

Sustainability Overview

Introduction

Our business strategy recognises our responsibility to shareholders – to deliver value creation and long-term sustainability. Boral's future depends on us having a robust and socially responsible supply chain, enduring stakeholder relationships, an engaged and reliable workforce, sustainable community and environmental impacts, and businesses that address the needs of today and the future.

This Sustainability Overview covers key material sustainability issues and reporting for Boral Limited. For more information on Boral's sustainability performance and initiatives, refer to:

- the Boral Review 2017, which incorporates Boral's 2017 Sustainability Report
- the Corporate Governance Statement and Directors' Report (including the Remuneration Report) in this Annual Report
- case studies and features in our internal *Boral News* magazine – see boral.com/boral_news
- Boral's website, which includes supporting policies and information on sustainable products and Boral's community engagement programs
- pollutant emissions data reported to the National Pollutant Inventory for 94 sites in our Australian operations
- our voluntary responses to CDP, formerly known as the Carbon Disclosure Project, covering climate change, forests and water
- Boral's 2017 public report on gender equality, lodged with the Workplace Gender Equality Agency on 7 June 2017
- the Summary of our Risks and Responses on pages 18–19.

This Sustainability Overview covers Boral's wholly owned operations and joint ventures that were at least 50% owned by Boral for the year ended 30 June 2017, unless stated otherwise.

With the Headwaters acquisition completed in May 2017, eight weeks of financial performance has been incorporated into the FY2017 results. Reference to Headwaters' sustainability performance has been included in this report; however, sustainability data will be consolidated from FY2018.

Materiality

Alongside our risk management processes, in 2017 we engaged EY to undertake a materiality review to validate that the sustainability risks and opportunities that are important to our stakeholders are being addressed and communicated.

The review included internal stakeholder interviews, desktop peer and media reviews, external industry and sector reviews, and consideration of wider sustainability trends.

Adopting a widely recognised approach to assessing materiality, EY highlighted some enhancement opportunities, which we have started to address in this year's reporting.

The following sustainability issues were identified as the most material for Boral, which align well with management focus, prioritisation and outcomes of existing risk assessment processes. Refer to pages in the 2017 Annual Report (AR) and 2017 Boral Review (BR):

- Health & safety (AR pp. 22–23, BR pp.32–37)
- Environmental management & compliance (AR pp. 24–26, BR pp. 32–33 and 38–39)
- Energy (AR p. 25, BR p. 40)
- Climate-related impacts (AR p. 26, BR pp. 42–43)
- Community impact (AR p. 27, BR p. 41)
- Supply chain & product innovation (AR p. 27, BR pp. 44–45)
- Workplace relations & human rights (AR p. 21, BR p. 31)
- Diversity (AR pp. 22 and 39–41, BR p. 31)
- Business conduct (AR pp. 20–21 and 41, BR p. 29)

Sustainability governance

Our commitment to sustainable development is driven by Boral's Board and Executive Committee.

The Board has a Health, Safety & Environment (HSE) Committee, which provides focused leadership and supports the activities of management. The Committee reviews and monitors the performance and effectiveness of Boral's policies, plans, systems and governance structures in relation to HSE, including Boral's response to climate-related impacts.

Boral's governance approach is detailed on pages 30–43.

Day-to-day responsibility for sustainability rests with every employee and is embedded into Group and business-level strategies. The commitment of line managers and their teams to deliver Zero Harm Today and our other sustainability ambitions is critical.

We firmly believe that safety performance is an integral component of leadership and it is therefore linked to base remuneration and employment. As a result, we do not link remuneration incentives with safety performance or other sustainability metrics.

Board discretion can be used to adjust executive remuneration outcomes if there is evidence of a breakdown in management oversight and processes leading to poor safety outcomes.

Policies and ethical standards

Boral's Code of Business Conduct and supporting policies set out the legal and ethical standards of behaviour expected of Boral's people. They apply to all of Boral's operations globally.

We take adherence to legal and ethical standards seriously. During FY2017, 35 employees in Boral Australia and Boral North America were dismissed for serious breaches of policy, primarily for breaching safety rules.

