Building solutions for a better future

afs | Bradford | CEMINTEL | GYPROCK | hebel | HIMMEL INTERIOR SYSTEMS

Monier ROOFING | martini | PGH BRICKS & PAVERS | POTTER INTERIOR SYSTEMS | wi

CSR

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ABOUT CSR

CSR is a building products company operating in Australia and New Zealand.

Formed in 1855 CSR is the company behind some of Australia's most trusted and well-known building products brands, and now has a distribution network across Australia and New Zealand.

CSR's range of building products and systems serve a range of building and construction segments backed by technical expertise across building technology, compliance, energy efficiency and architectural design.

CSR also generates additional earnings from its property division typically from the sale of former operating sites, and through its interest in the Tomago aluminium smelter.

CSR services more than 17,000 customers through 29 manufacturing sites and over 100 branded outlets and distribution centres across Australia and New Zealand with a team of approximately 2,800 employees.

HIGHLIGHTS FOR THE YEAR ENDED MARCH 2024 (YEM24)

$2.6b
CSR Group Revenue

$332m
CSR Group EBIT[1]

$240m
Net profit after tax[1]

50.5 cents
Earnings per share[1]

$294m
Building Products EBIT[1]

15.5%
Building Products EBIT margin

2,800
CSR employees

17,000+
Customers across Australia and NZ

[1] Before significant items

CSR Limited ABN 90 000 001 276

FINANCIAL OVERVIEW

Net profit after tax (before significant items) of $240 million, up 7% which reflects strong operational performance and continued cost management

FIVE YEAR PERFORMANCE SUMMARY Year ended 31 March ($million) unless stated	2024	2023	2022	2021	2020
Operating results					
Trading revenue	**2,625.1**	2,613.3	2,311.6	2,122.4	2,212.5
Earnings before interest and tax (EBIT)					
Building Products	**294.2**	273.4	228.2	184.3	170.5
Property	**91.1**	71.7	46.9	54.2	(1.5)
Aluminium	**(29.4)**	8.0	39.7	23.4	59.6
Segment total	**355.9**	353.1	314.8	261.9	228.6
Corporate and restructuring and provisions[1]	**(23.7)**	(23.4)	(23.4)	(24.0)	(11.8)
CSR EBIT	**332.2**	329.7	291.4	237.9	216.8
Statutory net profit after tax	**231.0**	218.5	270.6	146.1	125.3
Net profit after tax (before significant items)	**240.4**	225.0	192.6	160.4	134.8
Financial position					
Total equity	**1,299.9**	1,176.6	949.4	1,157.8	1,125.5
Total assets	**2,223.7**	2,231.1	2,447.0	2,176.8	2,404.5
Net cash	**138.1**	131.6	177.7	250.8	94.8
Key data per share					
Earnings before significant items (cents)	**50.5**	46.9	39.7	33.1	27.3
Earnings after significant items (cents)	**48.5**	45.5	55.8	30.1	25.4
Dividend ordinary (cents)	**15.0**	36.5	31.5	23.0	10.0
Dividend special (cents)	**–**	–	–	13.5	4.0
Payout ratio on ordinary dividends (%)	**29.7**	77.8	79.4	69.5	36.6
Key measures					
EBIT margin (EBIT/trading revenue) (%)	**12.7**	12.6	12.6	11.2	9.8
Return on funds employed (ROFE) (%)[2]	**26.7**	28.9	27.3	21.1	17.8
Employees (number of people employed)	**2,846**	2,785	2,573	2,538	2,823

1 Represents unallocated overhead expenditure and other revenues.
2 ROFE is calculated as EBIT before significant items for the 12 months to 31 March divided by average funds employed which excludes cash, tax balances and certain other non-trading assets and liabilities as at 31 March. A reconciliation of funds employed to net assets is contained in note 2 to the financial statements.

OPERATING AND FINANCIAL REVIEW

Group EBIT before significant items of $332.2 million, up 1% with improved earnings from Building Products and Property

Trading revenue of $2.6 billion for the year ended 31 March 2024 (YEM24), in line with prior year.

Earnings before interest and tax (EBIT before significant items) of $332.2 million, up 1%, included the following results:

- **Building Products:** EBIT of $294.2 million, up 8% reflecting strategy execution with price discipline to recover higher input costs as well as improved factory efficiency and operational performance.
- **Property:** EBIT of $91.1 million, up from $71.7 million following the settlement of two contracted Horsley Park, NSW sales.
- **Aluminium:** EBIT loss of $29.4 million, down from a profit of $8.0 million, with significantly higher energy and coal pass-through costs.

Statutory net profit after tax of $231.0 million, up from $218.5 million.

Earnings per share (before significant items) of 50.5 cents, up 8%.

Total dividends for the year of 15 cents per share represent the interim dividend paid. Given the proposed acquisition of CSR by Compagnie de Saint-Gobain by way of scheme of arrangement (Scheme), as announced to the ASX on 26 February 2024, the CSR board has not declared a final dividend. Please refer to the Scheme Booklet released to the ASX on 26 April 2024 for further information in relation to the Scheme.

A$m unless stated[1]	2024	2023	change
Trading revenue	**2,625.1**	**2,613.3**	0%
EBIT			
Building Products	294.2	273.4	8%
Property	91.1	71.7	27%
Aluminium	(29.4)	8.0	n/m
Corporate (including restructure and provisions)	(23.7)	(23.4)	(1%)
Group EBIT	**332.2**	**329.7**	1%
Net finance costs	(7.2)	(14.7)	
Tax expense	(91.2)	(90.3)	
Non-controlling interests	6.6	0.3	
Net profit after tax before significant items[1]	**240.4**	**225.0**	7%
Significant items after tax	(9.4)	(6.5)	
Statutory net profit after tax	**231.0**	**218.5**	6%

1 All references are before significant items unless stated. These are non-IFRS measures and are used internally by management to assess the performance of the business and have been extracted or derived from CSR's financial statements for the year ended 31 March 2024 (YEM24). All comparisons are to the year ended 31 March 2023 (YEM23) unless otherwise stated.

Net profit after tax (before significant items) of $240.4 million for the year ended 31 March 2024, up 7% following an increase in earnings from Building Products and Property.

Statutory net profit after tax of $231.0 million includes significant items expense after tax of $9.4 million.

Tax expense of $91.2 million (before significant items) was up from $90.3 million due to higher pre-tax profits. CSR's effective tax rate for the year (before significant items) was 28%, down from 29% due to a higher proportion of profits from associates.

Cash flow from operating activities of $280.7 million were up from $113.8 million due to higher operating cash flows.

Capital expenditure (excluding Property and acquisitions) was $138.6 million up from $84.5 million as the environment to execute on capital projects has improved. Total capital expenditure during the year comprised $60.9 million in development and $77.7 million in operating spend. The staged $65 million Martini Villawood commercial interiors' capacity and site expansion was progressed, and an adjacent site at Wetherill Park, NSW as well as a property in Queanbeyan, NSW were acquired.

Net cash of $138.1 million increased from the net cash position of $131.6 million and included the Woven Image acquisition of $42.5 million (net of cash acquired).

Product liability – As at 31 March 2024, the asbestos provision fell to $183.3 million from $193.4 million as at 31 March 2023. This provision included a prudential margin of $34.1 million. CSR paid asbestos related claims of $18.9 million (including legal costs) compared to $25.3 million in the prior year.

STRATEGY

Building solutions for a better future

CSR's purpose is "Building solutions for a better future" for customers by investing in new building systems to reduce construction time and deliver better energy efficiency, comfort, and design and for CSR's people and the environment by creating a safe, diverse and sustainable place to work and grow.

CSR's strategy is focused on providing a platform for growth and resilience to deliver improved performance through the cycle. In 2020 the organisational structure was streamlined and aligned to the strategy, with the central customer solutions and logistics teams formed, together with the establishment of CSR's transformation function to govern delivery of the strategy. This has been a key enabler to drive two of the key focus areas of CSR's strategy.

Providing **complete customer solutions** through:

- provision of technical support through digital tools (e.g. Thermal Calculator, Gyprock's Red Book, System Selector) and centralisation of CSR technical expertise including CSR's Design-Link team;
- streamlined interactions that deliver value for customers and CSR through investment in customer relationship management systems across the sales function and alignment of marketing strategies across key end market segments (e.g. detached residential, alterations and additions, social and infrastructure);
- identification of more large and complex project opportunities and driving a consistent CSR customer experience through CSR's digital Project Tracking system; and
- providing complete solutions to customers leveraging CSR's product suite.

Building an **optimised supply chain network and centralised logistics** capability that provides scale benefits and improves efficiency and customer service, including:

- delivery of an Integrated Business Planning platform and centralised team;
- roll-out of the Transport Management System supported by a centralised transport capability;
- delivery of transport optimisation projects to leverage group scale to procure, plan and execute transport;
- development of network strategies to incorporate long term planning across the network for manufacturing and distribution efficiency; and
- completion of master planning for plants and distribution sites and implementing leading warehouse optimisation practices.

BUILDING PRODUCTS

Building Products earnings grew 8% reflecting price, cost and operational discipline

A$m unless stated[1]	2024	2023	change
Revenue	**1,893.7**	1,833.0	3%
EBIT	**294.2**	273.4	8%
Funds employed[2]	1,064.1	938.2	13%
EBIT/revenue	15.5%	14.9%	
Return on funds employed[3]	29.4%	30.9%	

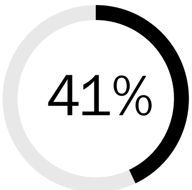
1 Before significant items.
2 Excludes cash and tax balances and certain other non-trading assets and liabilities as at 31 March. A reconciliation of funds employed is included in note 2 in the financial report.
3 Based on EBIT (before significant items) for the 12 months to 31 March divided by average funds employed.

Trading revenue from Building Products was $1,893.7 million, up 3% on the prior year driven largely by price discipline to recover input costs.

Building Products earnings of $294.2 million were up 8% reflecting strategy execution, disciplined cost management as well as improved factory efficiency and operational performance.

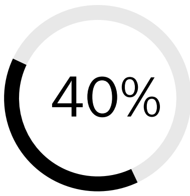
EBIT margin of 15.5% was up from 14.9% and reflects the strategic work to deliver improved margin performance through the cycle. Return on funds employed of 29.4% decreased from 30.9%.

INTERIOR SYSTEMS



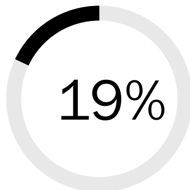
- YEM24 revenue of $773m, 7% above the previous year.
- Gyprock generated strong revenue and earnings growth which reflects the strength of the brand, its market position as well as price increases to offset higher production and distribution costs. This resulted in an improved margin which also demonstrates the continued focus on operational efficiency and cost discipline.
- Strategic goals were achieved with the Gyprock Wetherill Park upgrade now operational, the Gyprock Coopers Plains investment underway, and enhanced customer experiences at Gyprock Trade Centres.
- Commercial fit out earnings grew, represented by Himmel, Potters, Martini, and Woven Image. This reflects both increased market share in acoustic systems and the benefits of CSR's project tracking initiative. It also demonstrates CSR's strategy to diversify end market exposures to improve performance through the cycle.

MASONRY & INSULATION



- YEM24 revenue $768m, down 1% on the previous year.
- Revenue was marginally lower notwithstanding the solid operational performance across the product suite with a focus on safety, productivity, quality, and cost management.
- Bradford delivered earnings and margin growth through price, strong operational performance, and improved customer service.
- Bradford Brendale capacity upgrade project was completed, and low margin energy business exited.
- Monier performance was steady after normalising for the cost associated with the pending closure of the Rosehill, NSW manufacturing site.
- PGH bricks business was impacted by lower demand and higher energy costs. Following busy production years, a more comprehensive brick factory maintenance program was undertaken with a planned longer shut down period to also manage inventory.

CONSTRUCTION SYSTEMS



- YEM24 revenue $353m, 6% above the previous year.
- Hebel delivered solid volume, revenue and earnings performance with market and category share gains.
- To take advantage of this market penetration, an extra shift was added at the Hebel, Somersby NSW factory to make it a 5-day, 24-hour operation.
- AFS margins improved with price increases, factory efficiencies and procurement benefits contributing to the positive outcome.
- Cemintel performance was slightly down on the prior year due to lower volumes.

PROPERTY

Property earnings and strong cash flow contribution

A$m unless stated[1]	2024	2023	change
EBIT	91.1	71.7	27%
Funds employed[2]	109.8	153.1	(28%)
Return on funds employed[3]	69.3%	44.9%	

1 Before significant items.
2 Excludes cash and tax balances and certain other non-trading assets and liabilities as at 31 March. A reconciliation of funds employed is included in note 2 in the financial report.
3 Based on EBIT (before significant items) for the 12 months to 31 March divided by average funds employed.

Property delivered EBIT of $91.1 million compared to $71.7 million in the previous year. Property generated strong cash flows with a net contribution of $142 million including proceeds of $177 million which primarily related to the settlement of the penultimate stages 3A and 3B at Horsley Park, NSW. The final Horsley Park tranche Stage 3C remains on track.

ALUMINIUM

Earnings impacted by cost volatility

A$m unless stated[1]	2024	2023	change
Sales (tonnes)	**209,923**	212,649	(1%)
A$ realised price[2]	3,484	3,670	(5%)
Revenue	**731.4**	780.3	(6%)
EBIT	**(29.4)**	8.0	n/m
Funds employed[3]	138.9	163.3	(15%)
EBIT/revenue	(4.0%)	1.0%	
Return on funds employed[4]	(19.5%)	5.6%	

1 Before significant items.
2 Realised price in A$ per tonne (including hedging, premiums, value added product and spot sales).
3 Excludes cash and tax balances and certain other non-trading assets and liabilities as at 31 March. A reconciliation of funds employed is included in note 2 in the financial report.
4 Based on EBIT (before significant items) for the 12 months to 31 March divided by average funds employed.

The realised aluminium price in Australian dollars (including hedging and premiums) of A$3,484 was down 5% following a decrease in the A$ aluminium price.

Gove Aluminium Finance (GAF – 70% CSR) sales volumes of 209,923 tonnes were down 1% from the previous year. Trading revenue of $731.4 million was down 6% due to lower LME aluminium prices.

The Australian dollar averaged 66 US cents compared to 69 US cents in the prior year, while the average MJP ingot premium for the year was US$110 per tonne, compared to US$121 per tonne in the prior year (Platts Metals Week – Main Japanese Port ingot premium).

EBIT loss of ($29.4) million due to significantly higher energy and coal pass-through costs. While the loss was within the estimated range provided at the half year, it was down from a profit of $8 million in the previous year (which included a $13 million net RERT[1] payment).

[1] Reliability and Emergency Reserve Trader payment for power disruption to support national energy market stability

BOARD OF DIRECTORS

The Board of Directors are responsible for and oversee the governance, culture and management of CSR. CSR's shareholders approve the appointment of Directors and hold them accountable for the performance of the Company.

JOHN GILLAM
BCom, MAICD, FAIM
Chair of the board since June 2018, non-executive director since December 2017

Other current CSR responsibilities: Member of the Remuneration & Human Resources Committee and the Safety & Sustainability Committee.

Experience and expertise: John joined Wesfarmers Limited in 1997 and held a number of senior leadership roles in the company over 20 years, including CEO of the Bunnings Group from 2004 to 2016, Managing Director of CSBP from 2002 to 2004 and Chairman of Officeworks from 2007 to 2016.

Other directorships/offices held:

- Chairman of Nufarm Limited (2020 to current)
- Chairman of BlueFit Pty Limited (2018 to current)
- Chairman of VetPartners (2024 to current)
- Director of Clontarf Foundation (2017 to current)

JULIE COATES
BA, DipE, MAICD
Managing Director and CEO since September 2019

Other current CSR responsibilities: Attends committee meetings by invitation.

Experience and expertise: Julie was formerly the managing director of Goodman Fielder Australia and Goodman Fielder New Zealand. Julie has also held several senior roles at Woolworths Limited, including managing director of Big W, chief logistics officer and human resources director, working closely on business strategy and major transformational change programs. Julie has proven leadership skills, a strong understanding of manufacturing, safety and operational processes and deep experience in supply chain efficiency, optimisation and digitisation.

Other directorships/offices held:

None

CHRISTINA (CHRISTY) BOYCE
BEcon, MBA (Kellogg), GAICD
Non-executive director since March 2023

Other current CSR responsibilities: Member of the Remuneration & Human Resources Committee and the Safety & Sustainability Committee.

Experience and expertise: Christy was formerly a Director (Senior Partner) of Port Jackson Partners and a Partner at McKinsey & Co, working in the firm's Sydney, New York and Chicago offices. Christy has over 25 years of strategy advisory experience in both Australia and the United States. She has led strategic transformation programs with a range of multinational and Australian-based corporates, working with senior leadership to redefine their business models, strengthen their value propositions and rejuvenate their sales and marketing.

Other directorships/offices held:

- Non-executive director of JB Hi-Fi Limited (September 2023 to current)
- Chair of SCEGGS Darlinghurst Trust (Director since 2018 and Chair since April 2023 to current)
- Non-executive director of BAI Australia (July 2023 to current)
- Non-executive director of EMM Consulting (July 2023 to current)

NIGEL GARRARD
BEcon, CA, MAICD
Non-executive director since
December 2020

Other current CSR responsibilities: Chair of the Safety & Sustainability Committee and member of the Risk & Audit Committee.

Experience and expertise: Nigel was formerly managing director and CEO of leading packaging manufacturing company Orora Limited from 2013 to 2019. Nigel has also held a number of senior positions in a range of manufacturing industries including managing director/president of Amcor Australasia & Packaging Distribution, managing director Coca-Cola Amatil Food & Services Division and managing director of the then listed SPC Ardmona.

Other directorships/offices held:

- Chairman of Ansell Limited (Director since March 2020 and Chair since October 2023 to current)
- Deputy Chairman and Non-executive director of ALS Limited (Director since June 2023 and Deputy Chairman since February 2024 to current)
- Chairman of McMahon Services Aust. Group advisory board (2019 to current)
- Chairman of Flinders Port Holdings Limited (2021 to current)
- Director of Detmold Group advisory board (2020 to current)

ADAM TINDALL
BEng (Hons), Cert App Fin, FAICD
Non-executive director since
January 2023

Other CSR current responsibilities: Chair of the Remuneration & Human Resources Committee and Member of the Risk & Audit Committee.

Experience and expertise: Adam was formerly chief executive officer AMP Capital from 2015 to 2020 leading a global team overseeing funds across a range of investment asset classes. Adam's prior roles at AMP Capital included Director and Chief Investment Officer for Property, managing a $19 billion portfolio of real estate and development investments. Prior to 2009, Adam held senior leadership roles at Macquarie Capital and Lendlease. Adam has 35 years of industry experience in investment management, real estate and infrastructure.

Other directorships/offices held:

- Non-executive director of Stockland Corporation Limited (2021 to current)
- Previously a non-executive director of Bennelong Funds Management Ltd and Bennelong Funds Management Group Pty Ltd (2021 to 2023)

PENNY WINN
BCom, MBA, GAICD
Non-executive director since
November 2015

Other CSR current responsibilities: Chair of the Risk & Audit Committee and member of the Remuneration & Human Resources Committee.

Experience and expertise: Penny was formerly director Group Retail Services with Woolworths responsible for leading the Logistics and Information Technology divisions and the Customer Engagement teams, a position held until October 2015. Penny has over 30 years of experience in retail in senior management roles in Australia and overseas.

Other directorships/offices held:

- Non-executive director of Ampol Limited, previously Caltex Australia Limited (2015 to current)
- Non-executive director of Super Retail Group Limited (December 2023 to current)
- Board member of the ANU Foundation (2020 to current)
- Previously a non-executive director of Coca-Cola Amatil Limited (2019 to 2021)
- Previously a non-executive director of Goodman Limited and Goodman Funds Management Limited (2018 to 2021)
- Previously a non-executive director of Z Energy Limited, a wholly owned NZ subsidiary of Ampol Limited (2022 to 2023)

CORPORATE GOVERNANCE STATEMENT

Corporate Governance is the framework of rules, relationships, systems and processes by which CSR is directed and managed. It underpins the company's values and behaviours, the way we conduct business and provides clear guidance for effective decision making in all areas through:

- the role of the board of directors and their accountability to shareholders for the operations, financial performance and growth of the company;
- strategic and operational planning;
- ethical business practices and high standards of personal conduct;
- effective risk management and compliance; and
- constructive engagement with stakeholders.

This Corporate Governance Statement is current as at 15 May 2024 and has been approved by the board.

CSR actively reviews Australian and international developments in corporate governance and considers the views of shareholders, regulators and other stakeholders. The CSR board adopts those arrangements which it considers are in the best interests of CSR and its shareholders.

The directors of CSR are committed to ensuring that the company maintains an effective system of corporate governance as it is an integral part of the culture and business practices of the CSR group.

Throughout the reporting period, being 1 April 2023 through to 31 March 2024, CSR complied with the recommendations contained in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) (ASX CGC Principles).

Charters and policies referred to in this corporate governance statement are available on CSR's website in the 'Investors and News' section under **Corporate Governance**.

THE BOARD

The board strives to build sustainable value for shareholders whilst protecting the assets and reputation of the company.

CSR's Constitution sets out the provisions that govern the management of the company and can only be amended by special resolution of shareholders. Under the constitution, shareholders elect directors, whose function is to represent shareholders and to act in the best interests of the company.

Role of the board

The board has adopted a formal board charter, available on CSR's website on the **Corporate Governance** page which establishes those matters reserved for the board and authority delegated to management. The board's functions, as summarised in the board charter, include:

- approving CSR strategies, budgets, plans and policies;
- assessing performance against business plans to monitor both the performance of management as well as the continuing suitability of business strategies;
- reviewing operating information to understand the current status of the company;
- considering management recommendations on proposed acquisitions, divestments and significant capital expenditure;
- considering management recommendations on capital management, the issue or allotment of equity, borrowings and other financing proposals, guarantees of non-group liabilities, and restructures;
- ensuring that the company operates an appropriate corporate governance structure and culture, in particular ensuring that CSR acts legally and responsibly on all matters and that the highest ethical standards are maintained;
- approving CSR's risk framework and appetite, as well as CSR's risk management strategy and monitoring whether the company is operating within that framework and appetite;
- considering the social, ethical and environmental impact of CSR's activities and monitoring compliance with CSR's sustainability policies and practices;
- ensuring that the company's governance processes, in particular, the remuneration and other reward structures, align with the company's values and risk appetite;
- maintaining a constructive and ongoing relationship with the Australian Securities Exchange (ASX) and regulators, and approving policies regarding disclosure and communications with the market and shareholders; and
- monitoring internal governance including delegated authorities, and monitoring resources available to senior executives.

Appointment and election of directors

CSR undertakes a rigorous process when selecting new directors and is committed to bringing together the best possible combination of individuals so it can serve shareholders and customers now and into the future.

The company aims to have a board which, as a whole, has the range of skills, knowledge, background and experience to govern CSR, made up of individuals of high integrity, with sound commercial judgement, inquiring minds and the ability to work cohesively with other directors. When considering director candidates, CSR seeks a combination of former chief executives and individuals experienced in manufacturing, finance, the law and, ideally, the industries in which CSR participates as well as the areas in which it hopes to grow. CSR undertakes background checks on prospective candidates, covering the candidate's character, experience, education, criminal record and bankruptcy history.

External consultants are engaged, where appropriate, to advise on potential appointees. The potential appointees must have a strong reputation and high ethical standards. Prospective directors are required to confirm that they will have sufficient time to meet their obligations and that they will keep the company informed of their other commitments.

Non-executive directors are subject to re-election by rotation at least every three years. Newly appointed directors must seek election at the first general meeting of shareholders following their appointment. The relevant notice of meeting contains all material information for shareholders in relation to the election or re-election of a director.

Directors' independence

The board believe that director independence contributes to good governance and delivers superior outcomes for all our stakeholders by encouraging the constructive challenging of management. The board's framework for determining director independence is included in the board charter and operates in accordance with the considerations set out in the ASX CGC Principles.

At all times throughout YEM24, the board comprised a majority of independent directors. Each of the non-executive directors, including the chair, has been determined by the board to be independent of CSR and its management, having no current material business or other relationships that could compromise his or her autonomy as a director.

Any past or present relationship with the company is examined carefully to assess the likely impact on a director's ability to be objective and exercise independent judgement. Directors are required to disclose, on an ongoing basis, circumstances that may affect their ability to exercise independent judgement enabling the board to determine independence on a regular basis. The length of tenure of each director is set out below.

Table 1: Director tenure

Director	Date appointed	Date last re-elected
John Gillam (chair of the board)	December 2017	2021 Annual Meeting
Julie Coates (managing director)	September 2019	2020 Annual Meeting
Christina Boyce	March 2023	2023 Annual Meeting
Nigel Garrard	December 2020	2021 Annual Meeting
Adam Tindall	January 2023	2023 Annual Meeting
Penny Winn	November 2015	2021 Annual Meeting

The board charter states that non-executive directors will not seek re-election after serving for ten years.

Director letters of appointment

Letters of appointment are prepared for non-executive directors covering duties, time commitments, induction, company policies and corporate governance.

The managing director's responsibilities and terms of employment, including termination entitlements, are set out in a formal executive service agreement. A summary of the main elements and terms of the managing director service agreement is set out in the Remuneration Report and is disclosed to the ASX when the managing director is appointed.

Directors' induction, education and access to information

The board strives to ensure that directors and key executives have the knowledge and information needed to operate effectively.

The chair briefs new directors on their roles and responsibilities. New directors receive a comprehensive information pack as part of this induction, as well as briefings from management and visits to key operating sites to assist them to rapidly understand CSR's businesses, strategic direction and associated material risks.

Time is allocated at board and committee meetings for continuing education on significant issues facing the company and changes to the regulatory environment.

To help directors maintain their understanding of the businesses and to assess the people managing them, directors are briefed regularly by members of the senior management team. Directors also have access to a wide range of employees at all levels during inspections of operations and in other meetings.

Directors receive a comprehensive monthly business performance report regardless of whether a board meeting is scheduled. Directors have unrestricted access to company records and information.

Directors may obtain independent professional advice, at CSR's expense, on matters arising in the course of their board and committee duties, after obtaining the chair's approval. The board charter requires that all directors be provided with a copy of such advice and be notified if the chair's approval is withheld.

The board appoints and removes the company secretary. The company secretary acts as secretary to the board and all the board committees. All directors have direct access to the company secretary who is accountable to the managing director and, through the chair, to the board, on all governance matters.

The work of directors

In addition to attending board and committee meetings, non-executive directors allocate time for, amongst other things, strategy and budget sessions, preparing for meetings and inspecting operations.

The chair commits additional time and meets regularly with the managing director to review business and strategic issues and to agree board meeting agendas. The directors usually meet with no management present at the commencement of board meetings and on other occasions as required. Non-executive directors also meet without the managing director present where it is appropriate to do so.

Except where the directors need to meet privately, the company secretary and chief financial officer attend all board meetings. Other members of management, such as business unit executive general managers, or other functional managers also attend board meetings by invitation, where appropriate. The board also invites external experts to present to it on key matters, where appropriate.

The directors regularly visit the company's operations to better understand the issues facing each of the businesses and their people. These visits are conducted either as a full board, a board committee or with one or two directors.

Each meeting of the Safety & Sustainability Committee is held at a CSR site, when it is practicable to do so, with those meetings held onsite also involving a site tour.

In addition, directors may meet customers, business partners, suppliers and other stakeholders of the company as requested by management.

Size, composition and skills of the board

The board comprises directors with an appropriate mix of skills, experience and personal attributes that allow the directors individually, and the board collectively, to:

- discharge their responsibilities and duties under the law effectively and efficiently;
- understand the suite of CSR businesses and the external environment in which CSR operates so as to be able to agree with management the objectives, goals and strategic direction to maximise shareholder value; and
- assess the performance of management in meeting those objectives and goals.

The board currently comprises five non-executive directors and one executive director. Information about directors, including their skills, experience, expertise and their period in office is set out on pages 7 to 8 and is also available on CSR's website on the **Corporate Governance** page.

