



SERVICE STREAM LIMITED

SUSTAINABILITY REPORT

2019

ABOUT SERVICE STREAM

Service Stream Limited is an S&P/ASX 200 listed company providing integrated end-to-end asset life-cycle services to utility and telecommunication asset owners, operators and regulators throughout Australia.

Service Stream operates across all states and territories, has a workforce in excess of 2,200 employees and access to a pool of over 3,000 specialist contractors.



TELECOMMUNICATIONS

FIXED-LINE
WIRELESS

UTILITIES

ELECTRICITY
GAS
WATER
RENEWABLE ENERGY

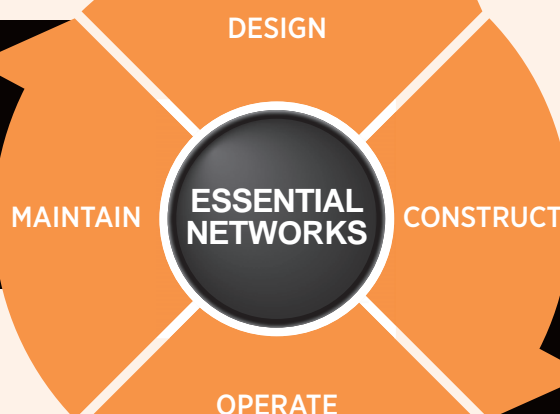
END-TO-END DELIVERY

Service Stream adopts essential project disciplines and technical proficiency, in-house, to provide seamless and timely end-to-end design and construction services.

ASX 200

ASX listed company since 2004

\$1+ BILLION
Annual revenue



2,200+
Active employees underpinning a strong performance capability

INDUSTRY LEADING SAFETY RECORD

Service Stream has an industry leading safety record in the Australian Network Services Industry.

Access to a pool of
3,000+
skilled contractors

36+ MILLION
Property visits per annum

MESSAGE FROM THE MANAGING DIRECTOR



Service Stream provides a wide range of specialist services vital to developing and operating Australia's essential communications and utility network infrastructure.

We recognise the importance of driving long-term sustainable practices which support and enhance the environmental, social and economic performance for both the company and our wider stakeholders.

We leverage the diversity of thought and experience that exists in our organisation and the contribution of our individual and collective efforts to add value for our clients, employees and the community.

A handwritten signature in black ink, appearing to read 'L. Mackender', written in a cursive style.

Leigh Mackender
Managing Director
SERVICE STREAM LIMITED

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PEOPLE

Service Stream recognises that our people are our most important asset and we implement practices and initiatives to ensure we recruit, engage with and develop highly motivated and highly performing individuals. We have a proud history of promoting from within, as well as sourcing new talent, and endeavour to ensure our employees see Service Stream as a career opportunity beyond their current position. We work with and within varied communities across Australia, and we respect and value the benefit cultural diversity brings to our leadership and organisational practices.



DEVELOPMENT OF PEOPLE

- ▶ The organisation has designed and implemented a Talent and Succession program to support the development of current and future leaders.
- ▶ Provision of a dynamic online learning portal that delivers video-based content covering training requirements across all areas of our business.
- ▶ Voluntary lunchtime sessions ('Lunchbox') with subject matter experts providing information sessions on career, knowledge and health and wellbeing.

REWARD AND RECOGNITION

- ▶ Kudos — the organisation operates a program that aims to acknowledge and reward the unique contributions and efforts of our employees and our teams. Awards are quarterly, with nominations all year round, under categories based on the Service Stream values:
 - ▶ Safety (promoting a stronger safety culture)
 - ▶ Delivery (making the workplace/services better, Customer Service)
 - ▶ People (being cooperative and helpful)
 - ▶ Accountability (taking responsibility, going the extra mile)
- ▶ Length of service awards — Awards recognising employees for their valued service at nominated milestones of five-year increments were implemented in January 2016. To date, 762 service awards have been given, including 220 in the financial year ending June 2019.

