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## Company Profile

*Leighton Asia (Southern) is a subsidiary of the Leighton Group, Australia's largest project development and contracting group. Leighton Holdings Limited, the Group's parent company, is listed on the Australian Stock Exchange.*

*Leighton Asia (Southern) is based in Kuala Lumpur and encompasses operations in Malaysia, Singapore, Indonesia, Sri Lanka, India and Brunei.*

*Leighton Contractors (Malaysia) Sdn Bhd was established in 1985. From offices in Kuala Lumpur and Kota Kinabalu, the company undertakes civil engineering, rail, building, marine engineering and contract mining projects throughout Peninsula Malaysia, Sabah, Sarawak and Brunei.*

*With the acquisition of PT John Holland Construction Indonesia in 1999, PT Leighton Contractors Indonesia has been operating in the country for over 25 years and undertakes civil engineering, rail, contract mining and building projects.*

*Leighton Asia (Singapore) Private Ltd undertakes civil, building, mechanical and electrical engineering contracts. Leighton's Singapore office is responsible for managing the company's operations in India and Sri Lanka on a project to project basis.*

*For further information, please visit our web site: [www.leightonasia.com](http://www.leightonasia.com)*

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## 1 MESSAGE FROM THE MANAGING DIRECTOR



*This is the first of what will become an annual occupational health and safety report for Leighton Asia (Southern). I hope you find this to be a useful summary of the company's health and safety performance between July 2003 and June 2004. Future reports will be issued in July of each year to coincide with our fiscal year reporting.*

*It is pleasing to note that as the year progressed we continued to make improvements in all our operational areas and maintained the very demanding standards we set for ourselves.*

*Although we can claim to be a very proactive company in the implementation of occupational health and safety in our region this has not precluded us from experiencing some of the negative aspects of working in an industry which is traditionally considered to have a poor safety record.*

*As well as celebrating our successes during the past year, this report also highlights areas in which we need to improve.*

*We would welcome any comments and feedback that might help us to improve our safety performance and help us achieve the goals identified in our occupational health and safety policy (see page 3).*

*Our commitment to setting, achieving and improving upon demanding health and safety goals is specifically for the purpose of protecting our personnel and everyone under our charge.*

*I firmly believe that the reputation we have developed as a leader in health and safety management is a direct result of the dedication of our staff. We all need to work hard to ensure we maintain this reputation.*

*I ask you all to think safely and act safely.*

A handwritten signature in blue ink, appearing to read 'David Savage'. The signature is stylized and fluid.

*David Savage  
Managing Director  
Leighton Asia (Southern)*

## 2 EXECUTIVE SUMMARY



*The 2003 - 2004 Safety Report is the first that Leighton Asia (Southern) has produced since commencing development and implementation of our OH&S Management System.*



**OHSAS 18001:1999 MALAYSIA**



**OHSAS 18001:1999 INDONESIA**

### LEIGHTON CONTRACTORS (MALAYSIA) SDN BHD

In 2001, Leighton Contractors (Malaysia) Sdn Bhd (LCM) achieved OHSAS 18001 certification from Lloyd's Register Quality Assurance (LRQA) for its occupational health and safety management system (OHSMS)—the first construction company in Asia to do so. The system was re-certified in January 2004.

The rigorous OHSMS has enabled the Teachers' Housing project in Malaysia, which was completed in December 2003, to achieve a record 18 million man-hours without a lost-time incident.

The outstanding performance on this project, which involved the construction of about 10,000 apartments throughout Malaysia, has been recognised by the Malaysian Department of Occupational Safety and Health and has culminated in the company being recognised by the World Safety Organisation for its above average OH&S System and record of performance.

### LEIGHTON CONTRACTORS (SINGAPORE) PRIVATE LTD

To date the division has completed one project in Singapore and one in Sri Lanka without any lost-time injuries.

The performance on these projects augers

well for the future implementation of our system in this division.

We aim to secure OHSAS 18001 certification on the recently awarded Embilipitiya power station project in Sri Lanka.

### PT LEIGHTON CONTRACTORS INDONESIA

In 2003 PT Leighton Contractors Indonesia (LCI) became the second of our divisions and the first construction and mining company in Indonesia to obtain OHSAS 18001 certification, again through Lloyds.

The platinum, gold and silver safety awards system first introduced by LCI is now also being adopted across all Leighton Asia (Southern)'s operations.

Significant safety milestones have been achieved by each of our projects through the year.

The division has substantially improved its safety awareness and performance compared to the previous year, achieving significant reductions in both frequency and severity of incidents.