The chair is appointed by the board and provides leadership to ensure that a high standard of values, processes and constructive interaction is maintained by the board. The chair represents the views of the board to shareholders and canvasses the views of stakeholders, including through the annual general meeting.

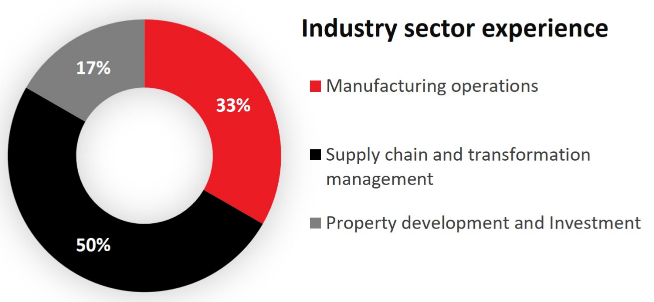
In YEM24 Matthew Quinn retired from the board on 31 May 2023, having served as a non-executive director for ten years.

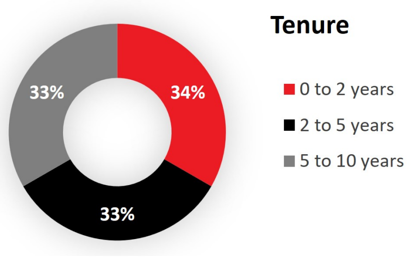
CSR has developed a matrix of required skills and experience of the board. This matrix is developed by taking into account CSR's desire to ensure a diverse range of gender, background and experience is maintained on the board at all times, and also ensuring directors are appropriately qualified.

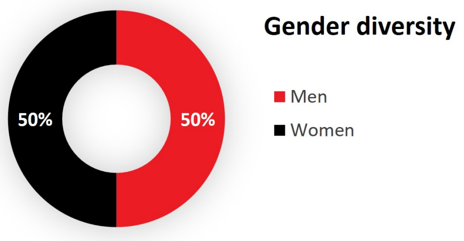
The board keeps the balance of skills, capabilities and experience of its members, as well as their independence, under review and acknowledges that these areas continually evolve. The board strives to achieve diversity in its composition as evidenced by the charts below.

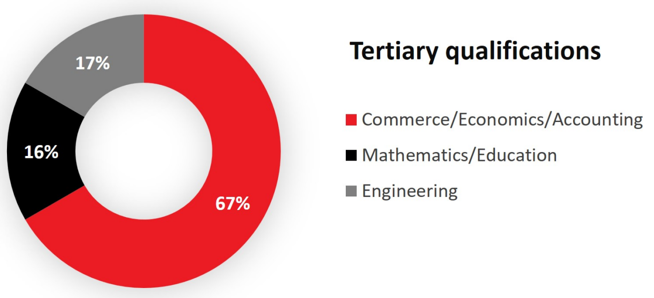
The table on the following page sets out the skills and experience the board considers essential for effective governance, including the current representation of those skills and experience on the board.

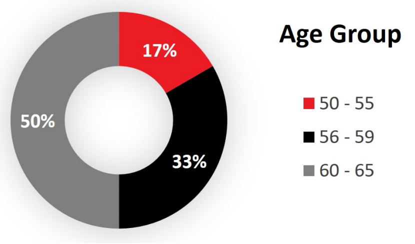
Figure 1: Board diversity











Size, composition and skills of the board (continued)

Table 2: Summary of board skills and experience

Skills	Relevant experience	Directors with skill/experience
Leadership and Governance		
Executive leadership	Sustainable success in business at a senior executive level and a proven track record of leadership to create long-term shareholder value.	5
Governance and Compliance	Commitment to the highest standards of governance, including demonstrated experience with a major organisation that is subject to rigorous corporate governance standards, and an ability to assess the effectiveness of senior management.	6
Finance and Risk		
Financial Acumen	Experience as a senior executive or equivalent experience in financial accounting and reporting, corporate finance and internal financial controls, including an ability to probe the adequacies of financial and risk controls.	5
Strategy and Transformation	Track record of developing and implementing a successful strategy, including appropriately questioning and challenging management on the delivery of agreed strategic planning objectives.	6
Risk Management	Track record in developing a business portfolio over the long term that remains resilient to systemic risk, including an ability to anticipate and identify key business risks (both financial and non-financial) and mitigation strategies, as well as monitoring the effectiveness of risk management frameworks and controls.	5
Capital Projects	Experience working in an industry with projects involving large-scale capital outlays and long-term investment horizons, with optimal digital enablement and information security.	6
Operations and Technology		
Operations and Supply Chain	Experience having led or overseen the management of complex operating assets, with a focus on business operations, end to end supply chain, the oversight of key processes, and the application of technology, including data analytics, to substantially enhance operations.	4
Health, Safety and Environment	Experience related to workplace health and safety, environmental and social responsibility, including implementing and monitoring systems to ensure safe working conditions.	5
Sustainability and Climate Change	Expertise and experience in managing and driving environmental management and social responsibility initiatives, including community concerns, carbon emissions reduction, climate change risks and the governance of these impacts, as well as human rights and responsible sourcing to create long-term sustainable value.	3
Digitisation and Innovation	Proven success creating efficient and effective business processes, products and ideas, leading to new growth platforms and competitive advantage including, experience leveraging digital platforms to unlock long-term growth opportunities and improve customer experience.	5
People		
Human Resources and Remuneration	Board remuneration committee membership or management experience in relation to remuneration, including incentive programs and relevant legislation and contractual frameworks governing remuneration.	5
Culture and People	Experience and ability to develop succession plans, develop and retain talent, oversee people management, monitor culture and improve diversity and inclusion.	5
Marketing and Customers	Senior executive experience in consumer and customer marketing and customer service delivery.	5

Dealing with conflicts of interest

The board has a process in place to ensure that conflicts of interest are managed appropriately. If a potential conflict of interest is identified the relevant director, or the board, may determine that they should not receive documents related to or take part in discussions or decisions in respect of that matter.

At all times, directors are required to keep the company secretary informed of all relevant interests and directors must advise the board immediately of any interests that could potentially conflict with those of CSR.

Performance evaluation of the board, its committees and individual directors

The performance of the board is reviewed regularly. The board undertakes a self-assessment of its collective performance and that of individual directors and its committees and seeks specific feedback from the executive management team on particular aspects of its performance.

The board establishes procedures and oversees this performance assessment program. The process may be assisted by an independent third party facilitator. The results and any action plans flowing from this assessment are documented, together with specific performance goals that are agreed for the coming year.

The performance of the managing director is reviewed, at least annually, through a formal performance appraisal process conducted by the non-executive directors.

In YEM24, planning was in place to undertake an external review of the board and its committees, with this review work paused following announcement that CSR had entered into a Scheme Implementation Deed with Compagnie de Saint-Gobain (Saint-Gobain) for the acquisition of all of the issued shares in CSR by way of a scheme of arrangement. Whilst no formal board or committee reviews were undertaken in YEM24, the directors and executive management continued to provide regular feedback to the chair in relation to the processes and operation of the board and its committees.

Board Committees

To increase its effectiveness, the board has three committees consisting of the Risk & Audit Committee, Safety & Sustainability Committee and Remuneration & Human Resources Committee.

It is the policy of the board that a majority of the members of each committee be independent directors, that all Risk & Audit Committee members be independent directors and that the Remuneration & Human Resources Committee and the Safety & Sustainability Committee be chaired by an independent director.

Each committee has a charter which includes a more detailed description of its duties, responsibilities and specific composition requirements. The charters are available on CSR's website on the **Corporate Governance** page. The Risk & Audit Committee, the Remuneration & Human Resources Committee and the Safety & Sustainability Committee each comprise at least three non-executive directors and are chaired by a director who is not the chair of the board. All committees meet at least four times per year.

The managing director attends meetings of board committees by invitation. Other members of management also attend committee meetings by invitation. All directors are welcome to attend committee meetings even though they may not be a member.

Committee papers are made available to all directors before the meetings. Minutes of committee meetings are included in the papers for the next board meeting and the chair of each committee reports to the board on matters addressed by the committee.

The specific responsibilities allocated to each committee are set out below and on the following page.

Risk & Audit Committee

The Risk & Audit Committee advises the board on all aspects of internal and external audit, the adequacy of accounting and risk management procedures, systems, controls and financial reporting. A summary of CSR's material economic, environmental and social risks is set out on pages 19 to 21 of this statement.

The members of the Risk & Audit Committee during the reporting period were:

Table 3: Risk & Audit Committee membership

Name	Membership status
Penny Winn (chair)	Member and chair for the entire period
Nigel Garrard	Member for the entire period
Adam Tindall	Member for the entire period

Each of these directors is deemed to be independent and their qualifications and experience are set out on pages 7 and 8 of the Annual Report, available on CSR's website on the **Annual Reports** page.

The external audit firm partner in charge of the CSR audit attends all Risk & Audit Committee meetings by invitation, together with the managing director, chief financial officer and relevant senior managers (also by invitation). The internal audit firm partner also attends all Risk & Audit Committee meetings by invitation.

The **Risk & Audit Committee Charter** sets out the committee's specific responsibilities, and include:

- reviewing the scope of the annual audit plans of the external auditor and internal auditor and oversight of the work performed by the auditors throughout the year;
- considering and recommending to the board significant accounting policies and material estimates and judgements in financial reports;
- reviewing and monitoring internal controls and risk management across the group, including the risk management framework and risk appetite statements;
- reviewing and recommending to the board the adoption of the company's full-year and half-year financial statements; and
- reviewing the performance and effectiveness of the internal and external auditors.

The committee is a direct link for providing the views of internal and external auditors to the board, when necessary, independently of management influence. Time is allocated for detailed questioning of the material presented and for separate sessions with each of the external auditor, internal auditor, executive general manager risk and chief financial officer.

Board Committees (continued)

Remuneration & Human Resources Committee

The Remuneration & Human Resources Committee considers independent advice on policies and practices to attract, motivate, reward and retain strong performers.

The members of the Remuneration & Human Resources Committee during the reporting period were:

Table 4: Remuneration & Human Resources Committee membership

Name	Membership status
Adam Tindall (chair)	Member for the entire period and chair from 1 June 2023
Matthew Quinn	Member and chair to 31 May 2023
Christy Boyce	Member for the entire period
John Gillam	Member for the entire period
Penny Winn	Member for the entire period

Each of these directors is deemed to be independent and their qualifications and experience are set out on pages 7 and 8 of the Annual Report, available on CSR's website on the **Annual Reports** page.

The managing director and other members of management attend meetings of the Remuneration & Human Resources Committee by invitation.

The committee's specific responsibilities are set out in the **Remuneration & Human Resources Committee Charter**, and include:

- advising the board on remuneration policies and practices;
- assessment of culture within the company;
- evaluating the performance of the managing director against pre-agreed goals;
- making recommendations to the board on remuneration for the managing director and executive managers reporting to the managing director; and
- overseeing CSR's human resources strategy, particularly succession and development planning for executive managers.

Safety and Sustainability Committee

An important part of CSR's governance commitments includes protection of its people's workplace health and safety, and protection of the environment (WHS&E). The board endorsed **WHS&E Policy** details the company's and individuals' obligations in respect of WHS&E.

The board's Safety & Sustainability Committee oversees and reports to the board on the management of the company's WHS&E responsibilities and on the company's sustainability objectives and commitments.

The members of the Safety & Sustainability Committee during the reporting period were:

Table 5: Safety & Sustainability Committee membership

Name	Membership status
Nigel Garrard (chair)	Member and chair for the entire period
Christy Boyce	Member from 1 June 2023
John Gillam	Member for the entire period
Matthew Quinn	Member until 31 May 2023

The managing director and other members of management attend meetings of the Safety & Sustainability Committee by invitation.

The committee's specific responsibilities are set out in the **Safety & Sustainability Committee Charter**, and include:

- receiving regular performance reports from management on WHS&E matters;
- monitoring the effectiveness of the WHS&E risk management framework and overseeing the risk management of WHS&E matters;
- reviewing the adequacy and effectiveness of CSR's WHS&E management systems and ensuring appropriate improvement objectives and targets are set and monitored;
- monitoring the adequacy and effectiveness of CSR's sustainability framework and mechanisms to track progress to sustainability objectives and targets; and
- monitoring potential liabilities, changes in legislation, community expectations, research findings and technological changes.

The committee conducted three meetings during YEM24 at CSR sites, with these meetings including a presentation from local management and a site tour, with one meeting held at head office.

Nominations Committee

The company's size is not considered sufficient to warrant a separate nominations committee.

The board takes on the role of the nominations committee, which includes the following functions:

- determining the appropriate size and composition of the board (in accordance with the company's constitution);
- determining the appropriate criteria (necessary and desirable skills and experience) for the appointment of directors;
- addressing board succession, including recommending the appointment and removal of directors;
- assessing the independence of each non-executive director;
- defining the terms and conditions of appointment to and retirement from the board;
- overseeing induction and continuing education programs for non-executive directors; and
- evaluating the board's performance.

Attendance at board and committee meetings during YEM24

Details of director attendance at board and board committee meetings held during the year are provided on page 25 of the Directors' Report.

SENIOR MANAGEMENT

Delegations to management

Day-to-day management of the company's affairs and the implementation of strategy and policy initiatives are formally delegated by the board to the managing director and senior executives.

The company has an executive leadership team, comprised of the managing director and direct reports. The executive team meets weekly and is responsible for:

- implementing the strategic objectives as set by the board;
- operating within the risk framework as approved by the board;
- instilling and reinforcing values as set by the board;
- all other aspects of the day-to-day management of the company; and
- ensuring timely and accurate reporting to the board and board committees.

During YEM24, steering committees continued to operate across a number of key functional areas, bringing together the executive leadership team and subject matter experts, providing an opportunity for regular cadence to drive collaboration and initiatives, enabling successful project delivery, in accordance with the strategy set by the board.

Senior executive appointments and service agreements

CSR undertakes background checks on prospective senior executives, covering the candidates' character, experience, education, criminal record and bankruptcy history.

Senior executives' responsibilities and terms of employment, including termination entitlements, are set out in a formal executive service agreement. A summary of the main elements and terms of the managing director's and chief financial officer's service agreements are set out in the Remuneration Report.

Induction of senior executives

New executives undertake a structured induction program when they join the company. This includes comprehensive briefings and information on the company's businesses, and its policies and procedures. Additionally, the program includes site visits and meetings with people in key internal and external roles in order to build the relationships necessary to meet the requirements of their roles.

As discussed further below, and in the Remuneration Report, key performance indicators are agreed with each executive to ensure goals and performance measures are fully and accurately understood and disclosed.

Performance evaluation of senior executives

CSR's performance management framework requires that a balanced scorecard of annual key performance indicators (including financial and non-financial measures) is set for each senior executive. Every half year, each senior executive discusses their performance with their manager.

At the end of the year, as part of a formal review process, each senior executive's performance is reviewed against the performance indicators. Also, each individual's performance and behaviour are internally and externally benchmarked and assessed. CSR conducted evaluations of its senior executives in accordance with this process in October 2023, as well as in March 2024.

Senior leaders are accountable for driving change to deliver on CSR's purpose and strategy, with CSR's reward strategy kept under review to align and standardise remuneration, reward practices and incentives to drive a high-performance culture.

Further details of the process for evaluating the performance of key management personnel and the remuneration policy for key management personnel are provided in the Remuneration Report.

CODE OF BUSINESS CONDUCT, ETHICS AND CULTURE

Code of business conduct and ethics

CSR has a Code of Business Conduct and Ethics (the code) which underpins its goals and values. CSR is committed to conducting business honestly, with integrity, and in accordance with our standards of expected behaviour. The code sets out the standards for dealing with external stakeholders.

The underlying principle of CSR's code is that lawful, ethical and responsible behaviour is required of directors, executives and all other employees, as well as advisers, consultants and contractors. The board has endorsed the **Code of Business Conduct and Ethics**.

The code formalises the longstanding obligation of all CSR's employees (including directors) and contractors, to behave ethically, act within the law, avoid conflicts of interest and act honestly and responsibly in all business activities.

The code articulates how employees are expected to operate in line with CSR's fundamental values. **CSR's Values**, also referred to as behaviours, are set out both in the code and separately on CSR's website and guide the day-to-day interactions of employees and supports the delivery of CSR's strategy**.** The code incorporates CSR's anti-bribery and corruption policy as well as all relevant whistle-blower protection laws.

The code reinforces the company's commitment to giving proper regard to the interests of people and organisations dealing with the company. Each CSR employee and contractor is required to respect and abide by the company's obligations to employees, shareholders, customers, suppliers and the communities in which it operates.

CSR employees, directors and major contractors are required to submit a certificate of compliance each year signifying that they have read and complied with the code and are not aware of any breaches of that code.

Further, CSR employees are encouraged to report concerns they may have regarding conduct in a number of ways, including via a confidential telephone service. The company's **Incident Reporting Policy** provides that an employee will not be subject to retaliation by CSR for reporting in good faith a possible violation of the code of business conduct and ethics. The board is advised of all material breaches of the code and incidents reported under the policy via the Risk & Audit Committee.

To ensure that CSR employees and stakeholders are made (and kept) aware of incident reporting methods and policies, a **Speak Up @ CSR** program is accessible to all employees and external stakeholders on CSR's website.

CSR is committed to conducting business honestly and fairly and in compliance with all laws and regulations. The company's **Supplier Code of Conduct** sets out the expectations of CSR's suppliers, and applies to all suppliers, including all organisations and sub-contractors providing goods and services to CSR, based in Australia, New Zealand and overseas.

During YEM24, the company submitted a **Modern Slavery Statement** in accordance with the Commonwealth Modern Slavery Act 2018. The Statement addresses the company's key modern slavery risks and how these risks have been identified and assessed, as well as information on the actions being taken to mitigate those risks and how the effectiveness of these mitigating actions is assessed.

Culture

Throughout YEM24, CSR has continued to promote and develop the culture and behaviours required to align with our purpose – Building Solutions for a Better Future.

CSR acknowledges that culture plays a key role in driving company performance. There has been regular engagement with employees during YEM24 to obtain insights and feedback relating to culture and engagement, with continued progress against key metrics.

Attracting diverse talent and motivating the right behaviours are key elements of CSR's remuneration and reward framework, which is reviewed regularly.

DIVERSITY AND INCLUSION

CSR has policies and practices designed to improve diversity and inclusion. The company's **Fairness, Respect & Diversity Policy** and **Respect at Work Policy** are available on CSR's website.
CSR remains committed to increasing diversity and inclusion in the workplace by applying policies and practices designed to attract, retain and develop diverse talent. Teams that are diverse will provide new and different perspectives to foster innovation and ultimately provide better solutions for our customers.

As part of this commitment, initiatives are underway to increase the number of women at all levels of the organisation, particularly in operations and line management positions. This will be achieved through ongoing improvement of our recruitment, retention and development frameworks to attract and promote diverse talent.

We have maintained regular reporting on attraction, selection and retention of female employees by tracking metrics on:

- The number of women that have joined CSR;
- Women who have left CSR and the reason for leaving;
- The gender participation ratio for CSR and each business unit; and
- Gender pay equity.

During YEM24 CSR continued to participate in the Champions of Change Coalition for best practice to improve gender diversity and inclusion. A number of diversity and inclusion initiatives were put in place based on learnings from a series of 'Listen and Learn' sessions conducted during YEM23.

CSR workplace profile

In accordance with the requirements of the *Workplace Gender Equality Act 2012* (Cth), CSR submits its Gender Equality Indicators with the Workplace Gender Equality Agency. The report can be viewed at the website of the **Workplace Gender Equality Agency** and also on CSR's website.

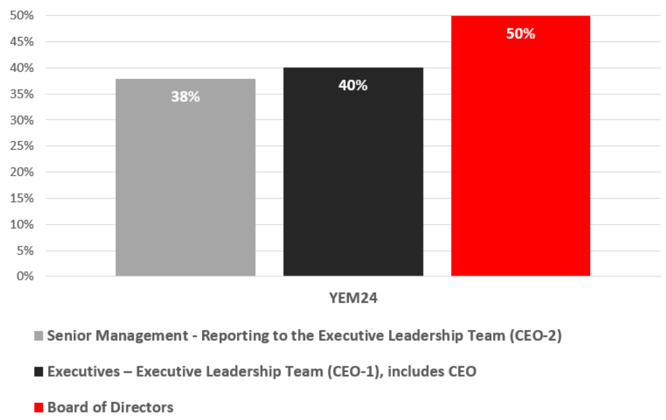
At the end of YEM24, the percentage of women in the CSR workforce was 22%, up 1% on YEM23. During YEM24, 30% of new hires were women, an increase of 2% from YEM23.

Key changes to CSR's workforce profile during YEM24 include:

- Senior management – The total number of women in senior management roles, CEO-2, has shown a slight decrease at the time of reporting. This group is an important source of succession for business leadership positions;
- Executives – In YEM24, the number of women in executives increased by one, with the appointment of a female CFO to the executive leadership team; and
- Board of Directors – In YEM24, the number of directors decreased from seven to six, following a temporary increase to facilitate board transition.

In YEM24, the proportion of CSR's workforce currently represented by women in leadership roles is set out below:

Figure 2: Women in leadership



Measurable objectives

Our progress in diversity and inclusion is guided by a data-driven approach, focusing on various stages of the employee lifecycle to prioritise diversity, inclusion, and belonging initiatives. The commitment of our leaders and CSR's active participation in industry forums like Champions of Change empowers us to implement these initiatives with depth and rigour, ensuring that our efforts are meaningful, impactful and have sustainable long-term impact. The achievements for YEM24 and the initiatives for YEM25 are set out below:

Table 6: Diversity measurable objectives

Measurable objective	YEM24 achievements	Overview of YEM25 initiatives
Leadership and culture	▪ Conducted a targeted leader-specific culture and engagement survey to better understand and support the leaders driving culture change in our business ▪ Strengthened and simplified our behaviours to further embed through the organisation ▪ Continued to provide access to on-the-job training and upskilling through strategic projects ▪ Provided a $1,000 share grant to our team to drive a sense of ownership in all levels of the business ▪ Continued membership and participation in the Champions of Change Coalition ▪ Continued to measure culture and engagement ensuring that line managers have an action plan to address areas of focus ▪ Organisation-wide talent review completed to identify emerging female talent at all levels and in operational roles ▪ Established an internal mobility forum, enhancing our ability to identify and support diverse talent for internal opportunities ▪ Informed by Listen & Learns, launched Built to Lead mentoring program focused on developing emerging female talent ▪ Celebrated events that bring CSR people together in a 'belonging at CSR' context, acknowledge and celebrate cultural occasions and significant days, such as International Women's Day, and provide a starting point for our teams to participate in inclusion, learn more about their colleagues and increase visibility of diverse and underrepresented groups within CSR ▪ Formation of a Reconciliation Working Group ▪ Respect at Work Phase 1 completed, including policy launch, mandatory training, and risk-assessment at a site level	▪ Establish a leadership program for operational female talent, including establishing communities ▪ Conduct further analysis to better understand the barriers to career advancement for females and diverse groups ▪ Progress Reconciliation through development of agreed goals and action plan ▪ Continue the momentum with Phase 2 of Respect at Work to create a safe, respectful, supportive and inclusive environment at CSR through leadership assessment, education and action plan associated with high-risk areas identified ▪ Plan for self-ID initiative to capture other forms of diversity which will further inform our strategy and initiatives ▪ Understand forms of flexibility valued by women in operational roles at CSR through Listen and Learn sessions
Policy and governance	▪ Continued to review and address gender pay parity for females across all salaried roles ▪ Employer Statement (CSR commitment & actions to close the Gender Pay Gap) submitted to accompany WGEA reporting ▪ Changes have been made to the parental leave policy, enabling more men at CSR to take primary carer's parental leave and furthering CSR's commitment to gender equality	▪ Continued monitoring of gender pay parity and action to address where required ▪ Further review of CSR policies to ensure they are inclusive and adapt to meet any future legislative changes
Recruitment and retention	▪ Designed a diversity-focused recruitment policy to improve hiring practices & internal applications ▪ Job advertisements redesigned to better communicate our commitment to diversity and inclusion within the marketplace ▪ Built future female talent pipelines with tertiary institutions for women in engineering and technology roles ▪ Reviewing labour hire arrangements to create a higher intake of diverse temporary labour which will result in temporary to permanent conversions	▪ Identify opportunitiess in operational environments to ensure that amenities, team culture and behaviours are welcoming for diverse new hires ▪ Complete comprehensive analysis of hiring practices across functions to understand barriers for entry of diverse talent ▪ Enhance hiring manager capability to ensure they are well-equipped to conduct interviews that are not only fair and diverse, but also promote diversity and inclusion practices ▪ Build manager capability to better onboard new employees, enabling increase in new hire retention and a greater sense of belonging

REMUNERATION

CSR's policy is to reward executives with a combination of fixed remuneration and short and long-term incentives structured to drive improvements in shareholder value. Non-executive directors receive no incentive payments and there are no retirement benefit schemes in place. Executives and directors may forgo a small part of their cash salary or, for non-executive directors, their directors' fees, to acquire shares in CSR. Further details are included on page 42 of the Remuneration Report. Employees cannot approve their own remuneration. Any adjustment to the remuneration of direct reports, must comply with CSR's remuneration policies and approvals process.

The **Remuneration Report**, commencing on page 27 of the Annual Report, includes further details on CSR's remuneration policy and its relationship to the company's performance. It also includes details of the remuneration of directors and key management personnel for YEM24 and clearly distinguishes between the structure of non-executive director remuneration from that of the executive director and other key management personnel.

RISK MANAGEMENT

There are many risks in the markets in which CSR operates. A range of factors, some of which are beyond CSR's control, can influence performance across CSR's businesses. CSR constantly and deliberately assumes certain levels of risk in a calculated and controlled manner. CSR has in place a range of policies and procedures to monitor the risk in its activities as well as defined limits of authority for all levels of management and these are periodically reviewed by the board. CSR's **Risk Management Policy** sets out the framework for risk management, internal compliance and control systems.

There are several layers that assist the board in ensuring the appropriate focus is placed on the risk management framework:

- Risk & Audit Committee – reviews and reports to the board in relation to the company's financial reporting, internal control structure, risk management systems including the risk framework and risk appetite statements and the internal and external audit functions;
- Remuneration & Human Resources Committee – reviews and reports to the board on the company's organisational capability to deliver on the strategy and create value for shareholders;
- Safety & Sustainability Committee – reviews and reports to the board on the management of the company's safety, health and environment liabilities and legal responsibilities as well as addressing the risks and opportunities of climate change and the company's involvement in the communities in which it operates;
- Executive leadership team – manages and reports to the board on business and financial risks and overall compliance; and
- Steering Committees – established across a number of key areas, including sustainability, customer solutions, transformation and logistics to provide ongoing governance and monitoring.

Risk management is sponsored by the board and is a priority for senior managers, starting with the managing director. The board oversees the risk profile of CSR and ensures that business developments are consistent with the goals of CSR. The board receives monthly assurances from the management team that significant risks are being managed appropriately.

CSR is committed to improving risk management to protect and enhance shareholder value. CSR's risk management framework is intended to provide the basis for a systematic approach to the identification and management of risks. The risk management framework requires current and emerging risks across the businesses to be identified, evaluated, monitored and controlled. The framework also includes evaluation of risk mitigation strategies.

CSR's Risk Appetite Statements, approved by the board, are core to the **Risk Management Policy** and defines (within practical boundaries) the amount of risk the organisation is willing to accept in pursuing its strategic objectives. By expressly articulating and documenting its Risk Appetite Statements, CSR aims to ensure that:

- risks can be measured, managed and monitored;
- risk appetites can be consistently articulated and understood by all relevant stakeholders; and
- day-to-day operations are undertaken in alignment with CSR's tolerance for risk.

The board, through the Risk & Audit Committee, receives recommendations in relation to the risk profile of CSR, breaches of the policy framework and external developments which may impact on the effectiveness of the risk management framework. It also approves significant changes to the risk management framework, risk appetite statements and related policies.