DIVERSITY AND INCLUSION

The Service Stream Inclusion Committee was established in 2017 to ensure the inclusion and engagement of Indigenous people. The Committee has since expanded its portfolio to include:

- ▶ Membership with Supply Nation — set up to connect corporate and government organisations with successful Indigenous Australian business suppliers and to ensure that small to medium Indigenous businesses have the opportunity to be integrated into the supply chains of Australian companies and Government agencies.
- ▶ Specific targeted campaigns to recruit and train indigenous employees, including partnership with the Wirrpanda and Matera Foundations in WA.
- ▶ Increasing supplier spend with indigenous businesses.
- ▶ Engagement with EPIC Assist to provide placements for individuals with disabilities.
- ▶ Development and employment of under-represented groups.
- ▶ Flexibility — the ability for employees to make arrangements about working conditions that suit their needs.
- ▶ Compliance with the Workplace Gender Equality Act.

BENEFITS AND WELL-BEING

- ▶ Refer a Friend Program (RFP) — attracting quality candidates to Service Stream and recognising the value of candidate referrals made by those currently within the company
- ▶ Purchased leave — voluntary scheme which allows employees to purchase up to two weeks annual leave in addition to their standard entitlement.
- ▶ EAP (Employee Assistance Program) — fully subsidised confidential support and counselling services.
- ▶ Annual flu vaccinations.
- ▶ Corporate Partners — corporate offers including health insurance, banking and travel.



COMMUNICATION

- ▶ Employee Engagement Survey – we encourage employees to ‘speak up’ as part of our commitment to continuous improvement and act upon results from the survey.
- ▶ Quarterly ‘Survey News’ keeping employees informed on progress with the survey action plan.
- ▶ Bi-annual ‘Roadshows’ delivered by the Executive Management Team – presentation of Service Stream’s half year/full year results and the opportunity to participate in a Q&A session with the Managing Director and members of the Executive Management Team.
- ▶ Company Newsletter, Connect, distributed three times a year – features information on our people, community involvement, news from our Executive Management Team and updates from across our business.

COMMUNITY ENGAGEMENT AND CHARITABLE ACTIVITIES

Involvement in events is encouraged and supported at Service Stream with over 100 individuals participating in local community and fund-raising initiatives over the course of FY19. At an overall company level, community support has been encouraged through:

- ▶ Adoption of the Corporate Citizen giving platform – enables employees to donate a portion of their gross salary (pre-tax) to a charitable cause through payroll.
- ▶ Donation of 400 obsolete laptops and additional IT hardware to charities.
- ▶ Support of the School of St Jude in Tanzania, providing founder Jemma Sisia with a live-stream broadcast across the Service Stream offices to seek student sponsors.
- ▶ Annually agreed plan for involvement in chosen National and International events and designated recognition days. In FY19 these included:
 - ▶ Harmony Day (cultural awareness and inclusion)
 - ▶ RU OK? Day (mental health)
 - ▶ International Women’s Day
 - ▶ Cancer Council Biggest Morning Tea

GOVERNANCE

The Service Stream Board is responsible for setting and implementing Corporate Governance practices in line with ASX principles and oversees the business on behalf of shareholders.

The Board is comprised of six independent Non-Executive Directors and the Managing Director with 29% female representation at Board level. There is an appropriate mix of skill-set across Board Members including experience in the Telecommunications and Contracting industries, Project Management, Customer Relations, Health, Safety and Environment, Financial acumen, strategy and growth and Executive Leadership.

The Board has established Charters, Policies and Procedures including (but not limited to):

- ▶ Whistle Blower Policy
- ▶ Securities Trading Policy
- ▶ Corporate governance Principles
- ▶ Diversity Policy and Inclusion Committee Charter
- ▶ Risk Management Policy
- ▶ Code of Conduct and Standards of Behaviour Policies and Procedures
- ▶ Remuneration and Reward Policy and Procedure

Policies and practices are compliant with ASX Corporate Governance Principles and corporate governance training sessions are provided for Management on an annual basis.



ENVIRONMENT

Service Stream recognises the long-term importance of building a reputation as an environmentally responsible organisation. We are committed to managing both the impact of our operations on the environment and resource consumption.



