



# SUSTAINABILITY COMMITMENT

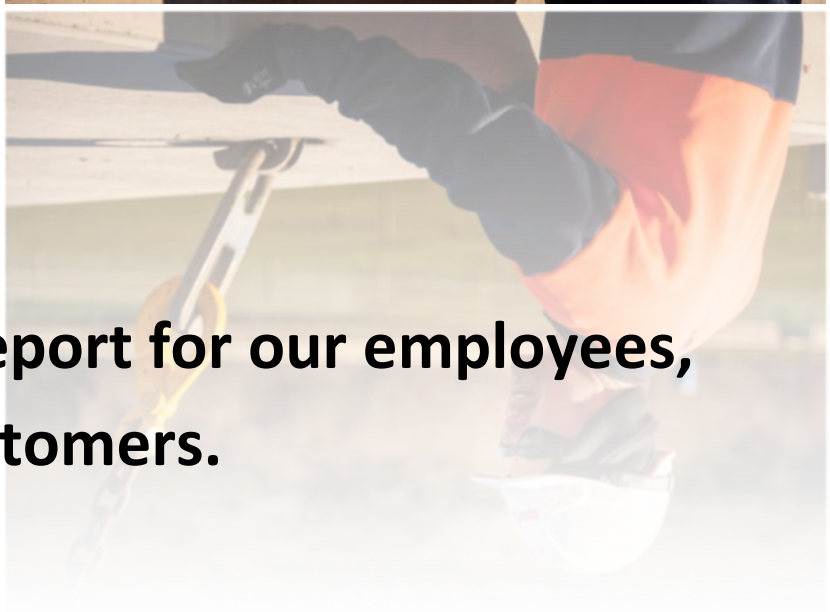
**Safety**

**Health**

**Environment**

**Community**

**Quality**



**A performance report for our employees,  
suppliers and customers.**

This report is designed to outline our sustainability goals, describe our leading practices and report on our performance.

It is intended for use by our employees, suppliers, and customers; allowing them to assess our commitment and understand our philosophy and expectations.

We hope that you find this report interesting and useful and we invite you to share your ideas and suggestions about how Shaw can further improve our sustainability performance.

The Shaw Team



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## SUSTAINABILITY POLICY STATEMENT

Shaw Contracting's mission statement is – "to be a civil and mining contractor determined to maintain our leadership and to be the best in the industry". In making this statement, Shaw undertakes a responsibility to ensure that a commitment for a sustainable future is maintained by managing environmental, social, economic, risk and responsibilities for the benefit of development and investment into the future for all stakeholders and the broader community.

It is a key principle of the company to deliver any project on time, cost effectively and to the highest of quality, safety and environmental standards. This commitment is ensuring long term relationships with clients that produce exceptional outcomes.

Shaw is committed to:

- Maintaining high standards of honest, ethical and legal business behaviours at all times.
- Providing our customers, suppliers and business partners with an experience that delivers excellence, meets or exceeds expectations of sustainable performance and engenders loyalty.
- Engaging our suppliers to improve the sustainability performance of our supply chain.
- Enhancing the communities in which we operate through actions including active engagement, offering innovative and sustainable products, preserving heritage and enhancing culture, and a focused program of community donations, investments and initiatives.
- Pursuing continual improvement in corporate responsibility and sustainability management and performance.
- Utilising sustainability indicators in decision making on new purchases, practices or facilities.
- Maximising the efficient use of all resources, adopting best practice energy management including purchasing materials based on sustainability principles.

Good people are central to all of the principles of this family owned and operated company. The importance of putting people first, is instilled in the company with personal development and growth foremost.

Shaw recognises that acting in a responsible and sustainable manner creates new opportunities, enhances the business and improves social and environmental returns for all parties.

***"Our Mission is to be a civil and mining contractor determined to maintain  
Our leadership, and be the best in the industry"***



# HEALTH AND SAFETY

• • •

When Safety is a Value, it is not possible to compromise.

• • •

## Our Commitment

At Shaw we are working to take safety to the next level: from being our highest priority to become deeply ingrained in every one of our people as a *value*. We never compromise on health and safety and we are 100% committed to safe and healthy work practices. That commitment extends beyond the site boundary and beyond our immediate workforce to include all stakeholders and the general public.

