

## HSE DUE DILIGENCE FRAMEWORK

The fundamental principle of due diligence in Health, Safety and Environment (HSE) is the recognition that, to achieve positive outcomes in HSE management, officers need to be engaged in the strategic direction and participate in HSE risk management processes.

Due diligence is primarily concerned with developing a proactive culture for prevention of incidents and identification of opportunities for improved HSE performance. The essential elements of due diligence for an officer are interrelated and cumulative in nature. To ensure Growthbuilt Leadership are proactive in HSE due diligence, Growthbuilt Leaders will:

1. Acquire and keep up to date knowledge of HSE matters regarding,
  - the law and how this applies to Growthbuilt
  - the HSE issues and objectives for Growthbuilt
  - the systems used by Growthbuilt to manage HSE
2. Gain an understanding of the operations of the business and the hazards and risks involved
  - in relation to legal, physical and systemic risks
  - for workers, clients, contractors and others, and the environment
  - their own responsibilities and accountabilities in HSE
  - the impact of decisions on the HSE risks of Growthbuilt
3. Ensure appropriate resources and processes (people, financial, systems, plant and equipment) are provided to enable hazards to be identified and risks to be eliminated or minimised, specifically;
  - Growthbuilt has available for use appropriate resources;
  - Growthbuilt has available for use appropriate processes;
  - Growthbuilt uses appropriate resources; and o Growthbuilt uses appropriate processes
4. Ensure information regarding incidents, hazards and risks is received and the information is responded to in a timely way
  - using performance metrics that are effective in identifying systemic issues for Growthbuilt
  - using metrics that are effective at identifying and cultivating positive performance and proactive management of HSE
5. Ensure Growthbuilt has, and implements, processes for complying with any legal duty or obligation
  - through legal registers and compliance activities
  - legal audit and review
6. Ensure processes are verified, monitored and reviewed
  - monitoring metrics that support objectives
  - personal commitment and involvement

### Objectives

Section 27 of the WHS Act 2011 imposes a proactive duty on officers or persons conducting a business or undertaking to exercise due diligence to ensure compliance by the person conducting the business or undertaking. Section 169 of the POEO Act 1997 imposes a similar proactive duty to prevent contravention by the organisation.

The Duty is proactive.

By developing a systems approach to corporate governance, less reliance is placed on individuals' acts or omissions in discharging due diligence. A systematic approach

## HSE Due Diligence Framework

provides some level of assurance that due diligence will occur regardless of other organisational pressures. Essentially, the effect is to make HSE due diligence part of the way Growthbuilt runs its business and eliminates potential for oversight or omission.

### The Due Diligence Framework

Growthbuilt's stakeholders (workers, clients, customers, contractors, suppliers and the community) have an expectation that its operations are being managed safely, and in a way which protects the environment and conserves resources. Provision of an HSE due diligence framework provides an important link between operational risk management of HSE and the corporate understanding of these HSE risks. There are six key elements to the Growthbuilt HSE due diligence framework and each element is designed to address specific aspects of due diligence.

1. Board and Leadership Team knowledge
2. Accountability and responsibility
3. Strategy and planning
4. Statutory and contractual compliance
5. Performance management
6. Monitoring and verification

#### 1. Board and Leadership Team knowledge

Board and Leadership knowledge is crucial in HSE due diligence. It is important that the Board and Leadership have an appropriate understanding of the applicable HSE laws, business operations and hazards, risks and control measures associated with these operations.

#### Execution – The How and What

Criteria	Compliance Activities
Legislative understanding	<ul style="list-style-type: none"> <li>• The Board, Leadership and Executive HSE Review meetings table HSE legislative updates</li> <li>• Executive Safety Alerts issued</li> <li>• Briefings are conducted by Legal Counsel, annually</li> <li>• Literature regarding legislation is circulated</li> <li>• Impact of legislation on the operations of the business is communicated</li> <li>• Professional association memberships, SIA / NSCA etc.</li> </ul>
Hazards and risks associated with the operations	<ul style="list-style-type: none"> <li>• Significant hazards and risks are reported through Board, Leadership and Executive HSE Review meetings</li> <li>• A system for escalation of incident reporting and notification is developed (Sit Reps)</li> <li>• HSE and the Site Leadership Teams provide a platform for leader's participation in the HSE strategy and execution</li> </ul>

Systems for management of risk	<ul style="list-style-type: none"> <li>• HSE management system audit results are tabled at Board, Leadership and Executive HSE Review meetings</li> <li>• Board and Leadership receive a summary of HSE non-conformances (weekly and monthly – Dashboard)</li> <li>• Board and Leadership receive incident data and lead indicator trends (weekly and monthly – Dashboard).</li> </ul>
Resources	<ul style="list-style-type: none"> <li>• Board and Leadership ensure that there are sufficient resources for management and execution of the safety and environmental management systems</li> <li>• The HSE and Site Leadership Teams will assess and report to the Board and Leadership Team on the resourcing of HSE in the business</li> </ul>

## 2. Accountability and Responsibility

At Growthbuilt, we believe safety and preservation of the environment is everyone's responsibility. To achieve our HSE objectives, it is critical that Growthbuilt make HSE a fundamental accountability for all employees.