Boral's people have access to an external, independent whistleblowing service, known as FairCall, to report possible fraud, illegal acts or misconduct. KPMG, which operates the FairCall service, provides information to appropriate Boral senior management in order to investigate the potential misconduct. Outcomes are reported to Boral's Audit & Risk Committee.

As part of our Code of Business Conduct, we have formal policies that deal with anti-bribery, corruption and fair competition.

Boral's Code of Business Conduct was reviewed in 2016, and HSE policies were reviewed in 2017 to ensure that they continue to support our business objectives.

In summary, Boral's policies and compliance systems:

- commit to obeying all relevant laws,
- prohibit Boral's businesses, and agents acting on our behalf, from giving and receiving bribes and facilitation payments, and
- prohibit political donations.

Our people

To build a transformative culture to capture growth, innovate, anticipate and respond to a changing world, we need an engaged, diverse and capable workforce led by talented leaders.

Workforce profile

As at 30 June 2017, we have 16,475 full-time equivalent (FTE) employees including in joint ventures (JVs), and approximately 8,200 contractors working in 17 countries and across a wide range of functions.

Full-time equivalent	FY2017	FY2016	FY2015
Boral employees	11,499 ¹	8,334	8,356
Boral contractors	~4,800	~4,800	~4,400
JV employees ²	4,976	3,724	3,676
JV contractors ²	~3,400	~3,400	~3,000

1. Including 4,016 FTE from Headwaters and excluding employees from Boral Bricks in the USA who are now included in JV employees.
2. Including USG Boral, Meridian Brick and 10 other small Australian-based joint ventures.

At end FY2017	Boral total	Boral Australia ³	USG Boral	Boral North America ⁴
Women in Boral	18%	13%	18%	22%
Average service	8.4yrs	9.3yrs	9.4yrs	8.1yrs
Average age	43yrs	45yrs	41yrs	43yrs
20+ year veterans	12%	13%	15%	9%
Employee turnover ⁵	15%	15%	12%	16%

3. Excluding joint ventures.

4. Including Meridian Brick joint venture.

5. For FY2017. Excluding employee turnover in Headwaters.

Human rights and workplace relations

We are committed to a workplace free from intimidation, harassment, bullying, discrimination or unlawfulness, as outlined in our Code of Business Conduct.

All our operations have grievance mechanisms that are accessible, accountable and fair, enabling concerns to be raised without fear of recrimination.

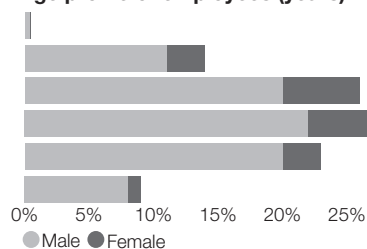
This includes Boral's external, independent whistleblowing service, known as FairCall. Boral also offers employees and their immediate families a free, confidential, professional counselling service, the Boral Employee Assistance Program or BEAP, to help address issues that may affect their work and personal life.

We support the rights of our employees to freedom of association, to choose to unionise and to collective representation, regardless of their location or function. We are committed to working honestly and transparently with labour unions and we undertake negotiations in good faith.

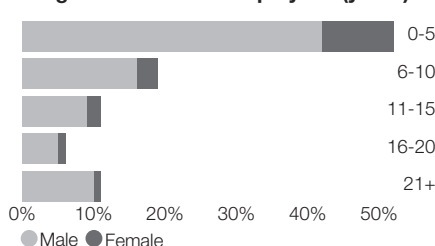
In Australia, Boral has some 70 enterprise agreements covering approximately 3,500 employees. We supported the return of the Australian Building and Construction Commission, and all of Boral's relevant enterprise agreements have been varied or replaced with agreements that we are comfortable comply with the Building Code.

In line with the United Nations Guiding Principles on Business and Human Rights, and acknowledging the shift in focus externally, we are undertaking a review to assess the risk of modern slavery in our value chain and the need to address it in our policy framework.

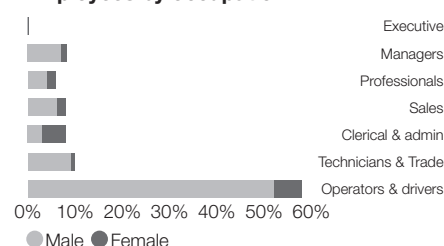
Age profile of employees (years)



Length of service of employees (years)



Employees by occupation



Diversity

We believe that a diverse workforce is important for business success and that we should reflect the diversity of our communities.

