

Sustainability.

The WDS Board has mandated that our sustainability strategy should deliver broad demonstrable benefits to all stakeholders, and consistent with our values, we are continually exercising the highest standards in four key areas of social, environmental, governance, and economic performance.

This year, we have chosen to report our activities against the 24 indicators developed by one of our major clients based on the Global Reporting Initiative G3 reporting guidelines.

Provided below are our activities against the core set of indicators identified for the Group:

SOCIAL

Safety

Our challenge is to continue to build a strong safety culture and eliminate injuries. Our target is a consistent yearly reduction in all incidents and injuries through a strategy of eliminating hazards, unsafe acts, unsafe conditions, and promoting leading safety performance, including behavioral management, workplace inspections, risk management and audits.

In FY2009, Mining exceeded the strategic plan in achieving a TRIFR* of 24% which followed a 47% reduction in FY2008.

Our Construction Group had a TRIFR of 6.6 at year end of June 2009, which represents a 66% reduction over the year.

As at 30 June, the Group performance was an LTIFR** of 1.3 and TRIFR of 16.9.

* *Total Recordable Injury Frequency Rate*

** *Lost Time Injury Frequency Rate*

(Number of injuries per million hours worked)

Health and wellbeing

Safety management systems are one component of our sustainability strategy. It is our people's skill, knowledge and attitude towards safety that contribute to keeping them safe. We are fully committed to realising our stated core values of "No person should be harmed through our activities" and "All injuries are preventable". As such we have embarked on implementing behavioural based development programs to embed these values in our people.

We regularly run first aid training on site so that employees become familiar with administering first aid at their workplaces and this year, our staff produced a video to create awareness of the dangers of heat stress at their worksites.

Further, WDS subscribes to an Employee Assistance Programme (EAP) which includes a confidential counselling service for employees and their immediate family members.

Workforce capability

WDS has developed competency frameworks for our employees, which defines the required level(s) of proficiency for their role. Employees are assessed against these frameworks, with individual training needs subsequently developed. During the year, our workforce grew due to both organic and acquisitive growth.

This year, we introduced a Leadership Development Program, to deliver training relevant to individual roles and responsibilities, including a focus on OH&S, EEO and HR policies, communications and people management.

Further, we have apprenticeship and graduate programmes to develop our future workforce and we encourage mature age apprentices.

Sustainability.

SOCIAL

Workforce remuneration and benefits	<p>We aim to be the employer of choice. We support this by providing competitive remuneration and benefit strategies with structured training and development programmes.</p> <p>We participate in industry benchmarking reports to ensure our remuneration and benefits are aligned with current industry practice.</p>
Community wellbeing	<p>WDS is conscious of our responsibilities to the communities in which we operate and the need to engage with those communities. Where feasible, we purchase goods and services preferentially from local and regional suppliers.</p> <p>Our operations continue to support a number of worthwhile community operations and projects including, Red Kite (a charity providing support for young cancer victims and their families), the Royal Flying Doctor Service and a number of local charity, school and community events, particularly in remote rural areas.</p> <p>We also contribute to specific appeals, both in cash and in kind. This year WDS donated \$50,000 in cash in response to the devastating bushfires in Victoria.</p>
External stakeholder engagement	<p>We participate in a number of industry bodies, including;</p> <ul style="list-style-type: none">- Australian Pipeline Industry Association- Mine Managers Association of Australia- Minerals Council of Australia- National Association of Women in Construction- Carbon Capture & Storage Alliance (CCS Alliance)- Australian Mines & Metals Association <p>Additionally, we are members and actively participate in a number of state-based industry bodies.</p>
Indigenous rights and cultural heritage	<p>We respect and comply with the requirements of agreements negotiated by our clients. We are committed to ensuring that our operations comply with cultural heritage regulations and the plans and strategies developed by our clients.</p> <p>Further, we have utilised the services of local indigenous helpers in areas such as fauna management to foster collaboration and greater understanding with local indigenous people.</p>
Social infrastructure	<p>We support community organisations in the regions in which we operate, including primary and secondary schools, sporting and recreational clubs, local fire brigade and emergency services organisations and specific environmental, cultural and historic projects.</p>

ENVIRONMENT

Air quality

Our emissions on project sites are generally included with the reporting requirements of our clients. The airborne emissions from our own sites are monitored to ensure compliance with local regulatory requirements.

Biodiversity and land disturbance

We are committed to ensuring that our operations comply with the biodiversity and land disturbance approvals and conditions and strategies developed by our clients.