Shaw is committed to complying with all relevant OHS legislation and additional requirements that may be in place on our clients' sites. Our safety culture is one of learning and improving and our team welcomes new ways and new standards. We offer our safety expertise freely to our clients and other stakeholders – we do not put boundaries around safety.

We accept that the industries within which we work present unique and complex challenges in all aspects including health and safety. We accept that our workplaces contain hazards and we work proactively to identify and manage the associated risks. We believe that with enough thought, time and resources any and every workplace injury can be prevented, and that there is no task so important and no target so compelling that it cannot be achieved safely.

Shaw employees are accountable for their own safety and for the safety and wellbeing of their workmates. Shaw management takes responsibility for ensuring a safe workplace and safe methods of work and fully supports our people in stopping any job that they believe to be unsafe.



## Our Goals

Our three-year and one-year business plans set challenging targets in health and safety:

- LTIFR = 0 consistently (“zero by choice”)
- MTIFR reducing by 25% year-on-year
- Workforce is 100% re-inducted within the 2-year expiry period
- At least 75% of our workforce has a current first aid ticket

In addition, every day, on every Shaw site throughout Australia, the target for health and safety is **zero harm** (nobody gets hurt) and **lower risk** (we acted to make our workplace safer).

## Our Actions and Initiatives

Shaw has conducted the following initiatives in recent months:

1. Our supervisors have all recently attended risk assessment and control training;
2. We have rolled out the “Take 5” workplace hazard identification and risk assessment system across our entire business;
3. We have appointed an additional experienced Workplace Health and Safety Officer to support our local supervisors in the field, and have placed two safety officers on our Northern Territory site;
4. Supervisors and senior team members are undertaking Frontline Management to reinforce the delivery and consistent application of our systems and our safety culture;
5. A re-induction of our entire workforce in safety awareness is currently underway, with 80 completed;
6. We have introduced new Light Vehicle pre-start checks across our fleet;
7. We have boosted our regular toolbox meetings with new topics and have commenced daily safety performance reporting on every site;
8. We have introduced free roadside coffee for our Tasmanian workers who may be on the road; and selected a favourable (14/14) work roster for our FIFO workers to promote rest and combat fatigue;
9. We have provided vaccinations for workers who work in the vicinity of sewerage or putrescible waste;
10. New starters have received improved medical screening; and
11. We have set clear goals, measures and targets to further reduce injuries and enhance safety leadership over the coming year.

These steps add to our existing systems to ensure that health and safety risks are identified and managed in our operations.

