

Managing sustainability

Materiality assessment

We consider sustainability issues to be material if they represent significant issues to Boral and to our stakeholders. We assess sustainability issues with reference to the Global Reporting Initiative definition of materiality, which covers “significant economic, environmental and social impacts; or the issues that fundamentally influence the assessments and decisions of stakeholders.”

As part of our broader risk management processes, we conduct a materiality assessment every two years to identify our material sustainability issues. The content of this Sustainability Report is defined by the FY2019 materiality assessment, which considered stakeholder priorities; megatrends; regulatory developments;

and Boral’s strategy, risks and opportunities. The FY2019 materiality assessment process involved:

- a desktop assessment, including peer and media analysis, and analysis of global frameworks and industry reports
- internal workshops and discussions with multidisciplinary leaders, including Executive Committee members with an understanding of our key external stakeholder groups
- issue prioritisation based on the findings of the desktop analysis and internal stakeholder feedback, and
- validation and final review of the outcomes by senior executives.

We engaged EY to undertake the desktop assessment and help us validate the outcomes.

The updated materiality assessment identified 14 material issues, some of which were previously embedded in broader categories. These are outlined in the table below. In addition, we identified the future of work as an emerging issue.

United Nations Sustainable Development Goals

We continue to identify which of the 17 Sustainable Development Goals (SDGs) and 169 SDG targets Boral can most significantly contribute to. We have prioritised 10 SDGs and 20 SDG targets that are most closely connected with our business strategy and material sustainability issues.

Where applicable in this Sustainability Report, an SDG icon appears in the section where Boral’s activities align with that SDG.

Prioritised United Nations SDGs and SDG targets

SDGs	3 GOOD HEALTH AND WELL BEING	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND	
SDG targets	3.6	5.1, 5.5	6.4, 6.5	7.3	8.2, 8.5, 8.7, 8.8	9.1, 9.4, 9.5	11.6	12.2, 12.4, 12.5	13.1, 13.3	15.2	
Boral’s material sustainability issues											Page(s)
Culture and business conduct		5			8						58
Cyber and data security											59
Diversity, inclusion and equality		5			8						49
Employee development and engagement		5			8						50
Human rights and workplace relations		5			8						50
Health, safety and wellbeing	3				8						31–33
Climate-related impacts			6	7		9	11	12	13		34–44
Energy				7		9		12	13		41
Environmental impacts			6	7			11	12	13	15	45–47
Customers							11		13		51–53
Sustainable products and innovation			6	7		9	11	12	13	15	51–52
Sustainable procurement	3	5		7	8	9		12	13	15	54–55
Supply chain logistics	3					9			13		54
Social and community impacts	3		6				11			15	56–57

Sustainability governance

Board oversight

The Board of Directors maintains oversight of sustainability matters, including our sustainability strategy, risk identification and management, and external reporting.

The Board Health, Safety & Environment (HSE) Committee is responsible for reviewing and monitoring matters including:

- the Group's performance in relation to HSE matters, assessed by reference to agreed targets and measures
- the effectiveness of Boral's policies, systems and governance structure in identifying and managing HSE risks that are material to the Group
- the policies and systems for ensuring compliance with applicable legal and regulatory requirements associated with HSE matters
- the Group's operational risks as they relate to HSE matters, and
- the Group's material reporting regarding sustainability.

Divisional management teams and the corporate HSE function report quarterly to the Board HSE Committee on HSE performance, risks and management actions, including in relation to sustainability and climate-related matters such as scenario analysis. The committee considers these matters at each of its meetings, with an increasing focus on sustainability matters more holistically.

The Board Audit & Risk Committee is responsible for satisfying itself that a sound system of risk oversight and management exists, and that internal controls are effective. It meets at least four times a year and receives an annual report on our organisation-wide risks, including climate-related risks.

Our approach to sustainability is underpinned by:

Effective governance structure and risk management

Open and constructive engagement with our stakeholders

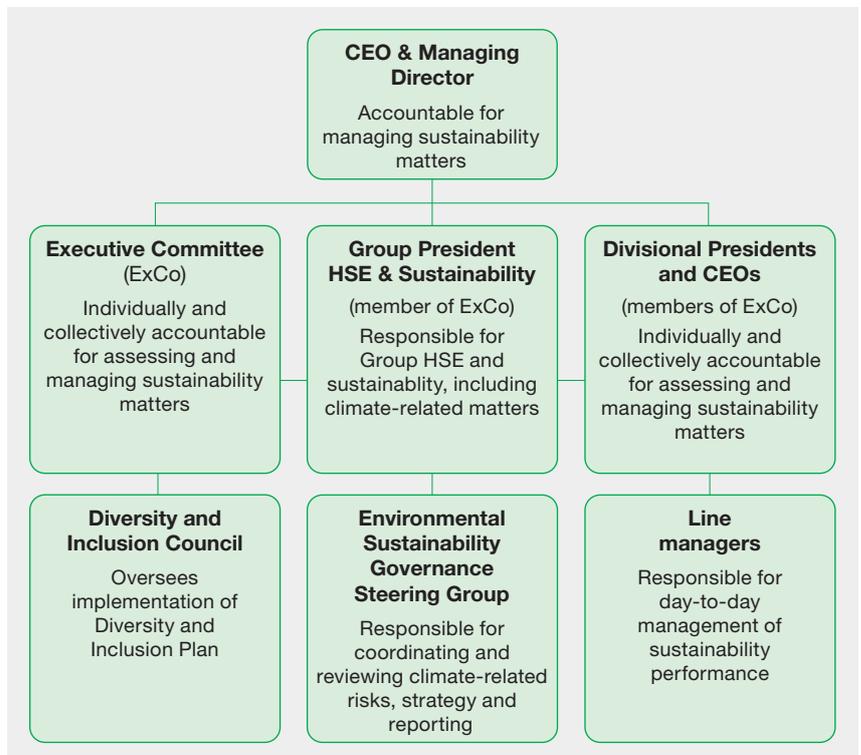
Monitoring and transparent reporting of our material issues

Also see Corporate Governance Statement in our 2020 Annual Report

Further information at boral.com/sustainability



Management responsibility



Sustainability is embedded in Group- and business-level strategies, action plans and reporting. Sustainability performance is monitored at a divisional level and by relevant corporate-level senior executives.

Line managers are supported by divisional specialist managers across HSE, procurement, human resources, marketing and community engagement, and by corporate HSE and human resources teams. The corporate HSE teams are responsible for policy, governance and functional leadership, in consultation with divisional specialists.

Management remuneration

Managing sustainability, including safety, is considered an integral component of leadership and is linked to employment and considered in reviewing performance and setting fixed remuneration increases. As such, we do not link remuneration incentives to sustainability metrics, including safety performance.

The Board has discretion to adjust executive remuneration outcomes if there is evidence of a breakdown in management oversight and processes leading to poor outcomes, including safety performance.