



McConnell Dowell Corporation
MacDow Management System

SUSTAINABILITY REPORTING - ENVIRONMENT

MMS number 025-D002-2536

Revision History

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1.0 PROCESS SUMMARY

Kiribati's Environmental Act 1999 defines **Sustainable Development** as the management or the human use, development, conservation, protection, maintenance and enhancement of the natural, physical and cultural resources of Kiribati in a way or at a rate, which enables people and communities to provide for social economic and cultural well-being and to their health and safety while:

- sustaining the potential of natural and physical resources to meet the needs of future generations;
- using, developing or protecting renewable natural and physical resources so that their ability to yield long-term benefits is not endangered;
- using, developing or protecting non-renewable natural resources so as to lead to an orderly and practical transition to adequately substitutes including renewable resources;
- safeguarding the life-supporting capacity of air, water, soil and ecosystem;
- avoiding, remedying or mitigating any adverse effects of development on the environment;
- preserving endangered, rare and threatened species that may be considered ecologically and in terms of heritage of special value to Kiribati and global diversity, as the Minister, acting in accordance with the advice of the Cabinet may from time to time by order in writing declare to be such.

This Sustainability Reporting procedure describes the environmental sustainability data reporting processes undertaken by McConnell Dowell Constructors Ltd. The reporting of monthly environmental sustainability data is necessary to meet the requirements of Aveng, Government bodies, industry, regional groups, clients and our commitment to sustainability.

2.0 OBJECTIVES

The Country Policy and Institutional Assessment (CPIA) policy and institutions for environmental sustainability rating (1=low to 6=high) in Kiribati was last reported at 3 in 2011, according to a World Bank report published in 2012. Policy and institutions for environmental sustainability assess the extent to which environmental policies foster the protection and sustainable use of natural resources and the management of pollution. It includes a historical data chart, news and forecasts for CPIA policy and institutions for environmental sustainability rating (1=low to 6=high) in Kiribati.

This procedure has been developed to assist the designated Project / Facility **Environmental Management Representative (EMR)** and Site Administrator in collating, monitoring and reporting the required environmental sustainability data. The primary objectives are as follows:

- Identify the roles and responsibilities for the collection and reporting of environmental sustainability data;
- The collection, aggregation and calculation of environmental sustainability data required;
- The identification of relevant reference procedures and guidelines required to complete the reporting process; and
- The record keeping process and the process for quality control and audit.

3.0 SUSTAINABILITY POLICY STATEMENT

McConnell Dowell is a major engineering, construction, building and maintenance contractor delivering infrastructure to the building, mining, oil & gas, power, petrochemical, social and public infrastructure, transport and water sectors.

The Group has a broad construction offering with complete multi-discipline capability in building, civil, fabrication, electrical and mechanical works and are engineering and construction specialists in pipeline, tunnelling, marine and rail construction.

One of our organisation's core values is 'Sustainability'. This value sees that we 'act today with the future in mind'.

The purpose of this policy statement is to provide direction and set objectives for driving our organisation's long-term sustainability. Our commitments are to:

- Build and maintain a robust and enduring business, and provide acceptable economic and financial return to our Shareholders.
- Meet statutory obligations and ensure responsible governance with transparent reporting by operating in accordance with our third-party certified Integrated Management System. Mitigate risk to acceptable levels through adherence to McConnell Dowell Group Risk Management practices.
- Ensure the well-being and protection of our workforce, and encourage behaviour and practices that entrench the McConnell Dowell Group's safety vision 'Home Without Harm Everyone Everyday'.
- Minimise the environmental impact of our activities through the efficient use of resources including energy, water, construction materials, and provide responsible waste management. Promote innovative thinking and practices to achieve positive environmental and sustainability outcomes.
- Make a positive and meaningful difference to the health and well-being of the community through stakeholder engagement, social support and investment. Provide industry leadership through the participation in peak industry associations.
- Enhance the wellbeing of our workforce through skills and professional development, lifelong learnings, increased ability to deliver sustainable outcomes, and participation in the direction of the organisation.

To achieve these commitments across all operations, our Group Sustainability Strategic Plan provides a framework of measures and targets set to drive continuous improvement. Senior Management is responsible for the implementation of the Strategic Plan and assessment of performance outcomes.

4.0 DEFINITIONS

Mains Source (Potable) - Refers to any potable water derived from both mains supplies and other sources.

Oils used as lubricants - Oils (including lubricants or fluids but not greases) derived from petroleum and their synthetic equivalents.

Petroleum based greases - Petroleum based greases and their synthetic equivalents.