The Risk & Audit Committee has responsibility for monitoring compliance with the risk management framework approved by the board for internal control and compliance matters. In this role, the Risk & Audit Committee monitors and reviews the effectiveness of the internal audit and compliance functions.

CSR's Corporate Governance and Disclosure Committee has responsibility for any governance matters. Committees exist at the executive management level to ensure the necessary elements of expertise are focused on specific risk areas. Beneath this level, other committees exist where subject matter experts focus on specific risks as appropriate.

Risk management accountability

As part of the process of approving the financial statements, at each reporting date, the managing director and other responsible senior executives provide statements in writing to the board on the quality and effectiveness of the company's risk management and internal compliance and control systems. The Risk & Audit Committee reviews the risk management framework annually to confirm that the framework continues to be appropriate and effective. The most recent assessment of the risk management framework took place in September 2023.

The board has also received statements from the managing director and the chief financial officer certifying that, having made all reasonable enquiries and to the best of their knowledge and belief:

- the statements made in relation to the financial integrity of the CSR group financial reports are founded on a sound system of effective and efficient risk management and internal compliance and control;
- the system of risk management in operation throughout YEM24 was operating effectively; and
- the systems relating to financial reporting were operating effectively in all material respects.

In YEM24 the board received the relevant declarations required under section 295A of the *Corporations Act 2001* from the managing director and chief financial officer as well as the relevant reports and assurances that their opinions were formed on the basis of a sound system of risk management and internal controls which are operating effectively.

Financial report accountability

CSR's managing director and chief financial officer, who are present for board discussion of financial matters, declare to the board, in writing, that the company's financial statements are in accordance with relevant accounting standards, give a true and fair view in all material respects of the company's and the group's financial condition and operational results and comply with the *Corporations Act 2001* and associated regulations.

The chief financial officer oversees a robust internal process, where business unit financial managers regularly meet with representatives from the corporate finance team to discuss the financial aspects of each business. This includes a review of the business unit profit and loss statement, balance sheet and all other relevant matters.

Non-financial report accountability

For those periodic corporate reports that are not audited or reviewed by the external auditor, a rigorous internal review process is implemented. This process is led by the internal subject matter experts with reviews undertaken by management and key internal stakeholders, enabling management to verify that the report is balanced and materially accurate and provides stakeholders with appropriate information. External advice is obtained as required.

Non-audited periodic reports include the annual **Sustainability Report,** the **Modern Slavery Statement** and this corporate governance statement. These periodic reports are approved by the board.

Economic, environmental and social risks

CSR's risk management framework is intended to provide the basis for a systematic approach to the identification and management of risks. The matters below reflect CSR's material economic, environmental and social risks.

Table 7: Material economic, environmental and social risks

Key areas of materiality	Risks	Monitor and manage risk
Aluminium investment	▪ CSR's financial results may be impacted by movements in the global US dollar price for aluminium and currency fluctuations. ▪ Some risks related to CSR's Aluminium investment cannot be hedged including, but not limited to, regional price premiums, global relativity of the price of electricity and inputs into aluminium production such as petroleum coke and pitch. ▪ CSR's aluminium investment is also subject to changes to the Tomago joint venture structure or potential operational issues at the Tomago aluminium smelter, including electricity curtailments.	▪ CSR has a policy of hedging its aluminium sales (net of any linked exposure inputs such as alumina), where acceptable pricing is available, to reduce the volatility of its Aluminium earnings when exchanged into Australian dollars. This policy is overseen by CSR's Finance Committee which includes CSR's Managing Director and CEO, Chief Financial Officer, Group Treasurer and the General Manager Aluminium.
Climate change	▪ CSR's business may be affected by the transition to a low carbon economy and mitigating the potential impacts of climate change, as well as government policy and regulations, which may also impact the availability and nature of energy supply that CSR uses. This may also impact how CSR manages its property and land assets and business processes. ▪ CSR, if unable to understand and respond effectively to climate change, may see reduced revenues, increased costs, asset impairment and/or business supply disruption as a result.	▪ CSR's Sustainability Steering Committee was formed to provide focused oversight, with external advisors engaged as necessary to provide specialist sustainability advice. ▪ CSR's Safety & Sustainability Committee is a sub-committee of the CSR Board, and oversees, and reports to the CSR Board on CSR's sustainability objectives.
Energy and security of supply	▪ CSR's manufacturing operations use significant amounts of energy including electricity and gas. ▪ CSR is subject to the risk that an inability to anticipate, and manage fluctuations in, its use of energy may have a negative impact on CSR's earnings and therefore, potentially its shareholder value.	▪ Where possible, CSR enters into long-term contracts with the aim to provide greater security of energy supply for its factories. ▪ CSR's Finance Committee oversees risks related to electricity and gas pricing and management. ▪ To reduce CSR's exposure to this risk, alternative energy sources including solar power systems are installed at some CSR sites in addition to certain site-specific energy reduction initiatives.
Financial and capital management	▪ There is a risk that CSR's inability to effectively and efficiently manage short and long term capital may lead to excessive leverage, an increase in costs, a limit in competitiveness and/or a reduction in financial capacity.	▪ CSR has financial planning processes which set out key requirements relating to operational and capital investments. ▪ CSR has secured credit facilities sized and tenured with the aim to ensure availability to an appropriate level of liquidity. ▪ CSR's capital allocation framework provides a prioritised approach to capital allocation, including financial return metrics and aims to maintain an investment grade credit rating.
Information and cyber security	▪ Digital services are increasingly used by the construction sector in which CSR operates. CSR has a digital development program which is critical to helping CSR to achieve growth in its key markets. ▪ CSR is subject to the risk that a failure to protect information systems and data from unauthorised access, use, and disclosure, or otherwise prevent a disruption, may compromise the confidentiality, integrity or availability of information systems, may result in business interruption, regulatory or financial impacts on CSR or may have a negative impact on CSR's reputation.	▪ CSR has regular security awareness training, and such training includes simulated phishing campaigns as well as implementation of advanced threat protection. ▪ CSR conducts periodic penetration testing and patching across its information systems. ▪ System redundancy is implemented by CSR where considered appropriate.

Economic, environmental and social risks (continued)

Table 7: Material economic, environmental and social risks (continued)

Key areas of materiality	Risks	Monitor and manage risk
Legacy product obligations	▪ From the early 1940s, CSR was involved in asbestos mining and the manufacture and marketing of products containing asbestos in Australia and exporting asbestos to the United States. ▪ CSR's involvement with asbestos ceased with the divestment of the Wunderlich asbestos cement business in 1977. ▪ As a result of these activities, CSR has been named as a defendant in litigation in Australia and the United States.	▪ CSR has been settling asbestos related claims since 1989. ▪ CSR includes in its financial statements a product liability provision covering all known claims and reasonably foreseeable future asbestos related claims and such provision is impacted by movements in claim numbers, settlement rates and values. ▪ In determining the product liability provision, at each financial year end CSR obtains independent expert advice in relation to the future incidents and value of asbestos related claims.
Market structure and volatility	▪ Approximately 70% of CSR's total revenue is generated from products and services supplied into the construction sector of Australia and New Zealand. CSR's revenue may be impacted by several macro-economic factors within this sector and market including, for example, changes in construction activity may impact CSR's sales volumes and corresponding financial performance. ▪ The release of future land supply for residential development, which can improve CSR's ability to generate revenue, relies on the coordination of government and regulatory bodies together with builders and developers to deliver infrastructure and services for new projects. ▪ As a supplier to the construction market, CSR is subject to a number of competitive forces including other domestic and international suppliers entering the market and new technologies which could, in the future, replace existing building methods.	▪ Review of market activity in the construction sector is factored into CSR's regular reporting and included in CSR's weekly executive meetings, monthly reporting, quarterly forecasting and annual budget and planning cycles, which in turn informs CSR's capacity and capital planning. ▪ CSR regularly monitors and engages with government and regulatory bodies to encourage release of residential land supply. ▪ The nature of CSR's building products is that they are typically sold late in the construction process, giving CSR some visibility of changes in market conditions before specifically impacting demand for CSR's products. ▪ CSR is actively developing and acquiring new products, services and distribution networks to improve its position in the market and with an aim of being able to provide its customers a comprehensive service offering. ▪ CSR's strategy is focused on delivering improved performance through the cycle to mitigate market structure and volatility risks.
Organisational behaviours	▪ CSR is subject to the risk of not developing, maintaining or having access to the people which may be required to deliver CSR's strategy. ▪ Should officers, employees or contractors at CSR not behave in accordance with the CSR behaviours and/or CSR's Code of Business Conduct this may result in a decline in workplace culture, an inability to attract and retain talent in the business or poor performance. ▪ There is the risk that inappropriate behaviours in the business are not reported and managed appropriately.	▪ CSR's Code of Business Conduct and Ethics is communicated to CSR's officers, employees, and contractors periodically. ▪ CSR has implemented a separate Respect at Work policy and communicated this to CSR's officers, employees and contractors. ▪ CSR conducts culture and engagement surveys, the results of which help to inform CSR's reporting and review of workplace behaviours. ▪ CSR behaviours, the CSR story and its communication plan are used with an aim of engaging the team and building culture to support CSR's purpose and strategy.
Product quality	▪ Changes in legislation and building codes requires ongoing assessment to ensure CSR's building products are fit for purpose and compliant with all relevant codes applicable to CSR's products. This also includes those risks associated with supply and install services offered by CSR. ▪ CSR is subject to the risk that it is supplied defective or non-compliant raw materials impacting its own products and systems which may have a negative impact on CSR's reputation, may result in financial loss from potential product recalls and claims, may have regulatory impacts or otherwise may cause injury or harm to CSR's customers.	▪ CSR has a quality management system which aims to ensure that all products manufactured or supplied consistently meet the requirements and specifications of quality standards which apply to CSR's products. ▪ CSR actively implements its sustainable procurement strategy, which includes raw material and product testing, as well as compliance and certification. This process also aims to align CSR with the requirements of applicable Australian modern slavery legislation (including the *Modern Slavery Act 2018* (Cth)). ▪ CSR's Supplier Code of Conduct sets out CSR's expectations of its suppliers, and applies to all suppliers of the business, including, but not limited to, all organisations and sub-contractors providing goods and services to CSR, based in Australia, New Zealand and overseas.

Economic, environmental and social risks (continued)

Table 7: Material economic, environmental and social risks (continued)

Key areas of materiality	Risks	Monitor and manage risk
Reputation	▪ CSR operates a number of factories across Australia and New Zealand and employs approximately 2,800 employees. ▪ CSR's activities may impact the community and environment in which it operates. ▪ CSR is subject to the risk that failure to comply with a legal or governance requirement, or a breach of CSR's social licence to operate, may result in damage to CSR's reputation, potentially impacting CSR's revenue and earnings, ability to access capital, or secure talent. As part of this, there is a risk that fraud or ethical misconduct may result in large fines, financial loss, damage to reputation, exposure to criminal sanctions, legal action or revocation of licences.	▪ CSR's Code of Business Conduct and Ethics sets out the behaviours expected of all officers, employees, suppliers, and contractors. Compliance with the Code is measured annually by CSR. ▪ CSR has a dedicated, external and confidential hotline available 24/7 to employees and other stakeholders for reporting misconduct to the business. ▪ CSR has a central technical team established to maintain product governance within the business. ▪ CSR has governance processes in place to deal with workplace health, safety and environment matters. ▪ CSR has systems in place to monitor media and online content about CSR to identify potential reputational threats.
Site obligations	▪ CSR's Property segment rehabilitates and develops former Building Products operating sites which have become surplus to operational requirements. ▪ The cost and time required to complete the property rehabilitation and development may be higher than expected and impact the financial result.	▪ CSR dedicates experienced internal and external resources to assess and manage site remediation.
Strategy and execution	▪ There is a risk that CSR does not have access to the people or resources required to deliver on its strategy or otherwise fails to identify and successfully execute opportunities which may affect CSR's pursuit of its strategic objectives or its ability to deliver shareholder value in the long run.	▪ CSR has dedicated Steering Committees, comprising the executive leadership team and subject matter experts from within the business to regularly monitor progress. ▪ Through the Steering Committees, CSR undertakes regular reviews of progress against business cases and project plans to mitigate this risk. ▪ CSR has a human resources strategy and plan to ensure it has continued access to the right people to deliver CSR's strategy. ▪ CSR also has a resource planning and recruitment program.
Workplace Health, Safety and Environment (WHSE)	▪ There is a risk of potential harm to the health, safety and wellbeing of CSR's employees, contractors or customers arising from exposure to hazards in CSR's workplace or sites which are under CSR's control. ▪ There is also the risk that an uncontrolled release of product or contaminants to land, air or water during manufacturing may result in harm to the environment, create regulatory impacts, or may result in financial penalties or may have a negative impact on CSR's reputation.	• CSR's Safety & Sustainability Committee regularly reviews potential initiatives targeting improved safety and environmental performance across CSR. • CSR has an established WHSE risk management framework which aims to support CSR's WHSE commitments. • Regular and effective reporting of incidents and near misses. • CSR employs dedicated and experienced WHSE personnel which are embedded within each business segment. • CSR uses regular auditing of the business to test the effectiveness of key WHSE controls.

Note: Material Risks are listed alphabetically.

Role of the external auditor

The Risk & Audit Committee seeks to ensure the independence of the external auditor. The policy on auditor independence applies to services supplied by the external auditor and their related firms to CSR. Under the policy on auditor independence:

- the external auditor is not to provide non-audit services under which the auditor assumes the role of management, becomes an advocate for the group, or audits its own professional expertise;
- significant permissible non-audit assignments awarded to the external auditor must be approved in advance by the committee or, between committee meetings by the chair of the committee;
- the external audit engagement partner and review partner must be rotated every five years;
- procedures for selection and appointment of the external auditor, and for the rotation of external audit engagement partners, are set out in the committee charter; and
- the external auditor confirms its independence within the meaning of applicable legislation and professional standards at each half-year and full-year.

The external auditor attends the company's annual general meeting so shareholders are given the opportunity to ask questions relevant to:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Role of internal audit

The Risk & Audit Committee recommends to the board the appointment or dismissal of the internal audit partner, who is independent of the external auditor.

The internal audit function utilises external expertise to provide objective independent assurance to management and the board on the effectiveness of CSR's internal control, risk management and governance systems and processes. The internal audit lead has direct access to the chair of the Risk & Audit Committee and oversees the execution of the internal audit plan, as approved by the Risk & Audit Committee.

The internal audit service provider supports management efforts to:

- report to the board through the Risk & Audit Committee on CSR's compliance against its governance framework and policies, including investigating, and advising on, any potential or actual breaches;
- provide objective assurance over the adequacy and effectiveness of controls;
- oversee the implementation of CSR's risk framework across the organisation; and
- recommend improvements to the company's risk management framework.

Internal audit has full access to all CSR businesses, records and personnel.

The annual internal audit plan is formulated using a risk-based approach to align assurance with CSR's identified key risks. The Risk & Audit Committee approves the internal audit plan which is reviewed throughout the year to ensure it remains appropriate. Internal audit activity and outcomes are reported to the Risk & Audit Committee at each meeting.

ENGAGEMENT WITH STAKEHOLDERS

CSR has a number of stakeholders including shareholders, employees, customers, suppliers and local communities. The board identifies and prioritises CSR's key stakeholders, develops a strategy for engagement with stakeholders and supports management to engage with key stakeholders to understand, consider and respond to issues.

Continuous disclosure

CSR believes that shareholders, regulators, ratings agencies and the investment community generally, should be informed of all major business events and risks that influence CSR, in a factual, timely and widely available manner. CSR has a long established practice of providing relevant and timely information to stakeholders, supported by its Share Market Disclosure Policy which details comprehensive procedures to ensure compliance with all legal obligations. Under this policy, any price sensitive material for public announcement, including full-year and half-year results announcements, release of financial reports, presentations to investors and analysts and other prepared investor briefings for CSR, will be:

- lodged with the ASX as soon as practical and before external disclosure elsewhere; and
- posted on CSR's website.

The policy limits external briefings in the periods between the end of a full-year and half-year and the release to the ASX of the relevant results.

The board has responsibility for compliance with CSR's continuous disclosure obligations to keep the market fully informed of information that may have a material effect on the price or value of CSR's securities. Internal procedures and guidelines for continuous disclosure and communications have been developed. These procedures sit together with CSR's Share Market Disclosure Policy to ensure the board and the Corporate Governance and Disclosure Committee is made aware of any information that should be considered for release to the market.

CSR's Corporate Governance and Disclosure Committee meets as required, and often on very short notice, to ensure compliance with disclosure requirements. Members of this committee are the managing director, chief financial officer, chair of the Risk & Audit Committee, company secretary and head of investor relations.

The managing director approves all disclosures before they are released. The board approves all disclosures that are significant. All announcements include a statement identifying the title of the body, or the name and title of the officer of the company, who approved the disclosure. Directors receive a copy of all ASX disclosures promptly following release.

The Share Market Disclosure Policy is reviewed regularly to ensure compliance with the ASX Listing Rules and guidance on continuous disclosure.

The company secretary is responsible for communications with the ASX.

Commentary on financial results

CSR provides a review of operations and financial performance in the full-year and half-year results, which also includes the company's financial report. Results announcements to the ASX, analyst presentations and the full text of the chair's and managing director's addresses at the company's annual general meeting, and any extraordinary meeting that may be held, are made available on **CSR's website**.

Other engagement activities

CSR strives to communicate effectively with shareholders about the company's performance, presenting the Annual Report and other corporate information in clear language, supported by descriptive graphics and tables. This approach is outlined in the company's **Shareholder Communication Policy.**

Where practicable, the company uses the latest widely available electronic technology to communicate openly and continuously with shareholders, and the share market in general. The company encourages shareholders to embrace the benefits of electronic communication and to provide email addresses so that company information can be provided to shareholders electronically. Announcements to the ASX, significant briefings, presentations, notices of meetings and speeches at annual general meetings and any extraordinary general meetings are promptly posted on the **Investors and News** section of CSR's website. An email alert system is available from the **CSR website** enabling shareholders and stakeholders to be advised when announcements are released to the ASX.

Shareholders can register to receive shareholder information and can lodge proxies electronically for the annual general meeting and any extraordinary general meetings. The annual general meeting, results announcements and other major briefings are available via a live webcast from CSR's website, for access by all interested parties.

Shareholders are encouraged to submit questions or comments ahead of, or during, the company's annual general meeting and any extraordinary general meeting. Members of senior management are present at the annual general meeting, along with directors, to answer questions about the company's operations. On occasions when the annual general meeting or extraordinary general meeting may be held as a hybrid meeting, an opportunity for shareholders to ask questions orally and in writing and to vote in real time will be made available. All resolutions at these meetings are decided by a poll rather than on a show of hands.

The company's **Sustainability Report** provides information on CSR's sustainability record across a number of priority areas including the environment, people and safety, community and supply chain.

The company's **Supplier Code of Conduct** sets out the expectations of CSR's suppliers, and applies to all suppliers, including all organisations and sub-contractors providing goods and services to CSR, based in Australia, New Zealand and overseas.

During YEM24, the company submitted a **Modern Slavery Statement** in accordance with the Commonwealth Modern Slavery Act 2018. The Statement addresses the company's key modern slavery risks and how these risks have been identified and assessed, as well as information on the actions being taken to mitigate those risks and how the effectiveness of these mitigating actions is assessed.

Details of the company's engagement with the community are available in the **Sustainability Report** found on CSR's website.

Role of the investor relations function

CSR's investor relations function is designed to ensure that the market is kept informed of all aspects relevant to the company and also to provide an opportunity for investors and other stakeholders to express views on the company. The program includes lodgement of information on the ASX platform, managing and updating the CSR website, investor roadshows, conferences and other briefings with all materials lodged with the ASX prior to distribution.

CSR utilises the following activities to promote effective communication with the market:

- comprehensive and up to date company website;
- investor briefings, presentations, conferences and other events;
- encouraging questions via the company's website and ahead of the AGM as outlined in the Notice of Meeting; and
- webcasting important company events.

SHARE TRADING POLICY

Under the company's **Share Trading Policy**, directors, senior managers and identified designated employees may only buy or sell CSR shares, or give instructions to the trustee of CSR's employee share acquisition plan (ESAP), or vary their participation in the dividend reinvestment plan (DRP) during one month periods commencing 24 hours after the date of the full-year and half-year results announcements and the annual general meeting. Also, they are prohibited from dealing in any financial products relating to CSR securities or entering into hedging arrangements in respect of CSR securities they hold, or which are held on their behalf.

Additional clearance requirements apply to directors of CSR Limited, the managing director, chief financial officer as well as senior executives who are eligible to participate in CSR's long-term incentive plan. Each of these individuals must obtain clearance for any proposed dealing in CSR's securities.

Under the policy, and as required by law, all directors and employees are prohibited from buying or selling CSR securities at any time if they are aware of any market sensitive information that has not been made public. All CSR share dealings by directors are notified to the ASX within the required time. Additional trading restrictions apply to key management personnel.

OTHER IMPORTANT POLICIES

In addition, the board has adopted specific internal policies in key areas, including trade practices; workplace health, safety and the environment; fairness, respect and diversity in employment; capital investment; dealing with price sensitive and other confidential information; privacy; indemnification of employees; and requirements for authorising and entering into business transactions on behalf of CSR.

DISCLOSURE

CSR considers that the above corporate governance practices comply with the ASX CGC Principles and Recommendations (4th edition).

The company's corporate governance framework is kept under review, with a report provided to the board by the company secretary at least annually, recommending any improvements necessary to respond to changes to the company's business or applicable legislation and standards.

DIRECTORS' REPORT

The board of directors of CSR Limited (CSR) presents its report of the consolidated entity, being CSR and its controlled entities (CSR group), for the year ended 31 March 2024. The information appearing on pages 24 to 46 forms part of the Directors' Report and is to be read in conjunction with the following information:

Principal activities

The principal activities of entities in the CSR group during the year included the manufacture and supply of building products in Australia and New Zealand.

In Australia, the CSR group has an interest in the smelting of aluminium through its 70% interest in Gove Aluminium Finance Limited, which owns 36.05% of the Tomago aluminium smelter located near Newcastle, NSW.

CSR also maximises returns from the sale of its surplus land by advancing sites through stages of the development process.

Review of operations and financial results

A review of the CSR group operations and results for the year ended 31 March 2024 is set out on pages 1 to 6 of the Annual Report and forms part of the Directors' Report. This includes the summary of consolidated results, an overview of the group's strategy and future prospects.

Significant changes

On 26 February 2024, CSR announced that it had entered into a Scheme Implementation Deed with Saint-Gobain for the acquisition of all of the issued shares in CSR by way of scheme of arrangement at an offer price of $9.00 cash per share (Scheme).

On 26 April 2024, CSR announced that the Supreme Court of New South Wales had made orders that CSR convene a meeting of its shareholders to vote on the Scheme (Scheme Meeting) and that the Scheme Booklet had been registered with the Australian Securities and Investment Commission (ASIC). A copy of the Scheme Booklet was also made available through an ASX announcement and on CSR's website.

There have been no other significant changes to the CSR group in the financial year ended 31 March 2024.

Events after balance sheet date

Except for the significant changes noted above, no other matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the CSR group's operations, the results of those operations or the CSR group's state of affairs in future financial years.

Dividends and distributions to shareholders

Dividends through the year have been as follows:

- a final ordinary dividend of 20.0 cents per ordinary share (100% franked at the 30% corporate tax rate), with respect to the financial year ended 31 March 2023, was paid on 3 July 2023; and
- an interim ordinary dividend of 15.0 cents per ordinary share (100% franked at the 30% corporate tax rate) was paid on 7 December 2023 (as set out in note 19 to the financial statements on page 69).

No other distributions were paid during the year.

In the context of the proposed Scheme, the CSR board has not declared a final dividend for YEM24.

Options over share capital

Other than as disclosed in the Remuneration Report:

- no CSR options were granted to executives or non-executive directors during the year;
- there were no unissued shares or interests in CSR subject to options at the date of this report; and
- no CSR shares or interests were issued pursuant to exercised options during or since the end of the year.

Indemnities and insurance

Under rule 10 of CSR's constitution, CSR indemnifies every person who is or has been a director or officer of CSR, to the extent permitted by law and subject to the restrictions in sections 199A and 199B of the *Corporations Act 2001* against:

- liability incurred by that person as an officer of CSR (including liabilities incurred by the officer as a director of a subsidiary of CSR where CSR requested the officer to accept appointment as director); and
- reasonable legal costs incurred in defending an action for a liability or an alleged liability incurred by that person as such an officer of CSR (including such legal costs incurred by the officer as a director of a subsidiary of CSR where CSR requested the officer to accept appointment as director).

For the purposes of rule 10 of CSR's constitution, 'officer' means a director, secretary and executive officer of CSR (as defined in the *Corporations Act 2001*).

CSR has entered into a deed of indemnity, insurance and access with current and former directors of CSR and its subsidiaries. Under each director's deed, CSR indemnifies the director against all costs, losses or liabilities, including without limitation, legal costs and expenses, on a full indemnity basis, incurred by the director in their capacity as a director of CSR or, in some cases as a director of a CSR subsidiary. The deeds also provides directors certain rights of access to board papers and require CSR to maintain insurance cover for directors. No director or officer of CSR has received benefits under an indemnity from CSR during or since the end of financial year.

CSR's external auditor is not indemnified under rule 10 of CSR's constitution or any agreement.

During the year, CSR paid premiums in respect of insurance contracts for the year ended 31 March 2024. The insurance contracts insure against certain liability (subject to exclusion) incurred by persons who are or have been directors or officers of CSR and its controlled entities.

In accordance with normal commercial practice, the insurance contract prohibits disclosure of the nature of the liability covered by, or the premium payable under, the contract of insurance. No claims under the indemnities have been made against CSR during or since the end of the year.

Performance in relation to environmental regulation

The board places a high priority on environmental issues and is satisfied that adequate systems are in place for the management of CSR's compliance with applicable environmental regulations under the laws of the Commonwealth, States and Territories of Australia and of New Zealand. CSR is not aware of any pending prosecutions relating to environmental issues, nor is CSR aware of any environmental issues, not provided for, which would materially affect the business as a whole.

Political donations

CSR's businesses are often involved in a degree of interaction with all levels of government. CSR assists all sides of politics in the development of policy in fields where CSR has specific expertise. No fees were paid to attend any political events (2023: $nil) and as such disclosure to the Australian Electoral Commission was not required.

Auditor independence

There is no current or former partner or director of Deloitte Touche Tohmatsu, CSR's auditor, who is, or was at any time during the year ended 31 March 2024, an officer of the CSR group. No auditor who played a significant role in the CSR group audit for the year ended 31 March 2024 has done so for a period exceeding the extended audit involvement period of five successive financial years. The auditor's independence declaration (made under section 307C of the *Corporations Act 2001*) is set out on page 26.

Non-audit services

Details of the amounts paid or payable to the CSR group auditor, Deloitte Touche Tohmatsu, for non-audit services provided by that firm during the year are shown in note 34 to the financial statements on page 88. In accordance with written advice provided by the Risk & Audit Committee, the directors are satisfied that the provision of non-audit services during the year by Deloitte Touche Tohmatsu:

- is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*; and
- did not compromise the auditor independence requirements of the *Corporations Act 2001* in view of the materiality of the amounts, the nature of the services and the processes established to monitor the independence of the auditors.

Proceedings on behalf of CSR

No proceedings have been brought, or intervened in, on behalf of CSR, nor has any application for leave been made in respect of CSR under section 237 of the *Corporations Act 2001*.

Remuneration of directors and key management personnel (KMP)

The Remuneration Report on pages 27 to 46 provides: a summary of the board's remuneration policy and practices during the past year as they apply to directors and other KMP (as defined by the Accounting Standard AASB 124 *Related Party Disclosures*); the relationship between remuneration policy and the CSR group's performance; and the remuneration details for each director and other KMP.

Directors and company secretary

On 31 May 2023 Mr Matthew Quinn retired from the board. There were no other changes to the board in the year ended 31 March 2024.