Considering the significant risk profile of our projects in Indonesia, particularly the Cikampek-Cirebon double tracking rail project, the safety performance is particularly commendable.

## 3 OCCUPATIONAL HEALTH AND SAFETY POLICY



*Leighton Asia (Southern)'s occupational health and safety policy was first issued in 1998. It is regularly reviewed to suit the needs of our business.*

Leighton Asia (Southern)'s OH&S policy provides the focus for the achievement of our safety goals and the implementation and development of our occupational health and safety management system.



### OCCUPATIONAL HEALTH & SAFETY POLICY

Leighton Asia (Southern) is committed to achieving a high standard of occupational health and safety (OH&S) by striving to achieve the following objectives:

- Elimination of Class 1 personal damage at our worksites
- Systematic reduction of Class 2 and Class 3 personal damage at our worksites
- Compliance with all relevant legal, contractual and regulatory obligations
- Certification of the OH&S management system to OHSAS 18001 requirements in all operating divisions

Occupational health and safety is to be regarded as a prerequisite in all operations, in order to ensure work is carried out in a safe manner.

Senior management is committed to planning, organizing, monitoring reviewing and improving our safety performance by setting annual safety targets that we must work hard to achieve.

Leighton Asia (Southern) requires all its operating divisions to develop, implement and continually improve relevant OH&S management systems, within the corporate framework.

It is also a requirement that each employee is made aware of their individual OH&S responsibilities, promotes and implements this policy, and extends the awareness, acceptance and implementation of our OH&S system to our sub-contractors, suppliers, customers and the communities associated with our business.

**David Savage**  
Managing Director  
Leighton Asia (Southern) Limited  
April 2004

This policy applies to Leighton Asia (Southern) Limited and its operating subsidiaries, including Leighton Contractors (Malaysia) Sdn Bhd, Leighton Contractors (Singapore) Pte Limited, PT Leighton Contractors Indonesia, Leighton Contractors (India) Private Limited, and Leighton Contractors Lanka (Private) Limited.



**WSO - Concerned Company Corporation Award 2003**



## 4 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM



Each Leighton Asia (Southern) (LAS) project and operating facility in LAS is required to implement the Leighton OHSMS. During 2003-2004 these were:

- MALAYSIA
  - Teachers Housing Phase 1
  - Duta Plaza
  - Maxis BTS
  - Alice Smith School
  - BHP Steel warehouse extension
  - Asian Rare Earth
  - Putrajaya-KL elevated highway
  - Rawang-Ipoh double-tracking rail project
  
- INDONESIA
  - Sebuku coal mine
  - Sebuku wash plant
  - Malinau coal mine
  - ABK Loa Janan coal mine
  - Cikampek-Cirebon double-tracking rail project
  - Bekasi workshop
  - Batakan re-build facility
  
- SINGAPORE
  - United Cement silo
  
- SRI LANKA
  - Muthurajawela pipeline
  - Embilipitiya power station

Each project reports on a monthly basis to the divisional safety managers, who in turn reports to the regional quality, safety and environment manager on their division's performance against their safety objectives.

Quarterly reports are then submitted to Leighton Holdings Limited detailing any reportable safety incidents and the corrective action taken.

## 4 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (CONT)



All project activities are subject to comprehensive safety auditing including:

- External audits by our certification body conducted twice per year;
- Internal audits conducted by members of divisional safety committee based on yearly audit programme;
- Internal audits by project safety staff;

Leighton's projects in Malaysia and Indonesia are subject to regular surveillance audit by the company's certification body, Lloyd's Register Quality Assurance (LRQA). During 2003-04 LRQA made a number of these trips to audit our activities.

LAS - through LCM - was the first construction company in Asia to achieve LRQA certification for all three management systems: quality, occupational health & safety and environmental.

In 1999 LCM gained ISO 9001 certification for its quality management system, followed in 2001 by OHSAS 18001 certification for its OHSMS. During 2003-04, LCM became the first general construction contractor in Malaysia to achieve ISO 14001 certification for its environmental management system.

