

SOCIAL RESPONSIBILITY

CONTINUED

Keller uses the accident frequency rate (AFR) and accident incident rate (AIR) to track the safety performance of its businesses, where AFR is the number of accidents per 100,000 hours worked and AIR is the number of accidents per 100,000 employees and where 'accidents' comprise fatalities, major injuries (as defined by the Health & Safety Executive in the UK) and injuries involving more than three days' absence. The AFRs and AIRs for 2008 in the table above show that all our businesses improved their safety performance year on year.

Comparisons with industry standards

US

The common safety measure used in the US construction industry is the experience modification rating (EMR). A low score indicates a good safety record. In 2008, the EMR for the US foundation contracting businesses fell back slightly to 0.66 (2007: 0.57), but still compares well with the industry standard rating of 1.00.

Below
Creating a cut off wall within the levee around Lake Okeechobee in Florida, US.



Changes in the annual Accident Frequency Rate (AFR) and Accident Incident Rate (AIR)

	2008		2007	
	AFR	AIR	AFR	AIR
US	0.42	830	0.53	1,029
CEMEA	1.04	2,489	1.72	3,548
UK	0.60	1,192	1.07	2,140
Australia	1.23	2,688	1.40	3,061

Excludes HJ, for which we do not have full 2007 data.

An alternative safety measure used in the US is the total Recordable Injury Rate (RIR). The 2008 RIRs for our US businesses are shown opposite, alongside the industry average for 2007 (the most recent) published by the Bureau of Labor Statistics. All our US businesses have a lower (better) RIR than the most recently published industry average.

CEMEA

Finding relevant industry average statistics for the territories in which CEMEA operates is difficult, given the lack of published information. The most recent relevant data published by EuroStat shows an EU-average rate of over-3-day injuries per 100,000 workers across the construction industry of 6,069 for 2005. The 2005 rates (and 2008 in yellow) of our European business units are shown opposite.

Australia

In Australia, the closest available industry comparator is the construction industry Incident Rate published by the National Occupational Health & Safety Commission. The preliminary rate for 2006/07, the most recent available, is 2,210. This rate only reflects occurrences resulting in absence of one week or more, whereas the 2008 AIR for Keller Australia of 2,688 reflects a broader category of incidents.

UK

The 2008 average AIR for members of the Federation of Piling Specialists, the most appropriate comparator group for our UK business, was 1,308 indicating that Keller UK's safety performance in 2008, based on an AIR of 1,192, was better than the average for its sector of the industry. In fact, the number of reportable accidents in Keller UK was the lowest since 2004, when the company had only 60% of its current workforce.



Above
Senior managers enjoy a Thames boat trip at the end of the 2007/08 Strategic Development Programme in London, UK.



Above
Dynamic compaction works for the Biglow Canyon Wind Farm in Oregon, US.

Being a responsible employer

As a Group, we try to provide fair employment opportunity to all irrespective of gender, creed, ethnic origin, nationality, sexual orientation, age or disability, whilst not offending, or being insensitive to, the traditions and cultures of countries in which we operate. We believe in treating all employees with dignity and respect and do not tolerate any form of harassment, discrimination or bullying. We are committed to advancement based on merit and the importance of providing training and development opportunities to enable employees to increase their contribution to the Group.

Businesses within the Group communicate regularly with all their employees using a number of forums and media channels. These include company newsletters, consultative councils, suggestion schemes, electronic messaging as well as informal, company-wide social events. We encourage a two-way dialogue with all employees, and provide channels for feedback and comment on the Group's activities.

All companies in the Group undertake a wide range of technical training, such as the 'Drivers' Licence' qualification for equipment operators and the Keller Academy for the training of young engineers in Europe.

The Group also undertakes significant non-technical management training using different management development programmes, including learning modules for local managers, strategic development programmes and executive programmes for the senior management teams.

In the UK, an employee satisfaction survey in 2008 received a positive response, both in terms of the return rate and an overall 84% satisfaction rating. The survey did highlight some areas for improvement, most notably in terms of communication and utilising employees' skills, and steps have been taken to address these areas.

Protecting our environment

Environmental management is an essential part of our approach to good business management, particularly as the Group's construction-related activities can have direct environmental impacts. Costs of

waste disposal, energy and construction materials are expected to continue to increase over the long term, so managing our environmental inputs and outputs is also integral to reducing site operational costs and increasing efficiency.

Developing a Group environmental programme

In the second half of 2008 we set out to define an environmental programme for the Group as a whole: one which is broad enough to recognise the diversity of drivers for, and benefits of, environmental management across the Group's businesses; flexible enough to enable businesses to adapt it to reflect local conditions; and yet structured enough to drive real, measurable improvement. The following three goals were identified:

1. Enhancing operational efficiency by better managing our environmental impacts.
2. Ensuring environmental compliance.
3. Meeting our customers' needs for environmental solutions.

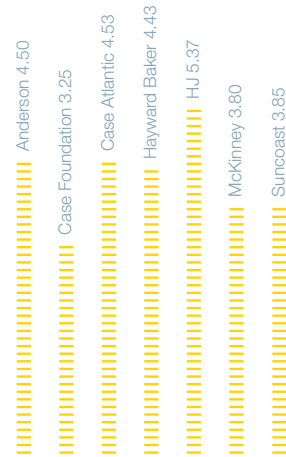
Workshops were held with Keller businesses to discuss their current environmental management practices and to consult with them on the draft environmental programme. In addition, a sample of operational sites were visited to assess their current regulatory compliance status and to help inform the development of the programme.