The names of directors who held office at 15 May 2024, as well as details about current directors' period of appointment, qualifications, experience, special responsibilities, current directorships and directorships for the past three years of other listed companies, are on pages 7 and 8 and forms part of the Directors' Report.

The qualifications and experience of the company secretary at 15 May 2024 are as follows:

Jill Hardiman, AGIA

Jill joined CSR in 2002 and has worked within the Company Secretariat team since 2003, and as Assistant Company Secretary since 2018. In 2021 Jill was appointed Company Secretary and has broad secretariat and corporate governance experience. Jill holds a Graduate Diploma in Applied Corporate Governance and is an Associate of the Governance Institute of Australia.

The number of meetings of the company's board of directors and each board committee held during the year ended 31 March 2024, and the number of meetings attended by each director are detailed in Table 1 below. The directors' relevant interests in shares in CSR or a related body corporate as at the date of this report are detailed in the Remuneration Report on page 46. Other than as disclosed elsewhere in this report, no director:

- has any relevant interest in debentures of, or interests in a registered scheme made available by, CSR or a related body corporate;
- has any rights or options over shares in, debentures of or interests in a registered scheme made available by, CSR or a related body corporate; or
- is a party to or entitled to a benefit under any contracts that confer a right to call for or deliver shares in, debentures of or interests in a registered scheme made available by CSR or a related body corporate.

Table 1: Meetings of directors

Year ended 31 March 2024	CSR Board		Risk & Audit Committee		Safety & Sustainability Committee		Remuneration & Human Resources Committee		Due Diligence Committee	
	Held[1]	Attended[2]	Held[1]	Attended[2]	Held[1]	Attended[2]	Held[1]	Attended[2]	Held[1]	Attended[2]
John Gillam	14	14	-	3*	4	4	4	4	-	1*
Christina Boyce	14	13	-	2*	3	3	4	4	-	-
Nigel Garrard	14	14	4	4	4	4	-	4*	-	-
Matthew Quinn[3]	1	1	-	1*	1	1	1	1	-	-
Adam Tindall	14	14	4	4	-	4*	4	4	3	3
Penny Winn	14	14	4	4	-	3*	4	4	3	3
Julie Coates	14	14	-	4*	-	4*	-	4*	3	3

1 Number of meetings held while a member.
2 Number of meetings attended. Board committee meetings are open to all directors to attend. Where a director attended a meeting of a committee of which they were not an appointed member, this is indicated with an asterisk.
3 Director retired 31 May 2023.

John Gillam
Chair of the board
15 May 2024

Julie Coates
Managing Director and CEO
15 May 2024

Deloitte Touche Tohmatsu
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15 May 2024

The Board of Directors
CSR Limited
Triniti 3, 39 Delhi Road
North Ryde NSW 2113

Dear Directors

Auditor's Independence Declaration to CSR Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of CSR Limited.

As lead audit partner for the audit of the financial statements of CSR Limited for the year ended 31 March 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Sandeep Chadha

Sandeep Chadha
Partner
Chartered Accountants

REMUNERATION REPORT

Shareholder letter

Dear Shareholder

As the Chair of the Remuneration & Human Resources Committee and on behalf of the board, I am pleased to present CSR's Remuneration Report for the year ended 31 March 2024 (YEM24).

The CSR board proactively oversees the implementation of the remuneration framework, ensuring that our senior executives and employees receive reward that is equitable, fair, and motivates them to deliver strong performance. Central to our remuneration strategy is the principle of aligning executive incentives with shareholder interests.

We regularly engage with major shareholders and their advisors to review and seek feedback on the framework, ensuring its relevance and effectiveness in a dynamic and evolving business landscape.

On 26 February 2024, CSR announced that it had entered into a Scheme Implementation Deed with Compagnie de Saint-Gobain (Saint-Gobain) under which Saint-Gobain has agreed to, through Saint Gobain BidCo Pty Ltd (Saint-Gobain Sub) (an indirect wholly-owned subsidiary of Saint-Gobain), acquire all of the issued shares in CSR by way of scheme of arrangement at an offer price of $9.00 cash per share (Scheme). Shareholders will have the opportunity to vote on the Scheme at the Scheme Meeting. In deciding whether to vote in favour of the Scheme, shareholders should read the Scheme Booklet in full. The Scheme will only become effective and be implemented if it is approved by the requisite majorities of shareholders at the Scheme Meeting, it is approved by the Court at the second court hearing and the other conditions precedent to the Scheme are satisfied or waived (as applicable) (which includes FIRB approval). The Scheme Booklet provides additional information on how incentives will be treated in connection with the Scheme, if it becomes effective.

YEM24 performance

CSR has delivered strong performance in YEM24, advancing strategic initiatives aimed at delivering the most competitive product and service solutions for our valued customers and the market. Under the guidance of our executive leadership team, the company has been exceptionally well managed, resulting in pleasing financial performance and favourable outcomes for our shareholders.

The Building Products business segment delivered another solid EBIT result and the Property segment delivered their highest earnings over the last 16 years, while the Aluminium result was impacted by volatility in costs.

Remuneration outcomes

Challenging and motivating short-term incentive (STI) targets were set by the board at the start of the year to incentivise performance. We are pleased to report that CSR's group YEM24 EBIT performance delivered at stretch.

The board also reviewed significant items and, to ensure alignment between the actual earnings and the targets set, reduced the EBIT for the purpose of STI outcomes to incorporate the transformation system implementation costs. There were no other adjustments required for the EBIT financial component of STI.

The STI payout reflects performance between target and stretch and the management team and employees have been appropriately rewarded for their efforts and results, including contribution to the overall financial result, and delivery of individual non-financial KPIs.

Other than as necessary in consideration of the Scheme, there have been no major changes to CSR's remuneration framework for YEM24.

In summary

YEM24 proved to be a successful year for CSR, highlighted by strong financial performance and continued progress in the delivery of strategic initiatives. The board is confident that our remuneration framework has appropriately incentivised our executives to generate value for our shareholders. Management should take pride in their achievements in delivering these strategic initiatives, which have resulted in significant and rewarding shareholder returns.

Adam Tindall

Adam Tindall
Chair, Remuneration & Human Resources Committee

Overview

1 Basis of preparation of the Remuneration Report

This Remuneration Report provides a summary of CSR's remuneration policy and practices during the past financial year as they apply to CSR directors and executives.

The Remuneration Report has been prepared in accordance with the requirements of section 300A of the *Corporations Act 2001* and Corporations Regulation 2M.3.03 and has been audited by CSR's external auditor.

The report contains an overview which is intended to provide a 'plain English' explanation for shareholders of the key management personnel (KMP) actual remuneration outcomes for the year ended 31 March 2024 (YEM24) and the remuneration framework.

Consistent with prior years, actual remuneration of executive KMP has been included in the Remuneration Report in section 3.

Remuneration implications as a result of the Scheme Implementation Deed

As announced on 26 February 2024, CSR and Saint-Gobain entered into a Scheme Implementation Deed for the acquisition of all of the issued shares in CSR by Saint-Gobain Sub, a wholly-owned subsidiary of Saint-Gobain. The CSR board has made necessary adjustments to CSR's usual remuneration approach for YEM24 in consideration of the Scheme, as follows:

YEM24 short-term incentive (STI) plan – the YEM24 STI award for executive KMP will be paid in cash with no deferred share component consistent with the terms of the Scheme Implementation Deed. In previous years, 40% of any STI earned by executive KMP was converted to CSR shares and deferred.

YEM25 long-term incentive (LTI) plan – given the proposed timing of the Scheme, no YEM25 LTI award is intended to be granted to executive KMP. If the Scheme does not become effective, the board will consider the appropriate incentive arrangements to be put in place for YEM25, which are likely to be consistent with LTI grants made in previous years.

Non-executive director (NED) fees – in accordance with CSR's Constitution and the Scheme Implementation Deed, CSR's non-executive directors Adam Tindall and Penny Winn have each received a one-off fee of approximately $8,000 (inclusive of applicable superannuation) for their preparation for, attendance and participation in the work of a due diligence subcommittee in relation to the Scheme Booklet. The relevant fees were paid when the Scheme Booklet was lodged with ASIC.

Also, as set out in the Scheme Booklet, and in general terms, the board currently intends, subject to the Scheme becoming effective and the exercise of the board's discretion, to treat outstanding equity incentives in place as follows:

- determine the early vesting of all performance rights; and
- release all shares subject to restrictions from those restrictions,

and take all other actions incidental or required to effect this.

Other than the above, there have been no major changes to the remuneration framework during YEM24.

2 Key management personnel (KMP) and senior executives

KMP for YEM24 are detailed in the table below. KMP are as defined by the Accounting Standard AASB 124 *Related Party Disclosures* (AASB 124).

The Managing Director and CEO and Chief Financial Officer are the only two senior executives who qualify as executive KMP consistent with prior years.

Table 1: Key management personnel

Name	Position	Term as KMP
Non-executive directors (NEDs)		
John Gillam	Director and chair of the board	Full year
Christina Boyce	Director	Full year
Nigel Garrard	Director	Full year
Matthew Quinn	Director	To 31 May 2023
Adam Tindall	Director	Full year
Penny Winn	Director	Full year
Executive KMP		
Julie Coates	Managing Director and CEO	Full year
Sara Lom	Chief Financial Officer	From 4 September 2023
David Fallu[1]	Chief Financial Officer and Executive General Manager, Property and Aluminium	To 13 September 2023

1 On 16 March 2023, David Fallu announced his intention to resign from CSR and it was announced on 14 June 2023 that Sara Lom had been appointed as CFO following Mr Fallu's resignation. Mr Fallu ceased to be a KMP from 13 September 2023. Further detail is included in section 9.

Remuneration and performance outcomes

3 Actual remuneration

The actual remuneration disclosure has been prepared to provide shareholders with a view of CSR's remuneration structure and how remuneration was paid to the executive KMP for YEM24. The board believes presenting information in this way provides shareholders with clarity and transparency of executive KMP remuneration, showing the amounts awarded for each remuneration component (fixed, short and long-term) within the financial year. This disclosure differs from the statutory remuneration disclosures contained in section 10, with a summary of the differences detailed in the table below.

Table 2: Comparison of actual and statutory remuneration disclosures

	Fixed annual remuneration	Short-term incentive (STI)	Long-term incentive (LTI)	Leave accruals	Other benefits
Actual remuneration disclosures	Cash salary, superannuation contributions and other eligible salary sacrifice benefits	STI award for YEM24 will be paid fully in cash. STI award for YEM23 expressed as the full value, inclusive of the 40% STI deferral into CSR shares.	Value of LTIs that have vested during the year, calculated based on the number of shares valued using the five-day volume weighted average price (VWAP) prior to issue of the shares. Excludes the value of unvested LTIs at 31 March 2024.	Not included	Includes YEM23 Employee Share Grant and other costs relating to company business or contractual obligations, where the benefit has been received.
Statutory remuneration disclosures	As above	STI award for YEM24 paid fully in cash, plus amortisation of STI deferrals into CSR shares relating to prior two years.	Value of LTIs recorded in accordance with accounting standards (based on fair value determined at grant date expensed over the vesting period). The amount for YEM24 relates to LTI grants from YEM22 to YEM24.	Included	As above, except where Performance Rights Plan (PRP) rights are granted as part of contractual obligations. These are expensed over the vesting period.

Executive KMP actual remuneration

Actual remuneration received by executive KMP is set out in table 3 below and is prepared on the basis summarised in table 2. Commentary on the key components of remuneration is set out in table 4 below.

Table 3: Actual remuneration received by executive KMP

Year ended 31 March $	Fixed remuneration	Short-term incentive[1]	Long-term incentive[2]	Other benefits[3]	Total
31 March 2024					
Julie Coates	1,217,875	1,235,145	2,187,166	–	4,640,186
Sara Lom	353,413	365,353	–	–	718,766
David Fallu	337,024	–	665,659	–	1,002,683
Total	1,908,312	1,600,498	2,852,825	–	6,361,635
31 March 2023					
Julie Coates	1,175,875	942,151	1,366,823	–	3,484,849
David Fallu	738,750	430,207	592,009	3,074	1,764,040
Total	1,914,625	1,372,358	1,958,832	3,074	5,248,889

1 In YEM24, the short-term incentive represents the full cash value. In YEM23, the short-term incentive represents the full value of the STI, inclusive of 40% deferral into CSR shares.
2 Long-term incentive remuneration includes the vesting outcome of the YEM21 LTI. The long-term incentive amount is based on the number of shares valued using the five-day VWAP prior to issue of the shares.
3 Other benefits include the Employee Share Grant for YEM23 and other expenditure, all of which related directly to company business.

3 Actual remuneration (continued)

Table 4: Commentary on actual remuneration received by executive KMP

Area	Explanation
Fixed remuneration	▪ Ms Coates' fixed remuneration was increased from 1 July 2023 from \$1,184,500 to \$1,229,000 per annum, through CSR's annual remuneration review. ▪ Mr Fallu's fixed remuneration was not increased during the year.
Short-term incentives (STI)	▪ The board assessed Ms Coates' performance against the objectives set and determined that Ms Coates would be awarded a STI at between target and stretch. The STI outcome recognises Ms Coates' leadership of the business over the last year, including the significant efforts to deliver financial results above the target while progressing on CSR's strategy. The CSR strategy, which focuses on developing market leading customer solutions, industry best practice supply chain and digitisation of systems and processes is well-progressed and delivering benefits. The STI award represents 91% of Ms Coates' maximum STI opportunity for YEM24. ▪ The board assessed Ms Lom's performance against the objectives set and determined that Ms Lom would be awarded a STI at between target and stretch. The STI outcome recognises Ms Lom's individual performance and financial stewardship of the business since her promotion to Chief Financial Officer in September 2023. The STI award represents 80% of Ms Lom's maximum STI opportunity for YEM24. ▪ Further detail on the STI outcomes is included in sections 4 and 7.
Long-term incentives (LTI)	▪ In YEM24, long-term incentives represent the partial vesting of the YEM21 LTI for Ms Coates and Mr Fallu. ▪ Further detail is included in sections 4, 8 and 12.
Other benefits	▪ Other benefits include the YEM23 Employee Share Grant and other expenditure (all of which related directly to company business).

4 Performance outcomes

Summary of performance outcomes for YEM24

A summary of the YEM24 short-term and long-term incentive outcomes is set out in tables 5 to 7 below, with further detail on the plans included in sections 7 and 8 respectively.

The Scheme Booklet provides additional information on how incentives will be treated in connection with the Scheme, including in sections 9.1 and 9.2, which describes that the CSR board currently intends, subject to the Scheme becoming effective and the exercise of the CSR board's discretion, to determine the early vesting of all performance rights prior to the business day before the Scheme record date or the Scheme being implemented (among other actions).

i) Short-term incentive outcomes

Table 5: YEM24 STI CSR group financial targets and assessment of performance outcomes

Area	Explanation
YEM24 financial targets for STI purposes	▪ At the start of each year, the board sets challenging financial targets taking into account the relevant factors for each business segment including forecasts for building activity, inventory targets, aluminium pricing and the property market, as well as considering investor requirements for a certain level of sustainable returns. ▪ The financial targets for YEM24 were set by the board in March 2023, with earnings before interest and tax (EBIT) the primary STI financial measure. Consistent with previous years, the board has elected not to disclose detailed financial and/or individual targets due to commercial sensitivities.
Assessment of performance against targets	▪ The CSR group, Building Products and Property business segments YEM24 EBIT exceeded the financial targets set. Further detail on the business segment targets and performance is summarised in table 6. ▪ An assessment of significant items was completed by the board and, to ensure consistency against the targets set, the EBIT used for assessing CSR group and Building Products STI financial performance was reduced by the transformation costs relating to Software-as-a-Service of $7 million which are treated as 'significant items'. Details of this assessment are set out in table 7. ▪ The CSR group EBIT for STI assessment purposes of $325 million was significantly above the financial target set. As a result, the CSR group EBIT financial component of STI was awarded at stretch. ▪ The CSR group financial performance for YEM24 reflected: – Building Products solid earnings, with strong operational performance and continued pricing and cost disciplines to manage inflationary cost pressures. – Continued progress and benefits realised from the CSR strategy including improved supply chain capability and development of customer-driven, integrated solutions to drive the most competitive product and service solutions for the market. – Property earnings of $91 million, a 16-year high and net cash contribution of $142 million. – Lower Aluminium earnings with the business impacted by volatility in costs. ▪ The board did not exercise any discretion in relation to STI outcomes.
STI awarded as a % of EBIT	▪ The total STI awarded amounts to a payout ratio of 7.0% of YEM24 EBIT for STI assessment purposes (YEM23: 5.4% of YEM23 EBIT). ▪ The increase in the STI payout ratio reflects the YEM24 group EBIT outcome, which was awarded at stretch compared to the YEM23 group EBIT outcome which was awarded at between target and stretch.

Table 6: YEM24 STI business financial targets and assessment of performance outcomes

Business	Explanation of STI EBIT financial targets	Assessment of performance outcomes	Outcome
Building Products	▪ The targets were established having regard to forecast construction activity for YEM24, including the expected capacity constraints of the construction industry. These forecasts are formulated with reference to external data sources and independent economic models. ▪ The business was tasked to deliver earnings growth, while maintaining a continued focus on operational leverage, cost disciplines and managing the economic environment including inflationary pressures. In addition, the business was tasked with the continued implementation of the strategy and the realisation of benefits during YEM24.	▪ Building Products EBIT of $294 million was up $21 million or 8% on YEM23. EBIT margin of 15.5% represented an increase compared to 14.9% delivered in YEM23. ▪ The earnings growth was driven through a combination of factors including realisation of strategy benefits, strong operational performance and continued pricing and cost disciplines. ▪ As noted above and detailed in table 7, Building Products EBIT for STI purposes was lowered by $7 million for transformation costs relating to Software-as-a-Service recorded in 'significant items' to $287 million. ▪ Overall, Building Products earnings for STI purposes exceeded the target set and the EBIT financial STI component was awarded at between target and stretch.	Between target and stretch

Financial STI outcomes Stretch | Between target and stretch | At target | Between threshold and target | Below threshold

4 Performance outcomes (continued)

i) Short-term incentive outcomes (continued)

Table 6: YEM24 STI business financial targets and assessment of performance outcomes (continued)

Business	Explanation of STI EBIT financial targets	Assessment of performance outcomes	Outcome
Property	▪ A challenging earnings target was set for the Property business in YEM24, which included the sale of Horsley Park stage 3a. ▪ The earnings target for YEM24 was set below YEM23 due to the sale of both Horsley Park stage 2.2b and the sale of the site at Warner QLD during YEM23, as well as a number of smaller transactions.	▪ The Property business generated earnings of $91 million, the highest earnings recorded in the past 16 years. ▪ In addition to completing Horsley Park stage 3a during YEM24, the sale of Horsley Park stage 3b was also finalised. ▪ The business also continued to strategically advance the long-term property portfolio, including quarry rehabilitation at Badgerys Creek and progressing rezoning of the Schofields site. ▪ Overall, the YEM24 Property business earnings exceeded the financial targets set and the financial STI component was awarded at stretch.	Stretch
Aluminium	▪ In the context of volatile aluminium prices and higher raw material and energy costs, the Aluminium business was set a target which would see earnings decrease compared to YEM23. ▪ The financial target reflected the hedging held at the time and forecast production costs.	▪ The earnings of the Aluminium business have been negatively impacted by higher production costs due to an increase in energy prices. ▪ Given the escalation in energy costs, the Aluminium EBIT loss of $29 million was below threshold. The financial component of the STI was not awarded for the Aluminium business segment and the 40% non-financial component of STI was halved in line with the STI plan.	Below threshold

Financial STI outcomes: Stretch; Between target and stretch; At target; Between threshold and target; Below threshold

Consideration of significant items recorded in YEM24

The STI financial targets are set based on EBIT before significant items. The CSR board reviews all significant items at the end of each performance period and considers whether it is appropriate to adjust for their impact on incentive outcomes.

Table 7: Assessment of significant items for remuneration purposes

Item	Amount (pre-tax) $million	Remuneration outcomes adjusted	Rationale for treatment for remuneration purposes
Transformation implementation costs relating to Software-as-a-Service	(7)	Yes	▪ These costs relate to the transformation implementation costs that involve Software-as-a-Service and are required to be expensed. ▪ As these costs were contemplated in the earnings targets set for YEM24, the costs incurred during the year should also be included in the earnings used to assess STI remuneration outcomes. As a result, Building Products and CSR group EBIT used to assess the STI outcome has been lowered by this cost.
Transaction costs	(8)	No	▪ These costs relate to transaction costs incurred associated with the proposed acquisition of CSR by Saint-Gobain. ▪ As these costs were not contemplated in the earnings targets set for YEM24, the costs incurred during the year should not be included in the earnings used to assess STI remuneration outcomes.
Recognition of tax losses	8	No	▪ This benefit relates to legacy carried forward tax losses which are now expected to be utilised and the tax benefits were not contemplated when the YEM24 financial targets were set. ▪ The board has consistently treated these amounts as significant items with no adjustment to STI.
Product liability provision	(9)	No	▪ The product liability expenses relate to matters pre-dating current management and the board has consistently treated these amounts as significant items with no adjustment to STI.

STI non-financial measures

Business segments including CSR group, Building Products and Property met their business segment EBIT financial targets and as a result their non-financial STI component was awarded. As the Aluminium business segment did not reach financial threshold, the non-financial component of STI was halved. This treatment is in accordance with the STI plan as detailed in table 11. The board has not exercised any discretion, as outlined in table 5.

4 Performance outcomes (continued)

ii) Long-term incentive outcomes

LTIs have been linked to company performance as follows:

- the value of performance rights (under the PRP) ultimately depends on share price performance; and
- awards vest subject to EPS growth and TSR performance as measured through the movement in the share price and dividends paid.

Table 8: YEM24 long-term incentive outcomes

LTI measure	Explanation
Overall	▪ The YEM21 LTI performance hurdles were partially met resulting in 90% of the YEM21 PRP grant vesting in March 2024. ▪ The value of LTI that vested in YEM24 increased compared to YEM23 due to a higher number of rights vesting. ▪ Further detail is contained in section 8.
TSR	▪ Total shareholder return (TSR) target: 40% vested out of 50% potential.
EPS	▪ Earnings per share (EPS) target: 50% vested out of 50% potential.

iii) Overall financial performance and variable remuneration

The following table summarises the link between company performance and incentives awarded to executive KMP:

Table 9: Summary of financial performance and STIs and LTIs awarded

	Financial performance[6]					STI		LTI
	EBIT ($million)[1]	TSR (%)[2]	EPS (cents)[1]	ROFE (%)[3]	Share price ($)[4]	Executive KMP ($million)	All eligible employees STI as a % of EBIT	Vested value – Executive KMP ($million)[5]
YEM24	**332.2**	**97.9**	**50.5**	**26.7**	**8.82**	**1.6**	**7.0%[8]**	**2.9**
YEM23	329.7	(16.9)	46.9	28.9	4.75	1.4	5.4%	2.0
YEM22	291.4	13.4	39.7	27.3	6.15	1.8	7.3%	0.1
YEM21	237.9	87.3	33.1	21.1	5.78	1.8	7.5%	0.1
YEM20	216.8	1.5	27.3	17.8	3.17	0.5[7]	2.6%	0.7

1 EBIT and EPS are calculated before significant items.
2 TSR for 12 months to 31 March sourced from Bloomberg. Relative TSR performance is disclosed in table 17 along with the LTI vesting outcomes.
3 Return on Funds Employed (ROFE) as defined in note 2 to the CSR group financial statements.
4 Closing share price at 31 March. The opening share price for YEM20 on 1 April 2019 was $3.47.
5 Represents the value of PRPs vested in the period, calculated based on the number of shares issued, valued using the five-day VWAP prior to issue.
6 Dividends paid for the last five years are disclosed on page 2.
7 An STI was not awarded to executive KMP for YEM20, except for the special incentive paid to the retiring CEO Mr Sindel based on goals set by the board and determined for services up to 31 August 2019.
8 Total STI awarded for YEM24 represents 145% of the target STI opportunity. Further detail on the STI awarded is outlined in tables 5 and 6 and remuneration governance in section 5.

5 Remuneration governance

CSR's remuneration governance framework is set out below. While the board retains ultimate responsibility, CSR's remuneration policies and procedures are implemented through the Remuneration & Human Resources Committee. The composition and functions of the Remuneration & Human Resources Committee, which oversees remuneration issues and human resources matters, are set out in the charter available from the CSR website.

Figure 1: CSR's remuneration governance framework

CSR Board

- Overall responsibility for the remuneration strategy and outcomes for executives and non-executive directors.
- Reviews and, as appropriate, approves recommendations from the CSR Remuneration & Human Resources Committee.

Remuneration & Human Resources Committee

Management & Board Remuneration Policy

Monitors, recommends and reports to the board on:

- Remuneration guidelines and incentive policies for management, executives and KMP, aligned to long-term growth, shareholder value and CSR's company behaviours.
- Superannuation arrangements.
- Employee share plans.
- Recruitment, retention and termination policies and procedures for senior management.
- Board remuneration including the terms and conditions of appointment, retirement and non-executive remuneration within aggregate total amounts approved by shareholders.

Human Resources, Talent Management and Culture

Monitors, recommends and reports to the board on:

- The quality of talent pools for senior management succession.
- The effectiveness of CSR's diversity policies and initiatives, including an annual assessment against measurable objectives and proportion of women at all levels of management.
- Leadership development frameworks and individual development progress for key talent.
- Monitoring surveys conducted by the company in relation to the culture of the organisation.
- Initiatives to improve and drive a strong performance culture.
- CSR's compliance with external reporting.

Managing Director & Executive General Manager – Human Resources

Provides information to the Remuneration & Human Resources Committee for the Committee to recommend on:

- Incentive targets and outcomes.
- Remuneration policy.
- Long and short-term incentive participation.
- Individual remuneration and contractual arrangements for executives.

External Advisors

- Provide independent advice and recommendations relevant to remuneration decisions.
- Throughout the year, the Remuneration & Human Resources Committee and management received information from external providers Ernst & Young, Korn Ferry Hay Group and Herbert Smith Freehills related to remuneration market data and analysis, market practice on the structure and design of incentive programs (both long-term and short-term), performance testing of existing long-term incentives and legislative and regulatory requirements.
- There were no remuneration recommendations made by remuneration consultants during the year.

