For the first time, we have included an adherence index at Level C of the GRI’s G3 reporting framework. This has allowed us to benchmark our performance against the international standard for sustainability reporting.

To preserve resources, we encourage our readers to access this report via our website at www.thiess.com

Your feedback is encouraged and can be sent to feedback@thiess.com.au
A BRIGHT FUTURE

In an industry characterised by fierce competition, high risks, technical complexities and a continually changing landscape, companies more than ever must have inspired leadership, adaptive management practices and an engaged workforce.

At Thiess, we understand the value of investing in our people, being lean, agile and flexible while working in the spirit of one team with our clients. We support an innovative, performance driven culture where delivering safe, smart and sustainable whole-of-life solutions is our goal.

Across our diverse portfolio of construction, mining and services, we are determined to be relevant, competitive and remain at the forefront of our industry.

The future is a bright and exciting prospect. While there are no silver bullets or short cuts to success, our depth and breadth of capability, resources and experience, and ability to find innovative solutions will be the hallmarks of our success.

As we grow and prosper we do so responsibly; mindful of our commitments to the environment, our people and their wellbeing, the communities in which we work and the needs of our shareholders.

Meeting these demands creates a strong, competitive and sustainable company.

ENVIRONMENT
The world demands environmentally sustainable solutions. We are thinking green and moving beyond compliance to ensure a bigger future through a smaller footprint.

PEOPLE
Projects need the right people with the right skills. We invest in our people to develop and expand out talent pool.

SAFETY
Clients believe safety is more than a set of rules. The health, safety and wellbeing of our people is at the forefront of everything we do.

COMMUNITIES
We all want to be a part of successful and vibrant communities. Our commitment to social responsibility ensures local benefits are genuinely realised and impacts are minimised.

PERFORMANCE
Shareholders expect financial performance. Leveraging our capability and synergies across our diverse portfolio sustains our profitability in a way that delivers total shareholder value.
Together we will build a brighter, more sustainable future.
At Thiess, sustainability is about growing responsibly. It is more than just implementing a policy or coming up with an energy saving idea; we want it to be a natural mindset that permeates everything we do – a belief that we are striving to leave a positive legacy for future generations.

From the projects we build, to the landscapes we rehabilitate, the careers we develop, to the communities we connect with, and the relationships we develop, all are testament to our success, reputation and ongoing viability.

In 2009/10 we achieved record performance with revenue of $6.8 billion and our largest ever work in hand of $18 billion. These outcomes reaffirm our position as Australia’s leading construction, mining and services contractor.

Our sustainability agenda encompasses five key areas: environment; people; safety; community; and financial performance. This year, we have achieved some significant and remarkable results. Our adherence to rigorous processes has led to the elimination of Class 1 environmental incidents and moved us further towards our safety goal of zero harm with a reduction in our Lost Time Injury Frequency Rate of almost 22 percent.

Implementing a range of energy saving initiatives such as daylight controls on mobile lighting plants has saved more than 50,000 GJ at our mining projects this year.

Thiess Services Middle East took an important step towards environmentally sustainable waste management practices with the opening of a specialised processing plant in Abu Dhabi to recycle debris from construction and demolition projects. The recycling of concrete and asphalt will divert millions of tonnes of waste from landfill.

The newly completed Ark building in North Sydney is the first high-rise office building in NSW to achieve a 6 Star Green Star – Office As Built Rating from the Green Building Council of Australia. Ark represents world leadership in environmentally sustainable design and has received a multitude of industry accolades. Multi-million dollar projects such as the Ark are shining examples of what can be achieved with clever design and innovation.

I’m also proud to state that Thiess is working hard to improve opportunities for Aboriginal and Torres Strait Islanders. We are stepping up and taking a proactive approach as highlighted on pages 42 and 43 of this report. Earlier this year, I spent a day with the first group of Aboriginal and Torres Strait Islanders completing the Thiess Indigenous Pre-Apprentice Program. The 20 week program offers participants accredited training and prepares them for the demands of an apprenticeship and subsequent career with our company. We are committed to making this program a success and ensuring we play our part in “closing the gap”.

I congratulate our team on the innovations and initiatives detailed in this report and I hope they will give you an insight into not only what we are doing but how we are doing it.

Our greatest challenge is not just implementing these initiatives; but changing mindsets about how we deliver them. I hope this report will get you thinking – thinking green, thinking safely, thinking about each other and making sustainability profitable.
<table>
<thead>
<tr>
<th>Environment</th>
<th>Performance</th>
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</thead>
<tbody>
<tr>
<td>Reduce adverse environmental incidences and ensure compliance with environmental laws.</td>
<td>No Class 1 incidents were recorded. While there was an increase in minor incidents this can be attributed to an increase in the scale of our projects.</td>
</tr>
<tr>
<td>Refine and refresh our environmental values, policies and key messages.</td>
<td>This process has begun and is currently in review before being rolled out across the business.</td>
</tr>
<tr>
<td>Comply with National Greenhouse and Energy Reporting legislation and evaluate and report publicly on our energy saving opportunities.</td>
<td>In 2009/10 our energy savings were calculated at 53,500 GJ.</td>
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<table>
<thead>
<tr>
<th>People</th>
<th>Performance</th>
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<tbody>
<tr>
<td>Attract, develop and retain the right people to position our business for future growth.</td>
<td>Recruitment and induction was a primary focus as two of Australia’s largest infrastructure projects reached peak demand. More than 13,000 people were inducted on the Airport Link and the Victorian Desalination Projects.</td>
</tr>
<tr>
<td>Identify future leaders and develop their leadership skills.</td>
<td>A suite of learning programs has been developed to enhance the financial, commercial and general leadership skills of our people.</td>
</tr>
<tr>
<td>Develop Indigenous and gender diversity plans.</td>
<td>A range of diversity programs was implemented including scholarships for female engineering students and an apprentice program for Indigenous people.</td>
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<table>
<thead>
<tr>
<th>Safety</th>
<th>Performance</th>
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</thead>
<tbody>
<tr>
<td>Progress closer towards our ultimate goal of zero harm.</td>
<td>We achieved a Lost Time Injury Frequency Rate of 1.01, which was a reduction of 21.7 percent on the previous year, and also achieved a reduction in High Potential Incident (HPI) occurrences.</td>
</tr>
<tr>
<td>Three month rolling Recordable Injury Frequency Rate (RIFR) below 12 month rolling RIFR.</td>
<td>This performance target was met for June 2010.</td>
</tr>
<tr>
<td>Refine and refresh safety values, policies and key messages.</td>
<td>This process has begun and is currently in review before being rolled out across the business.</td>
</tr>
<tr>
<td>Demonstrate leadership in safety through weekly senior management reviews of incidents.</td>
<td>Business unit leadership teams are now participating in HPI reviews.</td>
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<thead>
<tr>
<th>Community</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify high impact work that could adversely affect local communities, and work closely with construction teams and local residents to implement mitigation measures.</td>
<td>A range of innovative practices has been implemented across our projects. While there have been challenges associated with constructing some of the largest ever infrastructure projects in densely populated areas, we are proactively innovating to reduce any disruption.</td>
</tr>
<tr>
<td>Develop a range of community partnerships and measure the effectiveness of these in promoting sustainable relationships.</td>
<td>Our business units and projects have been proactive in developing a range of community partnerships, including with Childhood Cancer Support, Hear and Say and the National Breast Cancer Foundation.</td>
</tr>
<tr>
<td>Complete the Thiess Dempsey House charity project, providing urgently needed accommodation to families whose children are undergoing cancer treatment in Brisbane.</td>
<td>In August 2009, Thiess Dempsey House welcomed its first regional families after we officially handed the $800,000 facility over to Childhood Cancer Support.</td>
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<table>
<thead>
<tr>
<th>Financial</th>
<th>Performance</th>
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<tbody>
<tr>
<td>Deliver continued profitable growth.</td>
<td>We achieved record turnover of $6.8 billion and operating profit before tax of $422 million, an increase of more than $100 million on 2008/09 profit.</td>
</tr>
<tr>
<td>Improve productivity and hone capabilities to grow a stronger, more resilient and more competitive organisation.</td>
<td>We reduced the costs of doing business while achieving record work in hand of $18 billion.</td>
</tr>
<tr>
<td>Complete our strategic move to three business streams – construction, mining and services – gaining significant organisational efficiencies and leveraging our strength in each sector.</td>
<td>We are Australia’s leading integrated construction, mining and services company. Our strength and diversity across these sectors has given us substantial depth and breadth of capability and is enabling us to capitalise on significant market opportunities.</td>
</tr>
</tbody>
</table>
WE ARE DRIVEN BY A PASSION TO DELIVER SUSTAINABLE OUTCOMES FOR OUR CLIENTS, OUR PEOPLE AND COMMUNITIES.

An Executive Team with proven expertise and experience across the construction, mining and services sectors leads our growing multinational business. Under its strategic direction, our team maintains its focus on driving our company forward always keeping in mind our determination and commitment to excellence.

Thiess is a wholly-owned subsidiary of Leighton Holdings Limited (LHL), the biggest project development and contracting group in Australia, and the world’s largest contract coal miner.

With a strong independent identity and culture, we have a high level of autonomy and responsibility, developing our own markets and client relationships. Our core strength lies in our diversity and the ability to offer a whole-of-business approach to even the most complicated of projects. We are building an enviable reputation as a trusted and reliable partner.

The Thiess Board of Directors guides our Executive Team in accordance with the financial objectives and corporate governance guidelines established by LHL.

These guidelines provide a framework for Thiess to operate within and are aimed at maintaining our integrity without compromising our ability to compete.

LHL’s Group Governance System includes meeting the requirements of the ASX Corporate Governance Council, which are at the heart of good corporate governance.

FUNDAMENTALS

Effective corporate governance policies are an essential part of building confidence and maintaining solid relationships with our clients, stakeholders and staff. They are the key to our continued growth and success.

VALUES

To support and advance our strategic agenda, our values ensure that we maintain a shared sense of purpose and alignment to how we operate.

The Thiess values statement reflects where we are today and in what direction we are heading. The six values of People Focused, Future Oriented, Performance Driven, Acting with Integrity, and growth performance. Throughout the year, the EMT assesses performance against the Company Business Plan. This plan is updated annually, and outlines strategies and business objectives for each business unit and corporate functional support area over a three-year period. The EMT recognises the need to continue upgrading skills, provides improved business support to meet the needs of the business units and expand the business capability of the company, particularly for large privatised, high risk projects and strategic investment opportunities.

ORGANISATIONAL MANAGEMENT

BOARD OF DIRECTORS

The Thiess Board of Directors meets quarterly to review the company’s financial, human resources, health and safety, environmental and community performance. Its primary objectives are to ensure Thiess complies with statutory obligations, oversee policy, procedures and governance, and provide strategic council advice to the Managing Director.

MANAGEMENT TEAM

The Executive Management Team (EMT) sets our overall strategic direction, and develops accountability for our regional and discipline-specific business units and functional areas. The EMT works closely with senior managers to implement business objectives and review operational performance. Executive meetings are held monthly and a broader management meeting is held quarterly. The skills and vitality of key staff, particularly business unit and functional managers, provide a strong foundation for sustaining the momentum of our profit and growth performance.
Innovative Solutions and One Team are communicated throughout the company to clarify what we stand for, what makes us successful and what sets us apart from our competitors. Together, we work to build our team around these core values, which effectively guide the way we work.

POLICIES
Our policies support the ourThiess values statement. These clear performance standards cover our Code of Ethics, Health and Safety, Environmental, Quality, Workplace Diversity, Trade Practices, Community Relations, and Privacy policies. A new Risk Management Policy will be implemented during the 2010/11 financial year.

RISK AND OPPORTUNITY MANAGEMENT
While the responsibility for implementing risk management lies with our company, LHL provides guidelines and sets minimum standards for our key activities. LHL also undertakes business audits to review and report on the management of risk across its group of companies. Thiess also carries out its own project reviews to ensure compliance with internal risk management protocols and procedures.