On a pipeline construction project, we initiated a fauna management program to rescue and record wildlife trapped in the pipeline trench excavation, utilising the services of indigenous helpers. This resulted in over 300 animals (approximately 50 different species) being saved. Nine of these were listed as rare, vulnerable, endangered or regionally significant. A full list of species and locations was provided to the local authorities to assist in developing the data base of the regions fauna. This demonstrates our willingness to go beyond the regulatory requirements.

Climate change and waste management

We have collected and reported Greenhouse Gases (GHG) emission data for the past 3 years, in accordance with the requirements of The *National Greenhouse and Energy Reporting Act 2007* (NGER) and The Greenhouse Gas Protocol Initiatives.

Our GHG emissions for FY2009 were estimated at 21kt of CO₂-e. Therefore, we do not currently have a requirement to register and report under NGER, however will continue to monitor and report our emissions.

WDS is focused on growth, hence we report our GHG emissions in comparison to revenue. In FY2009 our operations produced an estimated 0.043 kg CO₂-e per dollar of revenue (0.057 for FY2008). This is significantly less than the total GHG for the Australian economy of 0.6 kg CO₂-e per dollar of GDP (2006 National GHG Inventory). WDS also measures and reports bulk waste generated as part of our estimated GHG emissions and actively participates in the recycling of waste.

Incidents and spills

We are committed to the prevention of oil spills and other contaminants and have robust risk management processes to identify and develop control measures to prevent spills or minimise their impacts.

Our employees are trained in the response to environmental incidents and spills and we provide resources such as oil spill containment kits to control any spillage.

Water resources

WDS aims to reduce water consumption and improve the reuse and recycling of water across our facilities. Further, we fully comply with the water management requirements and strategies of our clients and implement procedures to ensure that waste water is treated and disposed of in accordance with the applicable regulations and client requirements.

Sustainability.

GOVERNANCE

Governance and policy We are committed to implementing the highest standards of corporate governance and behaving in accordance with our core values. We have endorsed the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations*. This year, WDS scored a five-star rating and achieved equal 2nd place in the annual WHK Horwath Mid-Cap Corporate Governance Report.

The WDS Management System includes documented systems and procedures to manage and govern our responsibilities. Our procedures are available to all staff on our Group intranet and are periodically reviewed and updated to ensure compliance with legislation and corporate best practice.

Risk management We believe that the management of risk forms an integral part of business management. By understanding the risks arising from our activities, we create shareholder value with an increased level of confidence.

WDS faces a range of risks in business activities which cannot be eliminated and therefore must be managed. The Group's policy is to balance the risks in business activities to optimise the returns. This enables a measured action on opportunities, to deliver real growth, and builds sustainable long term relationships with key stakeholders. The Group's risk management processes are based on the Australian/New Zealand Standard AS/NZS 4360:2004 *Risk Management*.

Product responsibility and reputation We are a leading integrated provider of specialist development, design, construction, fabrication and maintenance services to the energy, mining, oil, gas, water and infrastructure sectors.

Our reputation is determined by our ability to deliver our Mission, which is:

"To provide sustainable value to all stakeholders through a diversified contracting, services and development business where quality and safety are fundamental".

Transparency and disclosure We are committed to a policy of openness in relation to information concerning our activities. Our Code of Conduct details acceptable conduct and ethical behaviour in relation to conflicts of interest, business opportunities, confidentiality, trading in securities, use of the Company's assets and compliance with laws and regulations.

There were no environmental fines or prosecutions initiated against any of our operations in the FY2009.

ECONOMIC

Business partnerships' performance

Our strategy is to continue to diversify our operations across a number of key sectors, including:

- Energy (Coal, Oil, Natural Gas, Coal Seam Gas)
- Water
- Civil & Tunnelling
- Mining

This diversification strategy mitigates the risk of revenue exposure in times of a market downturn.

We have the resources and experience to form long-term partnerships with clients across all the sectors we operate in. We have made considerable investments in people and equipment to support this objective.

Financial performance

The sustainability of our business, and its contribution to the wider community, is underpinned by continued strong financial performance. Highlights and achievements in the FY2009 year include a 74% increase in revenue from \$285 million to \$495 million and a corresponding increase of 13% in net profit after tax from \$18 million to \$20 million.

New project development and acquisitions

Our strategy is to achieve growth both organically and acquisitively. Where opportunities exist, we will continue to use targeted acquisitions as part of our growth profile.

Acquisitions and new projects must fit within our internal parameters and deliver increased value to all stakeholders.