6 Summary of the fixed and 'at risk' components of remuneration

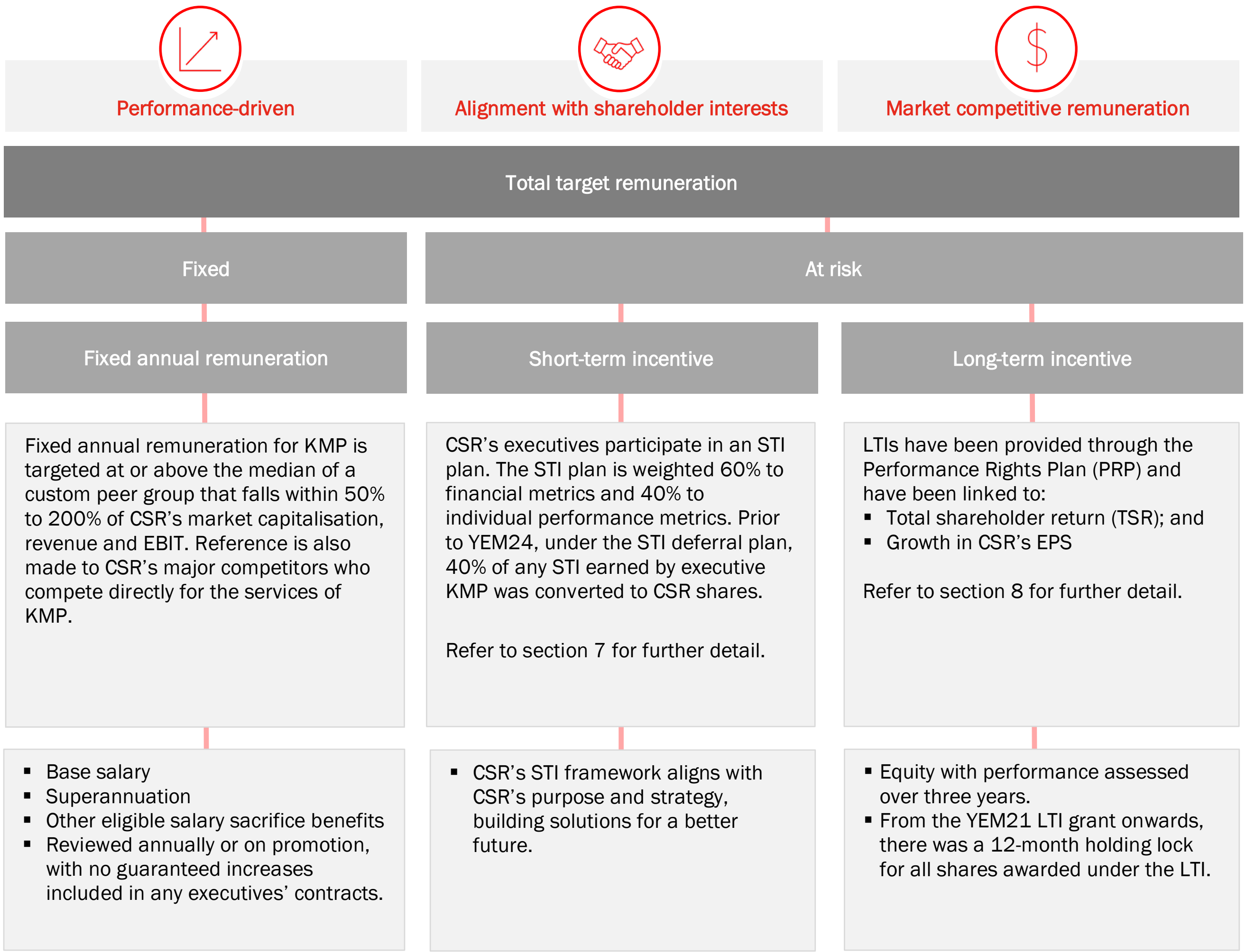
The core elements of CSR's remuneration strategy for the executive KMP and senior executives are outlined below.

The Scheme Booklet provides additional information on how incentives will be treated in connection within the Scheme, including in sections 9.1 and 9.2, which describes that the CSR board currently intends, subject to the Scheme becoming effective and the exercise of the CSR board's discretion, to treat equity incentives in place as follows:

- determine the early vesting of all performance rights; and
- release all shares subject to restrictions from those restrictions,

and take all other actions incidental or required to effect this, in each case prior to the business day before the Scheme record date or the Scheme being implemented.

Figure 2: CSR's remuneration strategy and structure

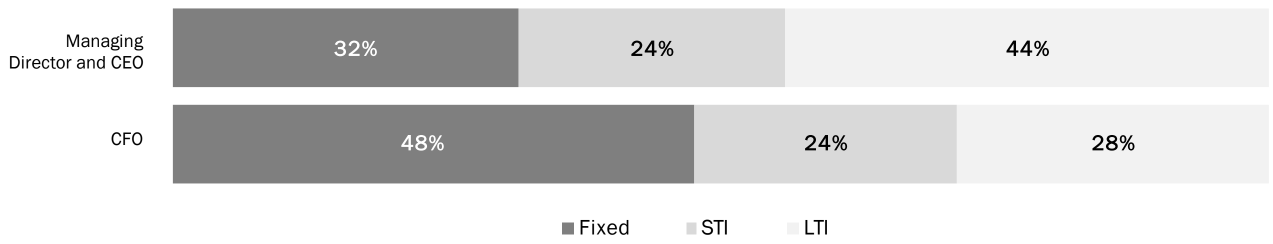


6 Summary of the fixed and 'at risk' components of remuneration (continued)

The key principles on which CSR's executive remuneration is based on are outlined below.

Table 10: Key principles of CSR's executive remuneration

Objective	Explanation
Market competitive remuneration	▪ Remuneration, including those elements which can be earned subject to business performance, is set at competitive levels that retain, motivate and attract high quality executives. ▪ Executive remuneration is reviewed annually. CSR aims to provide market competitive remuneration compared with roles of a similar size, responsibility and complexity. For executive KMP, analysis is completed against a custom peer group that falls within 50% to 200% of CSR's market capitalisation, revenue and EBIT and a group of industry peers. ▪ At risk remuneration (through STI and LTI) provides the opportunity to earn reward that reaches the top quartile of the market for superior performance.
Performance driven and aligned with shareholder interests	▪ Fixed remuneration is designed to attract and retain executives based on their experience and capability to deliver the CSR strategy. The 'at risk' components of remuneration (both STI and LTI) are driven by challenging targets, focused on both external and internal measures of financial and non-financial performance and are aligned with shareholder returns. Prior to YEM24, under the STI deferral plan, 40% of any STI earned by executive KMP was converted to CSR shares. For YEM24, in accordance with the terms of the Scheme, any STI will be paid in cash with no deferral. ▪ KMP are required to hold or make progress towards a minimum CSR shareholding. The requirement for KMP is 100% of fixed annual remuneration, acquired over a reasonable timeframe. Further detail on this policy are set out in section 13. ▪ Ownership of CSR shares has been encouraged and enabled through the LTI plan for executive KMP. Other share acquisition programs included the YEM24 Employee Share Grant and the ability to forgo part of fixed remuneration to acquire shares annually through the Employee Share Acquisition Plan (ESAP). ▪ A significant proportion of executive remuneration is 'at risk'. The following chart sets out the remuneration mix as fixed annual remuneration, target STI and the maximum value of the LTI granted during the year for the executive KMP.



7 At risk remuneration – short-term incentive

(i) Table 11: Details of the short-term incentive plan

Purpose

Motivates and rewards individuals and teams to deliver the business strategy aligned to CSR's performance objectives and financial performance to increase shareholder value.

Frequency and timing

Awards are determined on an annual basis with performance measured over the year to 31 March, with payment made following the release of CSR's annual financial results.

Equity deferral

As set out in the Scheme Booklet, under the terms for the Scheme agreed with Saint-Gobain, any STI paid to executive KMP for YEM24 will be paid in cash, with no deferral. Prior to YEM24, under the STI deferral plan, 40% of any STI earned by executive KMP was converted to CSR shares.

Minimum EBIT financial performance requirements

STI EBIT financial performance targets are set out in the table below.

Performance component	Threshold[2]	Target	Stretch
Percentage of EBIT target achieved	95%	100%	110%
Percentage of target STI payable[1]	0%	100%	200%

1 Managing Director and CEO's STI for stretch performance is equivalent to 110% of fixed annual remuneration.
2 The financial threshold is calculated based on the EBIT financial target plus the amount of STI payable if the budget is achieved.

The STI accrues on a straight-line basis for EBIT financial performance between threshold and target and between target and stretch.

No STI is payable in relation to the EBIT financial component unless the threshold is exceeded.

If either the CSR group or business segment EBIT financial threshold is not met, the non-financial component is discounted by 50%. Should both CSR and the applicable business segment not reach the financial threshold, any payment will be at the discretion of the board.

Significant items

The board reviews items classified as significant at the end of each financial year to determine the extent, if any, by which reported EBIT should be adjusted for STI purposes depending on whether the items were influenced by or within the control of management.

Performance measures

Performance measures are based on a combination of financial and non-financial measures:

Performance component	Corporate roles	Business segment roles
CSR group financial component	60%	30%
Business segment financial component	–	30%
Individual objectives	40%	40%
Total	**100%**	**100%**

Financial measures are based on the board approved budget for YEM24. Given the cyclical nature of the building industry, it is not appropriate to set financial targets based on year-on-year linear growth. Instead, at the start of each year, the board sets challenging financial targets taking into account the relevant factors for each business segment including forecasts for building activity, inventory targets, aluminium pricing and the property market, as well as considering investor requirements for sustainable returns.

The maximum STI payable is 200% of a participant's target STI opportunity (target STI opportunity varies based on seniority) except for the Managing Director and CEO, whose maximum STI opportunity is 157% of target, equivalent to 110% of fixed annual remuneration.

Non-financial objectives

Individual objectives are set at the start of each financial year in CSR's performance management system ACHiEVE@CSR. Performance is monitored during the year, with a final assessment at year-end. The non-financial objectives are aligned to the business strategy and CSR's defined culture and behaviours. These objectives include relevant KPIs such as safety and sustainability, customer experience, leadership and development of people, operational improvement and growth and delivery of CSR's strategic initiatives.

For individuals whose behaviour and performance does not meet minimum requirements, the non-financial STI will be forfeited and the financial STI component may be reduced or forfeited.

Assessment of performance against measures

Individual performance assessments and recommendations are made by the participant's immediate manager, based on the delivery of set objectives and behaviour in achieving these objectives. All performance ratings are reviewed and calibrated by the business unit Executive General Manager. The Managing Director and CEO approves STI allocations based on the overall performance outcomes. The Remuneration & Human Resources Committee recommends to the board executive KMP STIs and the overall STI pool in aggregate.

7 At risk remuneration – short-term incentive (continued)

(i) Table 11: Details of the short-term incentive plan (continued)

Board discretion	The board's philosophy is to minimise discretionary adjustments to the plan outcomes. However, the board and the Managing Director and CEO retain discretion in certain circumstances to alter payments having regard to: ▪ CSR's overall financial performance, including consideration of significant items; ▪ occurrence of a fatality, regardless of fault; ▪ poor individual performance; ▪ inadequate WHSE leadership or WHSE performance improvement; ▪ maintenance and preservation of the company's assets and reputation; ▪ any short-term action which causes market share loss or other damage to CSR; ▪ other special circumstances (e.g. acquisitions and divestments); and ▪ any breach of CSR's Business Code of Conduct and Ethics and other policies.
Service condition	New starters or people promoted into eligible roles may participate in the STI scheme with pro-rata entitlements. Employees must be employed at time of payment to be eligible for any reward.

8 At risk remuneration – long-term incentive

(i) Purpose of the long-term incentive (LTI) plan

CSR's long-term incentive program aims to:

- drive the delivery of strategic objectives that create long-term shareholder value;
- retain, motivate and attract executive talent to deliver and sustain business performance and increase shareholder returns; and
- enable executives to build their interests in CSR equity.

(ii) Details of the LTI plan

The long-term incentive plan is delivered through the CSR Performance Rights Plan (PRP). Details of the PRP grants from YEM21 to YEM24 are set out below.

Table 12: Details of the long-term incentive plan

Participation	KMP, senior executives and selected key roles are eligible subject to approval by the board.
Grant frequency	Grants have been made on an annual basis.
Type of award	LTI awards are delivered in the form of performance rights. These are rights to receive fully paid ordinary shares in CSR Limited. Grants of performance rights have been subject to service requirements and performance vesting criteria. If performance conditions are met, CSR shares will be purchased on market and transferred to participants. As the rights are an element of remuneration, no amount is payable by employees to be allocated the rights. If the rights vest, no consideration or exercise price is payable for the allocation of shares. Refer to section 8(iii) for more detail.
Vesting and performance period	Awards have been subject to a three-year performance period. The performance conditions are tested to determine whether, and to what extent, awards vest. To the extent that performance rights have not vested following the testing, they will lapse (i.e. participants forfeit their interests in the performance rights).
Dividends	There is no entitlement to dividends on performance rights during the performance period.
At vesting	For all PRP grants, rights are eligible for one CSR Limited share per one performance right on vesting.
Holding lock	A 12-month holding lock on shares awarded under the LTI applies to aid senior executive retention and strengthen CSR's clawback provisions. During the holding lock period, provided the participant remains employed by CSR, they have full voting rights and are entitled to receive dividends.
Sales restrictions post vesting	Shares transferred to participants on the vesting of performance rights are subject to the CSR Share Trading Policy.
Treatment on cessation of employment	Unvested awards: Generally, if a participant ceases to be employed prior to the performance conditions being met, any unvested shares will be forfeited. If the cessation of employment is the result of retirement, redundancy, total or permanent disablement, death or any other special circumstances, the treatment of the rights will be determined at the board's discretion. Vested awards: Awards that have vested are not subject to accelerated transfer to participants at the time of cessation of employment.
Treatment on change of control	Unvested awards: The board has discretion to allow awards to vest on a change of control of CSR (e.g. a takeover or merger). The Scheme Booklet provides additional information on how incentives will be treated in connection within the Scheme, including in sections 9.1 and 9.2, which describe that the CSR board currently intends, subject to the Scheme becoming effective and the exercise of the CSR board's discretion, to determine the early vesting of all performance rights prior to the business day before the Scheme record date or the Scheme being implemented (among other actions).
Prohibition of hedging arrangements	Participants will forfeit their interests in unvested shares if they enter into any hedging transaction in relation to those shares in breach of CSR's Share Trading Policy. At 31 March 2024, executive KMP confirmed in writing their beneficial interest in CSR shares, including confirming that they had not entered into any hedging arrangements over vested or unvested CSR shares.
Board discretion	The board retains discretion to reduce or lapse performance rights (or recover the net proceeds where vested shares have been sold) in several circumstances including, but not limited to, material financial misstatements, the performance and conduct of the participant, the performance of the business unit the participant is employed in, CSR group performance, fraudulent or dishonest acts, bringing CSR or any business unit into disrepute or breach of duties or obligations to CSR (including acting in breach of the terms and conditions of their employment and/or CSR's Code of Business Conduct and Ethics).

8 At risk remuneration – long-term incentive (continued)

(iii) PRP performance conditions

A summary of the performance hurdles for each PRP grant, along with further detail on how each hurdle is measured, is set out below. The Scheme Booklet provides additional information on how incentives will be treated in connection with the Scheme.

Table 13: Weights of performance hurdles for PRP granted for YEM21-YEM24

	Note	YEM24	YEM23	YEM22	YEM21
Relative TSR (Tranche A)	1	50%	50%	50%	50%
Earnings per share (Tranche B)	2	50%	50%	50%	50%

1. Relative TSR

- TSR is the percentage growth in shareholder value, which measures the changes in share price, taking into account dividends and capital returns.
- The board believes relative TSR is an appropriate measure for the PRP as it directly aligns with shareholder interests and provides transparency and focus of eligible executives in driving dividends, capital management and share price growth.
- Absolute TSR is a gateway to vesting to ensure that participants are only rewarded for positive shareholder returns. If absolute TSR is negative over the performance period, no rights will vest in this tranche.
- The comparator peer group used to calculate relative TSR is those companies comprising the S&P/ASX51 – ASX150 defined at the start of each performance period. This peer group is sufficiently broad to measure relativity and the market capitalisation has greater alignment to CSR than the S&P ASX200. The board may adjust the comparator group to take into account events including, but not limited to, takeovers, mergers or de-mergers that might occur during the performance period.
- In measuring TSR, share prices are calculated based on a 90-calendar-day VWAP at the start and end of the performance period.
- Assuming the absolute TSR gate is met, the proportion of the Tranche A performance rights that vest will be determined based on CSR's relative TSR, in accordance with the vesting schedule in table 14 below.

Table 14: Vesting schedule for all Relative TSR PRP grants

TSR of CSR relative to the Peer Group	Proportion of Tranche A to vest
Below the 50th percentile	0%
At the 50th percentile	50%
Between the 50th percentile and the 75th percentile	Straight-line vesting between 50% and 100%
75th percentile or greater	100%

8 At risk remuneration – long-term incentive (continued)

(iii) PRP performance conditions (continued)

2. Earnings per share (EPS)

Compound growth in EPS measures the success of the business in generating continued growth in earnings and aligns the effort of executive KMP and senior executives with shareholder interests. The use of EPS as a long-term performance measure is also consistent with market practice. EPS is defined as net profit after tax per share before significant items. The board reviews all 'significant items' at the end of each performance period and considers whether it is appropriate to adjust for the impact on incentive outcomes. A consistent treatment is applied for both STI and LTI assessments, with the YEM24 outcome summarised in section 4(i) and table 7. In addition, the board may adjust EPS to exclude the effects of material business acquisitions or divestments.

EPS is measured on an averaged basis over the three-year performance period rather than point to point to reflect the cyclical nature of the business. Target performance is calculated by taking the total EPS from the performance period using actual EPS of the base year and compounding 5% per annum for three years and dividing the result by three. Stretch performance is calculated using the same methodology, except the growth is compounded by 10% per annum.

Table 15: Performance hurdles for the YEM21 to YEM24 PRP grants

	YEM24		YEM23		YEM22		YEM21	
EPS performance hurdle	Target	Stretch	Target	Stretch	Target	Stretch	Target	Stretch
Cumulative EPS required over three years (cents per share)	155.2	170.8	131.4	144.5	109.6	120.5	85.4	93.9
Average EPS required over three years (cents per share)	51.7	56.9	43.8	48.2	36.5	40.2	28.5	31.3

Table 16: EPS PRP vesting schedule

CAGR of EPS	Proportion of Tranche B to vest
Below 5%	0%
At 5%	50%
Between 5% and 10%	Straight-line vesting between 50% and 100%
10% and above	100%

8 At risk remuneration – long-term incentive (continued)

(iv) Details of the PRP awards outstanding

Table 17: Status and key dates of PRP awards

Grant date	Valuation per right[1]	Holding period	Performance testing period	Expiry date (if hurdle not met)	Performance status
21 July 2020 (YEM21)	Tranche A (TSR) $1.06 Tranche B (EPS) $3.08	21 July 2020 to 31 March 2023	1 April 2020 to 31 March 2023	1 April 2023	Tranche A (TSR): Relative TSR was 65%. Performance condition was met, resulting in 80% vesting of the allocation grant. Tranche B (EPS): Actual average EPS of 39.5 cents compared to a stretch target of 31.3 cents. Compound growth performance condition was met at stretch and all rights vested. Total award was 90%.
21 July 2021 (YEM22)	Tranche A (TSR) $2.32 Tranche B (EPS) $4.67	21 July 2021 to 31 March 2024	1 April 2021 to 31 March 2024	1 April 2024	Subsequent to 31 March 2024: The Scheme Booklet provides additional information on how incentives will be treated in connection with the Scheme including in sections 9.1 and 9.2.
29 July 2022 (YEM23)	Tranche A (TSR) $1.45 Tranche B (EPS) $3.87	29 July 2022 to 31 March 2025	1 April 2022 to 31 March 2025	1 April 2025	
27 July 2023 (YEM24)	Tranche A (TSR) $3.31 Tranche B (EPS) $4.87	27 July 2023 to 31 March 2026	1 April 2023 to 31 March 2026	1 April 2026	

1 The value of performance rights at grant date calculated in accordance with AASB 2 *Share-based Payments*. Valuations are performed by a third party, Ernst & Young.

(v) Other equity incentive plans

The Employee Share Grant and Employee Share Acquisition Plan (ESAP) was offered to all eligible employees during YEM24. The Scheme Booklet provides additional information on how incentives will be treated in connection with the Scheme. Shareholders are encouraged to consult the Scheme Booklet for more details.

Table 18: Other equity incentive plans

	Employee Share Grant	Employee Share Acquisition Plan (ESAP)
Eligibility	All executives and employees (except directors), as at 1 April in the year the shares were granted.	All full and part-time salaried employees and directors within Australia.
Form and quantum of award	The board may elect to grant eligible employees CSR shares. The maximum value of the Employee Share Grant is $1,000 (being the limit of the tax exemption) for each eligible participant.	Directors and employees could forgo up to $5,000 of their cash remuneration annually to acquire shares in the company. The shares were purchased on market by the CSR Share Plan trustee, who acts on instructions given in accordance with the plan rules and the company's Share Trading Policy.
Vesting period	Shares vest immediately upon acquisition by participants. The shares can only be sold three years after the date of grant, unless the participant's employment ceases before then.	The shares are held in trust while the participant is employed by CSR, unless board approval is granted to sell or transfer shares under specific circumstances (e.g. financial hardship). Under current Australian tax law, the maximum period of income tax deferral on the shares purchased is 15 years.
Absence of a performance condition	These plans are designed to encourage share ownership for employees and therefore do not have any performance conditions attached.	
Dividends and voting rights	Participants are entitled to dividends and other distributions and have full voting rights.	

Remuneration in detail

9 Service agreements

Managing Director and CEO – Executive service agreement

Julie Coates was appointed as Managing Director and CEO effective 2 September 2019. Ms Coates' contractual remuneration package is summarised below:

Table 19: Managing Director and CEO's remuneration package

Fixed annual remuneration	Fixed annual remuneration of $1,229,000 inclusive of superannuation contributions effective from 1 July 2023. Fixed annual remuneration is reviewed annually and increases are not guaranteed.
Notice period	Under the Executive Service Agreement there is no fixed term and Ms Coates' employment can be terminated by: ▪ the company giving her 12 months' notice of termination; or ▪ Ms Coates giving six months' notice of resignation.
STI	There is no guaranteed entitlement to an STI payment and the maximum STI opportunity is 110% of fixed annual remuneration for exceptional performance. Achievement of target performance would result in 70% of the maximum STI being paid. The STI is weighted 60% to financial performance, and 40% to non-financial performance. Under the STI deferral plan, 40% of any STI earned by executive KMP was converted to CSR shares. Under the terms for the Scheme, any STI paid to executive KMP for YEM24 will be paid in cash, with no deferral.
LTI	The potential value of any award of performance rights is set at a maximum of 140% of fixed annual remuneration. Grants of performance rights are subject to performance hurdles and vesting criteria set by the board (refer to section 8(iii) for details) and are subject to shareholder approval at the AGM. The Scheme Booklet provides additional information on how incentives will be treated in connection with the Scheme including in sections 9.1 and 9.2.

Chief Financial Officer – Executive service agreement

Sara Lom was appointed as Chief Financial Officer on 4 September 2023. Ms Lom's contractual remuneration package is summarised below:

Table 20: Chief Financial Officer's remuneration package (Ms Lom from 4 September 2023)

Fixed annual remuneration	Fixed annual remuneration of $610,000 inclusive of superannuation contributions. Fixed annual remuneration is reviewed annually and increases are not guaranteed.
Notice period	Under the Executive Service Agreement there is no fixed term and Ms Lom's employment can be terminated by: ▪ the company giving her six months' notice of termination; or ▪ Ms Lom giving six months' notice of resignation.
STI	There is no guaranteed entitlement to an STI payment and the maximum STI opportunity is 100% of fixed annual remuneration for exceptional performance. Achievement of target performance would result in 50% of the maximum STI being paid. The STI is weighted 60% on financial performance and 40% on individual performance. Under the STI deferral plan, 40% of any STI earned by executive KMP was converted to CSR shares. Under the terms for the Scheme, any STI paid to executive KMP for YEM24 will be paid in cash, with no deferral.
LTI	The potential value of any award of performance rights is set at a maximum of 60% of fixed annual remuneration. Grants of performance rights are subject to performance hurdles and vesting criteria set by the board (refer to section 8(iii) for details). The Scheme Booklet provides additional information on how incentives will be treated in connection with the Scheme including in sections 9.1 and 9.2.

Former Chief Financial Officer and Executive General Manager, Property and Aluminium – Executive service agreement

David Fallu resigned from his position of Chief Financial Officer and Executive General Manager, Property and Aluminium on 16 March 2023 and served his contractual notice period of six months, leaving the business on 13 September 2023. Mr Fallu's remuneration package is summarised below:

Table 21: Former Chief Financial Officer and Executive General Manager, Property and Aluminium's remuneration package

Fixed annual remuneration	Mr Fallu's fixed annual remuneration was not increased in YEM24.
STI	The board exercised discretion with regard to Mr Fallu and allowed him to retain all of his deferred STI shares held on foot. Mr Fallu did not participate in the YEM24 STI plan.
LTI	Given the YEM24 PRP was granted after Mr Fallu resigned, Mr Fallu did not participate in the grant. The board determined that it was appropriate for Mr Fallu to remain eligible for the YEM21 PRP, which resulted in 123,865 rights meeting their performance condition and 13,763 failing to meet their performance condition and lapsed effective 31 March 2023. The remaining 219,459 rights in relation to YEM22 and YEM23 PRP lapsed as a result of cessation of employment of Mr Fallu on 13 September 2023.

9 Service agreements (continued)

Table 22: Treatment of the Managing Director and Chief Executive Officer's and Chief Financial Officer's incentives on termination

Circumstance	Short-term incentive[1]	Long-term incentive – unvested performance rights and shares under holding lock[2]
Immediate termination for cause	No STI payable and clawback provisions may apply (including deferred STI).	Rights and shares are forfeited.
Resignation	STI is forfeited unless board determines otherwise.	Rights and shares are forfeited unless the board determines otherwise. While an employee is serving a notice period, no new grants are issued.
Notice by company, retirement, redundancy, death or permanent disability	Board discretion to award STI on a pro-rata basis (including deferred STI).	Board discretion to allow awards to vest or remain subject to performance hurdles after termination on a pro-rata basis. Shares remain subject to relevant holding lock unless the board determines otherwise.

1 Any STI payments will be paid according to the normal annual STI payment time frame (i.e. payment timing will not be accelerated).
2 Shares allocated in respect of vested performance rights are subject to restrictions after vesting.

10 Statutory remuneration

Managing Director and Chief Executive Officer's and Chief Financial Officer's remuneration

The remuneration table below shows an increase in total remuneration expensed for accounting purposes for executive KMP in YEM24 compared with YEM23.

Table 23: Executive KMP statutory remuneration

$ Year ended 31 March	Fixed		Variable					'At risk'	
	Cash salary	Super-annuation[1]	Leave benefits[2]	Other benefits[3]	STI expense[4]	LTI expense[5]	Total	STI[6]	LTI[6]
Managing Director and CEO – Julie Coates									
2024	**1,191,003**	**26,872**	**(2,136)**	**–**	**1,465,157**	**1,000,581**	**3,681,477**	**40%**	**27%**
2023	1,151,014	24,861	30,006	–	978,382	940,851	3,125,114	31%	30%
Chief Financial Officer – Sara Lom									
2024	**339,714**	**13,699**	**55,056**	**–**	**365,353**	**96,265**	**870,087**	**42%**	**11%**
2023	–	–	–	–	–	–	–	–	–
Former Chief Financial Officer and Executive General Manager, Property and Aluminium – David Fallu									
2024	**323,851**	**13,173**	**(78,142)**	**–**	**115,861**	**(297,199)**	**77,544**	**–**	**–**
2023	713,889	24,861	74,219	3,074	486,892	23,897	1,326,832	37%	2%

1 Post-employment benefits as per *Corporations Regulation* 2M.3.03.
2 Other long-term benefits as per *Corporations Regulation* 2M.3.03.
3 Other benefits for YEM23 includes the Employee Share Grant and other expenditure, all of which related directly to company business.
4 Amortisation of STI deferrals relating to prior years' grants.
5 LTI expense is as defined in the accounting standards. PRP grants are expensed over the vesting period at a valuation determined on grant date. Valuations are performed by a third party and are detailed in table 17.
6 STI and LTI as a percentage of total remuneration.

11 Deferred shares

Table 24: STI deferred shares for executive KMP

	Number of STI deferred shares				
	Balance 1 April 2023	Granted[1]	Vested[1]	Lapsed	Balance 31 March 2024
Julie Coates	35,508	78,961	(74,988)	–	39,481
Sara Lom	–	–	–	–	–
David Fallu	21,484	36,055	(39,511)	–	18,028

1 The value of deferred shares provided at grant date was $5.37 per share based on the VWAP of five-days up to and including to 31 March 2023. These shares related to the YEM23 STI and were granted in May 2023, with half vesting on 31 March 2024. For the remaining balance due to vest on 31 March 2025, the Scheme Booklet provides additional information on how incentives will be treated in connection with the Scheme.