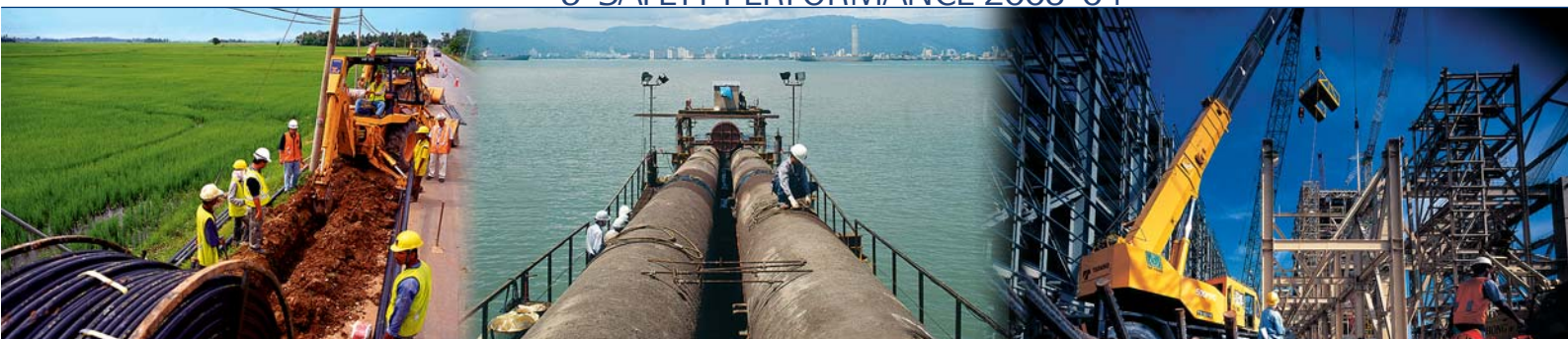
In January 2003 LCI successfully achieved certification for its OHSMS, making it the first company in Indonesia involved in construction and mining operations to do so.

LAS is a member of the World Safety Organisation and is introducing independent third party auditing of its safety statistics reporting procedures in order to verify its continued compliance with international best practice.

Key elements of the occupational health and safety system at project level include:

- Preparation and implementation of project occupational health and safety plan, in which all significant safety aspects are identified;
- Appointment of a project safety co-ordinator who has direct lines of communication to the project manager;
- Safety awareness training for all staff and workforce;
- Commitment and dedication of all Leighton personnel to implement the OHSMS;

## 5 SAFETY PERFORMANCE 2003-04



### OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM (OHSMS)

#### SAFETY OBJECTIVES

#### SAFETY AWARDS

#### OTHER SAFETY INITIATIVES

### OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM (OHSMS)

The following tables summarise the results and performance measures used to monitor our OHSMS.

#### *No. Of Audits Conducted*

	External Audits	Internal Audits
Malaysia	2	75
Singapore & Sri Lanka	NIL	3
Indonesia	2	12
<b>TOTAL</b>	<b>4</b>	<b>90</b>

#### *Health And Safety Record July 2003 - June 2004*

	Malaysia	Singapore & Sri Lanka	Indonesia	TOTAL
Man-hours Worked	4,723,536	89,293	4,308,085	9,120,914
Total No. of PD Occurrences	13	2	36	51
Total No. of NII Occurrences	9	1	23	33
No. of Fatalities	NIL	NIL	NIL	NIL
No. of LTI (resulting from PD)	1	0	2	3
No. of PD Class 1	0	0	3	3
No. of PD Class 2	1	1	4	6
No. of PD Class 3	12	1	29	42
Days Lost	51	0	15	66
Lost Time Injury Frequency Rate	0.21	0.00	0.46	0.33
Incident Rate	0.06	0.00	0.12	0.09
Class 1 Damage Frequency Rate	0.00	0.00	0.70	0.33
Total Recordable Injury Frequency Rate	2.75	22.40	8.36	5.59
Average Lost Time Rate	51.00	0.00	7.50	22.00
Severity Rate	10.80	0.00	3.48	7.24
Health & Safety Breaches	NIL	NIL	NIL	NIL
Average Number of Workers	1,817	34	1,657	3,508

## 5 SAFETY PERFORMANCE 2003-04 (CONT.)



### OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM (OHSMS)

#### SAFETY OBJECTIVES

#### SAFETY AWARDS

#### OTHER SAFETY INITIATIVES

Our safety performance is regularly monitored and reviewed by the Safety Management Committee (SMC). Audits of projects are conducted by members of the SMC, including directors and senior management, using comprehensive audit checklists. The result of these audits are regularly reviewed and a performance rating of each project is taken into account when determining the winner of the safety achievement award.

Each project is tracked to ensure that required actions highlighted by audits are completed satisfactorily with a view to improved performance.

### SAFETY OBJECTIVES

#### *Introduction*

Company safety objectives and targets are established each year to provide a consistent approach across all projects and to facilitate continuous improvement. The objectives are set for a period of one year. Quantifiable performance indicators have been established for our objectives so that progress towards achieving each target can be determined objectively.