Boral has an established Diversity & Inclusion Plan with Boral's Diversity Council supporting the delivery of targeted outcomes. The plan includes six elements: leadership, communication & education, system & process design, gender equality & pay equity, generational diversity, and Indigenous relations.

In FY2017, Boral partnered with Deloitte to carry out a high-level study into the ability of our Australian workforce to adapt and transform. The findings will be reflected in the FY2018 Diversity & Inclusion Plan.

Other FY2017 focus areas included:

- raising awareness of the impact of unconscious bias, with 18 senior leader diversity awareness and unconscious bias sessions conducted,
- increasing representation of women, particularly in leadership roles, and
- pay equity outcomes, with the female to male average base salary ratio¹ in Boral Australia being favourable at 1.02:1.00.

Boral is committed to supporting Indigenous employment, programs and communities. We continue to retain approximately 80% of employees through our Indigenous employment program in Australia. In FY2017, the Indigenous Employment and Training Plan for 2016 to 2020 was implemented to continue the work from previous plans from 2006 to 2015.

Developed in FY2017, Boral's Reconciliation Action Plan focuses on building on relationships, respect and opportunities for Indigenous communities and will be submitted to Reconciliation Australia, the lead independent body for reconciliation in Australia, in FY2018.

For more details on diversity at Boral, see pages 39–41.

Headwaters integration

The acquisition of Headwaters added 4,016 FTE employees across more than 170 operational sites. Our North American operations now have 7,053 FTE employees (including the Meridian Brick joint venture), with an average age of 43 years and average service of 8.1 years.

Bringing together the best of Boral and Headwaters is a key part of the integration, as is establishing aligned purpose, values and objectives, and building on the strong safety culture of both organisations.

In the first few weeks of integration, senior leaders held more than 80 "meet and greet" sessions across 60 sites with more than 2,000 people.

Health, Safety and Environment

Across Boral, our overarching goal is to achieve Zero Harm Today. We are working on this by eliminating behaviour and conditions that have potential to injure our people and harm the environment.

We are committed to our goal of Zero Harm and work to eliminate adverse environmental impacts. Where elimination is not possible, we seek to minimise any harmful effects from our operations, which means that we target performance that is often better than environmental laws require.

Our approach

Managing health, safety and environment (HSE) is an integral part of the day-to-day activities of Boral's line managers. They are supported by a network of HSE professionals in Boral's divisions and a small corporate team headed by Boral's Group HSE Director.

The corporate team has responsibility for policy, governance and functional leadership, in consultation with divisional specialists and leadership. Each of Boral's divisions has responsibility for leading the implementation of their respective programs and providing expert coaching to line managers. Divisions have their own HSE strategies and plans, consistent with and complementary to Boral's Group HSE strategy.

Divisional management teams and the corporate HSE function provide formal reports on performance, risks and management actions to the Board's HSE Committee on a quarterly basis and to Boral's Executive Committee on a monthly basis.

During FY2017, Boral Australia established a divisional Executive HSE Committee, chaired by Boral Australia's CEO, with membership drawn from operational leadership and supported by the divisional HSE team. This committee assists Boral Australia's leadership team to fulfil its oversight of divisional strategies, systems, policies and practices in respect of HSE matters.

At a site level, safety performance and actions are discussed in various forums including daily pre-start meetings and at many sites, monthly HSE meetings. More serious HSE incidents, including near miss events, are directly communicated to Boral's CEO & Managing Director and incident review meetings are held for serious near miss events, involving local line management, relevant divisional executives and the Group HSE Director. Reviews of serious incidents are also held at a divisional executive level.

Our HSE reporting framework and systems, in conjunction with a culture of transparent reporting, ensure that reliable HSE information is provided to both our internal and external stakeholders.

1. Calculated as the average base cash salary for females as a proportion of the average base cash salary for males, as used in the Workplace Gender Equality Agency Confidential Report.

