



# Sustainability

**Boral's sustainability initiatives are prioritised to direct resources where the greatest value can be delivered for our shareholders, customers, employees and communities. Focus is on delivering best practice safety management, responsible environmental management, sustainable product development and value-creating partnerships.**

**PHOTO**  
Boral has worked with the local community to rehabilitate the upper reaches of the Pimpama River which runs alongside the Boral Ormeau Quarry in Queensland.

## CASE STUDY

### CELEBRATING 10 YEARS OF PARTNERSHIP WITH BANGARRA DANCE THEATRE

Boral has assisted with the employment of a new trainee dancer for Bangarra, Luke Currie Richardson. During this year's Melbourne season, Luke and some other dancers took some time out to meet with Boral employees at the Port Melbourne offices and plasterboard plant.



# Environment

## Energy use and GHG emissions

Boral's operations consume a significant amount of energy, and some businesses are particularly emissions intensive. In FY2012, greenhouse gas (GHG) emissions from Boral's fully owned businesses in Australia, the USA and Asia totalled 3.5 million tonnes of CO<sub>2</sub>, which was in line with the prior year on a comparable basis. The increase in GHG emissions relative to the 3.2 million tonnes of CO<sub>2</sub> reported in FY2011 reflects the acquisition of Lafarge's 50% share in Boral Gypsum Asia as well as the acquisition of Wagners Construction Materials and Sunshine Coast Quarries.

Emissions from Boral's US operations were down by around 3% on a comparable basis, reflecting more efficient production, plant rationalisations and lower production in some businesses. In Australia, emissions were down 2%, with lower production in Building Products offset by additional emissions in Construction Materials from higher production in regional areas. In Asia, Boral's GHG emissions were up 16% on the prior year, reflecting plant expansions and increased production.

During FY2012, Boral incurred seven Penalty Infringement Notices (PINs) related to environmental contraventions in Australia (resulting in \$10,750 in fines). Three PINs were issued in Queensland and three in New South Wales, all resulting from inadequate controls to prevent localised water contamination with fine solids. One infringement was issued in Western Australia due to a failure to have a level testing gauge on a cement silo. There were no infringements in the USA or Asia.

## Water management

Boral's operations consume water for manufacturing and maintenance processes. Mains water is Boral's most significant water source, with a total of 3,500 million litres of mains water used in our wholly owned businesses in Australia, the USA and Asia in FY2012.

Mains water use increased by 1,370 million litres on the prior year largely due to the inclusion of Boral Gypsum Asia, now a wholly owned business, under Boral's management control. With plasterboard production being highly water-intensive, Boral's Camellia Plasterboard plant has been substituting some 4.5 million litres per month of mains water with recycled water supplied by Sydney Water, since October 2011.

## Boral Timber and biodiversity

Boral's Environmental Policy includes a commitment to protect biodiversity. The majority of timber for Boral's Timber business is supplied by Forests NSW, which is certified to meet the Australian Forestry Standard (AFS), an independently audited forest management standard. All products made by Boral Timber are also certified to the AFS Australian Chain of Custody standard, which traces Boral's production back to its source of supply. This provides Boral's customers with certainty that its products come from legal and sustainable sources.

In 2011, Boral received some logs for its hardwood timber business from the Boambee State Forest, which is a mix of plantations and native regrowth forests. There has been selective timber harvesting in the Boambee State Forest every 10 years or so since the early 1900s, with 10% of the area subject to harvesting in 2011. Prior to harvesting, surveys were carried out in accordance with the Threatened Species Licence by NSW State Forest for a range of potential threatened species, including koalas. Harvesting is therefore selective within the harvestable area and ensures trees are retained for habitat of threatened species and forest regeneration.

## CASE STUDY

### RECYCLING INNOVATION

Bricks, concrete and other demolition waste are used for landfill and specialised products, but typically much more is produced than can be recycled. Now, in what is believed to be a first in the Australian Capital Territory, Boral is sorting and crushing demolition wastes and blending them with virgin quarry material to create a revolutionary recycled road base that is stronger and more sustainable.



### Boral's Australian GHG emissions



Calcination	39%
Electricity	17%
Coal	18%
Natural gas	13%
Diesel and liquid fuels	9%
Other	4%

### At a glance

	FY2012	FY2011 <sup>1</sup>
GHG emissions (million T CO <sub>2</sub> e)		
Australia	2.9	3.0
USA	0.2	0.2
Asia	0.4	0.4 <sup>1</sup>
<b>Total</b>	<b>3.5</b>	<b>3.6</b>
Mains water (million litres)	3,500	2,130

### PINs

Number	7	5
Fines	\$10,750	\$12,473

<sup>1</sup> FY2011 GHG emissions data include 100% of BGA, Wagners and Sunshine Coast Quarries. FY2011 water data exclude 50% of BGA previously owned by Lafarge, Wagners and Sunshine Coast Quarries.