Targets for 2004 - 05 are:

	FAT	LTIFR	ALTR	SR	TRIFR	C1DFR
Leighton Asia (Southern)	0	0.26	21	6.60	5.30	0
Malaysia	0	<0.2	<10	<5.0	<4	0
Indonesia	0	<0.2	<10	<5.0	<8	0
Singapore	0	<0.2	<10	<5.0	<4	0
Sri Lanka	0	<0.2	<20	<10	<6	0
India	0	<0.5	<20	<10	<8	0

### SAFETY AWARDS

Divisional safety award systems recognise the achievement of lost-time injury-free manhours on our projects. Awards issued in each of LAS divisions during financial year 2003 - 04 are listed below:

## 5 SAFETY PERFORMANCE 2003-04 (CONT.)



### OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM (OHSMS)

#### SAFETY OBJECTIVES

#### SAFETY AWARDS

#### OTHER SAFETY INITIATIVES

### *Malaysia*

Asian Rare Earth	-	December 2003	Silver Award
BHP Project	-	January 2004	Silver Award
Rawang-Ipoh double track	-	February 2004	Silver Award
Maxis BTS	-	June 2003	Silver Award
	-	November 2003	Gold Award
	-	June 2004	Platinum Award

Previous awards include: platinum for the Teachers' Housing project in January 2003, and gold for Duta Plaza in May 2003.

### *Indonesia*

CCDT Project	-	August 2003	Platinum Award
ABK coal mine	-	January 2004	Platinum Award

Previous platinum awards winners in Indonesia were:

- Balikpapan support facility - August 2002
- Sebuku O&M - April 2002

Previous gold award winners were:

- Malinau coal mine - January 2003
- Sebuku coal mine - February 2003
- Bekasi - February 2003

### OTHER SAFETY INITIATIVES

For the forthcoming year LAS will continue to promote best practice in our OHSMS and will actively pursue OHSAS 18001 certification for our Sri Lanka operation.

We will also introduce a Leighton Incident Free Environment (LIFE) campaign to enhance awareness levels and provide further focus for OHSMS in our working environment.

We look forward to the continued support of all personnel as we aim to maintain Leighton's reputation as a leader in safety management.

## 6 GLOSSARY



### ACCIDENT

Any unplanned event that has or could have caused personal damage. Such an event may also involve damage to property, product loss or interruption of work.

### AVERAGE LOST TIME RATE (ALTR)

The ALTR is the average time lost per occurrence of personal damage. For the purposes of this calculation, an upper limit of 12 months off work should be assigned. This rate provides a measure of the severity of the occurrences being experienced by workplaces over time.

#### No of Days Lost

No of LTI's in the Period

### BODILY LOCATION OF DAMAGE

The part of the body which suffered the most serious damage or disease is recorded. The classification used to record the bodily location of damage or disease is based on International Labour Organisation (ILO) recommendations.

### CERTIFICATION

An independent examination of an organisation and confirmation that it meets a standard; for example the international occupational health and safety management standard, OHSAS 18001.

### CLASS 1 DAMAGE FREQUENCY RATE (C1DFR)

The frequency of Class 1 personal damage occurrences for each 1 million manhours worked. The formula used for C1DFR is:

No of C1PD x 1,000,000

No of hours worked

### CLASS 1 PERSONAL DAMAGE

Damage which permanently alters a person's future e.g. death, paraplegia, amputation, permanent back damage.

### CLASS 2 PERSONAL DAMAGE

Damage which temporarily alters a person's future e.g. a broken arm or muscle strain.

### CLASS 3 PERSONAL DAMAGE

Damage which inconveniences a person e.g. first aid treatment for a cut hand, dust in eye etc.

### DAMAGE INDEX

The damage index measures the number of working days lost per million hours worked. The index allows comparisons of the relative burden of LTI/Ds across groups of different sizes (such as industries, occupations and age groups) which may have different patterns of frequency and duration rates.

## 6 GLOSSARY (CONT.)



### FATALITY

A death resulting from a personal damage sustained at work regardless of the time intervening between the damage occurring and death.

### FREQUENCY RATE

The frequency rate is the number of lost time occurrences for each one million hours worked. The formula used for frequency rates is:

$$\frac{\text{Number of LTI/Ds} \times 1,000,000}{\text{Number of hours worked}}$$

The number of hours worked is defined as the total number of hours worked by workers.

### INCIDENCE RATE

The incidence rate is the number of lost time occurrences for each one hundred workers employed (normally taken to be 200,000 hours). The formula used is:

$$\frac{\text{Number of LTI/Ds} \times 100}{\text{Number of Workers}}$$

Formula for calculating the number of workers:

Annually	Quarterly	Monthly	Weekly
Actual MH (yr)	Actual MH (1/4)	Actual MH	Actual MH
÷52 ÷50	÷13 ÷50	÷4.33 ÷50	÷50

The number of workers is defined as the average number of workers.