HSE strategy and performance

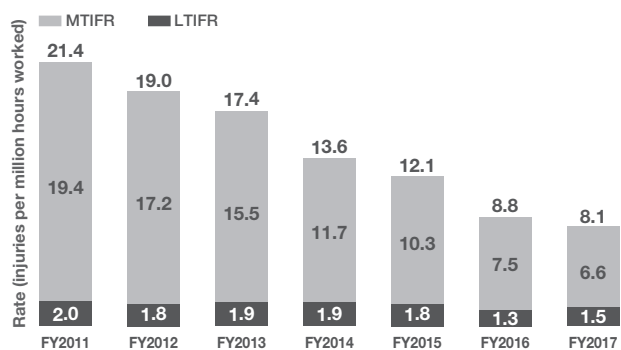
Following a review in FY2017, Boral's Group strategy for HSE has been simplified to four strategic objectives and 14 contributing programs. Across Boral's three divisions – Boral Australia, USG Boral and Boral North America – HSE strategies are consistent with Boral's Group strategy for HSE.

A summary of progress against our HSE objectives is provided on page 33 in the 2017 Boral Review.

Health and safety outcomes

Boral's safety performance continued to improve in FY2017 on a recordable injury basis. The recordable injury frequency rate (RIFR¹) of 8.1 was an 8% improvement on FY2016, contributing to a long-term improvement of 62% since FY2011.

Boral Group recordable injury frequency rate (RIFR¹)



With zero fatalities in FY2017 and no fatalities reported since December 2013, this is the longest fatality-free period recorded, which we are working hard to maintain.

Boral's lost time injury frequency rate (LTIFR¹) of 1.5 was slightly higher than the prior year at 1.3; however, it remained lower than our longer-term performance. In three of the last seven quarter-year periods, we achieved a LTIFR of one or less – a milestone recognised as leading global practice in many industries. For the fourth quarter of FY2017, we recorded our lowest RIFR on record at 7.3.

Boral North America and USG Boral both reported FY2017 LTIFR below one, at 0.3 and 0.8, respectively, considered by many to be a threshold into world best practice. US LTIFR performance excluding the Meridian Brick joint venture was 0.2. For the first time, we celebrated a full calendar year in the USA without a lost time injury in 2016.

Our reported LTIFR, RIFR and fatalities are for employees and contractors combined, which we believe is a true measure of performance. This can, however, make benchmarking challenging as not all organisations report contractor data.

Percentage hours lost² and hours away on restricted or transferred (HART) duties² were 0.04% and 0.22%, respectively, in FY2017. Percentage hours lost was broadly steady on the prior year. Given that there were more employee lost time injuries in FY2017, this suggests that injuries were generally less severe or responded better to treatment and return to work programs – a positive outcome for our injured people and, in turn, the organisation.

The increase in HART (from 0.16% in FY2016) primarily reflects maturing reporting systems in our joint ventures.

For divisional RIFR, in FY2017:

- Boral Australia achieved a much improved 11.2 RIFR.
- Boral North America reported a 6.7 RIFR, with the increase due to previously non-Boral operations now part of the Meridian Brick joint venture, formed in November 2016. Safety results of the newly acquired Headwaters business will be consolidated from FY2018.
- USG Boral reported a RIFR of 3.6, with slightly more injuries reported in the first half of FY2017 compared with the same period last year. Analysis showed that the injuries occurred when responding to operational disruptions, such as clearing blockages or cleaning. In response, a comprehensive training and awareness program called "Upset Conditions" has been developed and implemented, which is already delivering positive results (see page 17 of the 2017 Boral Review).

Additional commentary on safety performance and initiatives, including case studies, is provided in the 2017 Boral Review.

RIFR ¹	FY2017	FY2016	Change
Boral Australia	11.2	13.1	down 15%
USG Boral	3.6	3.0	up 18%
Boral North America	6.7	5.2	up 28%
Corporate	0	0	-
Total	8.1	8.8	down 8%

Safety at Headwaters

With over 4,000 employees working across 170 operating sites, Headwaters' workplaces and operations have similar risk profiles to Boral's.

Prior to integration, a pulse survey showed that employees from both organisations were proud of what they were achieving in safety, and that they did not want the acquisition to adversely affect their safety performance.

The two organisations are well aligned culturally, delivering improved safety outcomes in recent years, albeit Headwaters started its safety journey a little after Boral.