Waste sent to be recycled - Refers to any segregated recyclable wastes including timber, steel, concrete (paper / cardboard and aluminium cans) and co-mingled recyclables - (paper cups, tins, jars) waste.

Water course/harvested rain water / surface water - Refers to any recycled / reused water harvested from site and other sources of harvested water (non potable).

Wet Hire - Supply of the equipment together with operator and additional services such as refuelling services.

5.0 RESPONSIBILITIES

5.1 BUSINESS UNIT / REGIONAL QSE MANAGER

The Business Unit / Regional QSE Manager is responsible for:

- Monitoring of monthly environmental sustainability reporting accuracy, and the verification of the reporting process through internal audits.

4.2 PROJECT MANAGER

The Project Manager is responsible for:

- Ensuring the Site Environmental Management Representative and Site Administrator fulfill their requirements under this procedure.

4.3 ENVIRONMENTAL MANAGEMENT REPRESENTATIVE

The **Environment Management Representative (EMR)** is responsible for:

- Collaborating with the Site Administrator to determine reporting gaps, i.e. non-invoiced data, to ensure all environmental sustainability data required is captured.
- Ensuring the collection of required data including waste, water data, and (Sub-contractor greenhouse gas and energy data - Australia only).
- Completing the monthly **Sustainability Reporting – Environment** Form (MMS # **025-F020-000**) and submitting to Site Administrator by the 5th of each month.

4.4 SITE ADMINISTRATOR

The Site Administrator is responsible for:

- Ensuring all environmental sustainability reporting items are set as sustainability suppliers in Workbench to capture data required (Sub-contractor types – Australia Only).
- Sourcing and consolidating environmental sustainability reporting data from invoices and the **Sustainability Reporting – Environment** Form (MMS # **025-F020-000**) provided by the **EMR**.
- Ensuring environmental sustainability data (energy, waste and water), is entered accurately into Workbench by 10th of each month.

4.5 DESIGNATED GROUP ENVIRONMENTAL MANAGEMENT REPRESENTATIVE

The Designated Group Environmental Management Representative is responsible for:

- Update of this document.

6.0 PROCESS DESCRIPTION

6.1 MONTHLY SUSTAINABILITY REPORTING – ENVIRONMENTAL REQUIREMENTS

6.1.1 Aveng

The reporting of monthly environmental sustainability data is necessary to meet the requirements from Aveng and their listing requirements of the Johannesburg Stock Exchange's Socially Responsible Investment (JSE SRI) for a High Impact business.

6.1.2 Our Commitment to Sustainability

As part of the McConnell Dowell Group Environment and Sustainability Policies, we are committed to:

- Minimising the environmental impact of our activities through the efficient use of resources including energy, water, construction materials;
- Providing responsible waste management; and
- Promoting innovative thinking and practices to achieve positive environmental and sustainability outcomes.

Reporting accurate data ensures we provide detail on our overall position with regard to our environmental impact and allows us to focus our efforts to develop strategies for the efficient use of resources.

6.1.3 Government Bodies

In Australia reporting of energy data is required to ensure compliance under the Australian National Greenhouse and Energy Reporting Act 2007 (the NGER Act) with the potential for fines of up to \$220 000 for incorrect reporting.

6.1.4 Clients

Providing clients with environmental sustainability data and demonstrating our ability to management the efficient use of resources.

6.2 REPORTING ENVIRONMENTAL SUTAINABILITY DATA FROM SITE INTO WORKBENCH

The monthly environmental sustainability reporting process commences onsite with each location due to report to McConnell Dowell Group Accounting by the 10th day of the each month for compilation and distribution of non-financial data as necessary. The reporting process is shown in the **Environmental Sustainability Reporting Flowchart** (Section 5.3).

The following environmental sustainability data is required to be reported:

6.2.1 Environmental Sustainability Data Measures

Indicators	Item	Source	Units	Abbreviation
Energy Use	Electricity	Third party invoice	kilowatt Hours	kWh
	Petrol	Delivery receipt/ Fleet cards reported via Laverton Plant Yard (Australia Only)	litres	L
	Diesel	Delivery receipt/ Fleet cards reported via Laverton Plant Yard (Australia Only)	litres	L
	Light fuels (paraffin, kerosene, etc)	Light fuels delivery receipt	litres	L
	LPG	LPG delivery receipt	litres	L
	Natural Gas	Third party invoice	gigajoules	GJ
	Oils used as lubricants	Oils delivery receipt	litres	L
	Petroleum based greases	Petroleum based greases delivery receipt	kilograms	kg
Water Use	Mains Source (potable)	Third party invoice/ delivery receipt	kilolitres	kL
	Water course/harvested	Meter reading/ delivery	kilolitres	kL