# Community partnerships



## Boral is making a valued and sustainable contribution to the communities in which it operates through its community partnership program.

This year we partnered with two additional charities: Redkite and Touched by Olivia Foundation, bringing our total number to seven key corporate partnerships.

A thorough selection process takes place to identify the most appropriate and meaningful partnerships for Boral. The organisations we partner with must be well-run, reputable and share similar values to Boral.

In FY2012, Boral contributed a total of \$366,944 to its corporate Community Partnerships. In addition, a further \$94,880 was donated to the Juvenile Diabetes Research Foundation (JDRF) including a \$25,000 corporate donation with the remaining funds raised through employee fundraising efforts throughout Australia.

In addition to the Group's corporate partnerships, Boral's local businesses support local community activities, including charities, emergency services, sporting and environmental groups.

As a matter of policy, the Group does not participate in or donate to any political or politically associated organisations.

### Redkite

Redkite provides a range of essential support services to families dealing with cancer. Boral is the Supporting Partner of Redkite's Financial Assistance program, ensuring that the charity can continue to meet families' needs by assisting them with everyday expenses such as putting petrol in the car to get a child to treatment and buying groceries. More than 50 families across Australia have already been supported.

### Touched by Olivia Foundation

Through this partnership Boral will help the Foundation realise its national strategy to create state-of-the-art inclusive playgrounds at 42 sites across Australia.

An all-abilities playground is one that at a minimum caters for vision, hearing and mobility impairment as well as spectrum disorders. These playgrounds allow children and parents of varying abilities and ages to play side-by-side on the same equipment, ensuring the integration of children and families with special needs.

### Conservation Volunteers Australia (CVA)

Boral has been working with CVA for 24 years. Through a reconfigured partnership, we will now work with CVA to develop Biodiversity Classrooms in schools across Australia. Up to 45 practical conservation projects will be conducted on school grounds or close by selected schools in New South Wales, Victoria and south east Queensland. These may include creating vegetable or bush food gardens, maintaining rainforest habitat or creating frog-friendly environments.

### Bangarra Dance Theatre

Boral and the Bangarra Dance Theatre celebrate 10 years in partnership this year. Bangarra is Australia's leading Indigenous dance group and an internationally acclaimed contemporary dance company. During the year over 300 Boral employees, customers and suppliers enjoyed Bangarra performances in regional centres and capital cities throughout Australia. Boral is the Sydney season sponsor and has also contributed towards the salary of a new trainee dancer for the Company.

### Taronga Conservation Society

Boral has partnered with the Taronga Conservation Society Australia since 2003 and is currently the main sponsor of Youth at the Zoo (YATZ). Employees can access Zoo passes to visit Taronga and Western Plains Zoos, attend Boral's Family Day event and participate in the annual Boral YATZ Eco Fair. The Zoo's Twilight at Taronga Concert program is a unique customer hospitality opportunity for Boral with over 140 guests attending the 2012 concert series.

### Juvenile Diabetes Research Foundation

Boral has supported the Juvenile Diabetes Research Foundation (JDRF) since 2001 and has contributed over \$2.9 million in that time. A substantial percentage of this came from employee fundraising in Australia and the USA.

### HomeAid

Boral continued its partnership, initially established in 2006, with HomeAid in the United States with contributions of cash and product to provide shelter for the homeless. Through this program Boral works with customers, showcases our products and engages employees.

### Outward Bound

After nine years and the participation of over 100 Boral families we sent our final seven Boral families on Outward Bound Family Re-discovery Programs in New South Wales, Victoria and Western Australia in 2012.

Boral will now assist disadvantaged youth to experience Outward Bound through a contribution to the Australian Outward Bound Development Fund to assist Youth in Need. The first program was held in May in South East New South Wales and involved 100 high school students from Bega and the surrounding districts who could not otherwise have taken part in such a program.

Outward Bound's Building Resilient Families program is open to public enrolments if Boral employees wish to continue to participate.

# Customers and Products

**With excellence in sales and marketing remaining a key priority for Boral, our efforts to leverage sales effectiveness and customer relations across the Group are delivering solid results.**

## Collaboration

The roll-out of new Boral-wide branding and marketing standards has helped to support improved cross-divisional collaboration while the introduction of a single Customer Relationship Management system for all Australian businesses is enabling us to better understand and support our customers. The enhancements in collaboration and sales reporting have led to a significant increase in interdivisional sales leads.

## Building capabilities

With each sales and marketing team being benchmarked against a set of defined Boral-wide capabilities, we have a robust process of continuous improvement in place as we work towards sector best performance.

