH

Boral's Chief Procurement Manager Matthias Fuchs completed his third bi-annual Flying for Kids with Cystic Fibrosis challenge. He took off on a 12-day odyssey with Qantas, flying to every continent except Antarctica. After almost 200 hours in the air across more than 167,000 kilometres, Matthias raised more than \$200,000 for research into cystic fibrosis at The Children's Hospital at Westmead – beating his \$150,000 target!

MAY



BORAL TEAM DOMINATES AT TRIATHLON

Some of our super-fit staff in Boral Property Group and Boral Construction Materials Queensland took part in the AustralianSuper Corporate Triathlon on the Gold Coast. The team looked great in their green and gold uniforms, and clocked up some impressive times in the relay-style swim, cycle and run event. Go team Boral!

JUL/AUG



HELPING HANDS FOR HABITAT FOR HUMANITY

Boral and USG Boral staff pitched in to help Habitat for Humanity landscape and build homes in areas impacted by the Black Saturday bushfires in regional Victoria. At a home being built by Habitat in Yea, two hours out of Melbourne, our team helped paint ceilings and walls of Sheetrock® Brand plasterboard which was kindly donated by USG Boral.

SEP



LIVVI'S PLACE CASEY OPENS TO THE PUBLIC

Touched by Olivia proudly opened their latest all-abilities, inclusive playspace – Livvi's Place Casey – at Marriott Waters Recreational Reserve in Lyndhurst, Victoria, with a huge opening day attended by thousands. Boral is proud to have supported Livvi's Place Casey with cash and concrete donations. We are also supporting two other Touched by Olivia projects in Ballarat, Victoria and Penrith, NSW.

OCT



TAMWORTH COMMUNITY MEN'S SHED DONATION

Boral donated 130 tonnes of crusher dust from the Currabubula Quarry in regional NSW to the Tamworth Community Men's Shed to use in its carpark area. Men's Sheds are community-based, non-profit organisations that provide a safe and friendly environment, and encourage members to take an interest in their health and well-being.

NOV



JPMORGAN CORPORATE CHALLENGE ACCEPTED

A team of 20 Boral staff had a fun night keeping fit in the JPMorgan Corporate Challenge in Sydney's Centennial Park. They completed the 5.6-kilometre course with more than 8,300 other participants from 341 Australian companies. Boral ICT's Hany Yacoub finished with the best time for Boral, followed closely by team captain Raul Sicardi – well done to everyone who participated!

DEC



BATTER UP FOR ALL-STAR BASEBALL GAME

The Australian Baseball League All-Star Game Presented by Boral will be held on 16 December 2015 at Melbourne Ballpark in Laverton, Victoria. This annual contest sees top Australian baseballers face the World All-Stars from top professional leagues, including the USA's Major League Baseball and Korea Baseball Organisation from South Korea. Boral employees can access complimentary tickets for season games at boral.com.au/baseball

DEC



BORAL SUPPORTS 32 CONSERVATION PROJECTS

Conservation Volunteers Australia (CVA) and Boral supported biodiversity and conservation projects in 32 schools and communities across Australia in 2015, as part of our Connected Communities program. Projects ranged from the re-establishment of wetland habitat in Perth to creating a wildlife corridor for the helmeted honeyeater at Yellingbo Nature Conservation Reserve in Victoria. Boral has partnered with CVA since 1988.

DEC



SUPPORT FAMILIES OF KIDS WITH CANCER THIS CHRISTMAS

Boral is getting into the festive spirit with a Christmas giving tree to raise funds for Redkite's financial assistance program which provides essential support to families of children with cancer. You can contribute in-person at head office in North Sydney or online via redkite.org.au/donate-now. Happy holidays everyone!

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True Craftsmanship.
Truly Beautiful Siding.



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