Indicators	Item	Source	Units	Abbreviation
	rain water/surface water	receipt		
	Ground water / boreholes	Meter Reading	kilolitres	kL
Waste	General waste to landfill	Invoice/ Report/ Weighed onsite	tonnes	T
	Waste sent to be recycled	Invoice/ Report/ Weighed onsite	tonnes	T
	Hazardous Waste	Invoice/ Report/ Weighed onsite	tonnes	T
	Scrap Metal	Invoice/ Report/ Weighed onsite	tonnes	T

Note: All environmental sustainability data **must be input into Workbench in the stipulated units above**. The correct units may need to be achieved by converting the measure to the relevant unit required.

Sustainability Reporting – FAQ’s (MMS # 140-Z001-000) provides some common examples of conversions required to report environmental sustainability data.

6.3 ENVIRONMENTAL SUSTAINABILITY DATA – SITE ADMINISTRATORS

6.3.1 Environmental Sustainability Reporting in Workbench

Site Administrators are to input data accurately into Workbench by the 10th day of each month in accordance with **Sustainability Reporting in Workbench** MMS # (140-Z003-100). The environmental sustainability process for projects and facilities is shown in the **Sustainability Reporting Flowchart – Environment** (MMS # 025-D002-000 Att1).

The **Sustainability Reporting in Workbench** (MMS # 140-Z003-100) guidelines detail the process for entering the various sustainability types into Workbench, and the correct methodology for entering environmental sustainability data into Workbench. The Sustainability Suppliers for your location must be identified in Workbench according to these guidelines.

Monthly environmental sustainability data entered **must capture all site energy, water consumption and waste** removed from the location. Supplier reporting of energy, water usage and waste removed may be provided. If this information is not provided it should be requested from the supplier. In circumstances where this information is not provided by supplier invoice, the EMR is required to capture the environmental sustainability data. This is provided in the **Sustainability Reporting - Environment** (MMS # 025-F020-000) form, submitted by the 5th of each month to the Site Administrator (Section 5.4). Environmental sustainability data provided by this means may require entry as a ‘0 cost invoice’, according to the **Sustainability Reporting for Workbench** guidelines.

6.3.2 Reporting Sub-contractor Greenhouse Gas and Energy Data (Australia Only)

Sub-contractor greenhouse gas and energy data not captured directly from invoice, for example in the case of ‘wet hire’ arrangements. Under these arrangements the **EMR** is required to provide the relevant sub-contractor greenhouse gas and energy data. This is provided in the **Sustainability Reporting - Environment** (MMS # 025-F020-000) form, submitted by the 5th of each month. Site Administrators must ensure this data is entered into the correct Sub-contractor Sustainability Type.

All figures reported in Workbench are to be a total for the month, not year to date.