WE STRIVE TO REDUCE OUR ENVIRONMENTAL FOOTPRINT AND CONSERVE NATURAL RESOURCES THROUGH THE FOLLOWING INITIATIVES:

- ▶ Selecting sites with high NABERS¹ rating wherever possible.
- ▶ Operating recycling programs across all office and warehouse locations, including participation in 'National Recycling Week' held in November.
- ▶ Recycling or return of obsolete equipment, cables etc. to supplier.
- ▶ Implementing sustainable procurement practices to minimise environmental impacts associated with purchasing, storing, and transporting materials and waste.
- ▶ Procurement of fuel efficient vehicles.
- ▶ Implementing office resource efficiency measures such as default power saving settings on IT equipment, automated sensor lights, and paper reduction/recycling.

SUPPORTING THE RENEWABLE ENERGY INDUSTRY

- ▶ Service Stream provides a national end-to-end service model to support the design, construction, installation and maintenance for commercial solar, battery storage, power factor correction and related renewable energy systems. Over the past 10 years, the business has completed more than 35,000 solar PV² and battery installations across Australia.

ENVIRONMENTAL COMPLIANCE AND CONTINUAL IMPROVEMENT

- ▶ Energy and emissions reporting is conducted in accordance with relevant national and international standards (NGER Act 2007³, WRI⁴ GHG⁵ Protocol) in order to track and report on our environmental footprint.
- ▶ Environmental licences are in place, where relevant, to ensure regulatory compliance and prevent environmental harm.
- ▶ Environmental performance is managed through project specific Environmental Management Plans aligned to the broader integrated HSE Management System.
- ▶ All works are subject to environmental risk assessment, objectives and targets, incident/hazard management procedures, training, and monitoring in accordance with the requirements of ISO14001.
- ▶ Heritage and biodiversity risks are considered during all phases of our construction projects including site acquisition, design, and construction. This enables us to minimise the impact of our operations on important flora, fauna, ecological communities and heritage sites in compliance with relevant state and federal legislation.
- ▶ Innovative restoration solutions as delivered through the Comdain Nimmie Caira project, balance environmental and indigenous cultural heritage protection in commercial use, creating a flourishing asset for the local regional communities.
- ▶ Service Stream depots offer safe and licenced hazardous waste consolidation points for the workforce on a range of projects in order to improve environmental compliance and reduce potential harm.

¹National Australian Built Environment Rating System (NABERS) is an initiative by the government of Australia to measure and compare the environmental performance of Australian buildings and tenancies.

²Photovoltaic (PV)

³National Greenhouse and Energy Reporting (NGER) Act 2007 – In Australia, the NGER Act 2007 places reporting obligations on corporations that exceed energy and greenhouse thresholds within a given financial year.

⁴Institute (WRI) and World Business Council on Sustainable Development (WBCSD), sets the global standard for how to measure, manage, and report greenhouse gas emissions.

⁵The Greenhouse Gas (GHG) Protocol, developed by World Resources Institute (WRI) and World Business Council on Sustainable Development (WBCSD), sets the global standard for how to measure, manage, and report greenhouse gas emissions.

HEALTH AND SAFETY

Service Stream has an Industry leading work health and safety program focussed on identifying hazards and managing risk. We are committed to ensuring safe environments and practices for our workforce, and for the general public whilst carrying out our work programs. Our safety systems are certified to International and Australian Standards and are accredited by the Office of the Federal Safety Commissioner.



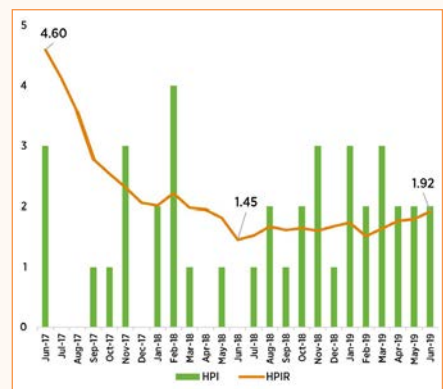
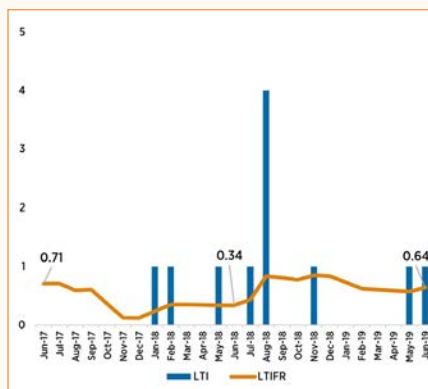
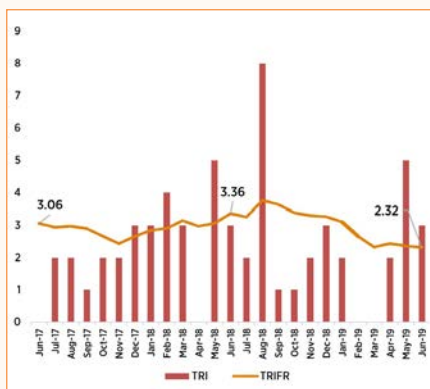