Our risk management practices and processes align with ISO 31000:2009, the international standard for risk management. In accordance with this standard, risk assessments are undertaken at all stages of the project from tendering through to execution and delivery. Our risk management process is continuously assessed and updated through regular internal reviews. A web-based database called Cura Assessor is used to assess, manage and monitor any risk, control, treatment and compliance items. Cura has been fully aligned to meet the requirements of ISO 31000:2009.

GOVERNMENT RELATIONS
Our major clients include governments and their agencies. We seek to act with the highest levels of integrity in our interactions with Government and to be informed of and strictly adhere to the relevant jurisdiction’s integrity and probity regimes.

Thiess seeks to participate fully in policy development and appropriate regulatory change through direct engagement with governments and their agencies. We are an active member of and participant in industry associations. Thiess no longer makes political donations.

SHARING KNOWLEDGE
Creating, capturing and sharing knowledge is critical to our ongoing success. During recent years, our strategic and practical knowledge management has allowed us to increase and define our capabilities.

We view our company and employee knowledge and experience as commercially valuable. It provides a rich resource for our team to draw on and continuously improve our business practices.

The Thiess Management System (TMS) brings together the knowledge and experience our company has gathered during 76 years of identifying, winning, and delivering successful projects.

The TMS supports everything we do. Employees can access easy-to-read information and procedures for delivering successful projects. During 2009/10, the TMS was redesigned and restructured in response to employee feedback. It was relaunched in mid-2010 and is set to deliver even greater efficiencies and consistency in our operations.

Our Intranet, Thiess Online, provides a diverse range of information and communication opportunities designed to help employees perform their jobs, stay informed about company activities and connect with colleagues from across the business.
Our clients have given us unique opportunities – to construct one of the Southern Hemisphere’s largest road infrastructure projects, to operate some of Australia’s most productive mines and to deliver one of the largest single remediation projects in Australia. These are large, technically complex projects and it takes a big vision and significant capabilities to bring them to reality.

There is a passion that underlies everything we do and this is what drives our innovative practices. We don’t just construct, we don’t just dig and we don’t just connect – we construct the most state-of-the-art, efficient, environmentally sustainable infrastructure possible; we dig using the quickest and most economical plant there is; and we connect essential services with as little impact as possible on the community.

Our project achievements are always a result of client and contractor collaboration – building lasting relationships that allow us to invest for the long term. In construction we are delivering landmark infrastructure that is shaping the nation, in mining we are developing long-term strategic partnerships that allow us to introduce new technologies and lower production costs, and our services business is leading the way with sustainable environmental and utilities practices.

INNOVATIVE SOLUTIONS
The 2009/10 financial year got off to an excellent start when we won the $3.5 billion Victorian Desalination Project in a joint venture with Degrémont. This was the largest Public Private Partnership awarded anywhere in the world since the Global Financial Crisis.

Our mining business won an $800 million contract with Wesfarmers Curragh to continue overburden stripping at the Curragh North Coal Mine in Queensland’s resource rich Bowen Basin. We were able to meet Wesfarmers Curragh’s key objectives to decrease costs and increase site productivity by integrating the operation and maintenance of the client’s new electric rope shovel with the Thiess fleet of ultra size trucks. This new and exciting venture demonstrates our commitment to enter into mutually beneficial contract delivery arrangements and to use our significant mining experience to continue to deliver excellence and cost effective solutions for clients. The contract sets an industry precedent and reaffirms our position as one of the world’s leading suppliers of outsourced mining services and the world’s largest coal mining contractor.

ON TIME DELIVERY
Thiess reached practical completion on a number of significant projects including the $100 million Coast to Coast Project in Adelaide, which has extended the light rail network by 2.8 kilometres. We completed the Newcastle Coal Export Terminal, a first class facility to reduce gridlocks, help boost shipments and export capacity, and meet the future requirements of one of Australia’s busiest deep-water ports.

In December 2009, the 34-storey 400 George Street office tower opened in Brisbane. The NSW team completed the impressive 21-level Ark office tower in North Sydney and made significant progress on our largest ever building project – the $721 million Royal North Shore Hospital and Community Health Services Redevelopment, which will bring together all the acute clinical services currently spread across the hospital. Thiess Services will provide hard facilities management for the duration of the 28 year project period.

Thiess Georgiou Joint Venture’s Berth 10 Reconstruction in Fremantle, Western Australia, was officially opened and Australia’s longest road tunnel project, Airport Link, celebrated its first tunnel breakthrough in June 2010. As well as expanding port capacity, Berth 10 will contribute to the efficiency of Western Australia’s biggest general cargo port. In Brisbane, Airport Link will enable motorists to bypass up to 18 sets of traffic lights. Airport Link is being undertaken together with the Northern Busway (Windsor to Kedron) and Airport Link Roundabout and requires 15 kilometres of tunnelling, encompassing road and busway tunnels and connecting ramps.
Among the best alliance partners in Australasia

Thiess Services is proud of its track record of creating enduring client relationships, holding some of the longest running contracts in Australasian business history.

Since 1993, Thiess Services has continuously delivered operations, asset management, maintenance services, and minor capital works to South East Water (SEWL) in Victoria.

This client partnership has been so successful that in 2005, Thiess Services, Siemens and SEWL formed the ‘us’ – Utility Services Alliance to unleash even higher levels of service delivery and innovation. In July 2009, the ongoing strength of this integrated team was underscored when the Alliance’s scope was expanded to deliver SEWL’s $380 million network capital work program over four years.

Thiess Services has also been successfully delivering waste management and transport services to the Brisbane City Council for nine years through the Brisbane Waste Innovations Alliance. Originating as a project management contract and converting to an alliance in late 2006, Thiess Services operates and maintains four transfer stations and a landfill on behalf of our client.
NEW WORK ACROSS THE BUSINESS:

» Construction of the new North Block and Neo-natal Intensive Care Unit at Townsville Hospital, part of a $94 million expansion that will more than double the emergency department’s current capacity, making it the largest in Queensland

» Providing electrical services to Western Power in Western Australia in a new contract worth up to $325 million over five years, reaffirming Thiess Services’ reputation as a national leader in the utilities sector

» A $123 million contract with Leighton Properties to build Queensland’s healthiest building, King George Central, in Brisbane’s CBD

» Site preparation and construction of temporary facilities worth approximately $500 million for the Gorgon Project on Barrow Island, Western Australia. This followed the $500 million contract, awarded during the previous financial year, to the Thiess Decmil Kentz Joint Venture to design and construct the 3300 person workers’ village for what is the largest single resource natural gas project in Australia’s history

» An $84 million design and construct contract awarded to the VEC Thiess Joint Venture for the northern section of the Brighton Bypass Project in Tasmania – the largest infrastructure project in the State’s history
ENDURING RELATIONSHIPS

We strongly value our relationships with clients. An example of this is the 10-year contract extension and expansion at the Curragh North Coal Mine, where we have invested significantly in new plant and equipment. This demonstrates the strong relationship we have with Wesfarmers Curragh and demonstrates the company’s faith in our capabilities. Such long-term strategic partnerships will foster innovation and profitable growth through repeat business. Other examples of success through established relationships in the mining industry include a contract extension with Tarong Power at the Meandu Mine near Kingaroy and continued operations at the South Walker Creek Coal Mine under a $229 million contract. Thiess constructed and began operating South Walker Creek in 1996. The contract for removing overburden, coal processing and train loading was extended in 2000 and again in 2003, and in 2007. This new contract is testament to the relationship developed with BHP Mitsui Coal during the past 14 years.

Thiess Services holds some of the longest-running alliance contracts in Australasian business history. For 15 years, Thiess Services has delivered operational and maintenance services and capital works to South East Water in Victoria. This is set to continue, with a $380 million capital works program, secured in August 2009, for the next four years.

CASE STUDY

ARUTMIN ALLIANCE
10 YEAR ANNIVERSARY

June 2010 marked 10 years since Thiess commenced its Life of Mine Alliance for the Arutmin Projects at Satui and Senakin in Indonesia. As one of the top coal producers in the country, Arutmin’s Satui and Senakin have been key projects for Thiess Indonesia and for our company as a whole, highlighting the importance of strong relationships. Employing almost 3,500 people, the Arutmin Projects are part of a select group of mines fulfilling a total mining solutions service, including operating washplants and hauling, crushing and loading coal onto barges.
NATIONAL RECOGNITION

At the 2010 National Infrastructure Awards, we won the Financial Excellence Award for our Victorian Desalination Project. It was recognised as a major piece of infrastructure being delivered during extraordinarily difficult economic times. The $3.5 billion project is the biggest infrastructure project in Victorian history and will provide the single largest boost to Melbourne’s water supply since the construction of the Thomson Dam, which was also built by Thiess 25 years ago.

The Ark, which is the first completed 6 Star Green Star V2 design rated high-rise office building in NSW, was named the 2010 Development of the Year by property developer industry body Urban Taskforce, while the Thiess-constructed 400 George Street office building project won a Brisbane regional Master Builders Housing and Construction Award.

LONG-TERM STRATEGIC PARTNERSHIPS WILL FOSTER INNOVATION AND PROFITABLE GROWTH THROUGH REPEAT BUSINESS.
2009/10 PROJECTS MAP

AUSTRALIA

AUSTRALIAN CAPITAL TERRITORY
1. Canberra Commercial Waste
2. Mugga Lane Landfill

QUEENSLAND
1. 400 George Street
2. Airport Link, Northern Busway (Windsor to Kedron) & Airport Roundabout Upgrade
3. & 4. BER Schools Program
5. Brisbane City Council – Provision of Beneficial Use of Biosolids from the Water Reclamation Plants
6. Brisbane Biosolids – Beneficial Reuse Contract
7. Brisbane Waste Innovations Alliance
8. Burton Coal Project
9. Calliope Waste & Recycling Collection
10. Collinsville Coal Project
11. Cunnamulla North Coal Mine
12. Energex Distribution Network Maintenance, Sunshine Coast & Brisbane
13. Ergon Distribution Network Maintenance, Gladstone
14. Ergon Distribution Network Maintenance, Mackay
15. Hinko Dam Stage 3
16. Ipswich City Infrastructure Project
17. King George Central
18. Lake Vermont Coal Project
19. Lake Vermont Infrastructure Development
20. Lavarack Barracks Redevelopment Stage 4
21. Lotus Glen Correctional Centre
22. Mackay Transfer Station & Landfill
23. Northgate Transfer Station
24. Mt Isa Lead & Zinc Concentrator Revamp
25. Patine Materials Recycling Facility
27. Powerlink
28. Ring Road Project
29. Rocklea Transfer Station
30. South Walker Creek Coal Project
31. Swanbank Renewable Energy & Waste Management Facility
32. Tarong Coal Project
33. Townsville Hospital North Block
34. TrackStar Alliance

NEW SOUTH WALES
1. Axia Project
2. BH5 Wastewater Treatment Plant
3. Blue Mountains Landfill
4. City West Cable Tunnel
5. Coopers Creek to Herons Creek Alliance
6. Gosford City & Wyong Shire Waste, Recycling & Green Waste Collection
7. Hunter Commercial Waste
8. Hunter Expressway Alliance
9. Hunter River Remediation
10. Illawarra FrontlifT Waste Collection
11. Kalgoorlie Waste Management Facility
12. Liddell Open Cut Mine
13. Macarthur Commercial Waste
14. Mt Dwen Complex
15. Newcastle Coal Export Terminal
17. Newcastle Recycling Collection
18. Royal North Shore Facilities Management
19. Royal North Shore Hospital Redevelopment
20. Somersby Materials Recycling Facility
21. Wollongong Coal Project
22. Wollondilly Commercial Waste Collection
23. Wollondilly Domestic Waste Collection
24. Wollongong Collection & Recycling
25. Wollongong Materials Recycling Facility

WESTERN AUSTRALIA
26. Fremantle Inner Harbour Deepening & Berth Works Project – Berths 4 to 9 Strengthening
27. Fremantle Inner Harbour Deepening & Berth Works Project – Berth 10 Reconstruction
28. Fremantle Inner Harbour Deepening & Berth Works Project – Rous Head Seawall
29. Gorgon LNG Plant – Construction Village
30. Gorgon LNG Plant – Site Preparation & Temporary Facilities
31. Jimblebar Access Road and Rail Formation
32. Metropolitan Wastewater Treatment Central Plant Upgrade Alliance
Construction has begun on the Victorian Desalination Project, which will provide up to 150 billion litres of water each year to Melbourne and regional communities from the end of 2011.