As a result of treating casual, seasonal and part and full-time workers equally, incidence rates can give misleading indications of relative risk. This is relevant to industries with high levels of part-time employment where the number of workers employed may be comparatively high but the actual exposure to hazards (reflected in actual hours worked) may be less.

### INCIDENT

Any unplanned event that occurs at the workplace which did not result in any personal damage but had the potential to do so in less favourable conditions.

### JOURNEY INJURY (COMMUTING INJURY)

A journey injury, sometimes known as a commuting injury, occurs whilst a worker is travelling between a place of residence and a workplace. Journey injuries are not included in lost time injury data. Occurrences where a worker is injured whilst travelling on duty are not deemed to be journey injuries and are included with lost- time injuries.

### LOST TIME INJURY (LTI)

Personal damage which results in the injured being unable to perform any regular job, or restricted work for any full working day, or shift after the day, or shift on which the damage occurred. Work related fatalities are assigned a time lost of 220 working days.



## 6 GLOSSARY (CONT.)

### LOST TIME INJURY FREQUENCY RATE (LTIFR)

The frequency rate is the number of lost time occurrences for each one million hours worked. The formula used for frequency rates is:

$$\frac{\text{Number of LTI}}{\text{Number of hours worked}} \times 1,000,000$$

The number of hours worked is defined as the total number of hours worked by workers.

### MECHANISM OF DAMAGE

The mechanism of damage is either:

- (i) the manner of contact of the worker with an object or substance; or
- (ii) the exposure or movement of the worker which resulted in personal damage.

### NATURE OF DAMAGE

The most serious damage suffered by an injured worker.

### OCCUPATIONAL DISEASE

An occupational disease is distinguished from an injury because of one or more of the following characteristics:

- the slow and protracted nature of its cause;
- its association with repeated or continuous action of a mechanical, physical or chemical nature. It is not the effect of a single event but of a cause acting imperceptibly and constantly; and/or
- the uncertain time of its beginning

### OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM (OHSMS)

The part of an organisation's management system that includes organisational structure, planning, responsibility, practices, procedures, processes and resources for developing, implementing, achieving, reviewing and maintaining safety policy.

### OCCUPATIONAL HEALTH AND SAFETY OBJECTIVE

Overall safety goal, arising from the safety policy, which the company sets itself to achieve, and which is quantifiable where practicable.

### OCCUPATIONAL HEALTH AND SAFETY POLICY

Overall intentions and principles of the company in relation to its overall safety performance. Safety policy provides a framework for action and for the setting of safety objectives and targets.

### OHSAS 18001

An international standard for occupational health and safety management systems.



## 6 GLOSSARY (CONT.)

### RESUMPTION OF WORK

The date(s) normal or alternative duties were resumed. Dates recorded should include, if appropriate:

- Date short term alternative duties commenced and finished
- Date permanent alternative duties commenced
- Date normal duties recommenced

In many case more than one of the above may be appropriate.

### SAFETY AUDIT

A systematic and objective review of an organisation's activities aimed at determining whether the OHSMS conforms to set audit criteria.

### SAFETY MANAGEMENT COMMITTEE (SMC)

Formal committee of senior management and key staff that meets periodically to review the Leighton OHSMS and safety performance.

### SERIOUS DAMAGE (NOT RESULTING IN DEATH)

Fracture of the skull, spine or pelvis.

Fracture of a bone in:

- The arm, (other than in the wrist or hand)
- In the leg, (other than a bone in the ankle or foot)

Amputation of an arm, hand, finger, finger joint, leg, foot, toe or toe joint.

Loss of sight of an eye.

Any other damage that results in, or on the basis of medical advice, appears likely to result in the staff member being unable to work for up to 60 days from the day of the damage occurring.

### SEVERITY RATE (SR)

The severity rate is the percentage of LTI/Ds, within a particular population that are classified as severe. By definition severe damage is where a worker suffers fatal damage or where a worker is absent from work for 60 or more working days. LHL SR is number of working days lost x 10<sup>6</sup> ÷ MH worked even if the worker is absent for less than 60 days.

### TIME LOST

The total number of complete working days or shifts lost from work as a result of personal damage.

### TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)

The frequency of all Personal Damage occurrences for each 1 million manhours worked. The formula used is:

$$\frac{\text{Total No. of C1PD} + \text{C2PD} + \text{C3PD}}{\text{No. of hours worked}} \times 1,000,000$$