MANAGE RISK

- ▶ Risk Management programs include the development of Risk Registers, establishment of risk management practices on projects and the implementation of HSE Management Plans. Key areas of focus in managing risk are:
 - ▶ Asset Strikes
 - ▶ Working at Heights
 - ▶ Cranes and Lifting
 - ▶ Driving
 - ▶ Traffic Management (for projects on or near public roads)
- ▶ Risk control improvement projects implemented in the last three years include:
 - ▶ Underground and wall cavity asset strike prevention – the introduction of new technologies to reduce the risk of damaging infrastructure by improved scanning through surfaces has resulted in an 81% improvement in the Asset Strike Rate.
 - ▶ Driver safety – we are well progressed in the implementation of In Vehicle Monitoring System (IVMS) devices in all company vehicles, resulting in a significant improvement in driver behaviour and a 62% reduction in safety related vehicle incidents over the last two years.
 - ▶ A Critical Controls Management Program has been implemented to undertake deep dive analysis of risk control performance monitoring for the company's most significant risks.

REDUCE INCIDENT FREQUENCY

- ▶ Focus on improving HSE controls over the last two years has resulted in:
 - ▶ 30% reduction in Total Recordable Injury Frequency Rate (TRIFR)
 - ▶ 62% reduction in High Potential Injury Frequency Rate (HPIFR)
 - ▶ 0 Fatalities
 - ▶ Lost Time Injury (LTI) rate of 0.64, with the longest LTI being 18 days.



MENTAL HEALTH AND EMPLOYEE WELLBEING

- ▶ Mental health awareness program implemented, including the observation of and participation in 'RU OK? Day'.
- ▶ Specific awareness sessions in relation to stress, depression and suicide risks.
- ▶ Training of key individuals to be Mental Health First Aiders.
- ▶ Employee Assistance Program, available 24 hours a day, 7 days a week to employees and their family members.
- ▶ Specific workshops and training sessions on key areas of interest such as men's and women's health, administering CPR, overcoming career challenges, managing stressful situations.

ENGAGE AND ENABLE

- ▶ Full time HSE team with resources in every state providing education, coaching and advice to employees and subcontractors in managing HSE risk.
- ▶ Provision of practical tools such as the Field Supervision "My Safety Handbook" to facilitate conversations between frontline managers/supervisors and subcontractors.
- ▶ Safety leaders training for frontline management and supervisors.
- ▶ Safety walks and risk focussed Spot Check Programs to facilitate engagement and discussion about risk between all levels of management and field workers.
- ▶ Hazard, Incident and Legislative Alert process to ensure workers receive information about risk.
- ▶ HSE meetings, that share information and facilitate consultation, occur at all levels of the organisation, include committee and toolbox meetings.
- ▶ HSE specialists regularly engage with clients and other stakeholders to drive improvement in risk management practices across the wider industry.

SIMPLE ROBUST PROCESSES

- ▶ Our processes support the business in maintaining Office of the Federal Safety Commissioner accreditation under the Australian Government Building and Construction WHS Accreditation Scheme (required to enter into head contracts for building work that is funded directly or indirectly by the Australian Government).
- ▶ ISO certified systems covering health and safety, environment and quality management systems ensuring continuous improvement in work health and safety.
- ▶ An HSE manual, risk control standards and safe work guidelines are available to all workers in a format that is easy to read and understand.
- ▶ Service stream has undertaken a simplification process for all HSE Management Plans and Safe Work Method Statements that are used to manage safety on each project.

Service Stream's management systems are certified to Australian and international standards by SGS Systems and Services Certification Australia:



AS/NZS 4801:2001 Occupational Health and Safety



ISO 14001:2015 Environmental



ISO 9001:2015 Quality





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