The AquaSure consortium including Thiess, Suez Environnement, Degrémont and Macquarie Capital Group was awarded the tender for the project in July 2009. This includes construction and operation of the desalination plant, an 84 kilometre transfer pipeline, plus the construction of underground power and sourcing of renewable energy.

In a climate of economic uncertainty and critical water shortages, AquaSure’s bid provided the certainty that the Government and people of Victoria needed – certainty of on-time delivery, price, environmental management and community involvement.

We are drawing on the expertise of our Tunnelling team, which is constructing the marine tunnels, and the strength of our long-standing relationship with Nacap to build the transfer pipeline.

In response to community concerns about the visual impact of the plant on the coastline, the desalination plant has been designed to be barely visible from all public viewing points.

The design concept is based on a ‘green line’ that runs through the site, changing form and content as it moves from a natural landscape element to a constructed dune formation, a living green roof, a footprint encompassing buildings and ultimately, a restored landscape.

The plant will have a very small footprint, taking up just 38 hectares of the 263 hectare site.

The remaining 225 hectares will become the focus of one of the largest ecological restoration projects in Victoria’s history, complete with wetlands, coastal and swampy woodlands, and a new habitat for local fauna.

Indigenous vegetation cleared over the years to make way for mining and grazing will be reinstated and more than eight kilometres of pedestrian, cycling and horse riding paths will link the plant site to existing community trails.

Following construction and commissioning of the plant, the Degrémont-Thiess Services Joint Venture will operate and maintain the plant for the remainder of the 30-year project term. About 1,700 direct jobs and as many as 3,050 indirect jobs are currently being created during construction.
Thinking Green

With our sights firmly fixed on the future, we work with our clients to deliver sustainable projects for the long term.

From what is understood to be Australia’s largest single remediation project to one of the first 6 Star Green Star designed and built office buildings in New South Wales, environmental innovations are a key part of every project.

We aim to minimise the impact of our operations on all aspects of the environment, including air and water quality, noise levels, native flora and fauna, soil conditions, and areas of historic and cultural interest.

No matter what the project, the goal is to complete it with as little impact on the environment as possible. Rehabilitation is an essential component when impact on the environment is unavoidable as part of day-to-day operations.

The future of the construction, mining and services industries is inseparable from the global pursuit of sustainable development.

As the Minerals Council of Australia states: “The idea of meeting the needs of this generation without compromising the ability of future generations to meet their own needs has become a key concept in the drive to maintain and enhance industry’s contribution to society”.

We are working towards an environmentally sustainable future. To achieve this goal, we are actively integrating environmental management into our core business activities and environmental sustainability into our designs. To support our objectives, we are creating a renewed environmental vision – a commitment that restates our move beyond compliance towards sustainable innovation and minimising our footprint.

At Thiess, everyone has a responsibility, not only to our projects and our company but to present and future generations to lead the way.
PERFORMANCE

Environmental awareness, education and governance systems help us to reduce our footprint.

Internal project audits provide a benchmark assessment and are fundamental to achieving consistently good performance. The majority of our projects exceeded the target compliance score of 90 percent, while more importantly, not recording any major non-compliances.

Any non-compliance is addressed through action plans which are approved and monitored at the highest level within each business unit. A total of 124 internal audits were conducted in 2009/10, plus client and regulator audits and ISO/AS14001 certification and surveillance audits. All business units retained their ISO/AS14001 certification against the Thiess Environmental Management System.

MANAGEMENT SYSTEMS

Excellence in delivering environmental responsibility and performance is essential for sustained business growth. All of our projects are required to develop and implement an environmental management plan (EMP) consistent with the Thiess Environmental Management System, detailing our obligations, hazards and risks, opportunities, control strategies and reporting.

Our environmental management systems are maintained according to the ISO/AS14001 environmental management system standard.

Determining project obligations and environmental risks, and identifying controls and processes to comply with the obligation or manage the risk, is a critical part of our EMPs. At the Victorian Desalination Project, we went even further, developing an Environmental Compliance Tracker to maintain a record of our performance at the site against the regulatory requirements and other environmental obligations. The Thiess Degremont Joint Venture has worked closely with the Victorian Government to finalise a list of agreed criteria for compliance with these environmental obligations and has also developed a way to track compliance throughout the design and construction phase of the project.

Meanwhile in Indonesia, the Thiess operated Senakin Coal Mine is one of only six mines that has obtained a Green rating under the Ministry of Environment’s Company Environmental Performance Rating Program (PROPER). Green PROPER is awarded to companies whose environmental performance and systems exceed those set by the regulations.

RESULTS

Managing and reporting environmental incidents is an important aspect of the Thiess Management System. Our environmental target for 2009/10 was zero Class 1 environmental incidents. Incidents are classified according to the degree of harm – from major harm (Class 1) to minor harm (Class 3) and near hits (potential incidents with no harm). We are proud to report that we achieved our target of zero Class 1 incidents.

While there was an increase in minor environmental incidents reported (Class 3 and near hits) from 344 in 2008/09 to 470 in 2009/10, this can be attributed to an increase in the scale of our projects and an emphasis on reporting minor occurrences rather than a deterioration in performance. The large majority of Class 3 incidents related to small spills or leaks of hydrocarbons in locations that resulted in minimal to nil environmental harm.

There was a decrease in the number of Class 2 (moderate) environmental incidents from 20 during the previous year to 17 this year. The majority related to hydrocarbon spills in contained areas on mine sites. A smaller number related to discharges to water.

Another environmental target for 2009/10 was for zero environmental regulatory enforcement actions. There were no environmental prosecutions, however, we did incur a number of penalty infringement notices. Fortunately the occurrences leading to the notices did not result in environmental harm.

THE FOLLOWING INFRINGEMENTS WERE ISSUED:

- Penalty infringement notices (PIN) were issued by the Brisbane City Council (BCC) and the Department of Environment and Resource Management (DERM) to the Airport Link, Northern Busway (Windsor to Kedron) and Airport Roundabout Upgrade Project in relation to the potential for dewatering sediment-laden surface water entering waterways. Thirteen PINs were issued by BCC and three by DERM

- In addition, Thiess Services received a NZ$750 penalty infringement notice for allegedly failing to maintain adequate sediment controls when flushing a main during repairs being conducted as part of its Metrowater Project in Auckland
### INCIDENTS

<table>
<thead>
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<th>2009/10</th>
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<table>
<thead>
<tr>
<th>INCIDENT TYPE</th>
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<tr>
<td>Controlled and uncontrolled discharges to water</td>
<td>67</td>
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<td>Contamination of land</td>
<td>329</td>
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<tr>
<td>Controlled and uncontrolled emissions to atmosphere</td>
<td>5</td>
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<tr>
<td>Noise, dust, vibration and odour</td>
<td>14</td>
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<tr>
<td>Solid and other wastes</td>
<td>11</td>
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<tr>
<td>Effects on the natural environment</td>
<td>12</td>
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<tr>
<td>Use of land, water, fuels and energy, and other natural resources</td>
<td>5</td>
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<tr>
<td>Public/Media</td>
<td>2</td>
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<tr>
<td>Environmental legal issues</td>
<td>26</td>
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<td>General environmental and social effects</td>
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</tbody>
</table>
REDUCING OUR CARBON FOOTPRINT

As a leading integrated construction, mining and services contractor, Thiess is committed to maximising energy efficiency and reducing greenhouse gas emissions.

EMISSIONS AND ENERGY USE

We use a greenhouse emissions and energy management information system based around our enterprise resource planning system to better measure energy use and energy production, and estimate greenhouse gas emissions. Together with rigorous data collection systems and in-depth training programs, this system enables us to collect quality data for our own analysis, our clients and the Australian Government. Thiess’ associated Australian and international facilities consumed 27.1 TJ of energy and emitted an estimated 1.97 MtCO₂-e of greenhouse gas (GHG) in 2009/10.

For the Australian facilities, there was a less than 1.5 percent increase in 2009/10 compared to the previous period, with the increased use on large civil infrastructure projects offset by the cessation of one mining contract. Mining activities continued to contribute about 80 percent of the total energy use and emissions.

Civil infrastructure contributed 10.5 percent and waste treatment facilities 5 percent. Diesel combustion represents 95 percent of the energy use and 75 percent of the GHG emissions. Mining activities contributed greater than 98 percent of Thiess Indonesia’s emissions, which can mostly be attributed to diesel use.

NATIONAL GREENHOUSE AND ENERGY REPORTING

We have triggered the reporting thresholds for the National Greenhouse and Energy Reporting (NGER) Act and have reported our GHG emissions and energy use for the facilities under our control for the past two years.

As a wholly owned subsidiary of LHL, reporting is conducted through the controlling corporation. In 2009/10 there were 98 facilities under our operational control and 75 under the operational control of another party.

EMISSIONS AND ENERGY USE

<table>
<thead>
<tr>
<th></th>
<th>2008/09 ENERGY (GJ)</th>
<th>2008/09 GHG (TCO₂-E)</th>
<th>2009/10 ENERGY (GJ)</th>
<th>2009/10 GHG (TCO₂-E)</th>
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<tr>
<td>Electricity</td>
<td>410,632</td>
<td>102,956</td>
<td>583,203</td>
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<td>Diesel</td>
<td>12,488,433</td>
<td>867,983</td>
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<td>Petrol</td>
<td>74,085</td>
<td>5,139</td>
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<td>Gases</td>
<td>396,015</td>
<td>20,402</td>
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<td>Landfill</td>
<td>0</td>
<td>115,809</td>
<td>0</td>
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Australian figures only
ENERGY EFFICIENCY OPPORTUNITIES

The Australian Government’s Energy Efficiency Opportunities Act (EEOA) 2006 requires large energy users to identify, evaluate and report publicly on energy saving opportunities.

Although part of LHL, we directly manage our own participation in the program and have carried out a representative assessment of our Australian mining business in accordance with the government approved assessment schedule.

In 2009/10 our energy savings from the EEOA projects were calculated at 53,500 GJ. A more detailed assessment is available in our third annual public report, which is available at www.thiess.com

We participated in a voluntary assessment verification audit with the Department of Resources, Energy and Tourism (DRET) with no non-compliances against the assessment principles identified.

Four opportunities were selected from the initial 47 identified opportunities to carry forward for implementation. A fifth opportunity, replacement of mobile lighting plants with equipment mounted LED lights, was added in 2009.

OPPORTUNITIES IDENTIFIED:

» Mining haul truck payload management
» Reduction in mining equipment idling time
» Turbo idle-down time reduced from five to three minutes on most large equipment
» Daylight controls on mobile lighting plants
» Replacement of mobile lighting plants with equipment mounted LED lights

CASE STUDY 4

LIGHTING THE WAY

Mining is a 24 hour operation, which means that about half of the activity occurs in the dark. Accurate mining therefore requires good lighting levels, both in terms of intensity and position.

Traditionally this lighting is supplied by diesel powered mobile lighting plants strategically located to illuminate the work area. The progressive nature of mining inevitably meant that the lights were not continuously located in the right areas and there is a need to regularly relocate the lights. The new generation of small high intensity LED lights means there are far more options available for lighting systems and a trial has been progressing at our Burton Mine in north Queensland to install the lights on the actual machinery that requires it – namely the excavator and supporting dozer.