Headwaters reported RIFR of 14.6 and LTIFR of 3.9 for FY2017³. This compares with RIFR of 6.7 and LTIFR of 0.3 for Boral USA in FY2017¹.

Safety is at the forefront of integration activities, with leading practices being shared between Headwaters' and Boral's US operations, helping Boral's expanded North American business to meet our high safety standards and deliver Zero Harm Today.

1. Includes injuries per million hours worked for employees and contractors in fully owned businesses and joint venture interests of 50% or more, irrespective of management control. RIFR is made up of lost time injury frequency rate (LTIFR) and medical treatment injury frequency rate (MTIFR).

2. Defined as a percentage of total hours worked for employees only.

3. Injuries per million hours worked, for Headwaters employees only.

Environment

It is Boral's policy to comply with environmental legislation, regulations, standards and codes of practice relevant to the particular business as the absolute minimum requirement in each of the communities in which we operate.

We recognise that compliance with our site-based planning approvals and effective management of sensitive sites is critical to our reputation and our ability to operate.

We are committed: to reducing greenhouse gas emissions from our operations, the efficient use of energy, conservation of water, minimising and recycling waste materials and energy, prevention of pollution, and effective use of virgin and recovered resources and supplemental materials.

We are also committed to open, constructive engagement with communities surrounding our operations, and protecting biodiversity values at and around our facilities.

Environmental compliance

We are focused on improving our environmental performance, including targeting zero environmental infringements, across our ~700 operating sites globally.

We have strengthened our internal controls to improve compliance with increasingly stringent regulatory requirements in Australia, including through an online information management system for environmental licence conditions. In FY2017, we conducted 85 environmental compliance audits in Australia and developed 105 site action plans, mapping licence and planning compliance requirements.

Formal regulatory notifications are reviewed by our internal legal and HSE functions and reported to Boral's Executive Committee. Any material issues are reported and discussed at Board Committee level, even if no penalty results.

Infringements and penalties

	FY2017	FY2016	FY2015	FY2014
Number	10	9	3	15
Fines ¹	\$111,083	\$33,888	\$11,658	\$26,849
Penalties ¹	\$30,000	\$250,000	\$0	\$12,000
Undertakings	\$133,556	\$0	\$0	\$100,000 ²

1. Fines are directly issued by the regulator and penalties by a court hearing.
2. Financial support for a local conservation project at the Yalanbee Nature Reserve, WA.

In FY2017, Boral was charged with seven regulatory infringements related to environmental contraventions in Australia and one penalty in relation to Boral's Cosgrove Quarry in Victoria. A further two fines relating to Headwaters facilities in the USA, which arose before completion of the acquisition, were levied under Boral's ownership.

The infringements, which resulted in total fines of \$111,083, relate to:

- a turbid water discharge at Petrie Quarry, Queensland,
- two planning condition breaches at Widemere, NSW, recycling operations,
- a late payment for a mining permission at Berrima, NSW, cement works,
- several breaches of air emission licence conditions in NSW and Queensland, and
- in Headwaters, a fugitive dust release at the North Las Vegas, Nevada, fly ash terminal and fines relating to permits at the roofing plant in Oceanside, California.

In 2016, Environment Protection Authority (EPA) Victoria commenced proceedings against Boral on three counts related to accepting concrete material at our Cosgrove Quarry. The material had been received for processing and recycling into construction materials; however, the EPA deemed this to be the storage of industrial waste without a licence. Boral agreed to plead guilty to one of the three counts, and was fined \$30,000.

In November 2016, Boral accepted an enforceable undertaking committing to training, auditing, industry education, and royalties and levies, totalling \$133,556. This followed a NSW Department of Industry determination that Boral Bricks Pty Ltd had breached the Mining Act 1992 at two clay pits in southern NSW.

In addition to the penalty and infringements at Boral's fully-owned operations, in May 2016 there were two regulatory infringements at USG Boral plants in Pudong and Baoshan in China. The penalties accepted by USG Boral in late 2016 were US\$3,800 and US\$51,000, respectively. These types of infringements in China also restrict the business from claiming Value-added Tax (VAT) rebates for three years.