## Commercial focus

During the year, Boral's new Sales Leadership Program was launched, with all of our sales leaders to be trained in the key areas of Commercial Focus and Coaching.

## Customer and product focus

Boral is playing an increasingly important role in the provision of more environmentally sustainable solutions, and is working hard to engage with key players and influence the way the industry works to deliver better outcomes.

We are doing this by developing "better products" and systems, which are designed in collaboration with our customers, driven by their needs and priorities. Boral's products are warranted, environmentally certified where appropriate, and backed by excellent technical and support services.

With a focus on affordability, we are committed to delivering "unrivalled value" and helping our customers do more for less. Cutting waste and focusing on efficiency saves time and reduces costs, which is good for Boral and for our customers.

We have been "investing for growth" to develop the next generation of materials and technologies. In the USA, for example, we commenced commercial production of Boral Trim, an innovative product manufactured from fly ash and other recycled materials. This investment in innovation is essential to help understand future opportunities.

We are committed to developing "lifelong solutions" for our customers, including: helping customers to deliver better thermal performance and reduce household energy use; reducing waste through recycling; using certified timber from sustainably managed resources; using lifecycle inventory (LCI) data to develop lifecycle analysis (LCA) models; providing better thermally performing windows; and powering our trucks with compressed natural gas.

Our overarching service goal is to have "delighted customers". We have a reputation for successful long term customer relationships, which is underpinned by our actions of listening to customers and making it easy to do business with Boral. For example, our customised website makes product selection easier, our streamlined "one Boral" approach provides consistency and certainty for our customers, and our range of electronic services reduces administration costs and time.

## HIGHLIGHTS

### VISION HOUSE IN INNOVENTIONS

In the USA, Boral is partnering with Disney on the Vision House in Innoventions at the EPCOT Center in Florida. The house highlights major themes of sustainable innovation and features a variety of eco-conscious Boral building materials including BoralPure® Smog Eating Roof Tiles, Boral Bricks and Pavers, Boral Stone products and Boral TruExterior® Trim.



### BORAL DESIGN AWARDS

The Boral Design Awards encourage architects and designers to submit design concepts that not only use Boral materials but encourage their use in a sustainable way. With around 100 entries received from professional designers and students, the 2012 Awards focused on "adaptable re-use" and providing sustainable, affordable and healthy inner city living.



### AUSTRALIAN HEARING HUB

Boral is supplying product to the Australian Hearing Hub under construction at Macquarie University in New South Wales. This purpose-designed facility will bring together government, corporate and not-for-profit organisations to undertake research and implantations.

Boral has supplied plasterboard, concrete, bricks and masonry to the project. Over 10,000 sheets of Boral Firestop, Recessed Edge and Perforated Echo Stop plasterboard have been supplied to the project via our customer, Foxville, the plasterboard contractor for the site.





# Our People

As at 30 June 2012, Boral had 14,740 full-time equivalent (FTE) employees and around 6,300 contractors working across its global operations. The number of FTE employees decreased by 4% on the prior year, reflecting the net impact of organisational changes and site closures in response to declining markets, the sale of the Indonesian construction materials business and the acquisition of the remaining 50% interest in Boral Gypsum Asia (BGA). In addition, there are approximately 890 FTE employees working in joint ventures. The majority of previously reported joint venture employees transferred to Boral upon BGA becoming a wholly owned subsidiary.

The average length of service of a Boral employee in Australia is approximately 8.1 years, which has marginally declined from 8.6 years in the prior year. For the USA, the average length of service has remained constant at 7.5 years. Asia's average length of service has increased to 6.4 years and reflects the integration of the Asian plasterboard businesses into Boral.

Employee turnover in Australia was 20% in FY2012, which is in line with the prior year. In the USA, staff turnover of 19% was higher than in the prior year. In Asia, we are currently rolling out Boral's human resources reporting system within the BGA businesses to facilitate reporting on employee turnover.

**Boral's corporate values of Excellence, Integrity, Collaboration and Endurance are the essential principles that guide our decision making and actions. Our Code of Conduct requires employees to observe both the letter and the spirit of the law, adhere to high standards of business conduct and strive for best practice.**

## Diversity

Boral encourages gender diversity within the workforce. In 2012, Boral's diversity objectives focused on women's representation in key roles as well as continuing gender-specific programs covering training, paid parental leave and pay equity for women employees. Boral is applying its resources to recruitment and development activities aimed at improving our gender diversity.

Boral continues to actively support and promote its Indigenous employment strategy. Under the Indigenous Employment Plan, which the Company entered into in 2011 with the Department of Education, Employment and Workplace Relations (DEEWR), Boral has employed 42 Indigenous employees. The Group continues to achieve a high level of retention of its Indigenous employees, with 97% of those employed over the last three years still working in the Australian operations.