This really is the triple bottom line project – it delivers a safer work place, environmental benefits from a significant reduction in fuel use through less lighting plants and the associated support vehicles, and cost efficiencies through reduced lighting plant costs and improved productivity.
BEING CARBON CONSCIOUS

Being energy efficient and reducing our footprint doesn’t just mean complying with government regulations. It also means reducing the amount of materials that go into our waste streams and, where no other options are present, managing that waste responsibly. It means selecting materials and products suitable for the job with the lightest life-cycle impact. Our projects have presented numerous environmental innovations.

THE M80 RING ROAD UPGRADE MAXIMISED OPPORTUNITIES TO INCORPORATE INNOVATIONS:

» Using recycled crushed concrete from demolition activities and off-site sources for use on haul roads where possible
» Using recycled concrete within the cement treated crushed concrete pavement layer on permanent roads
» Using recycled crushed bricks as aggregate for backfilling around ‘green pipe’
» Mixing asphalt with 50 percent reclaimed asphalt pavement (RAP) for resurfacing of car parks
» Using asphalt profilings with high RAP content on temporary construction roads
» Using ‘green pipe’, made from recycled materials, for selected drainage
» Using recycled crushed glass mixed with sand within a bio swale

PROJECT-WIDE ENVIRONMENTAL INNOVATIONS:

» Construction at the City West Cable Tunnel in NSW was carried out using 100 percent accredited greenpower. This reduced emissions on this project by 2,457 tCO₂-e, which equates to taking 750 cars off the road for a whole year
» At the Brighton Bypass, we are recycling all steel waste generated during the project, crushing excavated rock to use as sub-base. A precast yard has been established by the Joint Venture in the local area to manufacture beams for the entire project, including the Southern section, using local raw materials. This local production reduces transportation requirements and the associated greenhouse gas emissions. It also creates an opportunity in the future to manufacture and supply beams to other projects in southern Tasmania
» The Ark project achieved an impressive recycling rate of greater than 90 percent for the duration of construction

MORE WASTE LESS WASTAGE

In Australia, the transport sector represents 13.5 percent of the country’s total carbon emissions. As a large transport user, Thiess Services is continually looking for ways to reduce its carbon footprint with our Waste Management business introducing innovative new side-tipping trailers that stand to deliver significant environmental benefits.

For more than two years, the team has worked to develop a B-Double High Volume Side Tipper that carries 40 percent more waste in a single load than a traditional walking floor trailer, which is currently industry standard. Our drivers now make fewer trips to transport the same amount of waste. This technology has been introduced in Brisbane and has the potential to reduce Thiess Services’ transport carbon emissions by 800 tonnes of CO₂ equivalent per year. This is the equivalent of removing 235 light vehicles from the road.

BENEFITS OF B-DOUBLE HIGH VOLUME SIDE TIPPERS:

» 20 percent reduction in fuel usage when compared to our single trailer vehicles
» Less carbon emissions due to less trips being made
» Greater efficiency with improved turnaround times for unloading from 25 minutes down to eight minutes
» Capable of hauling 38 tonnes in one load, which is a 55 percent increase on what the single trailer vehicles could achieve
New VicRoads environmental specifications have benchmarked the West Gate Freeway Upgrade Alliance Project’s sustainable initiatives as the new standard.

The Alliance set out to monitor and minimise the project’s carbon footprint from the early planning stages. Key to this was maximising the reuse of waste products generated and using low embodied energy products.

Overall, the project’s carbon footprint was reduced by 34 percent. This was achieved by targeting materials, an aspect of construction with the largest carbon emissions. Using alternative steel, concrete, aggregates and asphalt products has contributed to changes in our client VicRoads’ specifications, promoting their wider use across the construction industry.

Contaminated soil, where assessed not to pose a risk to the public, was turned into urban design mounds, adding to the visual amenity of the project. It also avoided using 87,000m³ of landfill space, eliminating more than 12,000 truck movements on public roads and reducing fuel consumption by about 11,00 tonnes of carbon dioxide equivalent.

The project also formed a milestone partnership with a local food manufacturer and the Environmental Protection Agency to reuse the company’s wastewater, generated in the food manufacturing process, for dust suppression on the project.

**ALTERNATIVE MATERIALS INCLUDED:**

» Steel reinforcement containing 90 percent recycled material

» Recycled crushed concrete instead of virgin aggregate products

» E-Crete, a zero cement concrete which substitutes geopolymers made from waste products for the Portland Cement component

» 100 percent recycled high density polyethylene plastic pipe, substituted for normal concrete drainage pipes at a number of locations

» Stone Mastic Asphalt (SMA), which has a longer life span and can be placed directly over the existing surface
Many of our buildings are setting benchmarks for their green design features.

The 6 Star Green Star Ark building in Sydney is the centrepiece. This design masterpiece was awarded the 2010 Excellence Award for Development of the Year from the Urban Taskforce of Australia. Another of our green building champions, 400 George Street in Brisbane, won a regional Master Builders Housing and Construction Award. The 34 storey office tower achieved a 5 Star Green Star – Office Design V2 rating.

Also in Queensland, an environmental training package called The Enviro ABCs was developed and distributed to the King George Central, BER Schools and Lotus Glen projects. The package aims to provide a standard foundation of knowledge to all workers and we will continue to roll out the package across the business.

King George Central, which commenced construction in 2010, will add another 6 Star Green Star Office Design rated building to our green portfolio. It is the first building in Australia to have the National Heart Foundation’s tick of approval as it will be built using their design guidelines for healthy buildings.
GOING VIRTUAL TO SAVE ENERGY

Reducing the number of IT servers from 12 to three at our NSW/ACT Head Office in Sydney resulted in an immediate annual saving of 13,500 watts of power and around $23,700. The air conditioning in the Sydney server room has also been turned up from 16 to 22 degrees after old servers were removed. In total, the greenhouse gas reductions are approximately 359tCO₂-e per annum.

At the Coopernook to Herons Creek Project, desktop ‘virtualisation’ was trialled to reduce desktop computer usage. About 30 users swapped their desktops for a WYSE terminal which has no hard drive, no fan and no moving parts. Each uses 16 watts of electricity compared to 300 watts for a desktop computer.

The project ran about 75 virtual servers and desktops on three ESX servers. Thiess plans to almost double the virtual server fleet across all NSW projects over the next 18 months, saving about 791tCO₂-e per annum in greenhouse gas emissions.

SIX STARS SHINE ABOVE SYDNEY

The newly completed Ark building in North Sydney is the first high-rise office building in NSW to achieve a 6 Star Green Star - Office As Built Rating from the Green Building Council of Australia. It is only the second building in NSW to receive both 6 Star As Built and Design ratings.

Opened in April 2010, Ark represents world leadership in environmentally sustainable design. Ark has also been designed to achieve a 5 Star NABERS Energy rating, a performance-based rating system for water and energy usage, waste handling and environmental standards.

Ark is highly efficient in both water and energy consumption compared to a conventional office building. This striking 21 level office tower demonstrates our reputation for innovation and performance in design, and our ongoing commitment to sustainable construction.

GREEN FEATURES:

- Tri-generation power supply
- A grey-water recycling system
- Efficient lighting and controls
- Natural light from three sides
- Parking and charging bays for electric and hybrid pool cars
- Dedicated cycling facilities
- A 3D Building Information Model with design as-built information about the building architecture, services and fit outs, allowing for efficient operation
IMPROVING ENVIRONMENTAL AWARENESS

We want to provide our people with the tools to take responsibility for the decisions they make that could impact the environment.

We have provided environmental awareness training to our people for more than a decade. Recently there has been a new wave of awareness raising programs aimed at providing all levels of our workforce with the information necessary to understand not only what they have to do but also why and how.

Thiess is also a founding member of the Australian Green Infrastructure Council, a member based industry organisation committed to the delivery of more sustainable outcomes from Australia’s infrastructure.

ENVIRONMENTAL TRAINING:

» Cert IV in On-site Environmental Management Training – for staff on smaller projects where it is not necessary to have a full-time environmental professional

» Due Diligence Training – group training based around a series of environmental scenarios captured on video

» Environmental ABC – toolbox talks focused around the basics of environmental responsibility

A combination of formal and informal training tools targeted at all sectors of the workforce in Indonesia

PROCESSING PLANT RECYCLES CONSTRUCTION WASTE

In May 2010, Thiess Services Middle East took an important step towards environmentally sustainable waste management practices with the opening of a specialised processing plant in Abu Dhabi to recycle debris from construction and demolition projects. The plant, located at Abu Dhabi’s largest landfill facility at Al Dhafra 70 kilometres outside of the city centre, will meet the requirements of a 15-year waste management concession contract with the Centre of Waste Management Abu Dhabi. The recycling of concrete and asphalt will divert millions of tonnes of waste from landfill.

It is sorted and crushed to make road base and general fill aggregates for new construction and infrastructure projects. The plant is the largest and most sophisticated of its type in the Middle East.
Identifying and capturing opportunities to minimise our carbon footprint and promote environmental sustainability on our projects will be crucial for sustained growth across our businesses.

In 2010/11, the primary objective is to more effectively align environmental management systems across the company and strengthen environmental leadership so that we are not just compliant but also actively championing environmental sustainability.

The response to climate change remains one of the world’s biggest challenges. Companies have a significant role to play and we must continue to track our energy use and carbon footprint and actively seek and implement future opportunities for reducing GHG emissions.

We will remain at the forefront of providing our clients with innovative solutions to minimise the carbon footprint of their projects.

**OUTLOOK**

**DURING THE YEAR WE WILL:**

- Refresh the environmental policy and message to reflect current expectations
- Implement new management plans with minimum requirements
- Develop leading indicators for tracking performance
- Provide our senior management with the skills to lead in environmental management
- Incorporate environmental sustainability initiatives into our business unit plans that help protect the environment and grow the company

1. Completing Water Quality Monitoring at the Brighton Bypass Project
2. Recycling Operations at the Newcastle Materials Recycling Facility
3. Air Quality Testing at the Hunter River Remediation Project
4. More than one million new plants and more than 5000 trees are being planted as part of the Airport Link Project
On the Coopernook to Herons Creek Project, solutions to environmental issues complemented state-of-the-art engineering to create a world-class, environmentally-sustainable project that set new benchmarks in the industry.

This 33 kilometre upgrade of the Pacific Highway is located between two major regional NSW centres - Taree and Port Macquarie. It traverses state forest, national parks, ecologically endangered communities, a coastal wetland of national significance, a number of sensitive Aboriginal and non-Aboriginal heritage sites, and nine tributaries including two major river systems.

Environmental management on the project addressed air quality, water and energy use, heritage and cultural values, and sustainable management of flora and fauna.

The project was a finalist in the 2010 Civil Construction Federation’s Earth Awards for Built Environment projects over $150 million and a finalist in the Banksia Awards 2010 Built Environment category.

**HIGHLIGHTS**

- ‘DustBlock’ trials to reduce dust generation on unsurfaced roads
- 187,000 seedlings planted, eventually equating to taking 1,265 cars off the highway
- Treated wastewater used for dust suppression and construction
- Rainwater tanks installed to capture more than 1 million litres of water for use onsite
- Protection of Aboriginal heritage, in consultation with the local community
- 50% Green Power accredited electricity supply saved 963tCO₂-e
- Successfully trialled the Hino Hybrid Truck, reducing fuel consumption by up to 30 percent
- Reused 150 demobilised power poles for fauna crossings, installed frog fencing along roads to protect threatened frog populations, and installed nine kilometres of fauna fencing
In as little as 10 years, more people in Australia will be exiting rather than entering full-time employment.

With the baby boomer generation approaching retirement in record numbers and with Generation Y staying in education longer, Australia is quickly approaching peak labour.

Hand-in-hand with these demographic changes will be a shift in the nature of the skills base required across the design, construction and operation fields to cater for a greener economy. Taking advantage of these opportunities early is a priority. As Australia’s leading integrated construction, mining and services contractor, we are committed to the future of these industries and the people who support them. Green collar jobs are steadily coming online but it will be the blue collar jobs that will build and support the green economy as it expands.