12 Performance rights

Table 25: Executive KMP performance rights

	Number of performance rights				
	Balance 1 April 2023	Granted[1]	Vested[2]	Lapsed[2]	Balance 31 March 2024
Julie Coates	996,853	360,508	(406,985)	(45,221)	905,155
Sara Lom[3]	123,115	–	–	–	123,115
David Fallu	357,087	–	(123,865)	(233,222)	–

1 The accounting value of Ms Coates' rights granted was $1,474,478. The minimum possible total value of rights granted under the YEM24 LTI grant for future financial years is nil and the maximum possible total value is the number of rights multiplied by the market price of CSR shares on the date of vesting.
2 The following rights vested to ordinary shares during the year ended 31 March 2024:
Ms Coates: YEM21 Tranche A and Tranche B rights vested of 180,882 and 226,103, respectively, while Tranche A rights of 45,221 lapsed. A total of 406,985 shares were allocated on 31 May 2023, and the value of each of these shares was $5.37, representing a total value to Ms Coates of $2,187,166.
Mr Fallu: YEM21 Tranche A and Tranche B rights vested of 55,051 and 68,814, respectively, while Tranche A rights of 13,763 lapsed. A total of 123,865 shares were allocated on 31 May 2023, and the value of each of these shares was $5.37, representing a total value to Mr Fallu of $665,859. The remaining 219,459 rights in relation to the YEM22 and YEM23 PRP lapsed as a result of cessation of employment of Mr Fallu on 13 September 2023.
Rights that vest are automatically exercised. Fully paid ordinary shares that are allocated on vesting of rights are granted for nil consideration.
3 Ms Lom's opening balance reflects the number of performance rights on issue on her appointment date as Chief Financial Officer.

13 Shareholdings

Minimum shareholding requirements

All non-executive directors and executive KMP are expected to acquire a beneficial interest in CSR shares equivalent in value to one year's fixed remuneration. Fixed remuneration is calculated as being inclusive of superannuation. The minimum shareholding requirements are required to be met by non-executive directors within four years of appointment and by executive KMP within a reasonable time frame and are to be valued at the greater of either the cost at the time of purchase, or the current value.

Table 26: Executive KMP shareholdings

	Number of CSR shares[1]				
	Balance 1 April 2023	Acquired[2]	Sold or transferred	Other[3]	Balance 31 March 2024
Julie Coates	438,382	520,986	(110,000)	–	849,368
Sara Lom[4]	49,674	–	–	–	49,674
David Fallu	274,220	36,055	–	(310,275)	–

1 CSR shares in which the executive KMP has a beneficial interest, including shares held by the CSR share plan trustee for vested shares from the PRP and shares held in respect of the STI deferral plan, by the ESAP trustee or via their related parties. It also includes spouse shareholdings.
2 Represents shares allocated upon vesting of rights under the PRP and shares acquired under the STI deferral plan as detailed earlier in this report. Ms Coates' acquired shares include 891 shares acquired under ESAP, 78,961 shares acquired under the STI deferral plan, 406,985 shares issued on vesting of PRPs and 34,149 shares acquired under the Dividend Reinvestment Plan. Mr Fallu's acquired shares include 36,055 shares acquired under the STI deferral plan.
3 Following Mr Fallu's resignation as CFO on 13 September 2023, he is no longer a KMP. The 'other' change represents a shareholding balance that no longer requires disclosure and does not represent a disposal of shares whilst a KMP.
4 Ms Lom's opening balance reflects her shareholding prior to her appointment date as Chief Financial Officer.

14 Other transactions with KMP

The CSR group offers staff discounts on certain products which are also made available to KMP.

There were no other transactions, including loans between CSR and KMP (including their related parties), during YEM24.

Non-executive directors

15 Arrangements

Non-executive directors are paid a base fee for service to the board, with additional fees for service to each board committee. The fees are set with consideration to the fees paid by companies of a similar size and complexity and are inclusive of superannuation. The shareholder approved fee pool is currently $1,450,000 per annum including superannuation.

Table 27: Non-executive director arrangements

Role	Annual fee for YEM24 (including superannuation guarantee)
Chair base fees (including all committee memberships)	$432,900
Other NED base fees	$160,300
Committee chair (Risk & Audit Committee, Remuneration & Human Resources Committee or Safety & Sustainability Committee)	$30,100
Committee memberships	$12,900 per committee

No retirement allowances are payable to NEDs. NEDs do not participate in the company's STI or LTI plans or Employee Share Grant or receive any variable remuneration but may forgo fees for CSR shares under the ESAP. Further information is detailed in section 13.

16 Non-executive director fees and shareholdings

Table 28: Non-executive directors' fees

Year ended 31 March		Directors' fees	Termination benefits	Superannuation	Total
John Gillam (chair of the board)	**YEM24**	**406,028**	**–**	**26,872**	**432,900**
	YEM23	392,439	–	24,861	417,300
Christina Boyce (from 15 March 2023)	**YEM24**	**165,902**	**–**	**18,048**	**183,950**
	YEM23	7,114	–	747	7,861
Nigel Garrard	**YEM24**	**198,470**	**–**	**4,830**	**203,300**
	YEM23	167,341	–	17,367	184,708
Christine Holman (to 16 November 2022)	**YEM24**	**–**	**–**	**–**	**–**
	YEM23	111,004	–	11,433	122,437
Matthew Quinn (to 31 May 2023)	**YEM24**	**30,664**	**–**	**3,220**	**33,884**
	YEM23	177,486	–	18,414	195,900
Adam Tindall (from 16 January 2023)	**YEM24**	**180,766**	**–**	**19,668**	**200,434**
	YEM23	34,419	–	3,614	38,033
Penny Winn	**YEM24**	**183,360**	**–**	**19,940**	**203,300**
	YEM23	177,486	–	18,414	195,900
Total non-executive directors	**YEM24**	**1,165,190**	**–**	**92,578**	**1,257,768**
	YEM23	1,067,289	–	94,850	1,162,139

Table 29: Non-executive directors' shareholdings

	Number of CSR shares[1]			
	Balance 1 April 2023	Acquired	Other[2]	Balance 31 March 2024
John Gillam (chair of the board)	253,510	–	–	253,510
Christina Boyce	–	20,000	–	20,000
Nigel Garrard	75,000	–	–	75,000
Matthew Quinn	88,558	–	(88,558)	–
Adam Tindall	20,000	20,000	–	40,000
Penny Winn	51,248	–	–	51,248

1 CSR shares in which the director has a beneficial interest, including shares held under the ESAP trust or via related parties.
2 Following Mr Quinn's retirement from the CSR board on 31 May 2023, he is no longer a KMP. The 'other' change represents a shareholding balance that no longer requires disclosure and does not represent a disposal of shares.

FINANCIAL REPORT

Statement of financial performance

$million	Note	2024	2023
Trading revenue – sale of goods	2,5	**2,625.1**	**2,613.3**
Cost of sales		(1,847.7)	(1,855.2)
Gross profit		**777.4**	**758.1**
Other income	5	98.7	89.6
Warehouse and distribution costs		(253.7)	(263.1)
Selling, administration and other operating costs		(306.0)	(274.2)
Share of net profit of joint venture entities	26	22.3	19.3
Other expenses	6	(21.8)	(15.1)
Profit before net finance costs and income tax		**316.9**	**314.6**
Interest income	7	3.2	2.5
Finance costs	7	(19.2)	(22.5)
Profit before income tax		**300.9**	**294.6**
Income tax expense	8	(76.5)	(76.4)
Profit after tax		**224.4**	**218.2**
Profit after tax attributable to:			
Non-controlling interests	24	(6.6)	(0.3)
Shareholders of CSR Limited	2	231.0	218.5
Profit after tax		**224.4**	**218.2**
Earnings per share attributable to shareholders of CSR Limited			
Basic (cents per share)	4	48.5	45.5
Diluted (cents per share)	4	48.1	45.3

The above statement of financial performance should be read in conjunction with the accompanying notes.

Statement of comprehensive income

$million	Note	2024	2023
Profit after tax		**224.4**	**218.2**
Other comprehensive income (expense), net of tax			
Items that may be reclassified to profit or loss			
Cash flow hedge gain recognised in equity	21	67.3	226.4
Cash flow hedge loss reclassified to profit or loss	21	33.0	80.3
Exchange differences arising on translation of foreign operations	20	(0.5)	0.8
Income tax expense relating to these items	13	(30.0)	(92.0)
Items that will not be reclassified to profit or loss			
Actuarial loss on superannuation defined benefit plans	28	(3.6)	(1.9)
Income tax benefit relating to these items	13	1.1	0.7
Other comprehensive income – net of tax		67.3	214.3
Total comprehensive income		**291.7**	**432.5**
Total comprehensive income attributable to:			
Non-controlling interests		18.9	67.1
Shareholders of CSR Limited		272.8	365.4
Total comprehensive income		**291.7**	**432.5**

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

$million	Note	2024	2023
Current assets			
Cash and cash equivalents	35	138.1	131.6
Receivables	10	253.4	285.9
Inventories	10	404.0	425.2
Property holdings	11	2.7	36.0
Other financial assets	21	32.5	29.2
Income tax receivable		3.3	16.8
Prepayments and other current assets		23.5	13.4
Total current assets		**857.5**	**938.1**
Non-current assets			
Receivables	33	13.3	12.3
Property holdings	11	106.4	109.4
Investments accounted for using the equity method	26	33.2	45.0
Other financial assets	21	29.1	20.9
Property, plant and equipment	12	769.3	692.2
Right-of-use lease assets	14	126.6	128.8
Goodwill	12	99.6	59.9
Other intangible assets	12	13.2	9.3
Deferred income tax assets	13	170.9	206.7
Other non-current assets	33	4.6	8.5
Total non-current assets		**1,366.2**	**1,293.0**
Total assets		**2,223.7**	**2,231.1**
Current liabilities			
Payables	10	258.2	293.5
Lease liabilities	14	33.6	32.5
Other financial liabilities	21	55.5	69.7
Tax payable		20.8	14.5
Provisions	15	147.4	134.3
Total current liabilities		**515.5**	**544.5**
Non-current liabilities			
Lease liabilities	14	121.1	131.1
Other financial liabilities	21	82.4	165.0
Provisions	15	203.8	213.2
Other non-current liabilities	28	1.0	0.7
Total non-current liabilities		**408.3**	**510.0**
Total liabilities		**923.8**	**1,054.5**
Net assets		**1,299.9**	**1,176.6**
Equity			
Issued capital	18	930.3	930.3
Reserves	20	(104.9)	(147.9)
Retained profits		446.1	384.7
Equity attributable to shareholders of CSR Limited		**1,271.5**	**1,167.1**
Non-controlling interests	24	28.4	9.5
Total equity		**1,299.9**	**1,176.6**

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

$million	Note	Issued capital	Reserves	Retained profits	CSR Limited interest	Non-controlling interests	Total equity
Balance at 1 April 2023		930.3	(147.9)	384.7	**1,167.1**	9.5	**1,176.6**
Profit for the year		–	–	231.0	231.0	(6.6)	224.4
Other comprehensive income (expense) – net of tax		–	44.3	(2.5)	41.8	25.5	67.3
Total comprehensive income		–	**44.3**	**228.5**	**272.8**	**18.9**	**291.7**
Dividends paid	19	–	–	(167.1)	(167.1)	–	(167.1)
Acquisition of treasury shares	20	–	(6.0)	–	(6.0)	–	(6.0)
Share-based payments – net of tax	20	–	4.7	–	4.7	–	4.7
Balance at 31 March 2024		930.3	(104.9)	446.1	**1,271.5**	28.4	**1,299.9**
Balance at 1 April 2022		966.7	(293.7)	334.0	**1,007.0**	(57.6)	**949.4**
Profit for the year		–	–	218.5	218.5	(0.3)	218.2
Other comprehensive income (expense) – net of tax		–	148.1	(1.2)	146.9	67.4	214.3
Total comprehensive income		–	**148.1**	**217.3**	**365.4**	**67.1**	**432.5**
Dividends paid	19	–	–	(166.6)	(166.6)	–	(166.6)
On-market share buy-back	18	(36.4)	–	–	(36.4)	–	(36.4)
Acquisition of treasury shares	20	–	(5.0)	–	(5.0)	–	(5.0)
Share-based payments – net of tax	20	–	2.7	–	2.7	–	2.7
Balance at 31 March 2023		930.3	(147.9)	384.7	**1,167.1**	9.5	**1,176.6**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

$million	Note	2024	2023
Cash flows from operating activities			
Receipts from customers		2,940.2	2,840.5
Payments to suppliers and employees		(2,648.3)	(2,694.9)
Dividends and distributions received	26	33.9	15.0
Interest received		3.3	2.2
Income tax paid		(48.4)	(49.0)
Net cash inflow from operating activities		**280.7**	**113.8**
Cash flows from investing activities			
Proceeds from sale of property holdings and other assets		176.8	140.3
Purchase relating to property holdings		(35.0)	(47.4)
Purchase of property, plant and equipment and other intangible assets	12	(138.6)	(84.5)
Purchase of controlled entities and businesses, net of cash acquired	9	(47.5)	–
(Payments) receipts for financial assets		(9.0)	74.3
Loans and receivables (advanced) repaid		(2.7)	7.5
Net cash (outflow) inflow from investing activities		**(56.0)**	**90.2**
Cash flows from financing activities			
On-market share buy-back	18	–	(36.4)
Dividends paid[1]	19	(167.1)	(166.6)
Acquisition of treasury shares	20	(6.0)	(5.0)
Lease payments	14	(35.5)	(32.7)
Interest and other finance costs paid[2]		(9.5)	(9.5)
Net cash outflow from financing activities		**(218.1)**	**(250.2)**
Net increase (decrease) in cash held		6.6	(46.2)
Net cash at the beginning of the financial year		131.6	177.7
Effects of exchange rate changes		(0.1)	0.1
Net cash at the end of the financial year		**138.1**	**131.6**
Reconciliation of net profit attributable to shareholders of CSR Limited to net cash from operating activities			
Profit after tax attributable to shareholders of CSR Limited	2	231.0	218.5
Loss after tax attributable to non-controlling interests	24	(6.6)	(0.3)
Depreciation and amortisation	6	87.1	84.9
Share of profits of associates not received as dividends or distributions		11.6	(4.3)
Share-based payments	20	4.3	4.3
Finance cost net of discount unwind		9.5	9.5
Net gain on disposal of property holdings	5	(94.8)	(75.6)
Net change in current receivables		32.2	(47.8)
Net change in current inventories		27.9	(51.1)
Net change in current payables		(42.0)	(20.9)
Net change in product liability provision		(10.1)	(19.9)
Net change in other provisions		10.4	(3.3)
Net change in current and deferred tax balances		27.0	26.7
Net change in other assets and liabilities		(6.8)	(6.9)
Net cash inflow from operating activities		**280.7**	**113.8**

1 During the year ended 31 March 2024 of the $167.1 million in dividends paid to CSR Limited shareholders, $12.4 million was used to purchase CSR shares on-market to satisfy obligations under the Dividend Reinvestment Plan (DRP), and the remaining $154.7 million was paid in cash.

2 In accordance with AASB 16 *Leases*, interest and other finance costs paid for the year ended 31 March 2024 includes finance costs relating to leases of $6.6 million (2023: $6.8 million). Refer to notes 7 and 14 for further details.

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial report

1 Basis of preparation

This section sets out the basis upon which the CSR group's financial statements are prepared as a whole. Material and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements. All other accounting policies are outlined in note 35.

Statement of compliance: CSR Limited is a limited company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

This general purpose financial report is prepared in accordance with the *Corporations Act 2001* and applicable Accounting Standards and Interpretations, and complies with other requirements of the law. CSR Limited is a 'for profit' entity. The financial report includes the consolidated financial statements of CSR Limited and its controlled entities (CSR group).

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company and the CSR group comply with International Financial Reporting Standards.

Basis of preparation: The financial report is based on historical cost, except for certain financial assets and liabilities which are at fair value.

As at the date these financial statements are authorised for issue, the directors of CSR Limited consider it appropriate that the group is able to continue as a going concern and pay its debts as and when they become due and payable.

Basis of consolidation: The consolidated financial statements have been prepared by aggregating the financial statements of all the entities that comprise the CSR group, being CSR Limited and its controlled entities. In these consolidated financial statements:

- results of each controlled entity are included from the date CSR Limited obtained control and until such time as it ceased to control an entity; and
- all inter-entity balances and transactions are eliminated.

Control is achieved where CSR Limited is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power to direct the activities of the entity. Entities controlled by CSR Limited are under no obligation to accept responsibility for liabilities of other common controlled entities except where such an obligation has been specifically undertaken.

Rounding: Unless otherwise shown in the financial statements, amounts have been rounded to the nearest tenth of a million dollars and are shown by $million. CSR Limited is a company of the kind referred to in the Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016.

Currency: Unless otherwise shown in the financial statements, amounts are in Australian dollars, which is the CSR group's functional currency.

New or revised accounting standards: The CSR group has adopted all amendments to Australian Accounting Standards which became applicable for the CSR group from 1 April 2023. Refer note 27 for further detail on AASB 17 *Insurance Contracts*.

New standards not yet applicable: Other standards not yet applicable are not expected to have a material impact on the CSR group.

Critical accounting judgments and key sources of estimation uncertainty: Critical judgments and key assumptions that management has made in the process of applying the CSR group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are detailed in the notes below:

Note	Judgment/Estimation
8	Treatment of tax losses
12	Asset impairment
15	Provision for uninsured losses and future claims
15, 16	Product liability
25	Classification of joint arrangements

NOTES TO THE CONSOLIDATED FINANCIAL REPORT: The notes are organised into the following sections.

Financial performance overview: provides a breakdown of individual line items in the statement of financial performance, and other information that is considered most relevant to users of the Annual Report.

Balance sheet items: provides a breakdown of individual line items in the statement of financial position that are considered most relevant to users of the Annual Report.

Capital structure and risk management: provides information about the capital management practices of the CSR group and shareholder returns for the year. This section also discusses the CSR group's exposure to various financial risks, explains how these affect the CSR group's financial position and performance and what the CSR group does to manage these risks.

Group structure: explains aspects of the CSR group structure and the impact of this structure on the financial position and performance of the CSR group.

Other: provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements and about items that are not recognised in the financial statements but could potentially have a significant impact on the CSR group's financial position and performance.

Financial performance overview

2 Segment information

Operating and reportable segments

The CSR group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in their role as the chief operating decision makers (CODM) in assessing performance and in determining the allocation of resources. Operating segments are identified by management and the board of directors based on the nature of the products sold and production processes involved. Reportable segments are based on operating segments determined by the similarity of the products produced and sold as these are the sources of the CSR group's major risks and have the most effect on the rates of return.

Each of the business units disclosed below has been determined as a reportable segment.

Building Products	The Building Products business unit comprises Interior Systems (Gyprock plasterboard, Martini, Himmel Interior Systems, Woven Image and Rondo rolled formed steel products joint venture), Construction Systems (Hebel autoclaved aerated concrete products, AFS walling systems and Cemintel fibre cement), and Masonry and Insulation (Bradford insulation, Bradford energy solutions, Edmonds ventilation systems, Monier roofing, PGH Bricks and Pavers and New Zealand Brick Distributors joint venture).
Property	The Property business unit generates returns typically from the sale of former operating sites. In addition, this business is currently involved in a small number of large-scale developments in New South Wales and Queensland. These projects, in most cases, are in-fill developments (currently vacant land or discontinued operating sites within otherwise built up areas) located in metropolitan regions.
Aluminium	The Aluminium business unit relates to the CSR group's 70% interest in Gove Aluminium Finance Limited, which in turn holds a 36.05% interest in the Tomago aluminium smelter (i.e. an effective interest of 25.24%). Gove Aluminium Finance Limited sources alumina, has it toll manufactured by Tomago and then sells aluminium into predominantly the Asian market. Products from the aluminium business include aluminium ingot, billet and slab.

Accounting policies and inter-segment transactions

The accounting policies used by the CSR group in reporting segments internally are the same as those disclosed in the material accounting policies, with the exception that significant items (i.e. those items which by their size and nature or incidence are relevant in explaining financial performance) are excluded from trading profits. This approach is consistent with the manner in which results are reported to the CODM.

Transfers of assets between segments are recognised at book value. It is the CSR group's policy that if items of revenue and expense are not allocated to operating segments, then any associated assets and liabilities are also not allocated to segments. This is to avoid asymmetrical allocations within segments which management believes would be inconsistent. Reporting provided to the board of directors in respect of earnings is primarily measured based on earnings before interest and tax (EBIT), excluding significant items, with significant items reviewed and reported separately to the CODM.

The following items are not allocated to operating segments as they are not considered part of the core trading operations of any segment:

- corporate overheads;
- restructuring and provisions;
- net finance costs; and
- significant items.

Geographical information

The CSR group operates principally in Australia. For the year ended 31 March 2024, the CSR group's trading revenue from external customers in Australia amounted to $2,554.3 million (2023: $2,542.3 million), with $70.8 million (2023: $71.0 million) of trading revenue related to other geographical areas.

The CSR group's non-current assets excluding investments accounted for using the equity method, deferred tax assets and other financial assets in Australia amounted to $1,117.3 million at 31 March 2024 (2023: $1,005.9 million), with $15.7 million (2023: $14.5 million) related to other geographical areas.

2 Segment information (continued)

$million	Trading revenue[1]		EBITDA before significant items[2]		Depreciation and amortisation		Earnings before interest, tax and significant items	
Business segment	2024	2023	2024	2023	2024	2023	2024	2023
Building Products	1,893.7	1,833.0	368.5	344.7	(74.3)	(71.3)	294.2	273.4
Property	–	–	91.1	71.7	–	–	91.1	71.7
Aluminium	731.4	780.3	(18.6)	19.6	(10.8)	(11.6)	(29.4)	8.0
Corporate[3]	–	–	(21.7)	(19.5)	(2.0)	(2.0)	(23.7)	(21.5)
Restructuring and provisions[4]	–	–	–	(1.9)	–	–	–	(1.9)
Total CSR group	**2,625.1**	2,613.3	**419.3**	414.6	**(87.1)**	(84.9)	**332.2**	329.7

Reconciliation of earnings before interest, tax and significant items to profit after tax

$million	Note	2024	2023
Earnings before interest, tax and significant items		332.2	329.7
Net finance costs		(7.2)	(14.7)
Income tax expense		(91.2)	(90.3)
Profit after tax before significant items (before non-controlling interests)		**233.8**	224.7
Non-controlling interests	24	6.6	0.3
Profit after tax before significant items attributable to shareholders of CSR Limited		**240.4**	225.0
Significant items after tax attributable to shareholders of CSR Limited	3	(9.4)	(6.5)
Profit after tax attributable to shareholders of CSR Limited		**231.0**	218.5

	Funds employed ($million)[5]		Return on funds employed (%)[6]	
Business segment	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Building Products	1,064.1	938.2	29.4%	30.9%
Property	109.8	153.1	69.3%	44.9%
Aluminium	138.9	163.3	(19.5%)	5.6%
Corporate	(42.0)	(41.3)	–	–
Total CSR group	**1,270.8**	1,213.3	**26.7%**	28.9%

1 Trading revenue excludes net gain on disposal of assets, interest income, dividend income from other entities, share of net profit of joint venture entities and other income. Inter-segment sales are negligible.
2 EBITDA before significant items is earnings before interest, tax, depreciation, amortisation and significant items.
3 Represents unallocated overhead expenditure and other revenues.
4 Represents restructuring and provisions. Includes legal and managerial costs associated with long-term product liabilities and minor product liability claims that arise from time to time, certain defined benefit superannuation liabilities and expenses, other payables, non-operating revenue and other costs (excluding those categorised as significant items).
5 Funds employed is net assets of the CSR group less certain non-trading assets and liabilities. Funds employed at 31 March 2024 is calculated as net assets of $1,299.9 million (2023: $1,176.6 million), excluding the following assets: cash of $138.1 million (2023: $131.6 million), net tax assets of $153.4 million (2023: $209.0 million) and net superannuation assets of $3.1 million (2023: $6.5 million). In addition, the following liabilities have been excluded from funds employed: asbestos product liability provision of $183.3 million (2023: $193.4 million), net financial liabilities of $81.8 million (2023: $190.1 million) and interest payable of $0.4 million (2023: $0.3 million).
6 Return on funds employed (ROFE) is calculated based on EBIT before significant items for the 12 months to year end divided by average funds employed. ROFE is not a measure used for Corporate costs which are considered in the context of the CSR group result. Property ROFE varies due to timing of projects.

3 Significant items

$million (expense) income	Note	2024	2023
System implementation projects relating to Software-as-a-Service	(i)	(7.1)	(15.1)
Transaction costs	(ii)	(8.2)	–
Significant items before finance costs and income tax	6	**(15.3)**	(15.1)
Discount unwind and hedging relating to product liability provision	7	(8.8)	(5.3)
Recognition of tax losses	(iii)	7.5	7.8
Income tax benefit on significant items		7.2	6.1
Significant items after tax		**(9.4)**	(6.5)
Significant items attributable to non-controlling interests		–	–
Significant items attributable to shareholders of CSR Limited		**(9.4)**	(6.5)
Net profit after tax attributable to shareholders of CSR Limited		231.0	218.5
Significant items after tax attributable to shareholders of CSR Limited		9.4	6.5
Net profit after tax before significant items attributable to shareholders of CSR Limited		**240.4**	225.0
Earnings per share attributable to shareholders of CSR Limited before significant items[1]			
Basic (cents per share)		50.5	46.9
Diluted (cents per share)		50.1	46.6

1 The basis of calculation is consistent with the earnings per share disclosure in the statement of financial performance. Refer to note 4.

Note	Description	Further explanation
(i)	System implementation projects relating to Software-as-a-Service	During the year ended 31 March 2024, the Building Products segment incurred system implementation project costs of $7.1 million (2023: $15.1 million) in relation to Software-as-a-Service arrangements.
(ii)	Transaction costs	During the year ended 31 March 2024, the CSR group incurred transaction costs of $8.2m associated with the proposed acquisition of CSR by Saint-Gobain by way of a Scheme of Arrangement. Refer to note 30 for further detail.
(iii)	Recognition of tax losses	During the year ended 31 March 2024, the CSR group recognised a deferred tax asset of $7.5 million in relation to carry forward revenue tax losses. During the year ended 31 March 2023, a deferred tax asset of $7.8 million was recognised in relation to carry forward capital and revenue tax losses. Refer note 8 for further detail.

Recognition and measurement

Significant items are those which by their size and nature or incidence are relevant in explaining the financial performance of the CSR group, and as such are disclosed separately.

4 Earnings per share

	2024	2023
Weighted average number of ordinary shares used in the calculation of basic EPS (million)[1]	476.5	479.8
Weighted average number of ordinary shares used in the calculation of diluted EPS (million)[2]	479.8	482.4
Profit after tax attributable to shareholders of CSR Limited ($million)	231.0	218.5
Basic EPS (cents per share)	48.5	45.5
Diluted EPS (cents per share)	48.1	45.3

1 Calculated by reducing the total weighted average number of shares on issue of 477.4 million (2023: 481.0 million) by the weighted average number of shares purchased on market and held in trust to satisfy incentive plans as these plans vest of 906,711 (2023: 1,201,525).
2 Calculated by increasing the weighted average number of shares used in calculating basic EPS by outstanding performance rights of 3,323,874 (2023: 2,584,517). Performance rights granted under the LTI plan are included in the determination of diluted earnings per share to the extent to which they are dilutive.