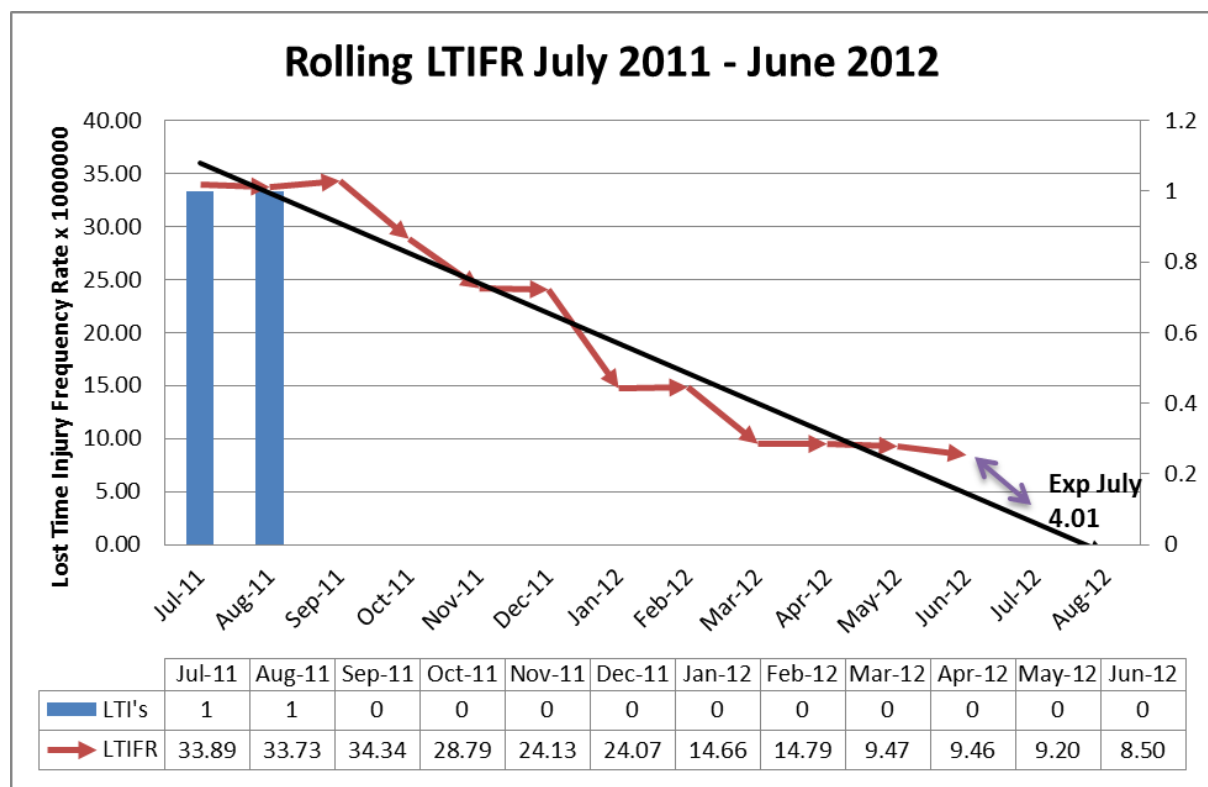
## Our Track Record

We are never satisfied with our safety performance and are constantly striving to reduce injuries across the Shaw business. Unfortunately, in 2010 and 2011 Shaw employees and contractors suffered a number of workplace injuries and while the majority of these were minor and the people involved have recovered well, it was important to recognise and correct this trend.

“We now stand at over 300 days LTI-Free across the entire Shaw business nationwide”

Our investigation showed that a step-change in Safety Leadership was required – a cultural shift by leaders to accept the mantle of leading safety as their first and highest responsibility.

Our leaders and our workforce were enormously receptive to this approach and our results speak for themselves: **Since the introduction of the steps outlined above, zero LTI's have occurred on any of our work sites.**



In recent months, Shaw's LTIFR has been steadily reducing and is now below the Construction Industry Average. By the end of July it will have dropped to 4 per million hours worked and by the end of August it will be zero.

We now stand at over 300 days LTI-Free across the entire Shaw business nationwide, and while this is pleasing we must continue to drive our injury rates down.

It is our belief that by communicating and reinforcing our good systems, and through the steps outlined above, our LTIFR will continue to improve and with it the wellbeing of our workforce. Once LTI's are trending at zero, we will focus on total recordable and first-aid injuries (which are also reducing in line with our LTI's).

### Our Safety Qualifications

Shaw is one of very few Tasmanian companies to hold Federal Safety Commission accreditation, which was renewed in June 2012. Shaw is also accredited to AS4801. We are proud of these achievements and apply a comprehensive self-auditing process to ensure we stay at the top of our game. See "Our Accreditations" later in this report.





# ENVIRONMENT

## Our Commitment

Our expertise in constructing environmental management solutions for our clients helps us understand the environmental aspects and impacts of our everyday work. Shaw is committed to performing all work with the utmost environmental care and our standard operating practices include many elements of environmental best practice.

Shaw is committed to helping our customers exceed the expectations of regulators and the community in environmental performance. We are not satisfied with simple compliance to our client's environmental requirements but are constantly looking to offer improvements and lower-impact solutions. As a designer of eco-friendly constructions and a winner of several awards for environmental design and engineering, the Shaw team is well placed to help our clients exceed expectations.

## Our Goals

- Zero breaches of applicable environmental operating licenses.
- Minimal waste removed from our project sites.
- High utilisation of local materials and products found on our sites (minimum importing).
- Adopt inherently safe (eg self-bunded) storage for hydrocarbons.
- Quick, effective reporting and clean-up if a spill occurs.
- Communication and minimisation of noise, dust and vibration.
- Zero complaints.
- Reduce fuel usage by transitioning to an energy efficient fleet.