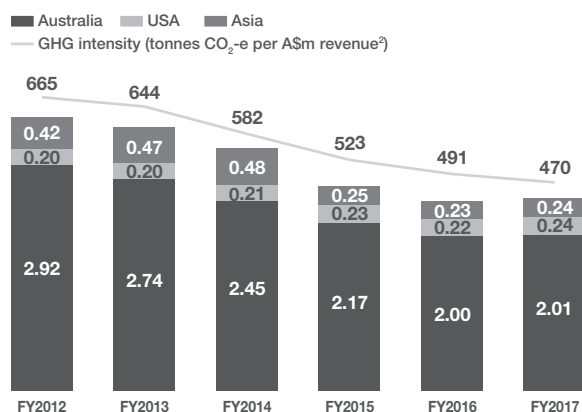
Greenhouse gas emissions

For many years, Boral has been focused on reducing greenhouse gas (GHG) emissions from our processes and facilities, and committed to the efficient use of energy, including re-use of waste energy and the use of waste materials as alternate fuels.

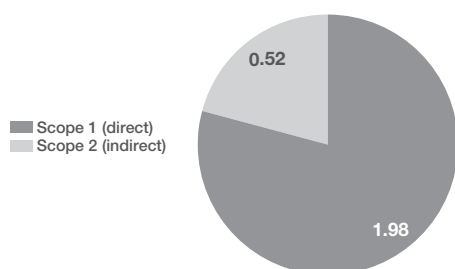
For the past five years, our business strategy has been to move away from energy-intensive manufacturing, such as kiln-fired clay bricks, to lightweight, more sustainable products, such as cultured stone, fly ash-based composite products and gypsum wallboard technologies. We have exited higher cost, sub-scale, less efficient cement kilns in Australia and increased imported clinker produced in more modern, larger scale, less carbon emissions-intensive kilns in Asia.

Boral's absolute emissions (Scope 1 and 2) have reduced by ~29% over the past five years to 2.50 million tonnes of carbon dioxide equivalent (CO₂-e) in FY2017, even while market activity – and Boral's profitability – in Australia, North America and Asia has been increasing.

GHG emissions from operations¹ (million tonnes CO₂-e)



FY2017 GHG emissions¹ (million tonnes CO₂-e)



The reduction in Boral's absolute GHG emissions reflects a combination of plant closures, divestments, production efficiencies, alternate fuel use, and the shift to imported clinker (which accounts for ~13% of the 29% reduction in emissions since FY2012).

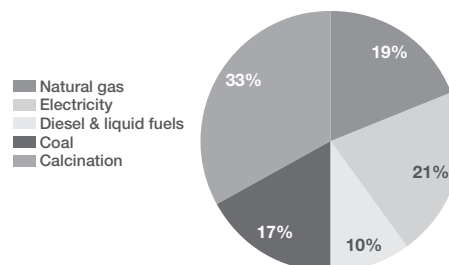
In FY2017, Boral's GHG emissions were up 2% compared to the prior year, with emissions from Boral's Australian operations broadly unchanged, North America up 9% and Asia up 5%.

Changes in Boral's portfolio during FY2017 materially altered GHG emissions, with the formation of the Meridian Brick joint venture underpinning increased emissions in North America. In Australia, lower emissions associated with decreased production at Midland Brick in Western Australia were offset by higher east coast construction activity and the impact of increased clinker production at Berrima. Increased plasterboard production in USG Boral resulted in higher emissions in Asia.

The Cement business in Australia accounted for approximately 60% of Boral's total emissions in FY2017, and about 75% of emissions in Australia.

Boral's emissions intensity of approximately 470 tonnes of CO₂-e per million dollars of revenue² (in AUD) in FY2017 was 29% lower than it was five years ago and improved 4% year-on-year, reflecting actual efficiency gains.

GHG emissions by source¹

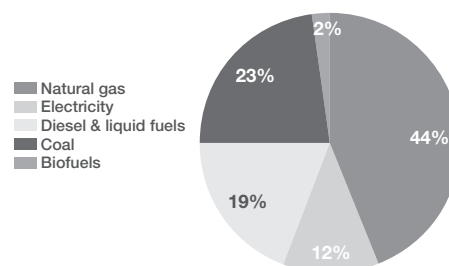


Energy consumption

Boral's operations consumed 20 petajoules of energy in FY2017, up 2% on the prior year, reflecting increased production volumes plus the formation of the Meridian Brick joint venture. Across all divisions, a total of around A\$295 million was spent on energy – gas, electricity, coal, diesel and other fuels – in FY2017.