5 Revenue

$million	Note	2024	2023
Trading revenue	2	2,625.1	2,613.3
Other income			
Net gain on disposal of property holdings		94.8	75.6
Net Aluminium Reliability and Emergency Reserve Trader (RERT) compensation		–	12.7
Other		3.9	1.3

Recognition and measurement

- **Sale of goods**: the group sells a range of building products and aluminium. Sales are recognised when control of the products has transferred, being when the products are delivered and accepted by the customer. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision.
- **Sale and installation of goods**: certain CSR businesses supply and install building products. Sales are recognised over time given that there is generally no alternative use of the product (it is generally specified based on the requirements of the building) and there is an enforceable right to payment. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-priced contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. For each of these contracts an appropriate driver is determined which is then used to recognise revenue as the work is completed. In the case of fixed-price contracts, the customer generally pays the fixed amount based on a payment schedule. If the services rendered by CSR exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

  Some contracts include multiple deliverables, such as the sale of product and related installation services. However, if the installation could be performed by another party it is accounted as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling price. Revenue in relation to the sale of the product is recognised at a point in time when the product is delivered, and legal title has passed, and the customer has accepted the goods. Estimates of revenues, cost or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

  Sale and installation of goods revenue is disclosed within 'trading revenue' above and in note 2 given it is not material for separate disclosure.
- **Sale of property holdings:** income is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the group due to contractual relationships. An enforceable right to payment does not arise until after the customer has taken control of the property which is the earlier of when title of the property passes or when the customer has physical possession of the property. As a result, income is recognised when control of the property passes to the customer. Income is measured as the amount receivable under the contract. It is discounted to present value if deferred payments have been agreed and the impact of discounting is material. In most cases, the consideration is due when legal title is transferred. Profit realised on the sale of property holdings are disclosed within 'net gain on disposal of property holdings' and classified as 'other income' on the statement of financial performance and is recognised in the Property segment.
- **Disposal of assets:** the net gain (loss) is recognised in 'other income (expense)' when control of the asset passes to the purchaser.

6 Expenses

$million	Note	2024	2023
Expenses			
Significant items[1]	3	15.3	15.1
Employee benefits expense		525.2	478.8
Depreciation	12,14	84.4	82.6
Amortisation	12	2.7	2.3
Other		6.5	–

1 Significant items are included within other expenses in the statement of financial performance.

Nature of expense

Employee benefits expense: includes salaries and wages, share-based payments and other entitlements.

7 Net finance costs

$million	Note	2024	2023
Interest expense and funding costs		2.9	2.7
Finance cost – leases	14	6.6	6.8
Discount unwind and hedging relating to product liability provision	3	8.8	5.3
Discount unwind of other non-current liabilities	15	1.0	0.8
Foreign exchange (gain) loss		(0.1)	6.9
Finance costs		**19.2**	22.5
Interest income		(3.2)	(2.5)
Net finance costs		**16.0**	20.0

Recognition and measurement

Interest income and expense are accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rates. Funding costs are capitalised and subsequently amortised over the term of the facility. Unwinding of the interest component of discounted assets and liabilities is treated as a finance cost.

8 Income tax expense

Reconciliation of income tax expense charged to the statement of financial performance:

$million	Note	2024	2023
Profit before income tax		300.9	294.6
Income tax expense calculated at 30%		(90.3)	(88.4)
Decrease (increase) in income tax expense due to:			
Recognition of carried forward capital tax losses	3	–	5.0
Recognition of carried forward tax losses	3	7.5	2.8
Share of net profit of joint venture entities		6.5	5.5
Taxable profit on property disposals		(0.7)	(0.4)
Income tax over (under) provided in prior years		0.5	(0.7)
Other items		–	(0.2)
Total income tax expense		**(76.5)**	(76.4)
Comprising of:			
Current tax expense		(69.4)	(43.3)
Deferred tax expense relating to movements in deferred tax balances	13	(7.1)	(33.1)
Total income tax expense		**(76.5)**	(76.4)

Recognition and measurement

Current and deferred tax is recognised as an expense in the statement of financial performance except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting of a business acquisition, in which case it is taken into account in the determination of goodwill.

Disclosure of company tax information

Under tax legislation the Australian Taxation Office will publish in 2024 the following data for the CSR Limited tax consolidated group and Gove Aluminium Finance Limited in relation to the 2023 tax year:

Entity	Total revenue[1] ($million)	Taxable income ($million)	Tax payable ($million)
CSR Limited (ABN: 90 000 001 276)	2,171.4	196.2	48.4
Gove Aluminium Finance Limited (ABN: 45 001 860 073)	797.4	9.4	0.5

1 For financial reporting and taxation purposes, items may have been classified between revenue and expenses differently. Therefore, total revenue may not reconcile to note 2 or note 24.

Income tax is payable on taxable income (not total revenue) after allowing for expenses and specific adjustments under the tax law. For CSR Limited, tax payable for 2023 was $48.4 million because CSR was entitled to utilise franking credits on dividends received and R&D tax offsets to reduce its tax payable.

Significant judgement and critical accounting estimate – treatment of tax losses

Carry forward tax losses or unused tax credits are recognised as a deferred tax asset to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

During the year ending 31 March 2024, the CSR group has recognised a deferred tax asset of $7.5 million in relation to carry forward tax losses.

The net amount of tax losses, capital losses and rebates carried forward at the end of the year for which no deferred tax asset has been recognised is set out below:

Value of tax losses, capital losses and rebates carried forward (net)	2024 ($million)	2023 ($million)
CSR group	91.5	99.0

The gross value of unused tax losses for which no deferred tax asset has been recognised are $nil (2023: $27.1 million).

The gross value of unused capital losses for which no deferred tax asset has been recognised are $304.8 million (2023: $304.8 million). These unrecognised capital losses were predominately generated from the sale of the Viridian Glass business, and it is not considered probable that the unrecognised capital losses will be utilised in the foreseeable future. Unused capital and tax losses can be carried forward indefinitely subject to meeting ownership or business continuity requirements.

9 Business combinations

i) Current year

Woven Image

Background

The CSR group acquired 100% of the shares in Woven Image on 1 September 2023.

Woven Image is a leader in sustainable, design-led acoustic finishes and textiles. The primary reason for the acquisition was to enhance CSR's commercial interior finishes offering in the Australian market and exports to Europe and Asia.

Revenue and profit contribution

If Woven Image's share of revenue and profit before income tax were excluded from the CSR group results for the year ended 31 March 2024, CSR group revenue would have been $31.3 million lower and profit before income tax would have been $3.9 million lower.

Acquisition related costs

Acquisition related costs expensed were $1.2 million.

Acquisition accounting for the transaction

Details of the effective purchase consideration and the fair value of the Woven Image assets and liabilities acquired are set out below. The accounting for this acquisition has been finalised in the year ended 31 March 2024.

$million	Note	
Consideration		
Cash paid	(a)	43.5
Total consideration		**43.5**
Assets acquired and liabilities assumed		
Cash		1.0
Trade and other receivables		5.1
Inventories		2.9
Property, plant and equipment		2.5
Other intangible assets		0.5
Deferred income tax liabilities		(0.1)
Trade and other payables		(3.4)
Provisions		(1.0)
Fair value of net assets acquired		**7.5**
Goodwill arising on acquisition		**36.0**

The goodwill is attributable to the workforce, profitability and growth potential of the acquired business. It will not be deductible for tax purposes.

a) Purchase consideration – cash outflow

$million	
Consideration	
Cash consideration	43.5
Less cash acquired	(1.0)
Outflow of cash – investing activities	**42.5**

Building Products segment

During the year ended 31 March 2024, the Building Products segment acquired the business assets of one entity for total consideration of $5.0 million with goodwill of $3.7 million arising as a result of this acquisition.

ii) Prior year

Building Products segment

During the year ended 31 March 2023, the Building Products segment invested in an entity for cash consideration of $1.3 million.

Balance sheet items

10 Working capital

i) Current receivables

$million	2024	2023
Trade receivables	242.4	269.4
Expected credit losses	(13.8)	(15.3)
Net trade receivables	**228.6**	254.1
Property receivable	–	6.3
Other receivables	24.8	25.5
Total current receivables	**253.4**	285.9
Movement in expected credit losses		
Opening balance	(15.3)	(10.2)
Trade debts written off	7.5	1.1
Trade debts provided	(6.0)	(6.2)
Closing balance	**(13.8)**	(15.3)

The expected credit losses for trade receivables has been determined as follows:

$million	Within terms	Past due 0-60 days	Past due >60 days	Total
2024				
Gross carrying amount – trade receivables	230.3	4.9	7.2	**242.4**
Expected credit losses	1.7	4.9	7.2	**13.8**
2023				
Gross carrying amount – trade receivables	255.2	7.1	7.1	269.4
Expected credit losses	1.3	7.1	6.9	15.3

ii) Inventories

$million	2024	2023
Current		
Raw materials and stores	138.1	168.6
Work in progress	27.7	26.1
Finished goods	238.2	230.5
Total current inventories	**404.0**	**425.2**

Write-down of inventories recognised as an expense within cost of sales for the year ended 31 March 2024 totalled $17.9 million (2023: $15.0 million).

iii) Current payables

$million	2024	2023
Trade payables	231.9	255.3
Other payables	26.3	38.2
Total current payables	**258.2**	293.5

Recognition and measurement

- **Trade receivables:** are recognised initially at fair value and are subsequently measured at amortised cost. The CSR group has adopted an expected credit loss ('ECL') model under AASB 9 *Financial Instruments.* The group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.
- **Inventories:** are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and costs necessary to make the sale. Costs included in inventories consist of materials, labour and manufacturing overheads which are related to the purchase and production of inventories. The value of inventories is derived by the method most appropriate to each particular class of inventories. The major portion is valued on either a first-in-first-out or average cost basis.
- **Trade and other payables:** are recognised when the CSR group becomes obliged to make future payments resulting from the purchase of goods and services. Payables are stated at their amortised cost.

11 Property holdings

$million	2024	2023
Current		
Held for sale	2.7	36.0
Total current property holdings	**2.7**	36.0
Non-current		
Held for sale	–	36.8
Property projects	106.4	72.6
Total non-current property holdings	**106.4**	109.4
Total property holdings	**109.1**	145.4

$million	2024	2023
Opening balance at 1 April	145.4	166.9
Capital expenditure	35.0	47.4
Disposed	(74.7)	(68.9)
Transfer from property, plant and equipment	3.4	–
Closing balance at 31 March	**109.1**	145.4

Recognition and measurement

- **Property holdings:** accounted for as investment properties in accordance with AASB 140 *Investment Property*. The carrying amount of property holdings includes the cost of acquisition and costs incurred in preparing the site for sale. Costs incurred after completion of the site are expensed as incurred. Property holdings are classified as either:
  - *Held for sale*: if the carrying amount will be recovered principally through a sale transaction and a sale is considered highly probable. The assets are measured at the lower of their carrying amount and fair value less costs to sell. Held for sale property assets that are not expected to settle within 12 months but are subject to a sales agreement are classified as non-current assets.
  - *Property projects*: property holdings are the investment properties which are not yet classified as 'held for sale'. Property holdings not expected to be fully developed within 12 months are classified as non-current assets.

12 Property, plant and equipment and intangible assets

i) Property, plant and equipment

		Land and buildings		Plant and equipment		Total	
$million	Note	2024	2023	2024	2023	2024	2023
Cost or written down value		419.6	401.0	1,525.6	1,426.2	1,945.2	1,827.2
Accumulated depreciation and impairment		(127.2)	(120.4)	(1,048.7)	(1,014.6)	(1,175.9)	(1,135.0)
Net carrying amount		**292.4**	280.6	**476.9**	411.6	**769.3**	692.2
Net carrying amount at 1 April		280.6	285.7	411.6	380.4	692.2	666.1
Capital expenditure		22.3	1.2	110.2	81.8	132.5	83.0
Disposed		(0.3)	(1.1)	(0.3)	(2.1)	(0.6)	(3.2)
Depreciation	6	(7.9)	(7.8)	(46.5)	(46.5)	(54.4)	(54.3)
Exchange differences		0.1	–	(0.1)	0.1	–	0.1
Acquisitions – business combinations	9	1.0	–	2.0	–	3.0	–
Transferred (to)/from property, plant and equipment and property holdings		(3.4)	2.6	–	(2.1)	(3.4)	0.5
Balance at 31 March		**292.4**	280.6	**476.9**	411.6	**769.3**	692.2

ii) Goodwill and other intangible assets

		Goodwill		Software		Other		Total other intangible assets	
$million	Note	2024	2023	2024	2023	2024	2023	2024	2023
Cost		99.6	59.9	96.7	90.1	30.4	29.8	127.1	119.9
Accumulated amortisation and impairment		–	–	(89.9)	(87.4)	(24.0)	(23.2)	(113.9)	(110.6)
Net carrying amount		**99.6**	59.9	**6.8**	2.7	**6.4**	6.6	**13.2**	9.3
Net carrying amount at 1 April		59.9	59.9	2.7	3.0	6.6	7.1	9.3	10.1
Capital expenditure		–	–	6.1	1.5	–	–	6.1	1.5
Amortisation	6	–	–	(2.2)	(1.8)	(0.5)	(0.5)	(2.7)	(2.3)
Acquisitions – business combinations	9	39.7	–	0.2	–	0.3	–	0.5	–
Balance at 31 March		**99.6**	59.9	**6.8**	2.7	**6.4**	6.6	**13.2**	9.3

12 Property, plant and equipment and intangible assets (continued)

Recognition and measurement

- **Property, plant and equipment:** assets acquired are recorded at historical cost of acquisition less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
- **Depreciation/amortisation:** assets are depreciated or amortised at rates based upon their expected economic life using the straight-line method. Land, goodwill and trade names with indefinite lives are not depreciated or amortised. Useful lives are as follows: buildings 10 to 40 years; plant and equipment 2 to 40 years; and systems software and other intangible assets 2 to 8 years.
- **Software**: developed internally or acquired externally, is initially measured at cost and includes development expenditure. Subsequently, these assets are carried at cost less accumulated amortisation and impairment losses.
- **Software-as-a-Service (SaaS) arrangements:** SaaS arrangements are service contracts providing the group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis.
- **Other intangible assets**: including trade names and customer lists obtained through acquired businesses, are measured at fair value at the date of acquisition. Trade names of $1.6 million (2023: $1.6 million) that have an indefinite life are assessed for recoverability annually. Customer lists and all other trade names that have a defined useful life are amortised and subsequently carried net of accumulated amortisation. Intangible assets not obtained through acquired businesses are measured at cost. These assets are subsequently carried at cost less accumulated amortisation and impairment losses.
- **Goodwill:** represents the excess of the cost of acquisition over the fair value of the identifiable assets and liabilities acquired. Goodwill is not amortised, but tested annually and whenever there is an indicator of impairment. Goodwill is allocated to the lowest level within the group at which the goodwill is monitored for internal management purposes and cannot be larger than an operating segment.

Critical accounting estimate – carrying value assessment

The CSR group tests property, plant and equipment and intangible assets for impairment to ensure they are not carried at amounts above their recoverable amounts:

- at least annually for goodwill and trade names with indefinite lives; and
- where there is an indication that the assets may be impaired (which is assessed at least each reporting date).

These tests for impairment are performed by assessing the recoverable amount of each individual asset or, if this is not possible, then the recoverable amount of the cash generating unit (CGU) to which the asset belongs. CGUs are the lowest levels at which assets are grouped and generate separately identifiable cash flows. The recoverable amount is determined each reporting period using the CGU's fair value which is calculated using the discounted cash flows expected to arise from the asset. Management judgment is required in these valuations to forecast future cash flows and to determine a suitable discount rate in order to calculate the present value of these future cash flows. Future cash flows take into consideration forecast changes in the building cycle, aluminium prices and exchange rates where appropriate.

If the recoverable amount of a cash generating unit is estimated to be less than its carrying amount, the carrying amount of the cash generating unit is reduced to its recoverable amount with any impairment recognised immediately in the statement of financial performance.

The carrying amount of goodwill and trade names with indefinite lives forms part of the Building Products segment: $99.6 million and $1.6 million respectively (2023: $59.9 million and $1.6 million respectively). The recoverable amounts of the cash generating units that include goodwill are determined using discounted cash flow projections.

Key assumptions used in the impairment assessments:

- Cash flow forecasts: The cash flows are modelled over a five-year period with a terminal value used from year six onwards. The first five years represent financial plans forecast by management, based on the CSR group's view of the most recent outlook on building activity levels and the current climate-related regulations and committed sustainability initiatives in place, with the terminal year representing long-term average activity levels. These estimates are informed by a review of a sample of external forecasts available as at the reporting date. In addition, cash flows for the Aluminium cash generating unit reflect the most recent forecasts for key assumptions such as:
  - the percentage of hedged aluminium and alumina prices (based on hedge contracts as disclosed in note 21) which decrease over the period modelled;
  - unhedged aluminium prices based on the latest forecast consensus US$ London Metal Exchange (LME) prices;
  - forecast consensus USD:AUD exchange rates;
  - the moderation of certain production related costs; and
  - estimated costs in relation to the settlement of obligations under the Safeguard Mechanism.
- Post-tax discount rate: The valuation is calculated using a post-tax annual discount rate of 9.6% for all CGUs other than Aluminium which uses 11.6% (2023: 9.6% for all CGUs other than Aluminium which was 11.6%).
- Terminal value: The terminal value annual growth rate assumed is 2.5% (2023: 2.5%).

13 Net deferred income tax assets

$million	2024	2023
Net deferred income tax assets arising on temporary differences	143.9	168.5
Tax losses recorded as assets	22.3	2.4
Capital tax losses recorded as assets	4.7	35.8
Total net deferred income tax assets	**170.9**	206.7

Movement in net deferred income tax assets

$million	Opening balance	Credited (charged) to profit or loss	Recognised in other comprehensive income	Other (including transfers)	Closing balance
2024					
Property, plant and equipment	(16.5)	5.0	–	(0.4)	(11.9)
Right-of-use lease assets	(38.6)	9.0	–	(8.4)	(38.0)
Lease liabilities	49.1	(11.0)	–	8.3	46.4
Product liability provision	58.0	(3.0)	–	–	55.0
Employee benefits provisions	28.4	2.4	–	0.4	31.2
Other provisions	26.0	0.6	–	0.8	27.4
Fair value of hedges	57.6	–	(30.0)	–	27.6
Accrued expenses	7.8	(1.3)	–	–	6.5
Other individually insignificant balances	(3.3)	2.4	1.1	(0.5)	(0.3)
Tax losses	2.4	19.9	–	–	22.3
Capital tax losses	35.8	(31.1)	–	–	4.7
Total net deferred income tax assets	**206.7**	**(7.1)**	**(28.9)**	**0.2**	**170.9**
2023					
Property, plant and equipment	(11.9)	(4.6)	–	–	(16.5)
Right-of-use lease assets	(37.8)	8.5	–	(9.3)	(38.6)
Lease liabilities	49.6	(9.6)	–	9.1	49.1
Product liability provision	64.0	(6.0)	–	–	58.0
Employee benefits provisions	29.8	(1.4)	–	–	28.4
Other provisions	22.7	3.1	–	0.2	26.0
Fair value of hedges	149.6	–	(92.0)	–	57.6
Accrued expenses	11.1	(3.3)	–	–	7.8
Property sales on capital account	8.7	(8.7)	–	–	–
Other individually insignificant balances	2.5	(4.8)	0.7	(1.7)	(3.3)
Tax losses	0.6	1.8	–	–	2.4
Capital tax losses	43.9	(8.1)	–	–	35.8
Total net deferred income tax assets	332.8	(33.1)	(91.3)	(1.7)	206.7

Recognition and measurement

Current tax: represents the amount expected to be paid in relation to taxable income for the financial year measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred income tax: is provided in full, using the balance sheet liability method, on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting and tax purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. A deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities, when the tax balances relate to the same taxation authority and when the CSR group intends to settle the tax assets and liabilities on a net basis. No provision for withholding tax has been made on undistributed earnings of overseas controlled entities where there is no intention to distribute those earnings.

14 Leases

i) The CSR group's leasing activities

The CSR group leases various properties, equipment and vehicles. Property leases typically are for a period of 4 to 10 years and often have extension options and equipment and vehicle leases are typically for a period of 3 to 6 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of financial performance over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of financial performance. Short-term leases are leases with a term of 12 months or less. Low-value assets comprise IT equipment and office equipment such as photocopiers.

ii) Amounts recognised in the financial statements

The statement of financial position reflects the following amounts relating to leases:

$million	2024	2023
Right-of-use assets		
Properties	111.8	115.3
Equipment	8.6	7.8
Vehicles	6.2	5.7
Total right-of-use assets	**126.6**	128.8
Lease liabilities		
Current	33.6	32.5
Non-current	121.1	131.1
Total lease liabilities	**154.7**	163.6

Additions to the right-of-use assets for the year ended 31 March 2024 were $15.2 million (2023: $17.5 million).

The statement of financial performance contains the following amounts relating to leases:

$million		2024	2023
Depreciation charge for right-of-use assets			
Properties		24.3	22.8
Equipment		2.8	2.6
Vehicles		2.9	2.9
Total depreciation charge for right-of-use assets	6	**30.0**	28.3
Interest expense (included in finance cost)	7	6.6	6.8
Expense relating to short-term and low-value leases		19.0	15.6

The statement of cashflows contains the following amounts within 'financing activities' relating to leases:

$million		2024	2023
Lease payments		35.5	32.7
Interest	7	6.6	6.8
Total lease cash outflows included in 'cash flows from financing activities'		**42.1**	39.5

The table below analyses the undiscounted cash flows for the CSR group's lease liabilities, into relevant maturity groupings based on the remaining lease term at the reporting date:

$million	2024	2023
1 year or less	39.6	38.8
1 to 3 years	63.6	63.4
3 to 5 years	35.4	39.6
Over 5 years	41.5	49.7
Total undiscounted cash flows	**180.1**	191.5

15 Provisions

$million	2023	Recognised/ remeasured	Settled/ transferred	Discount unwind	2024
Current					
Employee benefits	88.7	66.8	(58.8)	–	96.7
Restructure and rationalisation	1.4	5.1	(0.8)	–	5.7
Product liability	24.0	15.5	(18.9)	–	20.6
Restoration and environmental rehabilitation	1.4	–	–	–	1.4
Uninsured losses and future claims	6.3	7.6	(5.9)	–	8.0
Other[1]	12.5	9.1	(6.6)	–	15.0
Total current provisions	134.3	104.1	(91.0)	–	**147.4**
Non-current					
Employee benefits	5.3	–	–	–	5.3
Product liability	169.4	(15.5)	–	8.8	162.7
Restoration and environmental rehabilitation	2.4	1.4	(0.6)	–	3.2
Make-good for property leases	10.4	–	(0.6)	–	9.8
Uninsured losses and future claims	16.0	(3.1)	–	0.7	13.6
Other[1]	9.7	–	(0.8)	0.3	9.2
Total non-current provisions	213.2	(17.2)	(2.0)	9.8	**203.8**

1 Includes provision for anticipated disposal costs of Tomago aluminium smelters spent pot lining and onerous lease liabilities.

Recognition, measurement and critical accounting estimates

Provisions are recognised when the CSR group has a present obligation (legal or constructive) as a result of a past event, it is probable that settlement will be required and the obligation can be reliably estimated. Provisions which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the CSR group.

Provisions representing critical accounting estimates and key sources of estimation uncertainty

- **Product liability:** provision is made for all known asbestos claims and reasonably foreseeable future claims has been determined using an independent expert's report and includes an appropriate prudential margin. Refer to note 16 for further details of the key assumptions and uncertainties in estimating this liability.
- **Uninsured losses and future claims:** relates to the CSR group's self-insurance program for workers' compensation. CSR Limited is a licensed self-insurer in New South Wales, Queensland, Victoria and Western Australia for workers compensation insurance. The provision recognises the best estimate of the consideration required to settle the present obligation for anticipated compensation payments and is determined at each year end using reports provided annually by independent experts.

Other provisions

- **Employee benefits:** provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and other employee obligations when it is probable that settlement will be required and they are capable of being reliably measured. Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.
- **Restructure and rationalisation:** provision is made for restructuring and rationalisation where the CSR group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. The provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.
- **Restoration and environmental rehabilitation**: the liability is immediately recognised when the environmental exposure is identified and the rehabilitation costs can be reliably estimated. Judgment is required in arriving at an estimate of future costs required to extinguish these obligations. Given the nature of these issues, circumstances may change and estimates and provisions will be updated accordingly. Expert advice is relied upon (where available) and known facts at the date of this report are considered to arrive at the best estimate for future liabilities.
- **Make-good for property leases:** provision has been recognised for the present value of the estimated expenditure to restore leased properties to their original condition at the end of the respective lease terms. These costs have been capitalised as part of the cost of the right-of-use leased asset and are amortised over the shorter of the term of the lease and the useful life of the assets.

16 Product liability

Background

CSR Limited and/or certain subsidiaries (CSR) were involved in mining asbestos and manufacturing and marketing products containing asbestos in Australia and exporting asbestos to the United States. CSR's involvement in asbestos mining, and the manufacture of products containing asbestos, began in the early 1940s and ceased with the disposition of the Wunderlich asbestos cement business in 1977. As a result of these activities, CSR has been named as a defendant in litigation in Australia and the United States.

CSR has been settling claims since 1989. It has been, and remains, CSR's policy to ensure that all legitimate asbestos related claims, whether in Australia or the US, are resolved on a fair and equitable basis. Where there is a demonstrated liability, CSR will seek to offer a fair settlement and, in the case of US claimants, one that is consistent with claim settlement values in Australia.

Default judgments have been sought and obtained against CSR in the US, without CSR being present or represented (and for damages that are excessive and of a nature that would not be recognised in Australia). Australian law does not recognise the jurisdiction of US courts in such matters. There have not been any US judgments enforced against CSR. As at 31 March 2024, CSR had resolved approximately 5,700 claims in Australia and approximately 137,900 claims in the United States.

Basis of provision

CSR includes in its financial statements a product liability provision covering all known claims and reasonably foreseeable future asbestos related claims. This provision is reviewed every six months. The provision recognises the best estimate of the consideration required to settle the present obligation for anticipated compensation payments and legal costs as at the reporting date. The provision is net of anticipated workers compensation payments from available workers compensation insurers.

CSR does not believe there is any other significant source of insurance available to meet its asbestos liabilities. CSR no longer has general insurance coverage in relation to its ongoing asbestos liabilities.

In determining the product liability provision, CSR has obtained independent expert advice in relation to the future incidence and value of asbestos related claims in Australia and has previously obtained similar advice in respect of potential claims in the US. CSR has appointed Finity Consulting Pty Limited as the independent expert to estimate the Australian liabilities. The independent expert makes their own determination of the methodology most appropriate for estimating CSR's future liabilities. The assessment of the independent expert projects CSR's claims experience into the future using modelling techniques that take into account a range of possible outcomes. The present value of the liabilities is estimated by discounting the estimated cash flows using the pre-tax rate that reflects the current market assessment of the time value of money and risks specific to those liabilities.

Many factors are relevant to the independent expert's estimates of future asbestos liabilities, including:

- numbers of claims received by disease and claimant type and expected future claims numbers, including expectations as to when claims experience will peak;
- expected value of claims;
- the presence of other defendants in litigation or claims involving CSR;
- the impact of and developments in the litigation and settlement environment;
- estimations of legal costs;
- expected claims inflation of 3.25%; and
- the discount rate applied to future payments of 4.65%.

There are a number of assumptions and limitations that impact on the assessments made by CSR's expert, including the following:

- assumptions used in the modelling are based on the various considerations referred to above;
- the future costs of asbestos related liabilities are inherently uncertain for the reasons discussed in this note;
- uncertainties as to future interest rates and inflation;
- the analysis is supplemented by various academic material on the epidemiology of asbestos related diseases that is considered by the experts to be authoritative;
- the analysis is limited to liability in the respective jurisdiction of Australia that is the subject of the analysis of that expert and to the asbestos related diseases that are currently compensated in that jurisdiction; and
- the effect of possible events that have not yet occurred which are currently impossible to quantify, such as medical and epidemiological developments in the future in treating asbestos diseases, future court and jury decisions on asbestos liabilities, and legislative changes affecting liability for asbestos diseases.

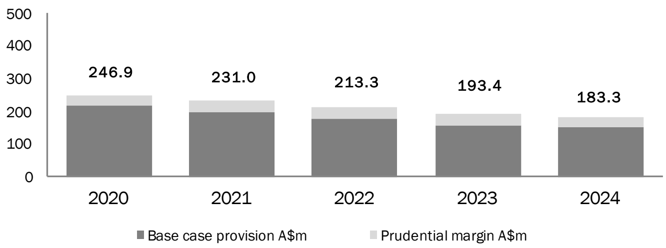
The product liability provision is determined every six months by obtaining the independent expert's estimate for Australia as noted above and adding a prudential margin. The prudential margin is determined by the CSR directors at the balance date, having regard to the prevailing litigation environment and any material uncertainties that may affect future liabilities. As evidenced by the analysis below, the prudential margin has varied over the past five years. The directors anticipate that the prudential margin will continue to fluctuate within a range approximating 10% to 30% depending on the prevailing circumstances at each balance date.