As a result of these workshops, the following Group-wide objectives for 2009 were defined:

1. Develop an energy reduction plan.
2. Provide environmental awareness training.
3. Appoint environmental champions.
4. Communicate how we meet our customers' environmental needs.
5. Implement an environmental compliance programme.

Beneath these will sit business-specific targets designed to meet the Group-wide objectives.

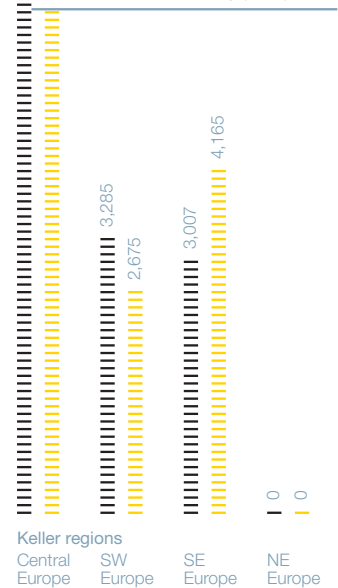
US industry average 5.7*



Business RIR to industry average

*Category: construction – special trade contractors.

EU average across the construction industry (2005) 6,069



3-day injuries per 100,000 workers

■ 2005 ■ 2008
Keller rates include 3-day injuries, other major injuries and fatalities.

SOCIAL RESPONSIBILITY

CONTINUED



Above and right

Installation of ground anchors to stabilise the slopes of the A2 road embankment, between Vienna and Graz, Austria.

In 2009, we are putting in place the organisation and systems that will enable us to measure our progress towards these objectives. At the end of 2009 we will report on the extent to which the business-specific targets have been met.

In addition, we shall be reviewing how we measure our equipment fleet fuel efficiency and sharing best practice in fuel efficiency management.

Many of our businesses offer our customers a choice between traditional foundations and more sustainable alternatives. In 2009 we will be developing ways of providing customers with objective data on the relative environmental impacts of alternative techniques, to enable customers to more easily factor this into their purchasing decisions.

We are also looking into a number of other ways of reducing the amount of carbon content in our foundations solutions – such as increasing the proportion of recycled materials used and increasing our use of locally sourced materials.

Products and services with environmental benefits

In addition to trying to reduce their own operational environmental impacts, our businesses offer a variety of techniques and



services which can help their customers to meet their environmental needs. These can be grouped in the following three categories:

Environmental benefits of Keller products and services

Keller businesses have started to better quantify the impacts of their products and services and to communicate these to clients. Examples 1-4 below illustrate this.

Example 1

In France, Keller was able to demonstrate the energy efficiency of its stone column system, relative to traditional foundation methods. This energy efficiency, and the fact that stone columns can be easily and cheaply removed or re-used, was important to Keller's client, Areva, who wished to reduce the environmental impacts arising from the construction of its new uranium energy facility and to assess the whole life costs, including decommissioning, of the project.

Example 2 – Interest in BREEAM scores for Keller's products in the UK

Keller UK has been able to assist customers wanting to take into account the Building Research Establishment Environmental Assessment Method (BREEAM) score of particular technologies when making purchasing decisions (including re-use of piles and low-CO₂ rated technologies).

Example 3 – Interest in LEED scores for Keller's products in the US

Some of our US businesses are able to support their customers in meeting the requirements of the Leadership in Energy and Environmental Design (LEED) certification programme in the following three areas: recycled material content, use of regional materials (distance travelled to the project site) and use of timber from certified sources.

Example 4 – Assessing the life cycle impacts of Keller's products

In Europe, we have commissioned a study into the relative environmental impacts of four of Keller's main ground engineering techniques. This study produced a life cycle assessment tool that Group companies can use to identify opportunities for reducing impacts.

Products enhancing the natural environment

Some Keller products are designed specifically to improve ground environmental conditions. These can help Keller customers meet their wider needs in relation to the developing environmental agenda.

Example 1 – Dam remediation/flood protection

Group businesses are involved in a variety of dam remediation and flood protection schemes, where our works have included improving the core sealing of river dykes to reduce their permeability and increasing the height of dykes to improve their overall stability.

Example 2 – Slope stabilisation and protection

Keller businesses provide solutions, including soil nails and anchors, to stabilise slopes and embankments, to preserve the natural environment.

Example 3 – Permeable reactive barriers

Keller businesses can provide permeable reactive barriers, installed below ground to intercept migrating plumes of contaminants.

Products for the environmental management and renewable energy sectors

Keller ground improvement products and services are being supplied to renewable energy sectors, including wind energy and biofuel companies, so are enabling the development of third parties' environmentally beneficial technologies.

Our marketplace and relationships with industry colleagues

Group companies take a leadership role within their industry by providing employees, customers, suppliers and potential employees with technical papers, seminars, field trips and site visits. Staff from companies throughout the Group maintain close contact with certain universities in order to share best practice and provide examples of their leading edge engineering.

For example, in November, around 400 engineers and students attended a conference in Warsaw at which our managers gave presentations on a number of Keller techniques, followed by visits to two sites – the Warsaw National Stadium and the new Warsaw Ring Road – where these techniques could be seen in action.

Many of our senior managers take a leading role in the geotechnical construction industry's professional associations and activities around the world, getting involved in writing building codes, specifications, guidelines, and industry-wide safety initiatives. For example, management at Anderson recently contributed to the Colorado Crane Task Force which has drafted a white paper on the safe operation of mobile cranes.

Community relations

Companies within the Keller Group often play an important role in their communities. While much of our work is undertaken in remote areas, away from local populations, our companies support their employees when they engage with community groups and local charities. This brings direct benefits to the business, in terms of employee satisfaction and development, as well as to the communities with which they work.

Below and left
Visit for engineers and students to the site of the new Warsaw National Stadium in Poland.

