

Managing Sustainability



Underpinning Boral's objective of "superior performance in a sustainable way" is a robust corporate governance framework and management system.

Boral's Board of Directors is accountable to shareholders for appropriately overseeing Boral's business, including sustainability matters. The Company's corporate governance practices and frameworks provide the means by which the Board monitors performance on behalf of shareholders.

Boral's Values, policies and operating frameworks provide guidance to its employees and managers in managing their businesses in a sustainable way.

Corporate governance

Details of Boral's governance framework and practices are disclosed in the Corporate Governance section of the Annual Review (pages 31 to 37) and on our website. Responsibilities of Boral's Board which relate to sustainability are:

- oversight of the Company, including its conduct and accountability systems;
- reviewing the performance of the chief executive officer and senior management;

- reviewing sustainability performance and overseeing occupational health and safety and environmental management performance;
- meeting legal requirements and ensuring that the Company acts responsibly and ethically and prudently manages business risks and assets; and
- remuneration policies and practices for Boral and the remuneration arrangements for senior executives.

Executive General Managers, functional heads and the Managing Director regularly report to the Board on progress and performance as it relates to health and safety, climate change, broader aspects of environmental and community management, human resources and risk management.

Management responsibility

Boral's Management Committee, which comprises Boral's Managing Director, divisional Executive General Managers and key functional General Managers, is responsible for delivering Boral's sustainability objectives.

Sustainability management is integrated into the day-to-day activities of line management. Specialists in health and safety, environmental services, corporate affairs and human resources provide advisory support and corporate functions. Sustainability matters are also integrated into individual managers' objectives, which are linked to variable remuneration outcomes.

Since January 2007, an internal Energy and Climate Change Technical Working Group (ECCTWG) has been in place to make recommendations and advise the Management Committee on technical issues relating to climate change matters. The ECCTWG reports back to the Management Committee on at least a bi-monthly basis. Work undertaken by the ECCTWG is discussed on page s19.

Our Values

Boral's Values describe how we do things and influence our business activities. Our Values are: Leadership, Respect, Focus, Performance and Persistence. Our corporate Values are referred to in our Strategic Intent to reinforce their ongoing importance in Boral, and they are incorporated into annual performance reviews to assess behaviour or workplace style and effectiveness. Examples of expected behaviour are

provided for managers to ensure a common understanding of Boral's Values across the organisation.

Our policies

The Boral Management Guidelines contain our formal Code of Corporate Conduct and 52 policies and guidelines setting out legal and ethical standards for employees. Our Code of Corporate Conduct articulates the standards of behaviour that are expected of Boral's employees in the performance of their duties. The Boral Management Guidelines are reviewed triennially and will be reviewed again in 2010.

Boral Sustainability Diagnostic Tool

The BSDT assessment process is an integral tool in Boral's sustainability management and is discussed on page s4.

Our management approach to our people

Most of our Human Resources (HR) activities are managed within divisional management structures, including: performance management and development plans; employee surveys; employee relations; organisational effectiveness reviews; divisional HR planning; recruitment and induction management; and maintenance of employee records.

Boral's line managers play a significant role in the daily HR processes. Boral has 52 specialist HR staff working within Boral's divisions, most of whom are actively involved in business processes to ensure that support is provided to line managers to deliver business plans and objectives.

A small corporate HR team provides an advisory and support service to the divisions, as well as managing centralised HR activities such as: superannuation; remuneration reviews and incentive schemes; learning and organisational development; health and safety direction; and workers' compensation.

The corporate function also plays a governance and assurance role for HR processes and behaviours and is responsible for: Boral-wide policies; succession planning; MBA and graduate recruitment; indigenous employment; management of expatriates; and HR planning for Boral.

HR strategy is developed at a divisional level and communicated through to the Board via divisional strategic plans on an annual basis.