## Our Actions and Initiatives

Shaw has conducted the following initiatives in recent months:

1. Purchase of our first double-skinned (inherently safe) fuel truck (on site at our Ranger project);
2. Progressive rehabilitation of disturbed sites wherever possible to minimise the open area at any point in time;
3. Use of catch drains, sumps and sediment traps on our site hardstands and work areas;
4. Thorough cleaning and weed/seed inspections of equipment to avoid cross-contamination between sites;
5. Best practice storage and removal of waste oils from our remote service facilities;

6. Eco-friendly design of “high impact” project features, such as river crossings to minimise long-term environmental harm;
7. Sensitive treatment of features with high natural or historical heritage values;
8. Adoption of minimum footprint wherever possible – for example using fences and bunds to restrict traffic to designated running lanes and hardstands.

## Our Track Record

In the 12 months ended 30 June 2012, Shaw has achieved the following:

- Zero breaches of our clients’ site environmental licenses; and
- Four internally reportable environmental incidents (Two damaged pipes and two minor fuel spills).

## Our Environmental Qualifications

Shaw’s systems are accredited to ISO14001. We are proud of this achievement and apply a comprehensive self-auditing process to ensure we stay at the top of our game. Shaw has also won several construction industry “Earth” awards for environmental excellence on various projects. See “Our Accreditations” later in this report.



*Placement of new poly line within historical water race for minimum disturbance.*

*Winnaleah Irrigation Scheme.*





*Century-old grave treated with respect.  
Frome Dam.*



*Natural flows and clear water immediately downstream of river crossing activities.  
Ringarooma River.*





*Light vehicle being washed and inspected to avoid contamination on site.  
Darwin.*



*Typical Shaw site workshop and self-bunded waste oil facility.  
Ranger mine site*



# COMMUNITY

## Our Commitment

The Shaw business has been built over seventy-five years in and around local communities, with family values and strong community ties. We take this pedigree into every project and aim to support and engage the local community wherever possible.

Our long-standing philosophy is one of “people working together for the future” and Shaw sees a fundamental responsibility for business to work with local communities in improving social and economic conditions. We are committed to supporting local charities and community projects in the communities in which we operate, and we join forces with our clients to support their existing programs wherever this is appropriate.

## Our Goals

- Zero community complaints
- Develop a good relationship with local stakeholders through genuine engagement
- “No surprises” for our clients in developing our community relationships
- Sponsorship and charitable support for local community projects
- Employment for locals wherever possible.



## Our Actions and Initiatives

Shaw has conducted the following initiatives in recent months:

1. We have held information sessions for property owners in the vicinity of our Winnaleah Irrigation Scheme project, as we have done regularly on past projects;
2. We sponsored a local fundraising dinner in Jabiru (NT) within two weeks of commencing work in the region;
3. Adopting a standard practice to consider local community groups, stakeholders and projects during the start-up process for every project; and
4. Providing assistance to our clients seeking to obtain publicity or media coverage regarding our projects – for example construction of models to illustrate engineering principles, preparation of media statements, participating in client-organised media briefings.

## Our Track Record

Shaw is highly regarded in the Tasmanian community and regularly receives positive commentary in the media, from our customers and suppliers, from our employees, and from local, state and federal politicians.

Public commentary in newspapers and in social media regarding our projects is overwhelmingly positive, in particular on aspects such as traffic control, signage and courtesy to the public. We rarely receive public complaints and always resolve these quickly and respectfully.

## Cultural Awareness – Traditional Owners

Shaw operates throughout Australia, often on land where Traditional Aboriginal Owners are key stakeholders. Respect is a key value shared by everyone in our business. As a result, Shaw Contracting is willing and capable to at all times work within our clients' guidelines relating to the rights and preferences of Traditional Aboriginal Owners.

During mobilisation to site, Shaw ensures that our employees and subcontractors receive appropriate cultural awareness training and are fully briefed prior to starting work.

Where appropriate, our CEO and senior site managers meet with the client's community and cultural relations team and sometimes with Aboriginal Elders. Our aim is at all times to faithfully reflect our client's stance on cultural relations through our work practices and in any dealings with Traditional Owners that may arise during our time on site.





# QUALITY

## Our Commitment

Our team is intensely proud of the high standard of their work. Shaw is committed to delivering high-quality outcomes to our clients at all times and we enjoy working for customers who value our skill and the quality of our work.