Jobs will not only be required to operate these new cleaner energy industries but also to construct them.

Our workforce is changing and business needs to ensure that it is in a position to take advantage rather than react to these changes. To consolidate a platform for successful and sustainable growth, our company is focusing on attracting, developing and retaining the right people. The depth and breadth of our people provides the energy and focus to grow upwards and outwards.
GROWING OUR BASE

With our industry experiencing strong demand for skilled workers, this was a year for effectively managing our 17,000 employees for successful growth.

Recruitment and induction became a primary focus as two of Australia’s largest infrastructure projects reached peak demand.

To meet specific project targets and schedules on the Airport Link and Victorian Desalination projects, we developed strategies to find the right people with the right skills. Across these two projects alone, more than 13,000 people were inducted into our workforce.

In Indonesia we teamed up with the Trade Training program to develop the skills of plant employees who have minimal to no formal training. Our focus is to develop local talent. Through a recognised prior learning and demonstrated competency process, these employees receive a Thiess Contractors Indonesia-recognised certificate.

In our services sector, a number of initiatives were implemented to address the skills shortages facing the entire electrical supply industry across Australia. These included the Enterprise Based Productivity Places Program, where we developed pathways to transfer interstate employees and their electrical licences to other states, as well as electrical supply training and a workplace English language and literacy program. These programs have bridged gap-training requirements, saved costs, improved productivity and enhanced integration with clients.

We also continued our Graduate Recruitment Program in Australia, supported by a two-year Graduate Development Program. This included recruiting more than 70 graduates in 2009 and doubling our female graduate intake to 30 percent.

RECRUITMENT AND DEVELOPMENT STRATEGY:

» Introducing a more collaborative process across the business

» Improving communication between business units to better manage our talent pool

» Selecting people based on demonstrated behavioural attributes and skills that meet the requirements of the job and align with our values

» Establishing talent pipelines throughout the business

» Implementing retention initiatives to reduce staff turnover

“AS A DIVERSE AND GROWING COMPANY, WE KNOW WHAT IT TAKES TO BE SUCCESSFUL - TALENTED PEOPLE THAT GROW WITH US”

EXECUTIVE GENERAL MANAGER
PEOPLE, SAFETY & ENVIRONMENT
SIMONE WETZLAR
Our formal Industrial Relations (IR) Policy underpins all project and operational IR strategies. The Executive team regularly reviews our performance to assess the extent of alignment with this policy.

We maintain productive and safe employment relationships via direct engagement between operational leaders and team members, and this is underpinned by industrially flexible and commercially-competitive collective agreements. Thiess systematically reviews its employment standards to maintain a competitive position in the labour market and ensure our organisation reflects emerging trends in effective and contemporary employment standards and practices.

Organisation-wide labour policies are mandated for use across all Thiess business areas and are available to all via the Thiess Management System. Non-compliance issues are raised and dealt with regularly through project reviews, individual employee counselling and regular performance development management sessions.

The Executive General Manager People, Safety and Environment develops and reviews all labour-related policies. The policies are approved by the Managing Director, in consultation with the General Managers of each major business unit and other members of the Executive Team.

### POSITIVE RELATIONSHIPS

1. Building the skills of our project managers and senior leaders
2. “Women in hard hats” – employing female truck drivers at our Indonesian projects
3. On-the-job training through our indigenous pre-apprentice program
4. Expanding our talent pool outside the traditional areas
5. Employing locally where possible
6. Breaking down gender barriers at the Brighton bypass project
LIFELONG LEARNING

We invest in our people, ensuring they have an opportunity to grow, personally and professionally. It’s just one way we put our Thiess values into practice.

Throughout the year, we continued to build capabilities and provide development opportunities for our employees.

Operating a uniform Performance and Development Management process was crucial, with strategies for career development implemented.

CAREER DEVELOPMENT:

» Building skills in our project managers and senior leaders

» Enhancing our succession planning process, critical at both operational and functional levels, to highlight individual potential and performance

» Identifying potential and performance across the business, aligning the development of individuals with the needs of the business

EMPLOYMENT PROGRAMS

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<tr>
<th>Program</th>
<th>Description</th>
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<tbody>
<tr>
<td>Thiess Indonesia Undergraduate Program</td>
<td>Academic scholarships for undergraduate students in their final year, with employment upon graduation.</td>
</tr>
<tr>
<td>Plant Apprenticeship Program</td>
<td>Offered annually, with outstanding apprentice achievements recognised through the Plant Apprentice of the Year Award.</td>
</tr>
<tr>
<td>Thiess Indonesia Five-Year Apprenticeship Program</td>
<td>An intake coming from senior high schools and senior vocational schools in Indonesia. It has been operating successfully for 16 years.</td>
</tr>
<tr>
<td>Graduate Program</td>
<td>A two-year program employing about 80 graduates each year.</td>
</tr>
<tr>
<td>Griffith University Project Management Course</td>
<td>Offered as part of the Bachelor of Engineering program, funded through the Queensland business unit and valued at $150,000 over five years.</td>
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PROFESSIONAL DEVELOPMENT PROGRAMS

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<tr>
<th>Program</th>
<th>Description</th>
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<tbody>
<tr>
<td>Leading our Thiess</td>
<td>A leadership development program for existing and new executives and senior managers to enhance personal leadership knowledge and skills.</td>
</tr>
<tr>
<td>Team Leader Development Program</td>
<td>Designed to promote what we expect of our people leaders; and to develop the associated capabilities.</td>
</tr>
<tr>
<td>Leighton Masters Program</td>
<td>Targeted postgraduate education in professional management skills.</td>
</tr>
<tr>
<td>Supervisor Development Program</td>
<td>Building the capabilities of our frontline leaders and developing their supervisory skills.</td>
</tr>
<tr>
<td>Project Manager Accreditation Program</td>
<td>At least 40 participants each year undertake residential modules and on-the-job learning for accreditation through the Australian Institute of Project Management.</td>
</tr>
<tr>
<td>Griffith University Project Management Course</td>
<td>Offered as part of the Bachelor of Engineering program, funded through the Queensland business unit and valued at $150,000 over five years.</td>
</tr>
</tbody>
</table>
Growing up in the NSW mining town of Mudgee, Kara Newbury dreamed of a leadership role in the minerals industry. That dream is a step closer thanks to a $16,000 Women in Engineering Scholarship awarded by Thiess and the Minerals Council of Australia.

“The opportunity to become an ambassador for women entering the mining industry is something I greatly appreciate,” Kara said.

“I hope that by promoting the industry I can leave a similar impression on other women who haven’t had the opportunity to experience life in a mining town, and for those who have, to show them how beneficial a career so significant to Australia’s economy can be.”

Now in its third year, the award is open to all female undergraduate engineering students studying in Australia and provides $8,000 per annum for the final two years of study.

Kara was selected from 117 applicants – the highest number in the history of the scholarship.
Thiess Indonesia’s apprenticeship program had a record-breaking year with the largest-ever number of candidates graduating, including the first female participants. A total of 111 apprentices, with four women among them, celebrated the completion of the five-year program.

In another milestone, 131 high-school graduates have been recruited for this year’s intake – the largest number of new candidates in the program’s history. As part of Thiess Indonesia’s commitment to invest in local communities, about 80 percent of the new apprentices come from areas near its project sites in East and South Kalimantan.

Thiess invests more than US$2 million per year in the apprenticeship program, which started in 1992 and is accredited by the Central Queensland Institute of TAFE.
DIVERSITY

We are preparing for expected labour shortages in Australia and are expanding our talent pool outside of the traditional areas.

Thiess has a proven track record in developing and implementing effective employment initiatives, particularly in the employment of Indigenous Australians and women.

We pride ourselves on our commitment to workplace diversity and Indigenous employment. Our policies promote respect and fair treatment for all individuals, regardless of age, gender, race or any other demographic grouping.

EQUAL OPPORTUNITIES FOR WOMEN

Attracting women to the construction, mining and services industries remains a strong focus for us. We continually strive to promote opportunities and benefits that are attractive to women including paid maternity leave, career planning and flexible conditions.

We also aim to improve awareness among professional women about career opportunities with us. This includes sponsoring university scholarships, work placement programs and industry networking events. Our job offers to women this year increased from 7.1 percent to 10.5 percent.

As a direct result of our initiatives, the total number of women employed by Thiess rose during 2009/10 to 13.7 percent.

Demonstrating our commitment to equal opportunities, we were a finalist in the Australian Government’s Equal Opportunity for Women in the Workplace Agency (EOWA) 2010 Business Achievement Awards in the category of Outstanding EEO Practice for the Advancement of Women in a Non-Traditional Area or Role.

EQUAL OPPORTUNITY ACHIEVEMENTS INCLUDE:

» Applications from female university students for graduate and vacation employment are at 26 percent

» 50 percent of our mining engineering graduates and 17 percent of our civil engineering graduates are female

» Of the 68 successful university graduates who commenced our Graduate Development Program in 2010, women accounted for 30 percent

» At our Prominent Hill mine site, the workforce is 13 percent women with a large percentage in roles such as multi-skilled operators, store people and leading hands

OUTLOOK

We will continue to prioritise the development and implementation of strategies that help us attract, recruit, develop and retain our industry’s best talent. Through this, we will leverage synergies from across the business and continue building our unified culture.

In the year ahead, building capabilities and improving employee engagement will remain a key focus.

As well as enhancing diversity within the organisation, we will explore further opportunities, specifically in female and Indigenous employment.

Completion of an Employee Survey will also provide the Executive Management Team with further insight into how we are performing and where we need to focus our attention going forward. During the next 12 months, survey data will be evaluated, with appropriate strategies developed and implemented to enhance our business across all areas.

ENHANCING DIVERSITY:

» Fully implementing the Indigenous Pre-Apprenticeship program

» Implementing a new recruitment advertising strategy to attract the best people

» Constantly reviewing training program initiatives

» Continuing to support scholarships for and the recruitment of women in non-traditional and senior management roles
We are proud to be increasing the flow of Indigenous employees into our workforce through innovative programs and targeted recruitment strategies.

The team on the Coopernook to Herons Creek Project successfully promoted Indigenous employment and training opportunities by establishing effective relationships with local Aboriginal land councils. More than 260 local Indigenous people attended four information sessions, with many offered direct employment. During peak employment on the project, about 8 percent of the 500-strong workforce was from the local Indigenous population.

At our Prominent Hill mine site, our drive to employ locally has resulted in 87 percent of the 242 staff coming from South Australia and of these approximately 20 percent are from an Indigenous background.

**INCREASED SUPPORT**

We partner with communities to increase and retain the number of Indigenous people employed by our company in Australia.

Our dedicated Indigenous Affairs Manager John Lochowiak helps both Indigenous and non-Indigenous people understand and support each other in the workplace. John is an important point of contact, offering advice and assistance when and where it is needed. We aim to give our Indigenous people the greatest chance of achieving a fulfilling career.
CLOSING THE GAP

We are currently spearheading a unique training program that will help 14 Aboriginal and Torres Strait Islanders from around Queensland achieve life-long career goals.

Thiess has teamed with industry leading partners Hastings Deering, the Former Origin Greats, the Queensland Department of Employment, Economic Development and Innovation and the Federal Government to help 18 to 34-year-old participants through a 20-week Indigenous Pre-Apprentice training program at Archerfield in Brisbane. Successful completion of the program guarantees the trainees an apprenticeship with Thiess.

But it isn’t just the training program that is unique – we are also providing accommodation in a house in Brisbane, along with ‘aunty support’ and other guidance for five of the men from regional centres, who are here without their families. This will help them adjust to city life and gain skills to live and work independently.

This program is a significant step to help “close the gap” between Indigenous and non-Indigenous communities in Australia.

MEGAN’S STORY

The following inspirational story from Megan Morris (pictured second from left), a 36-year-old Birri Gubba woman who completed Thiess’ Mine Readiness Program, is a moving account of how an open door can lead to a rewarding future.