FY2017 ¹	Energy used	Change	Cost
Boral Australia	12 PJ	1%	~A\$197m
USG Boral	4 PJ	5%	~US\$47m
Boral North America	4 PJ	2%	~US\$28m

Energy by fuel source¹



Improvement initiatives

Boral's businesses continue to focus on energy and emissions reduction initiatives, including through LEAN management principles, plant efficiency projects and fuels programs, as well as a continuation of our strategy to move away from energy-intensive operations into lighter-weight products.

Emissions and energy consumption associated with the acquisition of Headwaters, completed in May 2017, will be reported from FY2018 and is expected to result in a further improvement in Boral's emissions intensity.

In addition, the Berrima cement works alternative fuels program, developed to lower local manufacturing costs and emissions, will be operational in 2018.

1. Data provided for FY2017 GHG emissions, energy consumption and costs is for Boral's 100%-owned operations plus Boral's share from 50%-owned joint venture operations. Does not include Headwaters.

2. Revenue adjusted to include 50% share of underlying revenues from USG Boral and Meridian Brick joint ventures, which are not included in Group reported revenue.

Managing climate-related impacts

As part of our objective to monitor megatrends and position the business to respond to them, in 2017 Boral undertook a Climate-related Risks and Opportunities Strategic Review across all businesses.

We used the recommended framework set out by the international Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). We considered the specific areas we need to target for the coming 10–20 years to maintain Boral's sustainability in a carbon-constrained world, broadly based on a default 2°C scenario supplemented with self-developed scenarios. The outcomes of this review are being used to update Boral's strategies and plans.

In FY2018, we will consider the TCFD recommendations for modelling and measuring the financial impacts of these risks and opportunities and the use of more formalised scenario analysis.

Boral's climate-related risks include:

- increasing energy costs adding to the cost of production
- potential reduction in fly ash in North America as coal-fired power utilities curtail over time
- changes to regulatory and disclosure requirements
- operations' resilience to extreme weather events.

Boral's climate-related opportunities include:

- harnessing product innovation capabilities to help our customers transition to a lower carbon economy
- increased use of alternative fuels in cement manufacturing
- Boral Timber's use of residue by-products as biofuel.

Further details of Boral's climate-related risks and opportunities are provided in the 2017 Boral Review on pages 42–43.

Water management

Boral's operations worldwide consume about 4 gigalitres of mainly municipal supplied water for manufacturing, dust suppression, cleaning and sanitation. We also capture unmeasured rainfall or stream flow at our larger sites, predominantly used for dust control purposes.

We have well established internal compliance systems for prevention of pollution of discharged waters, as well as numerous regulatory controls through licensing and permitting.

In recent years, we have had several penalties regarding water discharges. However, these are largely traceable to rainfall deluge events, which we are moving to better respond to as part of our approach to climate-related risks.

In 2017 we commenced reporting to CDP Water and as such, a more detailed analysis of our water risks as at FY2016 can be found in CDP's publicly available report – see cdp.net.

While individual Boral locations may have water risk from time to time (either from too much or too little water), as a Group we do not assess Boral as having material water risk.

Waste, recycling and re-use

Throughout Boral's operations, our own waste materials are re-used to produce the same product, including concrete washout slurry, recycled asphalt pavement (RAP), and plasterboard waste from production and building sites.

Boral's businesses deal with only low amounts of hazardous waste and this is managed in accordance with government regulations.

Similarly, we only use relatively small amounts of packaging as the vast majority of our products are delivered in bulk. Boral businesses in Australia that do use some packaging, such as Midland Brick and USG Boral, are signatories to the Australian Packaging Covenant. Boral Cement, through its membership of Cement Concrete & Aggregates Australia, is also a signatory.

Biodiversity management

Protecting biodiversity – the diversity of plant and animal species – at our operational sites is a core component of our land management.