When Shaw specifies a quality level, that level is always achieved: we do not take short cuts. Shaw is an ethical company that operates at the highest level of integrity: we believe in earning trust and goodwill through performance.

## Our Goals

- Zero rework.
- Zero customer complaints.
- Full return of bonds and guarantees.
- No calls to repair during the Defects Liability Period on our projects.
- Straightforward, successful commissioning.





## Our Actions and Initiatives

Shaw has conducted the following initiatives in recent months:

1. Piloting daily meetings on our sites where quality and customer satisfaction are discussed;
2. Separating design and management on design-and-construct projects to ensure redundancy in checking and achieving quality standards; and
3. Formally reviewing tender submissions from a quality and risk perspective prior to submission.

## Our Track Record

Shaw completes projects to a very high standard and our reputation is excellent. At our Winnaleah Irrigation Scheme, completed in early 2012 for example, Shaw installed 10km of pipeline and was able to fill and pressure test the entire line at once as there was not a single leak.

We are known to reject components that fail our stringent quality tolerances

Our fabrication division produces products such as excavator buckets that outlast commercially available items by more than 100%.

Sometimes environmental conditions, third party design flaws (where our clients engage an external designer) or unforeseen events reduce the quality of our work: Where this happens Shaw makes good, often at our cost.

## Our Qualifications

Shaw's systems are accredited to ISO9001. We are proud of this achievement and apply a comprehensive self-auditing process to ensure we stay at the top of our game. See "Our Accreditations" later in this report.



# MANAGING RISK

We accept that the industries within which we work present unique and complex challenges and that our workplaces contain hazards and we work proactively to identify and manage the associated risks. Shaw Contracting has in place a Layered Risk Management process that is applied consistently on every one of our jobs: Key risks are identified and controlled at the company (policy) level, at the site (procedure) level, at the task (JSEA) level and at the worker (Take 5) level, and we assess the effectiveness of these controls in the field.

Our safety management system incorporates hazard identification, risk assessment, control selection and effectiveness, incident reporting, incident investigation and continuous improvement.

The layered approach to applying risk assessment at a site level is consistently communicated, discussed and analysed and we embrace teamwork as the foundation for how we conduct our business and we value the knowledge, skills and abilities of the individuals in those teams.



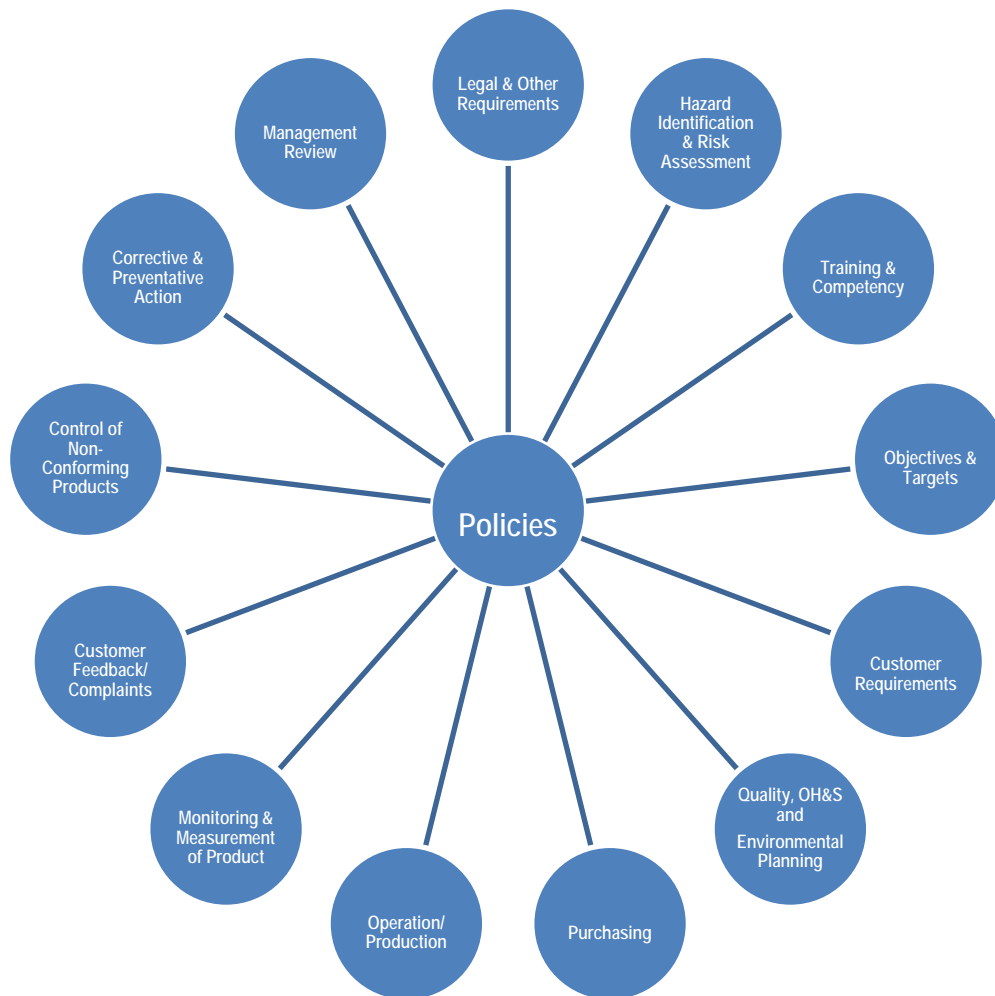
*JSEA's and risk management discussions underway.*