6.4 ENVIRONMENTAL SUSTAINABILITY DATA – ENVIRONMENTAL MANAGEMENT REPRESENTATIVE

6.4.1 Environmental Sustainability Reporting - **EMR**

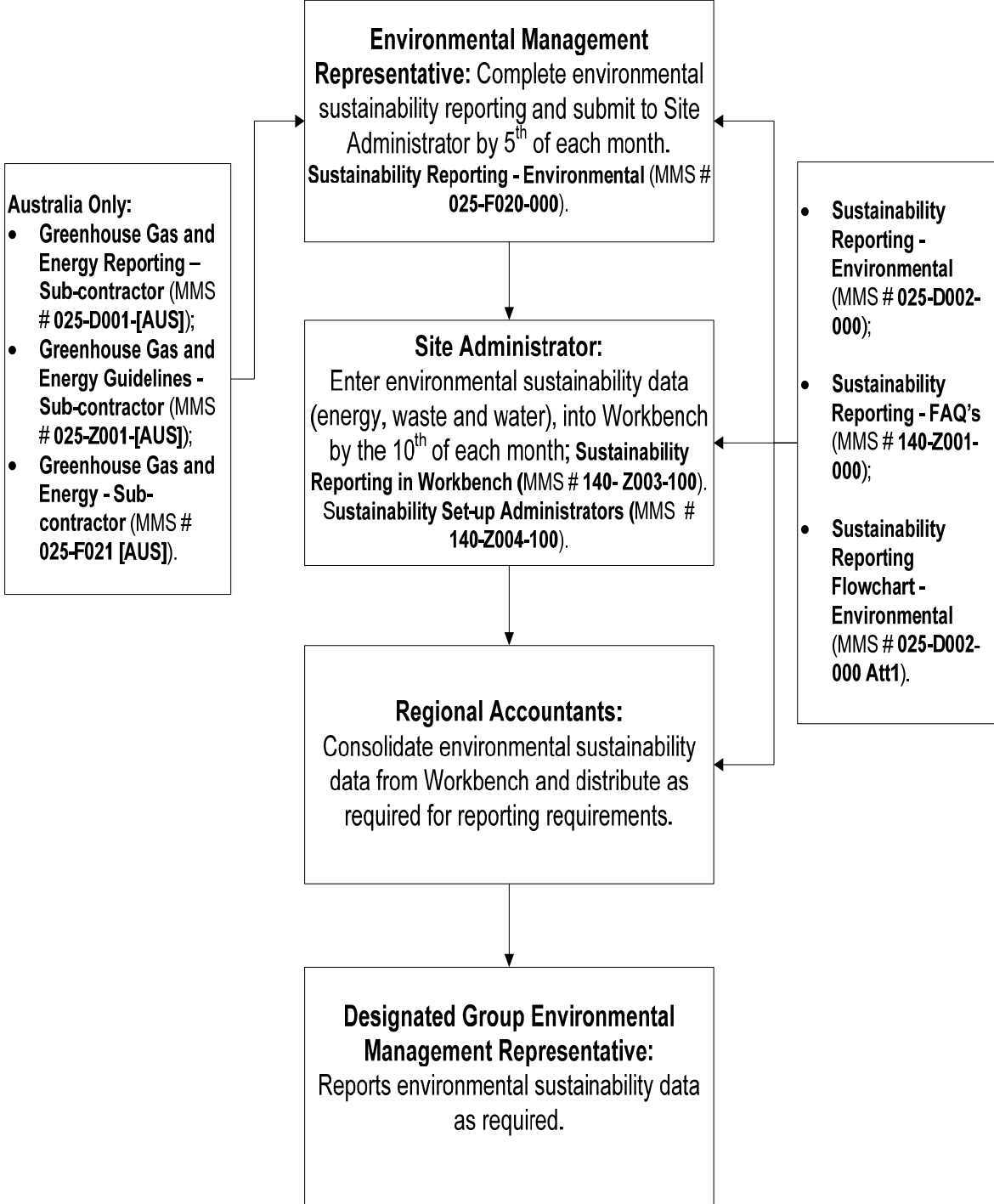
Reference to the following is required to satisfy the McConnell Dowell Group environmental sustainability reporting requirements:

- The environmental sustainability process for projects and facilities is shown in the **Sustainability Reporting Flowchart – Environment (MMS # 025-D002-000 Att1)**.
- The **EMR** must complete the **Sustainability Reporting - Environment (MMS # 025-F020-000)** form, by the 5th of each month.
- Collaboration with the Site Administrator is important to ensure data captured by this process does not duplicate data entered into Workbench from invoices and / or where gaps in reporting may require input from the **EMR**. This includes waste, water and (Sub-contractor energy data – Australia only).

6.4.2 Reporting Sub-contractor Greenhouse Gas and Energy Data (Australia Only)

Reference to the **Greenhouse Gas and Energy Reporting - Sub-contractor (MMS # 025-D001-[AUS])** procedure is required to complete the Sub-contractor green house gas and energy reporting requirements.

6.5 ENVIRONMENTAL SUSTAINABILITY REPORTING FLOWCHART



7.0 RECORDS

Environmental sustainability data records must be maintained to support reported information and to allow for independent audit. The facility records must provide adequate evidence to support the reported information including:

- A list of all sources monitored;
- Documentary evidence relating to data inputs — for example, receipts, invoices, and process information database outputs;
- Documentation of the methods used for estimating quantities;
- Documentation of the collection process for activity data for a facility and its sources;
- **Sustainability Reporting - Environment** (MMS# 025-F020-000; and
- **Greenhouse Gas and Energy - Sub-contractor** (MMS# 025-F021-[AUS]).

8.0 REFERENCES

Greenhouse Gas and Energy Guidelines - Sub-contractor	(MMS# 025-Z001-[AUS])
Greenhouse Gas and Energy Reporting - Sub-contractor	(MMS# 025-D001-[AUS])
Sustainability Policy Statement	(MMS# 000-B003-000)
Sustainability Reporting - FAQ's	(MMS# 140-Z001-000)
Sustainability Reporting Flowchart - Environment	(MMS# 025-D002-000 Att1)
Sustainability Reporting in Workbench	(MMS# 140-Z003-100)