Initiatives to protect biodiversity at our own sites and more broadly include:

- maintaining and inspecting bat boxes at Dunmore Quarry in NSW for a number of threatened species
- the ongoing supply of koala fodder from plantations at Narangba and Petrie quarries in Queensland
- tracking and conservation work to protect the legless lizard at Deer Park Quarry in Victoria, and
- supporting the Western Swamp tortoise recovery program through Midland Brick's work with Perth Zoo.

Our long-standing community partnerships with Conservation Volunteers Australia and Taronga Conservation Society are aimed at biodiversity, conservation and education, in our local communities and more broadly.

Protecting cultural heritage

We recognise and respect sites, places, structures and objects that have cultural or traditional significance. We work alongside Indigenous peoples to protect cultural heritage including:

- working with local Aboriginal representatives at Peppertree Quarry in NSW in the identification of nearly 100,000 Aboriginal artefacts, and
- relocating an Aboriginal scarred tree from Dunmore Quarry to Killalea State Park, where it was presented to the public in an official "Close the Gap" ceremony.

Community impacts

We are committed to being a socially responsible member of the communities in which we operate.

We recognise that we need to meet local stakeholders' expectations by:

- proactively engaging with the community to deliver back to the community more than just jobs, and
- managing site operations so they do not negatively impact on community amenity.

Operational issues that can impact local communities include traffic, noise, dust, odours, water, waste, quarry end use, and impacts on heritage and culture.

Our approach is to engage with stakeholders and plan strategically to mitigate and manage impacts across the full life cycle of our extraction and processing sites. Our quarries and other land assets are managed responsibly, taking a whole-of-life approach from development approvals through to rehabilitation and end-use planning and development.

Community engagement

Addressing potential community concerns is an important part of Boral's community engagement efforts. Our stakeholder engagement programs are underpinned by communications, consultation and contribution.

Community Consultation Committees are established at key sites, and we communicate through online information resources as well as other channels, such as mail drops, advertising, and community inspections and guided site tours.

Boral is an acknowledged industry leader in community engagement and was awarded the Community Leadership Award at the Victorian Cement Concrete & Aggregates Australia 2016 Environment, Health and Safety Awards. Boral was recognised for our innovative Stakeholder Perception Benchmarking process, which uses feedback from local residents to guide community relations planning activities at operational sites.

Community support programs

Boral works with a number of community organisations and projects where there is a connection with our people, places and products.

In FY2017, Boral contributed approximately \$840,000 of financial support through 12 corporate community partnerships and other community support initiatives.

We also provided approximately \$60,000 of in-kind materials to community partners Habitat for Humanity Australia, Touched by Olivia and Conservation Volunteers Australia. A further \$92,000 was contributed to fundraising and events, like Habitat for Humanity's Rock the House build in October 2016 where Boral supported 24 employees to help build homes for a disaster-prone community in rural Indonesia.

Further details of Boral's community support programs are provided on page 41 of the 2017 Boral Review or at boral.com/community_support

Value chain and product innovation

Boral is a critical part of the construction supply chain in the markets in which we operate. As we continue to find more effective ways to do business and respond to external changes and disruptions, we recognise the influential role we can and need to play in delivering sustainable solutions for our customers, suppliers and the broader community.

We are working to deliver improved outcomes throughout the value chain today and for the future. Some of the ways we are doing this include:

- using external waste and by-products or secondary resources in a range of products
- working with customers to deliver Green Star energy and sustainability goals
- responding to changing demographics, working environments and needs of our customers
- helping to develop safer, improved construction methods in Asia by broadening our product and systems offering to provide plasterboard partitioning in residential buildings
- working with the supply chain to design, build and use safer, more innovative equipment
- working with social enterprises, which are businesses that aim to improve communities, tackle social problems, provide people with access to employment or help the environment
- helping to deliver more affordable housing solutions by developing products that are lower cost and faster to install, such as light building products in the USA and lighter-weight plasterboard in Australia and Asia
- developing an integrated global supply chain, with local procurement, across USG Boral, and
- as a Corporate Member of Supply Nation in Australia, procuring goods and services from Aboriginal and Torres Strait Islander businesses.

Further details of Boral's value chain and product innovation are provided on pages 44–45 of the 2017 Boral Review.