*Ranger mine site (above)*

*Hadspen (left)*

# OUR POLICIES

Shaw policies articulate the company's commitment to key moral, ethical, commercial, strategic, operational, contractual and regulatory aspects. They are issued by the CEO in consultation with the Business Advisory Committee and provide a framework within which procedures and manuals are written and the business of the company is conducted.



The following key policies relating to sustainability are posted on every site:

- Anti-Discrimination
- Drug, Alcohol and Fitness for Work
- Environmental
- Industrial Relations
- Occupational Health and Safety
- Quality
- Rehabilitation
- Sun Safe Protection
- Sustainability

# OUR SYSTEMS AND TOOLS



Achievement of our goals in Safety and Health, Environmental management, Community, Quality and customer satisfaction is done by rigorously and consistently applying our Management System.



Shaw takes extraordinary measures to ensure that our certified systems are consistently applied and implemented to ensure that Shaw employees operate in an effective and safe workplace.

The purpose of the integrated management system is to provide a sound framework, based on risk management principles, within which the company can deliver products and services to its clients. The integrated system covers all aspects of the business and ensures favourable quality, safety, and environmental outcomes at all times.

The management system is designed to focus on corrective and preventive action throughout the business and provide appropriate work practices and procedures to minimise mistakes and errors. The policies, plans and procedures within the system deliver an opportunity for the company to continually improve.

Our management system works because our employees on all levels have teamed together to fully utilise the system in every day work practices.

Shaw implements system quality control to ensure that only current revisions are in use throughout the organisation. Shaw has an extensive library of individual registers, which follows each element of the management system procedures. Shaw has procedures in place to ensure that electronic records are data backed-up each working day through our system network.