## Training and development

An important part of Boral's people strategy is to ensure that our people have the right skills and capabilities to perform their jobs effectively and develop their careers. We provide a range of methods to train and develop our people, ranging from on-the-job training through to leadership development programs.

A principal tool in producing a framework for employee development is the annual Personal Development Process and mid year employee interview. The objective is to clearly identify performance expectations and map out plans to help employees achieve their maximum potential for their benefit and the benefit of Boral.

## Our people

	FY2012	FY2011
FTE employees	14,740	15,227
JV employees	~890	~4,900
FTE contractors	~6,300	~5,600
<b>Average length of service</b>		
Australia	8.1 years	8.6 years
USA	7.5 years	7.5 years
Asia	6.4 years	5.0 years
Women in Boral	14%	13%
Women in management	9%	10%
Women on the Board	25%	25%

# Health and Safety

Boral's safety target is to achieve zero harm in all of our workplaces. During the year, Boral continued its commitment towards this goal by implementing a new behaviour-based workplace improvement program in Australia and the USA, with Asia currently underway. A single safety system which standardises divisional systems is currently being rolled out across Boral's businesses in Australia.

Additional areas of focus for the Group during the year were: driver training and education for heavy and light vehicle drivers, a whole of business workplace health and safety audit system including peer audits, improving the existing workplace health and safety data management system, standardisation of personal protective equipment, and improving "3 Points of Contact" practices.

Boral's injury statistics for employees and contractors are aggregated and reported as a single metric for both lag and lead indicators. Current indicators include Lost Time Injury Frequency Rate (LTIFR), Percentage Hours Lost, Recordable Injury Frequency Rate (RIFR), Near Misses, and Hours Away on Rehabilitation or Transfer. These metrics are reported to the Board on a monthly basis and reviewed in detail at Board Health, Safety and Environment Committee meetings. Work continues on developing a suite of metrics to ensure workplace health and safety data are appropriately understood and acted on.

## Performance

During FY2012, Boral's LTIFR for employees and contractors combined reduced to 1.8 from 2.0 in the prior year and represented a total of 86 lost time injuries. Percentage Hours Lost for employees and contractors combined reduced to 0.04 from 0.06.

The Group's overarching strategy is to continually reduce our LTIFR and Percentage Hours Lost. In FY2012 our LTIFR of 1.8 for employees and contractors combined represented an 11% improvement on the average of the prior three years, and is the lowest LTIFR that Boral has reported. The Percentage Hours Lost of 0.04 for employees and contractors combined represents a 20% improvement on the average of the last three years.

## Risk management and injury type

Boral uses statistical injury analysis to develop corrective action plans, including training and process redesign, to address specific risks and areas of concern. Four types of incidents made up more than 80% of injuries in Boral's Australian workplaces in FY2012. These were: muscular stress (28%), hit by moving objects (22%), hitting objects with part of the body (20%), and falls on same level (14%). Of the incidents that occurred during the year, the five areas of the body most affected were hands/fingers (21%), back/neck (18%), leg/knee (14%), arm/elbow/wrist (13%), and head/face/eyes (13%).

Actions continue to be taken to focus our OH&S efforts on the root causes of these types of incidents going forward. Consistent with the focus on driver training and education, vehicle incidents as a percentage of all incidents decreased significantly throughout the year, and consistent with the 3 Points of Contact intervention, falls from heights also decreased significantly over the year.

## Employee health and wellbeing

Boral requires its employees to be fit for work and equipped with the required level of fitness to work safely. To ensure many of our employees are physically able to perform the demands of the job, pre-employment medical examinations as well as regular employment medical examinations for high-risk roles are conducted.

Boral continues to be committed to supporting the health and well-being of its employees. The BWell program, which has been available to Australian employees for almost 10 years, provides regular health assessments, wellbeing seminars and educational information on health issues for employees and their families.

## CASE STUDY

### SETTING INDUSTRY STANDARDS FOR HEAVY VEHICLE DRIVERS

To reduce the number of heavy vehicle incidents across Boral's fleet, Boral is aiming to have all employed drivers qualified, or enrolled and undertaking, a Certificate III in Heavy Vehicle Driving by the end of FY2013, thereby setting industry standards. In addition, a program is in place to have 10% to 15% of heavy vehicle drivers Certificate IV qualified, and to train and assess drivers on an ongoing basis. Vehicle upgrades, such as isolation switches and auto tyre inflation, are also being made to reduce safety risks.



## Mechanism of injury



Muscular stress	28%
Hit by moving objects	22%
Hitting objects with part of the body	20%
Falls	14%
Other	16%

## Employee and contractor LTIFR