“Throughout my life I have faced many challenges – some that have been expected and some that hit me like a tonne of bricks.

Being one of six children growing up in an Aboriginal family and also raised by a single mother, I never really got much, but what I did get, I truly appreciated. Anything else in my life that I have as an adult I have had to work very hard for and I have never taken anything for granted.

My Aboriginal culture is about respect, sharing, pride and caring for country. It is the “Murri way” to look after your family and extended family and in mine I have always been the one who everyone runs to for help.

Although the bills continue to come in and the family pressures are still there, 2010 has been my best year so far. I have learnt that challenges can make or break us. Nothing came to me easily and it has taken me many years to have the courage to stand up and face my fears. When I found out about Thiess’ program for Indigenous women to become dump truck operators, I seized the opportunity. This is my chance to live my life for me in a whole new world with a whole new set of challenges, where I have nothing to fear but everything to gain. The best thing that I will get by being successful in this position is having the freedom to choose.

It’s something that my elders and ancestors like my mother, aunts and grandmother didn’t have and it is something that we Indigenous women today should take full advantage of. I am a human being, a mother, a proud Aboriginal Australian and just like the other nine beautiful black sisters who were chosen for the program – I am deadly and I deserve this.

As a group, we have formed a terrific and very special bond through the challenges that we have faced, the experiences we have shared, the many, many laughs we’ve had and the one goal we set out to achieve.

Together and in spite of our differences in background, personal situations and opinions, we struggled and strived through many days far away from our homes and our loved ones to better ourselves and our futures.”
WE PARTNER WITH COMMUNITIES TO INCREASE AND RETAIN THE NUMBER OF INDIGENOUS PEOPLE EMPLOYED BY OUR COMPANY IN AUSTRALIA.
SAFETY
“Why” and “how”. These are two of the most common words used when thinking about safety. These are important words that we must always ask. They are words that will help us to prevent incidents.

Many incidents in our industries can be attributed to professional failures arising well before work commences on site, most notably in the planning and design stages of a project. Consequently, we need to think ahead and ensure that we design out, as much as possible, activities that involve a high risk to construct or maintain. We need to do the “why” and “how” before, not after.

Safety is more than just following rules. It is about the thoroughness in methodology and the safe management of people and equipment and, most importantly, the ability to prevent hazards and control risk. With a strong safety leadership presence and a visible safety culture, we are creating safer work attitudes.

At Thiess, the health, safety and wellbeing of our people is at the forefront of everything we do.

**WE BELIEVE:**

» Successful projects are safe projects

» All injuries are preventable and serious injuries unacceptable
POLICY

Leadership in health and safety starts with our Managing Director and is driven by our Executive Team. Our objective is clear – everyone safe every day.

Health and safety is a fundamental value and cornerstone of our business. We believe successful projects are safe projects, that all injuries are preventable and serious injuries are unacceptable.

TO MAKE HEALTH AND SAFETY EXCELLENCE SYNONYMOUS WITH THIESS WE WORK TOGETHER TO ENSURE:

- Strong leadership
- Employee engagement
- Simple, consistent and effective systems representing best-practice
- Disciplined and transparent performance reporting

SAFETY IN DESIGN

The Airport Link Project incorporated a structured approach to safety considerations in the design development process using an internally developed Safety in Design Review (SIDR) process.

Health and safety outcomes can be significantly improved if considered during the design stage of a construction project. The SIDR process assists designers, constructors, clients, maintainers, final asset owners and other key stakeholders to systematically identify and mitigate construction, commissioning, operation, maintenance and decommissioning safety risks associated with the design.

Stage 1 and 2 SID reviews were conducted for all design packages. Stage 1 focused on the identification of hazards and Stage 2 focused on the close out of the identified hazards. Any residual risks remaining from the SIDR process were transferred to the construction team or communicated to the final asset owner. A total of 150 SID reviews were conducted across nine project areas that make up the Airport Link Project.

The reviews helped to identify key safety issues, allowing the team to work through ideas and innovation opportunities in the design process. Input came from designers, site personnel and external stakeholders, including Main Roads and the Brisbane City Council.

By adopting the SIDR process and proactively considering construction, operation, maintenance and decommissioning issues, constructability was improved, lifecycle costs were reduced and, potentially, the number of future construction and operation incidents was reduced.
Successful health and safety management is about acting on intent and delivering projects without injury or incident.

The responsibility for meeting these outcomes extends through three levels of our business - from the Thiess Group, including the Executive Team and Managing Director, through to business units and projects.

Supporting the delivery of safety management is a network of functional safety professionals with the Group Health and Safety Manager reporting to the Executive Team and Managing Director. Feedback mechanisms between levels ensure the continual improvement of systems and processes.

MANAGING HEALTH AND SAFETY:

» Annually reviewing our broader business plan and setting health and safety leadership and process improvement objectives

» Setting challenging safety performance targets each year and reporting against progress each month

» Meeting certification and accreditation requirements of the Office of the Federal Safety Commissioner

» Regularly auditing and reviewing our projects’ compliance with our systems and processes

1. A site safety briefing
2. Our projects have dedicated health and safety professionals
3. Alcohol testing is an important part of our project safety procedures
4. Working at heights is managed through our core systems of work
Being fit for duty is mandatory at all Thiess sites. This includes factors such as physical and mental health, fatigue management and the use of drugs and alcohol.

To reduce the number of ‘Fit For Work’ incidents, Thiess Indonesia has introduced Kerja Bugar (Fit For Work), a program where employees are assessed at the start of the shift. This ensures that their ability to work safely is not compromised by lack of sleep, medication or illness. Education and awareness was vital in the rollout of this program, with Kerja Bugar education sessions conducted with operation managers, project managers, superintendents, operators, drivers and other personnel. Family days and site tours were also held to educate families on the importance of being fit for work and how they could contribute at home.

Kerja Bugar has seen a reduction in fatigue-related incidents across Thiess Indonesia. To further reduce incidents, we use ‘Fit For Work’ onsite promotional material, refresher training, spot fatigue checks and audits.
Our HSE (Health, Safety & Environment) Reporting Database fulfils a range of health and safety reporting functions.

**OUR HSE REPORTING DATABASE FUNCTIONS:**
- Providing a capability for recording health and safety data – reporting audits, incidents and corrective actions
- Tracking corrective actions from assignment to close-out
- Providing a data source for recording and analysing behavioural observations
- Analysing incident information to detect trends and prevent recurrence

We continue to utilise HSE SystemEyes, which is an online system for planning project health and safety monitoring activities, assigning responsibilities for safety leadership behaviours and monitoring project safety activities. HSE SystemEyes enables us to tailor safety activities appropriate to the risk profile of the project to ensure we effectively plan for critical activities, promote visible HSE leadership, set clear accountabilities, measure HSE performance and drive continuous improvement.

**SYSTEMS**

**CASE STUDY 16**

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**TAKING ACTION**

The Safety Day of Action is a safety management initiative that gives Thiess employees an opportunity to have their say about on-site safety.

The Western Australian initiative encourages employees to reflect on what they are doing well and what they can improve. Actions for improving safety are also discussed and put into an action register to be implemented and closed out as soon as possible.

Safety Days are now an integral part of Safety Management Plans in our WA/NT business unit and are held in the first eight to 10 weeks of a project starting, with follow-ups held annually for long-term projects.

As well as demonstrating Thiess’ commitment to safety, the Safety Day of Action is an opportunity for the whole project to be involved in generating new ideas and actions.
PERFORMANCE

We monitor our performance at the project, business unit and group levels through leading and lagging indicators.

Our performance against these indicators is measured each month and reviewed by our Executive Team and Board of Directors. Projects that perform poorly are quickly identified and provided with the resources they need to improve. In addition, projects that consistently perform above target are studied to capture improvements and systems that can be shared across the company.

Business Unit Compliance Reviews have been initiated. These consider critical risk management processes, responses to audits -client, internal, CSW and external certification- incident investigation close-outs, implementation and compliance with safety plans, and relative injury-rate performance. These are reviewed and summarised by senior management, signed-off by the business unit’s General Manager, and a report is submitted to the Executive Team.

It is with deep regret that we report that Garth McEvoy, Commercial Manager for Thiess Indonesia, died as a result of the tragic bombing that occurred in the JW Marriott Hotel in Jakarta on the morning of July 17, 2009. Support and counselling was provided to our staff in Indonesia and we convey our deepest sympathies to Garth’s family.

This fatality is not reportable under Occupational Safety and Health Administration (OSHA) guidelines.

LEADING INDICATORS:
» Client satisfaction scores
» Completion of CSW Audits
» Completion of Group Health and Safety Business Unit Audits
» Close out of Incident Report corrective actions

LAGGING INDICATORS:
» Number of High Potential Incidents (HPIs)
» Recordable Injury Frequency Rate (RIFR) – number of recordable injuries per million hours worked
» Lost Time Injury Frequency Rate (LTIFR) – number of lost time injuries per million hours worked

RESULT:
LTIs, Total Days Lost and Average Lost Time (days) all had significant reductions of 12.3 percent, 24.24 percent and 12.42 percent respectively
The RIFR remained steady at 7.56

BEYOND OUR TARGETS:
The NSW/ACT business unit met all its key safety targets for 2009/10 and its civil projects worked in excess of 1.5 million hours without a lost time injury
Thiess Services reduced its RIFR and achieved a number of significant safety performance wins, including 27 years LTI free on the Metrowater Contract, four years LTI free in Energy Division Electrical Commercial Contracting, two years LTI free on both the Melbourne Water Contract and the Lednez Remediation Project, and 600 days RI free for the TDIC Projects group

While the Queensland business unit has experienced an increase in RIFR, it has continued its strong reporting culture and seen a reduction in the severity of incidents. It achieved an almost 50 percent reduction in LTIFR
BREACHES AND PROSECUTIONS

Our monitoring process for compliance against regulations requires formal review by the project manager, senior safety professionals and the Executive Team.

Occupational health and safety authorities issue provisional improvement notices (PINS), improvement notices and prohibition notices. These can lead to prosecution proceedings, which may take two years to occur. We currently have one prosecution proceeding, in relation to the Boggo Road Busway Project, before the court. Thiess has been charged over an incident on December 1, 2008 in which three subcontract employees were injured, one fatally.
OUTLOOK

We are committed to improving the safety of those who work for us, who work with us and who come into contact with our projects and operations. To achieve our goals in these areas, we will set and are dedicated to meeting demanding yet achievable performance targets year on year.

Our commitment is to eliminate fatalities and disabling injuries as an absolute priority. We will focus our attention on tightening our control of high risk activities and the response and management of HPIs.

We are also committed to delivering continuous improvement against our 2009/10 injury rate to ensure we move closer to our vision of an injury free workplace.

We have set a minimum reduction in RIFR and HPIs of 20 percent by June 2011. We will aim to ensure that the rolling three month RIFR is below the rolling 12 month RIFR. This is used to indicate our continuous improvement trend towards our target to reduce incidents and injuries.

In order to meet these commitments and objectives, the following key activities are planned for 2010/11.

**KEY ACTIVITIES:**

» Align the entire organisation with our updated Health and Safety Policy as the sound basis of our improvement plan so that everyone understands our vision, goals and improvement targets for health and safety

» Develop and implement one overarching set of Health and Safety Performance Elements and Expectations across our Australian operations

» Develop and commence the implementation of a rigorous health and safety risk management process, incorporating risk management leadership at all levels

» Implement a renewed focus on our incident investigation processes and training to focus on high quality investigations aimed at better understanding root or system failures, including human factor contributions

» Further improvement of existing CSWs – Work at Heights and Lifting Operations, with each targeting and effectively managing specific critical risk. A CSW for Plant and Traffic Management is currently in development

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**KEY PERFORMANCE INDICATORS LTIFR AND RIFR**

**LTIFR**

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*Per million hours worked.

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**RECORDABLE INJURIES 2009/10**

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*Per million hours worked.*
Thiess Services has implemented a safer approach to constructing pump stations and detention tanks that eliminates 100 percent of the hours required underground using traditional methods.