### Execution – The How and What

Criteria	Compliance activities
Board and Senior Leaders will have documented HSE Key Performance Indicators (KPI's)	<ul style="list-style-type: none"> <li>• Contract and Position Descriptions are clearly defined and documented with responsibilities in HSE allocated to the Board and Senior Leadership positions</li> </ul>
Managers and supervisors shall have documented HSE Key Performance Indicators (KPI's)	<ul style="list-style-type: none"> <li>• Accountabilities and responsibilities for managers and supervisors will be aligned to the objectives and targets for Growthbuilt</li> </ul>
Organisational performance includes HSE	<ul style="list-style-type: none"> <li>• HSE is included into performance reviews for staff including at senior levels of the business</li> </ul>

## 3. Strategy and planning

Executing the integrated management system (quality, health safety and environment), requires commitment and oversight of HSE from senior leaders. Senior leaders will set the vision for the HSE strategy and drive a strategic approach to management of risks.

### Execution – The How and What

Criteria	Compliance activities
Strategic planning for WHS will be part of the Board and Leadership Team mandate and delivered through the HSE and Site Leadership Teams	<ul style="list-style-type: none"> <li>• Board and Leadership position descriptions include responsibility for review of Objectives, Targets and HSE Strategic Plans</li> <li>• Performance metrics will be developed that support HSE strategic planning and</li> </ul>

	tracking progress on objectives and targets
HSE and Site Leadership Teams are responsible for execution of the Strategic Plans	<ul style="list-style-type: none"> <li>• HSE and Site Leadership Teams will provide the Board and Leadership with direction on key strategic issues in HSE for the business</li> <li>• Board and Leadership will ensure that a strategic plan is developed for key areas or risks that require significant resources</li> </ul>

#### 4. Statutory and contractual compliance

As a minimum, Growthbuilt will comply with NSW WHS and Environmental law, Codes of Practice and relevant Australian Standards. To achieve this objective, it is important to have oversight of the applicable WHS and Environmental legislation, Codes of Practice and Standards applicable to Growthbuilt operations and ensure Growthbuilt evaluates its compliance against these duties.

Growthbuilt will work with its clients to ensure all contractual HSE obligations are met via compliance with the Head Contract and in turn clearly outline Growthbuilt's expectations of its Contractors, through the HSE annexure to all Subcontracts.

#### Execution – The How and What

Criteria	Compliance activities
The Board and Leadership Team have oversight of legislative compliance for Growthbuilt	<ul style="list-style-type: none"> <li>• The HSE management system will be subject to legislative audit every two years</li> <li>• Audit summaries will be communicated to the Board and Leadership Team</li> <li>• Lead HSE indicators will be developed and reported</li> <li>• Contracts will include clear requirements to meet HSE obligations</li> </ul>
Board and Leadership Teams are informed regarding applicable laws and compliance	<ul style="list-style-type: none"> <li>• A Legal Register is maintained</li> <li>• The Legal Register identifies legislative requirements and is used to map compliance activities to each provision</li> </ul>

#### 5. Performance management

Measuring performance is a critical component in delivering Growthbuilt's Quality & HSE objectives. HSE performance metrics should be effective and targeted at control and management of operational risks.

#### Execution – The How and What

Criteria	Compliance activities
Performance metrics support business Objectives and Targets	<ul style="list-style-type: none"> <li>• Incident reporting classification systems have been developed that assist in identification of areas for improved performance</li> <li>• Board and Senior Leaders receive notification of significant Incidents</li> </ul>
Board and Senior Leadership make decisions based on the HSE performance of the organisation	<ul style="list-style-type: none"> <li>• Data provided to the Board and Senior Leaders is categorised according to relevance and root causal factors are identified</li> </ul>

	<ul style="list-style-type: none"> <li>• The Board and Senior Leadership base decisions in the HSE program on HSE and Site Leadership Team feedback and trends in Incidents</li> </ul>
Decisions are based on risk management principles	<ul style="list-style-type: none"> <li>• Board and Business Unit Leadership Teams assess HSE risk exposures as part of the development of strategic planning</li> </ul>

6. Monitoring and verification

The Board and Leadership will be active in the follow up and verification that controls are being implemented in relation to significant risks and trends in HSE.

Execution – The How and What

<b>Criteria</b>	<b>Compliance activities</b>
The Board and Leadership will take a proactive approach to verification of system implementation and improvement	<ul style="list-style-type: none"> <li>• Execution of the Strategic Plans will be verified by the Board and Leadership Team</li> <li>• Significant Incidents will be investigated, and results provided to the Board and Leadership Team</li> <li>• Lead performance indicators will be developed and reviewed by the Board and Leadership Team</li> </ul>
Board and Leadership will be effectively informed and advised	<ul style="list-style-type: none"> <li>• Board and Leadership reporting will be timely and accurate</li> <li>• Board and Leadership will be provided with sufficient information to enable them to make informed decisions</li> </ul>
Board and Safety Leadership will lead HSE cultural development	<ul style="list-style-type: none"> <li>• Board and Leadership will show visibility in HSE through Site Leadership Observations, making enquiries through an HSE conversation and setting clear expectations (STEM Program)</li> </ul>



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