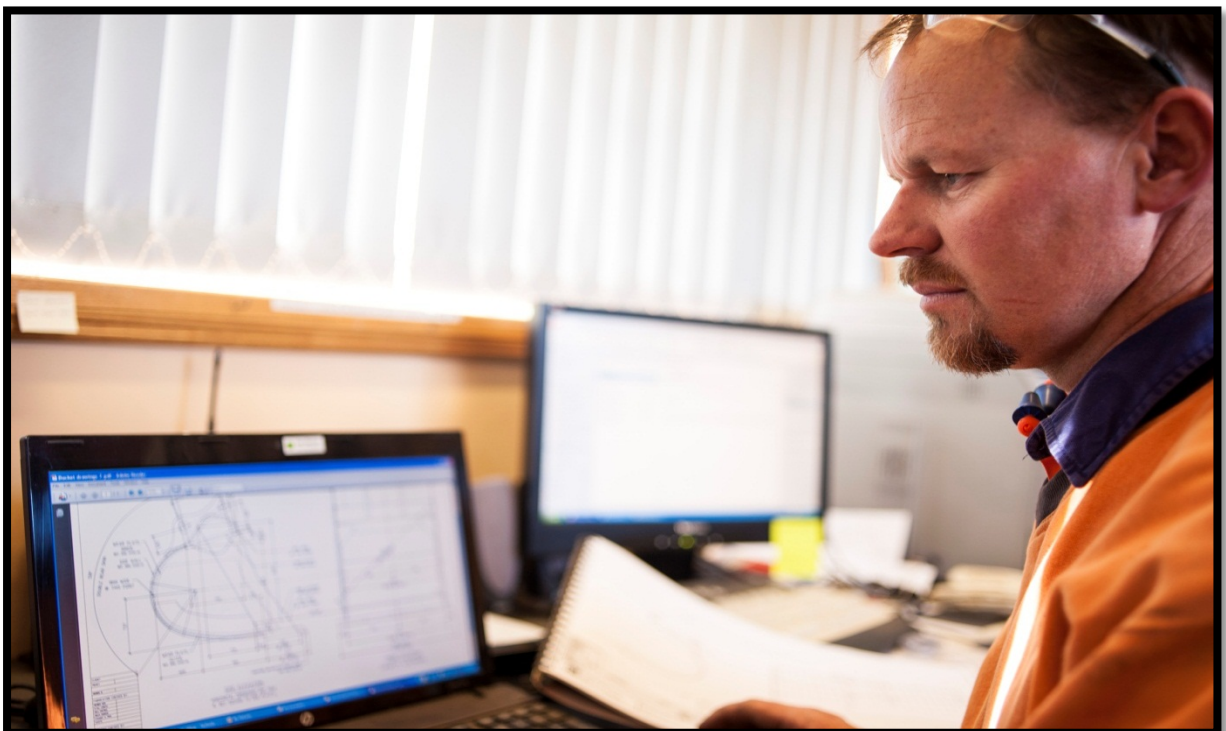
The operational systems incorporated into our day-to-day work aid in implementing and maintaining good management principles. The software used within the company creates a base for all current information to be obtained at any time.



## Core Elements of the Shaw Management Systems

Shaw's systems cascade from our policies down to documents that are usable on the front line and are meaningful to our people. The core elements are as follows:

1. **Policy** – a statement of the company's commitment to an articulation of objectives. These are issued by the Chief Executive Officer.
2. **Management Manual** – outlines what the company will do to meet the requirements of each standard element. In fulfilling these requirements we expect to satisfy the objectives of each Policy.
3. **Management Plans** – these plans are specific to individual projects and outline the particular actions and considerations that may be needed for that project to meet the company's objectives and also the client requirements. Plans are approved by the client and the appropriate regulator and are only relevant for the duration of the project.
4. **Management Procedures** – describe in detail how the company will satisfy each element of the standards, also how control of other critical processes occur in order to meet the commitments outlined in policies. Procedures are issued by the Systems Manager in consultation with Managers and are reviewed as required if circumstances change.
5. **Records** - Records provide evidence of conformity to requirements. Certain records are "controlled" in accordance with regulatory requirements.



## Shaw Systems Support Process



# OUR ACCREDITATIONS

Shaw's systems and our consistent application of these has allowed us to obtain and retain accreditation to AS4801 (Safety and Health), ISO14001 (Environmental Management) and ISO9001 (Quality Management). In addition, Shaw holds the coveted Federal Safety Commission accreditation that is a prerequisite to work on large projects funded wholly or partially by the Australian Government.



## Federal Safety Accreditation

This accreditation is administered by the Office of the Federal Safety Commissioner and involves an in depth triennial certification audit and annual surveillance audits. Audits are both desktop reviews seeking evidence in the company's records, and field reviews seeking actual practical demonstration of good practice in the field. Desktop and field audits are combined and the subsequent report peer reviewed by an expert panel to ensure that only companies truly operating at the highest level of safety management are accredited to work on large federally funded projects.

At the time of writing, around 140 companies Australia-wide and five in Tasmania hold FSC accreditation. Shaw is proud to be among this group of leading businesses.

## AS4801 Health and Safety

## ISO9001 Quality Management

## ISO14001 Environmental Management

Accreditation to the Australian standard for Health and Safety Management and the international standards for Environmental Management and Quality Management is by desktop and field audit on a biennial basis with annual surveillance.

Shaw went to the market in early 2012 and selected its current provider through a competitive bidding process. Shaw seeks to learn and improve through regular auditing and was keen to select a provider willing and able to provide constructive guidance on improving our practices as well as our audit scores.









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