The construction method, known as a ‘diaphragm wall’, uses a 16.5 tonne clam claw grab. This allows a trench to be dug to the desired depth and width, reinforcement to be placed and all permanent external walls for both structures to be poured entirely from above the ground before any person has to work below the surface. The reduction in risk using this approach is highly significant. The diaphragm wall technique has also allowed works to continue safely through the wettest winter encountered in 15 years on the South East Water Alliance Project in Melbourne.

With normal open cut excavation, heavy rain increases ground water effects, the chance of batter collapse and associated risk to personnel.

The South East Water Alliance Project is understood to be the biggest pump station in South East Water’s network area, with approximately 3,000m³ of concrete and 500 tonnes of reinforcement.
Through good relationships and open communication with local communities, we are able to deliver smart project designs and successful business outcomes.

Our track record shows we are a responsible, community-focused organisation and well attuned to the value of authentic, genuine and proactive community engagement.

We are proud to be making a difference in the community. We support a number of worthwhile organisations, and our people are passionate about fundraising and volunteering.

**OUR APPROACH IS TO BE:**

» **Genuine** – approach all community and stakeholder engagement with the genuine intent to assist the community

» **Honest** – up front about the nature of our works

» **Appropriate** – ensure the communication program is matched to the communication needs of the community and stakeholders

» **Accessible** – ensure communication is two-way

» **Visible** – the community team proactively engages community and stakeholders
CONNECTING

At Thiess, we employ dedicated and proactive community engagement strategies to ensure community support and involvement, and to minimise disruption.

We carry out extensive modelling before a new activity begins so potential impacts can be predicted and mitigation measures implemented to ensure minimal disruption.

Onsite initiatives such as noise walls, sediment controls and dust suppression activities are implemented, along with offsite mitigation including property improvements such as double glazing, air conditioning and cleaning.

BEING VISIBLE

To ensure the needs of local stakeholders are met, it is important for our community teams to be highly visible and become part of the wider community. We build relationships and work face-to-face with local stakeholders.

By proactively seeking feedback from local residents, businesses, elected representatives and other stakeholders, we are able to evaluate our results against key performance indicators to ensure continual improvement.

We provide residents with advanced notice about upcoming construction activities, keeping them informed of progress throughout the project, and listening and responding to their enquiries and concerns. Across all the Airport Link Project precincts, informal information sessions or ‘coffee mornings’ have proved highly successful.

These target directly affected properties or streets and enable the project team to discuss upcoming construction activities and issues with residents and businesses in a relaxed atmosphere.

The Hinze Dam Project proved a popular tourist attraction, where visitors learnt about the scope and details of the project. Free monthly tours were booked out six months in advance and demand was so great that each tour’s capacity was doubled to two 50-seater coaches per tour.

We go beyond simply informing the community about our projects. We become part of the community and focus on building strong relationships. The stories on these community pages highlight some of our achievements.

WE ARE ALSO PROUD OF THESE SUCCESSES:

- The Ring Road Project in Townsville won the Community Engagement Award in the Queensland division of the 2009 Engineering Excellence Awards
- Thiess employees on the Lotus Glen Correctional Centre Project were formally thanked by the Queensland Fire and Rescue Service for their assistance in combating a grass fire adjacent to the work site.

MINIMISING DISRUPTION

We know that construction in densely populated areas can impact the local community through issues such as dust and noise. We work closely with construction teams and local residents to identify high impact work and implement appropriate mitigation measures.

To eliminate the impact of the City West Cable Tunnel Project’s excavation works, an acoustic warehouse was built above the primary access shaft and surrounding work area. Inside, the project could proceed around the clock. Spoil trucks were loaded inside to ensure noise and dust was contained, while reversing alarms and traffic congestion were eliminated by trucks entering from one side of the warehouse and exiting at the opposite side.

In one of Melbourne’s busiest shopping districts, a unique branding strategy – New Season’s pipes coming soon – has been implemented. This included designing and erecting project hoarding on the ‘us’ Utility Services Alliance Project in Chapel Street. This concealed the project workzone, minimised noise and dust impacts, and let people know what the project was doing – all in a fun and eye-catching way.

Airport Link’s 1.8 kilometre conveyor system transports up to 2,600 tonnes of spoil per hour from the largest ever tunnel boring machines to be used in Australia directly to the project’s spoil-handling facility. This has removed up to 80,000 spoil truck movements from local roads on Brisbane’s northside.
When Tropical Cyclone Ului hit Central Queensland in March 2010, Ergon Energy called on Thiess Services to join the response effort. Our employees set to work restoring power to more than 30,000 homes and businesses from Sarina up to the Whitsundays.

Meanwhile, line crews and supporting staff repaired damaged power pole infrastructure and reconnected fallen powerlines in Mackay’s residential and rural areas. Restoring power to essential facilities and services and critical community infrastructure was the highest priority, followed by major commercial customers such as shopping centres and residential customers.

Cyclone Ului crossed the coast as a category three system with winds of 200 kilometres an hour, but the damage was not as severe as that caused by Cyclone Larry in March 2006. During the aftermath of Cyclone Larry, Thiess Services crews spent weeks in the Innisfail area working with Ergon Energy to repair damage.
CASE STUDY

OPENING DOORS FOR KIDS WITH CANCER

Thiess has partnered with Childhood Cancer Support (CCS) to provide urgently needed accommodation to families whose children are undergoing cancer treatment in Brisbane.

In August 2009, Thiess Dempsey House welcomed its first regional families after we officially handed the facility over to CCS. A 1920s cottage, Dempsey House received an $800,000 refurbishment, including adding three new two-bedroom units.

CCS Chief Executive Officer Bill Watson said Thiess’ generous contributions would allow CCS to offer free accommodation and counselling to more families of children diagnosed with cancer.

“These families often need accommodation for months on end, while their children undergo treatments such as chemotherapy and bone marrow transplants at the nearby Royal Children’s Hospital,” he said.

The project was largely funded by Thiess’ network of building suppliers and local businesses through the donation of goods, services and money. Thiess managed the project on behalf of CCS, providing design, construction and engineering expertise.
Many of our projects are designed to improve the lives of local people, whether through reducing travel times, ensuring essential services or building vital infrastructure for a growing population.

We go beyond simply delivering the project – we develop smart ideas to ensure sustainable solutions.

FUTURE DEVELOPMENTS
The City West Cable Tunnel is a critical part of Sydney’s future energy infrastructure network. The project was initiated following new National Electricity Rules specifying that by 2012, the Sydney CBD’s power supply must be secured so full electricity supply is maintained if there are two independent catastrophic failures to feeders or substations. We devised an excavation method to mitigate the risk of vibration and groundwater drawdown on 20 heritage structures located along the tunnel alignment. A tunnel lining was designed and installed, successfully ensuring the integrity of every structure in the tunnel’s zone of influence. Alternatives, such as an unlined tunnel or pit and trench through Sydney’s CBD would have caused major disruption to one of the world’s major cities.

Following Victoria’s worst drought and lowest stream flows in recent history, the Victorian Desalination Project is a vital part of the State Government’s Water Plan to save, recycle, distribute and create water. As Australia’s largest desalination plant, it will supply up to 150 billion litres of water a year – about a third of Melbourne’s annual water needs – independent of rainfall by the end of 2011.

IMPROVED FACILITIES
Estimates indicate that an additional 42,500 people will relocate to the Townsville region during the next 10 years. The Townsville Hospital Upgrade will see its Emergency Department expanded, making it the largest in Queensland.

King George Central will be Brisbane’s healthiest landmark thanks to 21st Century technology and design innovation that will create a unique work environment. The first building in Australia to be publicly endorsed by the Heart Foundation, it will feature user-friendly staircases to all 27 floors, a bike fleet and a healthy choice café.

The new Hunter Expressway will cut travel times between Newcastle and the Hunter by 28 minutes, support the Hunter region where traffic is forecast to grow at about 4 percent a year and meet the growing freight task of the region which is forecast to increase by 30 percent in coming years.

The upgraded West Gate Freeway is one of Victoria’s busiest routes and will improve traffic flow and safety for motorists, cyclists and pedestrians. It includes improved bike and pedestrian paths, and designs that suit local community requirements. The stakeholder team created and distributed a virtual tour of the new lanes, ramps and interchanges to help drivers understand the changes to the freeway before its official opening.
Our people are actively involved in fundraising for a variety of community and charitable organisations. We proudly support them in their endeavours.
We aim to leave a lasting legacy of benefit and trust within the community.

FOR HEALTHY COMMUNITIES

As part of the Royal North Shore Hospital Project’s legacy to the hospital community, the team has carried out landscaping works around the project area.

The team also used an innovative approach to project hoarding, currently raising more than $200,000 for the Humpty Dumpty Foundation. The hoarding design features images of Humpty Dumpty on an unfinished wall and companies can purchase the ‘missing bricks’ as advertising space.

IN COMMUNITY SPACES

The team from the Gallipoli Underpass Project contributed time and materials to upgrade the Kurratta Park Community Kindergarten’s outdoor playground. It was a small ‘thank you’ to the local community for its patience and cooperation throughout the Gallipoli Underpass construction.

In Queensland, ideas from more than 100 local Beerwah skaters and BMX riders went into designing the new TrackStar Alliance-built skate park. The state-of-the-art $550,000 facility was built to replace the old skate park demolished for the Beerwah Rail Crossing construction. The Alliance also found an innovative way to deter graffiti vandals and leave a lasting impression for the local community. The Beerwah Rail Crossing team worked with the Sunshine Coast Regional Council to create a spray-painted mural, which runs the 20 metre length of a newly constructed underpass. Subjects included a diverse mix of contemporary youth culture and local colour.

BRINGING UNDERSTANDING

In Indonesia, the Balikpapan Support Facility Community Development Team donated operational control equipment, headphones, speakers, a DVD player, and English text and audio books to the English Language Lab at SDN 005 elementary school.

Back in Australia, Thiess Services Waste Division in NSW and the ACT initiated a widespread advertising campaign on the NSW Central Coast promoting recycling, bin identification, what can go in each bin and more. At the Thiess Services Education Facility, visitors of all ages can view the sorting process and learn why some things cannot be recycled and what happens when the wrong items go into the recycling bin.

In August 2009, a traditional indigenous ceremony took place on the Royal North Shore Hospital Project, performed by Aboriginal elder Uncle Max Eulo, on behalf of the Guringai nation and the Cammeraygal clan, who inhabited the lower North Shore and Cammeray area. The ceremony was a powerful symbolic event, ‘cleansing’ the site prior to building works. Uncle Max was accompanied by an Aboriginal performance group, which performed traditional singing and dancing.

COLOURING THE LANDSCAPE

At the Thiess Services Swanbank Renewable Energy and Waste Management Facility, south-west of Brisbane, a native tree planting campaign kicked-off with the Ipswich Mayor planting the first of hundreds of flame trees. The West Gate Freeway Alliance also hosted a community planting day in 2009 to thank the community for its patience during the extensive road works. More than 2,000 indigenous tubestock were planted in Port Melbourne’s Walter Reserve.
LOCAL EMPLOYMENT

Through local employment, we are directly investing back into the communities in which we work.

On the Coopernook to Herons Creek Project, 64 percent of the construction workforce and staff were from the local or regional community. We take the same approach on our international projects, to ensure that we promote economic development. For example, more than 80 percent of people employed on the INCO Construction Services Project in Sorowako, Indonesia, are from the local community.

We believe that providing local jobs, training and business opportunities is an overwhelmingly positive social benefit for project employees and their families, subcontractors and suppliers, and for the local economy.

Our project procurement strategies support local employment and industry where possible. On the Victorian Desalination Project, Thiess Degrémont awarded more than $24 million in contracts to two local Victorian companies.

MINING TEAM BUILDS A ‘SECRET GARDEN’

Creating a ‘Secret Garden’ for the residents of Pioneer House aged care facility in Mudgee, New South Wales, gave the team from Thiess’ Wilpinjong Coal Mine a chance to thank the community, form strong relationships with local businesses and support those who can benefit from our skills.

Thiess plays an important role in the Mudgee community and is a major employer in the area with the Wilpinjong mine employing more than 220 people. The Wilpinjong mine provided employees and equipment free of charge, while the mine owner Peabody Energy donated materials from the site that were no longer being used.

Wood, rocks, laundry tubs, old gates, an old hayshed and 50 olive trees were just some of the items recycled from the mine site to create the garden and summer house. The two-month project was handed over in December 2009, complete with chickens, a fish pond, pathways, plants and more – giving residents a place to enjoy and a chance to be actively involved in caring for their garden.

Our Wilpinjong team was runner up in the NSW Minerals Council’s Environment and Community Excellence Awards, in recognition of its voluntary work with Pioneer House.
PINK CAT DRIVES AGAINST BREAST CANCER

The Burton Coal Mine’s pink CAT 789C has delivered $48,302 for the National Breast Cancer Foundation.

Since October 2008, members of the Thiess team at the Burton Coal Mine in Queensland’s Bowen Basin have been raising money for their Pink Truck Campaign. Their aim was to reach $40,000 by October 2009.

The 12-month campaign involved fundraising by staff – with Thiess contributing one cent for every BCM of dirt moved in the pink truck, and Peabody donating 10 cents for every BCM of coal it moved. The campaign had significant corporate support, with Peabody and SEBBA International joining the Thiess team in the ‘drive against breast cancer’.
BEYOND WORDS

Our people are actively involved in fundraising for a variety of community and charitable organisations. We proudly support them in their endeavours.

Our commitment to sustainable communities included having both our employee magazine Connections, and our 75th Anniversary commemorative book, packaged and delivered by Australian Red Cross Business Services.

HERE ARE JUST SOME OF OUR TEAM’S FUNDRAISING ACHIEVEMENTS:

- In a joint show of support for SIDS and Kids, the Thiess Vic/SA/Tas/NZ business unit and the Thiess Degrémont Joint Venture purchased more than 6,000 Red Nose Day car magnets for site vehicles on all projects.
- The Vic/SA/Tas/NZ business also continued its support of the telephone counselling service Life Goes On through a generous donation of $25,000. As part of this ongoing support, a team of volunteers also assisted the organisation at its annual luncheon.
- During November 2009, workers at Airport Link turned their white hard hats pink in support of National Breast Cancer Month – and raised $13,000 for breast cancer research in the process. In another fundraising effort, the project team also raised $18,758 for the Prostate Cancer Foundation.
- Thiess provided families of children with a physical or mental disability with tickets to SCOSA’s (Spastic Centre of South Australia) annual Circus Spectacular, held in South Australia’s Bonython Park near the construction site of the Coast to Coast Project.
- Our Queensland, Rail and Australian Mining business units partnered with the Hear and Say organisation, helping to raise $90,000 through a fundraising charity ball.
- The Lotus Glen Correctional Centre Project ran monthly charity barbecues, raising $4,127 for the Atherton Hospital.
- On the Lavarack Barracks Redevelopment Stage 4 Project, weekly raffles, golf days and a Rock’n’Roll ball raised $45,000 for Cancer Council Queensland.
- At the Collinsville Coal Mine, three members of the project team completed a 180km bike ride along the rugged roads of north Queensland, raising $36,000 for the Queensland Cancer Fund.
- At the Newcastle Coal Export Terminal, $2,612 was raised in the World’s Greatest Shave for the Leukaemia Foundation.
- On the Victorian Desalination Project, Thiess Degrémont contributed $40,000 to fund a new $1.3 million clubhouse for the Inverloch Surf Life Saving Club.
- The Brighton Bypass team continued raising funds for Dining with Friends, a local St Vincent de Paul initiative. Project staff also volunteered time every month to assist in serving meals to more than 200 disadvantaged people in the local area.

THIESS-SPONSORED CINEMA OPENS IN BLACKWATER

Blackwater residents no longer need to drive almost 200 kilometres to Rockhampton to see the latest blockbusters, thanks to a Thiess-sponsored upgrade of the local cinema. The cinema is part of the Blackwater International Coal Centre. Thiess operates the Curragh North Coal Mine about 20 kilometres north of Blackwater, providing employment to about 240 people. The upgrade includes new digital playback and projection equipment, and is expected to be a boost to community lifestyle and the Coal Centre.
OFFERING OPPORTUNITIES TO EXCEL

We give back to the community through prizes, scholarships, and educational and employment programs. It is part of our commitment to helping create sustainable communities. It is the way we do business. We also arrange vacation work for engineering students who want to gain practical on-site experience before graduating.

EDUCATIONAL SCHOLARSHIPS 2009/10

<table>
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<tr>
<th>SCHOLARSHIP</th>
<th>VALUE</th>
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<tbody>
<tr>
<td>Thiess/Minerals Council of Australia Women in Engineering Scholarship</td>
<td>$8,000 p.a.</td>
</tr>
<tr>
<td>Monash Engineering Leadership Scholarship</td>
<td>$6,000 p.a. for three years</td>
</tr>
<tr>
<td>Two Thiess-Queensland University of Technology Building Scholarships and two Civil Scholarships</td>
<td>$5,000 each</td>
</tr>
<tr>
<td>Thiess-University of Queensland Scholarship in Civil Engineering</td>
<td>$5,000 p.a. for three years</td>
</tr>
<tr>
<td>Three Thiess Engineering Scholarships in Memory of Roger Trundle (for UQ students)</td>
<td>$10,000 each p.a.</td>
</tr>
<tr>
<td>Ivan Wood Memorial Scholarship for Excellence in Human Resources Management</td>
<td>$8,000 p.a.</td>
</tr>
<tr>
<td>Contributions towards eight Smart State Engineering Scholarships</td>
<td>From $2,500 to $5,000 p.a. for four years</td>
</tr>
</tbody>
</table>

“MY SCHOLARSHIP ALLOWED ME TO CONCENTRATE ON MY STUDIES WITHOUT HAVING EXTRA FINANCIAL PRESSURE”

THIESS SCHOLARSHIP RECIPIENT PATRICK MARSHALL
OUTLOOK

At Thiess, we do what we say we will do, with openness and honesty, mindful of the values of others. Our values will continue to be reflected in our actions throughout the coming reporting year and beyond.

- A Community and Stakeholder Management Plan will be implemented, ensuring a whole-of-Thiess approach to community relations and promoting excellence in this area of our business. This plan will include procedures for managing community interaction on our projects from the project identification stage through to the operation of the completed projects.
- Our community procedures will be reviewed in consultation with community professionals from across the business, to ensure all project markets and sites are included. A full review of the Community and Stakeholder Management Plan and operational standards will ensure that our procedures are in line with International Association of Public Participation guidelines and that the plan is delivered to leading international standards.
- Community audit procedures will be developed and incorporated into the Thiess Group Project Controls, which reviews all Thiess projects.
- A company-wide grants framework will be introduced.
- With many of our major projects in densely populated areas, compulsory inductions will be held at the Brisbane Head Office for all new community team members working in Australia. This will further develop our ability to engage with local people in our project areas.

CASE STUDY

MINORS ARE MINERS FOR A DAY

Fifty excited school kids from Mirani in northern Queensland visited Thiess’ Burton Coal Project in June 2010 as part of the Kickstart to Literacy initiative. The Thiess Plant Apprenticeship Program partnered with Kickstart to Literacy, a program designed to assist students in the middle years of schooling, through workshops with mentors and learning real life skills. Thiess sponsors a site visit to Burton each year with students able to see equipment on a working mine site first-hand.
PERFORMANCE
We emerged from the Global Financial Crisis with a record performance for the 2009/10 financial year. We reduced costs, improved productivity and honed our capabilities to grow a stronger, more resilient and more competitive organisation.

This year saw us complete our strategic move to three business streams – construction, mining and services – gaining significant organisational efficiencies and leveraging our strength in each sector. This allowed us to focus on and integrate our key capabilities, with strong results.

THIS YEAR’S HIGHLIGHTS INCLUDE:

» Record $6.8 billion turnover

» Record work in hand of $18 billion – a 15 percent increase on 2008/09

» Operating profit before tax of $422 million, an increase of more than $100 million

» Approximately $3.2 billion worth of construction projects completed

» Mining turnover in Australia and Indonesia of $2.3 billion

» Approximately $1 billion worth of projects completed across the services markets
Our business is expected to grow in the coming year, achieving revenues of $7 billion, with a significant part of this work already secured. We expect our work in hand to maintain similar strong levels of about $18 billion as we progressively convert a number of large contracts currently in preferred status. We are now focused on growth in the current sectors and leveraging our skills into our international markets, particularly in Indonesia and India. We also have great opportunities to capitalise on our large infrastructure projects and offer whole-of-life solutions to our clients through our Thiess Services business. This capability produces significant benefits and cost savings by managing all of the interfaces between capital works and facility operations.
1. STRATEGY AND ANALYSIS

1.1 Statement from senior decision maker

1.2 Key impacts, risks and opportunities

2. ORGANISATIONAL PROFILE

2.1 Name of organisation

2.2 Primary brands, products and services

2.3 Operational structure

2.4 Location of headquarters Back page

2.5 Countries of operation 16-17

2.6 Nature of ownership and legal form

2.7 Markets served

2.8 Scale of organisation

2.9 Significant changes during the reporting period regarding size, structure, or ownership

This year saw us complete our strategic move to three business streams – construction, mining and services

2.10 Awards received in the reporting period

15, 28, 29, 33, 41, 58

3. REPORT PARAMETERS

3.1 Reporting period (This report covers the 2009/10 financial year)

3.2 Date of most recent previous report

(Our most recent report was published in 2007 for the 2006/07 financial year)

X

3.3 Reporting cycle

6

3.4 Contact point for questions regarding the report or its contents (Any questions of feedback can be directed to feedback@thiess.com.au)

Contents page

3.5 Process for defining report content

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3.6 Boundary of the report (This report covers the five areas of environment, people, safety, communities and financial performance)

4

3.7 Specific limitations on the scope or boundary of the report

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3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities (All joint ventures and alliances have been included in the report)

X

4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT

4.1 Governance structure of the organisation

8-9

4.2 Indicate whether the Chair of the highest governance body is also an executive officer

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4.3 The number of members of the highest governance body that are independent and/or non-executive members

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4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body

8

4.5 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation’s strategy on economic, environmental, and social topics

8

4.6 Internally developed statements of mission or values, codes of conduct, and principles

8-9

4.7 Procedures of the highest governance body for overseeing the organisation’s identification and management of economic, environmental, and social performance

8-9

4.8 Processes for evaluating the highest governance body’s own performance, particularly with respect to economic, environmental, and social performance

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4.10 Commitments to external initiatives

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4.13 Memberships in associations

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4.15 Basis for identification and selection of stakeholders with whom to engage

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4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group

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EC7 Procedures for local hiring 65

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EN5 Energy saved due to conservation and efficiency improvements (Our more detailed Energy Efficiency Opportunities Report is available through our website at www.thiess.com) 25

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EN6 Total direct and indirect greenhouse gas emissions by weight 24-25
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Products and Services

EN6 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation 25-30

Compliance

EN28 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations 22

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Employment

LA1 Total workforce by employment type, employment contract, and region 36

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LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region 52-54

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LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings 38

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SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country 9

Report contents

The content of this report is based on information provided by Thiess' business units and companies. The information has been checked by the staff responsible for those particular areas.

Disclaimer

The information contained in this report has been collected and processed with the greatest possible care, however, due to its complexity, errors may occur and therefore any information should be checked with the relevant business unit or company before being taken as fact.
# Directory

## Australia

<table>
<thead>
<tr>
<th>Company</th>
<th>Address</th>
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<tr>
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## International

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<tbody>
<tr>
<td>Thiess Services</td>
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<tr>
<td>Thiess Services</td>
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</tr>
</tbody>
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