Having regard to the extremely long tailed nature of the liabilities and the long latency period of disease manifestation from exposure, the estimation of future asbestos liabilities is subject to significant complexity. As such, there can be no certainty that the product liability provision as at 31 March 2024 will definitively estimate CSR's future asbestos liabilities. If the assumptions adopted by CSR's expert prove to be incorrect, the current provision may be shown to materially understate or overstate CSR's asbestos liability.

However, taking into account the provision already included in CSR's financial statements and current claims management experience, CSR is of the opinion that asbestos litigation in Australia and the United States will not have a material adverse impact on the CSR group's financial condition.

CSR's asbestos provision is summarised in the graph and table below:

Table and Graph 1: Five-year history – asbestos provision



$million	Year ended 31 March	
	2024	2023
Base case estimate	149.2	156.8
Prudential margin	34.1	36.6
Prudential margin %	*22.9%*	*23.3%*
Total product liability provision	**183.3**	193.4

Capital structure and risk management

17 Credit facilities

The CSR group has a total of $330.0 million (31 March 2023: $330.0 million) committed standby facilities with external financial institutions. These facilities have fixed maturity dates as follows: $55.0 million in 2025, $130.0 million in 2026 and $145.0 million in 2027. As at 31 March 2024, $330.0 million of the standby facilities were undrawn (2023: $330.0 million undrawn).

18 Issued capital

	Ordinary shares fully paid[1]	Issued capital $million
On issue 31 March 2023	477,383,587	930.3
On-market share buy-back – net of transaction costs	–	–
On issue 31 March 2024	**477,383,587**	**930.3**

1 Fully paid ordinary shares are listed on the Australian Securities Exchange and carry one vote per share and the right to dividends.

No shares were issued during the years ended 31 March 2024 and 31 March 2023 under employee share plans as shares in respect of the plans were acquired on market. During the years ended 31 March 2024 and 31 March 2023, eligible shareholders were able to reinvest all or part of their dividends in fully paid ordinary shares. Shares were acquired on-market and did not have any impact on issued capital.

Net tangible assets per ordinary share for the year ended 31 March 2024 are $2.43 (2023: $2.30). Net tangible assets per share is calculated as net assets attributable to CSR Limited shareholders of $1,271.5 million (2023: $1,167.1 million) less intangible assets of $112.8 million (2023: $69.2 million) divided by the number of issued ordinary shares of 477.4 million (2023: 477.4 million).

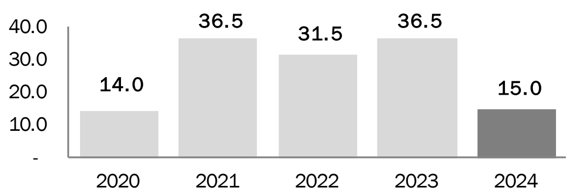
During the year ended 31 March 2024, no shares were bought back on market. During the year ended 31 March 2023, 7,999,189 shares were bought back on-market and the total cost amounted to $36.4 million net of transaction costs. The share buy-back commenced in July 2022 and concluded in July 2023.

19 Dividends and franking credits

i) Dividends

Dividend type	Cents per share	Franking	Total amount $million	Date paid/payable
2022 Interim ordinary	13.5	100%	65.5	10 December 2021
2022 Final ordinary	18.0	100%	87.4	1 July 2022
2023 Interim ordinary	16.5	100%	79.2	9 December 2022
2023 Final ordinary	20.0	100%	95.5	3 July 2023
2024 Interim ordinary	15.0	100%	71.6	7 December 2023

Graph 1: Dividends declared relating to each financial year – cents per share



In the context of the proposed Scheme of Arrangement with Saint-Gobain, the CSR Board has not declared a final dividend. Refer note 30 for further details on the proposed Scheme of Arrangement.

The amounts disclosed as recognised in 2024 are the final dividend in respect of the financial year ended 31 March 2023 and the interim dividend in respect of the financial year ended 31 March 2024.

ii) Franking credits

$million	2024	2023
Franking account balance on an accruals basis[1]	33.8	22.8

1 The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of income tax liabilities or receivables after the end of the year.

20 Reserves

$million	Hedge reserve	Foreign currency translation reserve	Employee share reserve	Share-based payment trust reserve	Non-controlling interests reserve	Total
Balance at 1 April 2023	(89.5)	(4.6)	51.4	(36.4)	(68.8)	(147.9)
Hedge gain recognised in equity	43.4	–	–	–	–	43.4
Hedge loss transferred to the statement of financial performance	20.6	–	–	–	–	20.6
Translation of foreign operations	–	(0.5)	–	–	–	(0.5)
Income tax related to other comprehensive income	(19.2)	–	–	–	–	(19.2)
Share-based payments	–	–	4.3	–	–	4.3
Income tax related to share-based payments	–	–	0.4	–	–	0.4
Acquisition of treasury shares	–	–	–	(6.0)	–	(6.0)
Balance at 31 March 2024	**(44.7)**	**(5.1)**	**56.1**	**(42.4)**	**(68.8)**	**(104.9)**
Balance at 1 April 2022	(236.8)	(5.4)	48.7	(31.4)	(68.8)	(293.7)
Hedge gain recognised in equity	164.8	–	–	–	–	164.8
Hedge loss transferred to the statement of financial performance	45.7	–	–	–	–	45.7
Translation of foreign operations	–	0.8	–	–	–	0.8
Income tax related to other comprehensive income	(63.2)	–	–	–	–	(63.2)
Share-based payments	–	–	4.3	–	–	4.3
Income tax related to share-based payments	–	–	(1.6)	–	–	(1.6)
Acquisition of treasury shares	–	–	–	(5.0)	–	(5.0)
Balance at 31 March 2023	(89.5)	(4.6)	51.4	(36.4)	(68.8)	(147.9)

Nature and purpose of reserves

Hedge reserve: the hedge reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

Foreign currency translation reserve: exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity.

Employee share reserve: the employee share reserve is used to recognise the share-based payments expense and associated income tax recognised through equity.

Share-based payment trust reserve: treasury shares are shares in CSR Limited that are held by the CSR Limited Share Plan Trust ('Trust') for the purpose of issuing shares under the CSR employee share plans and the CSR executive incentive plans (see the Remuneration Report for further detail). When the Trust purchases the company's equity instruments, the consideration paid is recorded in the share-based payments trust reserve.

Number of shares	2024	2023
Opening balance	843,107	807,479
Acquisition of treasury shares (average price of $5.55 (2023: $4.48) per share)	1,081,696	1,116,734
Issue of shares under executive incentive plans	(1,542,626)	(1,081,106)
Closing balance	**382,177**	843,107

Non-controlling interests reserve: this reserve is used to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

21 Financial risk management

The CSR group's activities expose it to a variety of financial risks, including credit, liquidity and market risks.

This note presents information about the risk management policy framework ('framework') and each of these risks.

The framework sets out the specific principles in relation to the use of financial instruments in hedging exposures to market risk, specifically interest rate risk, foreign exchange risk and commodity risk (aluminium, alumina, oil, electricity and gas) and the investment of excess liquidity. The risk management policy has been approved by the board of directors.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the CSR group's activities. Compliance with the framework and procedures is reviewed by the Finance Committee on a routine basis. The Finance Committee membership consists of the managing director and other relevant senior executives.

The CSR group uses a variety of derivative instruments to manage market risks. Except from a transfer from Level 2 to Level 3 in the fair value hierarchy during the year ended 31 March 2024, there have been no changes in the type and scale of risk that the CSR group is exposed to or the risk management policies used to manage these risks during the years ended 31 March 2024 and 31 March 2023.

The CSR group does not use derivative or financial instruments for speculative or trading purposes.

Recognition and measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

i) Credit risk

Nature of the risk

Credit risk is the risk of financial loss to the CSR group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the CSR group's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure.

Credit risk management: receivables

The CSR group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry sector and country in which customers operate. To manage this risk, the CSR group has a policy for establishing credit approvals and limits under which each new customer is analysed individually for creditworthiness before the CSR group's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer and reviewed regularly.

Any sales exceeding those limits require approval from the general manager. The CSR group continuously monitors the financial viability of its trade customers and accounts, ageing analysis and, where necessary, carries out a reassessment of credit limits provided.

Concentrations of credit risk with respect to receivables are limited due to the large number of customers and markets in which the CSR group does business, as well as the dispersion across many geographic areas.

The CSR group measures the loss allowance at an amount that reflects expected losses for trade and other receivables (refer to note 10).

Credit risk management: derivatives

The CSR group has an established counterparty credit risk policy. Derivatives may be entered into with banks that are rated at least A or A2 for durations of more than 3 months or A– or A3 from rating agencies Standard & Poor's and Moody's respectively for shorter terms, unless otherwise approved by the board.

ii) Liquidity risk

Nature of the risk

Liquidity risk is the risk that the CSR group has insufficient funds to meet its financial obligations when they fall due.

Liquidity risk management

Liquidity risk management requires the maintenance of sufficient cash, bank facilities and reserve borrowing facilities in combination with the continuous monitoring of forecast and actual cash flows, to enable matching the maturity profiles of financial assets and liabilities. The CSR group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its obligations when due, without incurring unacceptable losses or risking damage to the CSR group's reputation. Details of credit facilities and the maturity profile are given in note 17.

The table below analyses the undiscounted cash flows for the CSR group's financial liabilities and derivative financial instruments, currently in a liability position, into relevant maturity groupings based on the remaining period at the reporting date to maturity:

Liquidity risk $million	1 year or less	1 to 3 years	3 to 5 years	Total
2024				
Current payables	258.2	–	–	258.2
Commodity financial instruments	21.6	63.5	26.7	111.8
Foreign currency financial instruments	39.2	36.9	1.0	77.1
Total	319.0	100.4	27.7	**447.1**
2023				
Current payables	293.5	–	–	293.5
Commodity financial instruments	41.3	92.2	39.0	172.5
Foreign currency financial instruments	28.7	46.2	4.2	79.1
Total	363.5	138.4	43.2	545.1

21 Financial risk management (continued)

iii) Market risk

The table below provides information about commodity derivatives (to manage commodity price exposures) and significant exchange rate exposures in forward exchange rate contracts, entered into by the CSR group:

		Notional value				Fair value[3,4]		Change in equity before tax	
$million	Average price/ exchange rate[1,2]	1 year or less	1 to 3 years	3 to 5 years	Total	Asset	Liability	Price/exchange rate strengthens by 10%[5]	Price/exchange rate weakens by 10%[5]
2024									
Commodity swaps – aluminium	2,489.6	452.7	760.5	233.0	1,446.2	**23.3**	**(37.4)**	(134.8)	134.8
Commodity swaps – alumina/aluminium[6]	–[5]	183.0	387.5	191.1	761.6	**16.3**	**(22.5)**	64.5	(64.5)
Commodity swaps – oil	117.7	6.9	3.7	–	10.6	**0.6**	**–**	1.1	(1.1)
Commodity swaps & futures – electricity	99.1	15.5	15.3	–	30.8	**0.9**	**(4.3)**	2.6	(2.6)
Forward exchange rate contracts (US dollars – sell)[7]	0.7	438.0	677.5	208.9	1,324.4	**4.0**	**(73.4)**	119.5	(146.0)
2023									
Commodity swaps – aluminium	2,409.8	378.7	765.2	299.7	1,443.6	**14.6**	**(122.6)**	(143.7)	143.7
Commodity swaps – alumina/aluminium[6]	–[5]	173.3	367.2	196.3	736.8	**3.8**	**(36.3)**	65.2	(65.2)
Commodity swaps – oil	99.7	12.6	5.8	–	18.4	**3.5**	**(0.7)**	2.1	(2.1)
Commodity swaps & futures – electricity	63.4	9.1	6.7	–	15.8	**15.3**	**(0.3)**	3.0	(3.0)
Forward exchange rate contracts (US dollars – sell)[7]	0.7	354.9	669.1	237.0	1,261.0	**4.2**	**(74.5)**	113.6	(138.9)

1 Exchange rate applicable to forward exchange rate contracts.
2 Average deal price is in USD/metric tonne (aluminium), AUD/barrel (oil), AUD/MWh (electricity) and AUD/GJ (gas).
3 $23.3 million net of commodity contract losses (2023: $123.2 million net losses) were deferred in 2024 as the losses relate to cash flow hedges of highly probable forecast transactions. The expected timing of recognition based on the fair values at 31 March 2024 is one year or less: $5.7 million gain (2023: $15.2 million loss); one to three years: $17.8 million loss (2023: $77.2 million loss); three to five years: $11.2 million loss (2023: $30.8 million loss). The fair value of $23.1 million (2023: $122.7 million) includes $0.2 million of gains (2023: $0.5 million of gains) recognised in profit or loss.
4 $69.4 million of net foreign exchange contract losses (2023: $70.3 million net losses) have been deferred as the losses relate to cash flow hedges of highly probable forecast transactions. The expected timing of recognition based on the fair values at 31 March 2024 is one year or less: $36.5 million loss (2023: $27.4 million loss); one to three years: $33.7 million loss (2023: $41.9 million loss) and three to five years $0.8 million gain (2023: $1.0 million loss).
5 Under the alumina/aluminium swaps entered into, the CSR group receives a floating alumina price and pays a floating aluminium price. The change in equity before tax due to price movements relates to the alumina price.
6 Under the alumina/aluminium swaps entered into the CSR group receives a floating alumina price and pays a floating aluminium price. Notional amount is tonnes of alumina.
7 Sale of US dollars is the dominant foreign exchange hedge. In addition, the CSR group uses FX swaps to manage foreign currency cash positions and FX forwards to purchase foreign currency expended in manufacturing inputs. The fair value of these at 31 March 2024 is an asset value of $1.0 million (2023: $2.3 million) and liability value of $0.2 million (2023: $0.1 million).

21 Financial risk management (continued)

iii) Market risk (continued)

The table below provides details on the nature, risk management and sensitivity in relation to interest rate and foreign exchange risk.

Risk	Nature of risk	Risk management and sensitivity
Interest rate	At the reporting date, CSR group's interest rate exposure is limited to the net cash balance of $138.1 million (2023: net cash balance of $131.6 million). The maturity profile for the net cash balance of $138.1 million is less than 1 year. The average interest rate on cash balances for the year was 4.60% (2023: 1.83%).	The CSR group has a policy of hedging interest rate risk to reduce the volatility of interest expense. At 31 March 2024 the group had no interest rate risk management measures in place because it had no material borrowings. If interest rates had increased/decreased by one percentage point per annum from the year end rate with all other variables held constant, the post-tax profit for the year would have been $0.2 million higher/lower (2023: $0.7 million higher/lower). This is mainly due to higher/lower interest income on net cash balances.
Foreign exchange	The CSR group's major foreign currency exposure relates to its US dollar aluminium sales revenue. A portion of revenue is unhedged to offset its US dollar expense requirements for raw materials and equipment. The group also has foreign currency exposure arising from payments for raw materials and capital equipment in its other businesses. This exposure is not material compared to aluminium sales revenue exposure.	The CSR group uses a variety of foreign exchange risk management instruments, including spot, forward and swap currency contracts and currency options, to hedge foreign currency denominated receipts resulting from revenue and payments for raw materials and capital equipment denominated in foreign currencies. The CSR group's policy is to hedge its net US dollar aluminium exposure to reduce the volatility of aluminium earnings, when acceptable Australian dollar outcomes can be achieved. Forecast US dollar receipts are based on highly probable forecast monthly sales receipts of aluminium which ensures that the underlying foreign currency exchange risk is identical to the hedged risk component (i.e. the US dollar price). Hedging is undertaken at declining levels for up to four years. Sensitivity of fair values to changes in exchange rate is disclosed in the market risk table on page 72.

The table below provides details on the nature and risk management in relation to commodity price risk. Sensitivity of fair values to changes in commodity prices is disclosed in the market risk table on page 72.

Commodity	Nature of commodity price risk	Commodity price risk management
Aluminium	The CSR group has exposure to aluminium commodity prices which arises from sales contracts that commit the CSR group to supply aluminium in future years. Prices for product supplied under these contracts are a function of the US dollar market price at the time of delivery.	The CSR group has a policy of hedging its aluminium sales (net of any linked exposure on inputs such as alumina), where acceptable pricing is available, to reduce the volatility of its aluminium earnings when exchanged into Australian dollars. Eligible hedging instruments used for hedging commodity price risk include commodity forward contracts and commodity options. Hedging is undertaken at declining levels for up to four years.
Alumina	The CSR group has exposure to alumina commodity prices through the consumption of alumina at the US$ denominated market price.	The CSR group has a policy of hedging its alumina purchases to reduce the volatility of its aluminium manufacturing costs. Eligible hedging instruments are commodity forward contracts and commodity futures contracts. The commodity forward contracts utilised are typically of the form where the CSR group receives a floating alumina price and pays a floating aluminium price.
Oil	The CSR group has exposure to oil commodity prices through oil price linked gas purchasing contracts. The A$ gas purchase price is partially a function of the prevailing US$ oil price and A$/US$ exchange rate.	The CSR group has a policy of hedging the oil price component of the price of gas purchased to reduce the volatility of its energy costs. Eligible hedging instruments are commodity forward contracts and commodity futures contracts. These contracts are either denominated in A$ or US$. If denominated in US$ the risk arising from movements in the A$/US$ exchange rate is managed through foreign exchange forward and option contracts.
Electricity	The CSR group purchases electricity from the National Electricity Market which gives rise in exposure to the spot electricity price.	The CSR group has a policy of hedging the electricity spot price to reduce the volatility of its energy costs. Eligible hedging instruments are commodity forward contracts and options and commodity futures contracts and options.

21 Financial risk management (continued)

iv) Fair value measurement of financial instruments

The table below provides an analysis of hedge accounted financial instruments that are measured subsequent to initial recognition at fair value.

		2024			2023		
$million	Level	Current[1]	Non-current	Total	Current[1]	Non-current	Total
Financial assets at fair value							
Commodity swaps – aluminium	2	7.4	15.9	23.3	8.3	6.3	14.6
Commodity swaps – alumina/aluminium	3	14.6	1.7	16.3	3.2	0.6	3.8
Commodity swaps – oil	2	0.5	0.1	0.6	3.5	–	3.5
Commodity swaps – electricity	2	–	–	–	4.1	–	4.1
Commodity futures – electricity	1	0.7	0.2	0.9	7.3	3.9	11.2
Forward exchange rate contracts	2	1.4	3.7	5.1	2.2	4.3	6.5
Futures margin[2]	1	7.9	2.0	9.9	0.6	0.3	0.9
Other	2	–	5.5	5.5	–	5.5	5.5
Total		**32.5**	**29.1**	**61.6**	29.2	20.9	50.1
Financial liabilities at fair value							
Commodity swaps – aluminium	2	13.7	23.7	37.4	38.4	84.2	122.6
Commodity swaps – alumina/aluminium	3	0.1	22.4	22.5	2.5	33.8	36.3
Commodity swaps – oil	2	–	–	–	0.3	0.4	0.7
Commodity futures – electricity	1	3.3	1.0	4.3	0.2	0.1	0.3
Forward exchange rate contracts	2	38.3	35.3	73.6	28.1	46.5	74.6
Other	2	0.1	–	0.1	0.2	–	0.2
Total		**55.5**	**82.4**	**137.9**	69.7	165.0	234.7

1 Derivatives are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.
2 Futures margin as required for hedging under futures account agreements.

The definitions of the fair value hierarchy levels are below.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The significant unobservable inputs used in the fair value measurement of commodity swaps are the forward prices of alumina in Australia. Significant increases (decreases) in the alumina forward price inputs in isolation would result in a significantly higher (lower) fair value asset measurement.

There were no transfers from Level 2 to Level 1 in either direction in 2024 and 2023. The transfers from Level 2 to Level 3 during 2024 relate to commodity swaps on alumina/aluminium due to a lack of observable data from the assessment of liquidity in the Commodity Exchange futures contract.

The following table provides a reconciliation of Level 3 fair value movements in 2024:

$million	2024
Opening balance	–
Transfer from Level 2 to Level 3	(32.5)
Settlements during the year recognised in profit and loss	14.5
Changes in fair value	11.8
Closing balance	**(6.2)**

The fair value amounts shown above are not necessarily indicative of the amounts that the CSR group would realise upon disposition, nor do they indicate the CSR group's intent or ability to dispose of the financial instrument.

21 Financial risk management (continued)

iv) Fair value measurement of financial instruments (continued)

Recognition and measurement

The fair value of financial instruments, including financial assets and liabilities approximates their carrying amount.

The Level 1 fair values of derivative instruments are calculated using quoted market prices.

Level 2 fair values, where quoted market prices are not available, are determined by a discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

Level 3 fair values arise when the observable commodity price curve has a shorter maturity than the derivative instruments held. In these cases the last observable price is used to determine the fair value.

The CSR group designates its derivatives as cash flow hedges. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts deferred in equity are recycled in profit or loss in the year when the hedged item is recognised in profit or loss.

v) Capital management

The CSR group manages its capital to ensure that entities in the CSR group will be able to meet their obligations as and when due, take advantage of business opportunities as they present, and continue as a going concern while maximising the return to shareholders in the context of business and financial market conditions.

The capital structure of the CSR group consists of cash and cash equivalents, issued capital and reserves disclosed in notes 18 and 20, retained profits and debt. The CSR group reviews the capital structure regularly and balances its overall capital structure through the payment of dividends, new share issues, share consolidations and share buy-backs, as well as the issue of new debt or the repayment of existing debt.

21 Financial risk management (continued)

vi) Cash flow hedging

The impact of hedging instruments designated in material hedging relationships as of 31 March 2024 on the statement of financial position of the CSR group is as follows:

$million	Notional amount	Asset carrying amount	Liability carrying amount	Changes in value of instrument used for calculating hedge ineffectiveness – gain (loss)	Changes in value of hedged item used for calculating hedge ineffectiveness – gain (loss)	Cash flow hedge reserve (continuing hedges) – gain (loss)	Hedge gain (loss) recognised in other comprehensive income[1]	(Gain) loss reclassified from other comprehensive income to profit or loss before tax[2]	Line item in statement of comprehensive income	Hedge ineffectiveness recognised in profit or loss
2024										
Aluminium commodity swaps	379,350 tonnes	23.3	(37.3)	93.9	(94.4)	(14.0)	103.8	(9.9)	Trading revenue	–
Alumina/aluminium commodity swaps[3]	1,290,000 tonnes	16.3	(22.3)	26.3	(26.4)	(6.0)	11.8	14.5	Cost of sales	(0.2)
Oil commodity swaps	90,000 barrels	0.6	–	(2.2)	2.2	0.6	2.8	(5.0)	Cost of sales	–
Electricity commodity futures/swaps	311,256 MWh	0.6	(4.4)	(18.3)	18.5	(3.8)	(17.6)	(0.7)	Cost of sales	0.4
Forward currency contracts (sales)	1,324.4	4.0	(73.4)	0.8	(0.8)	(69.4)	(35.9)	36.8	Trading revenue	–
Forward currency contracts (purchases)	53.1	1.4	(0.2)	(0.6)	0.6	1.2	2.2	(2.7)	Cost of sales	–
Environmental certificates	17,000 certificates	–	(0.1)	0.2	(0.2)	(0.1)	0.2	–	Cost of sales	–
2023										
Aluminium commodity swaps	402,350 tonnes	14.6	(122.6)	495.8	(497.6)	(107.9)	410.7	85.1	Trading revenue	–
Alumina/aluminium commodity swaps[3]	1,330,000 tonnes	3.8	(36.1)	(59.9)	63.4	(32.3)	(98.1)	38.3	Cost of sales	(0.1)
Oil commodity swaps	184,000 barrels	3.5	(0.7)	(8.6)	8.6	2.8	1.3	(9.9)	Cost of sales	–
Electricity commodity futures/swaps	250,296 MWh	14.8	(0.3)	(7.9)	7.0	14.5	16.5	(24.4)	Cost of sales	0.5
Forward currency contracts (sales)	1,260.5	4.2	(74.5)	(115.1)	115.1	(70.3)	(107.2)	(7.9)	Trading revenue	–
Forward currency contracts (purchases)	47.1	2.3	(0.6)	2.9	(2.9)	1.7	3.7	(0.9)	Cost of sales	–
Environmental certificates	84,000 certificates	–	(0.3)	(0.5)	0.5	(0.3)	(0.5)	–	Cost of sales	–

1 The net hedge gain recognised in other comprehensive income totalling $67.3 million (2023: $226.4 million net gain) less non-controlling interests of $23.9 million (2023: $61.6 million) reconciles to the hedge gain transferred to equity in note 20.

2 The net loss reclassified from other comprehensive income to profit or loss before tax totalling $33.0 million (2023: $80.3 million net loss) less non-controlling interests of $12.4 million (2023: $34.6 million) reconciles to the hedge loss transferred to the statement of financial performance in note 20.

3 Under the alumina/aluminium swaps entered into the CSR group receives a floating alumina price and pays a floating aluminium price. Notional amount is tonnes of alumina.

Group structure

22 Subsidiaries

	% CSR ownership			% CSR ownership	
Entity	2024	2023	Entity	2024	2023
Incorporated in Australia			**Incorporated in Australia (continued)**		
A-Jacks Hardwall Plaster Pty Ltd	100	100	High Road Capital Pty Limited	100	100
A-Jacks Unit Trust	100	100	Midalco Pty Limited	100	100
AFS Systems Pty Limited[2]	100	100	Monier PGH Superannuation Pty Limited	100	100
AFS Unit Trust	100	100	PASS Pty Limited	100	100
BI (Contracting) Pty Limited	100	100	PGH Bricks & Pavers Pty Limited[2]	100	100
Bradford Insulation Industries Pty Limited	100	100	Rediwall Unit Trust	100	100
Bradford Insulation (S.A.) Pty Limited[1]	100	100	Rivarol Pty Limited[2]	100	100
Bricks Australia Services Pty Limited[2]	100	100	Seltsam Pty Limited	100	100
Buchanan Borehole Collieries Pty Ltd	100	100	Softwood Holdings Limited[1]	100	100
CSR Building Products Limited[2]	100	100	Softwood Plantations Pty Limited[1]	100	100
CSR Developments Pty Ltd	100	100	Softwoods Queensland Pty Limited[1]	100	100
CSR Erskine Park Trust	100	100	Thiess Bros Pty Limited	100	100
CSR Finance Ltd[2]	100	100	Thiess Holdings Pty Limited	100	100
CSR Industrial Property Trust	100	100	Woven Image Pty Limited	100	-
CSR Industrial Property Nominees No. 1 Pty Limited	100	100			
CSR Industrial Property Nominees No. 2 Pty Limited	100	100	**Incorporated in New Zealand**		
CSR International Pty Ltd	100	100	CSR Building Products (NZ) Ltd	100	100
CSR Investments Pty Limited[2]	100	100			
CSR Investments (Asia) Pty Limited	100	100	**Incorporated in other countries**		
CSR Investments (Indonesia) Pty Limited	100	100	CSR Guangdong Glasswool Co., Ltd (China)	79	79
CSR Martini Pty Limited[2]	100	100	CSR Insurance Pte Limited (Singapore)	100	100
CSR Share Plan Pty Limited	100	100	Mandarin Design International Limited (Hong Kong)	100	-
CSR Structural Systems Pty Limited[2]	100	100	PT Prima Karya Plasterboard (Indonesia)	100	100
CSR Subsidiary Finance Pty Limited[2]	100	100	Woven Image (Europe) Limited (United Kingdom)	100	-
CSR Subsidiary Holdings Limited[2]	100	100	Woven Image Hong Kong Limited (Hong Kong)	100	-
CSR-ER Nominees Pty Limited	100	100	Woven Image Interior Material (Shanghai) Ltd. Co. (China)	100	-
Gove Aluminium Finance Limited	70	70	Woven Image Singapore Pte. Ltd. (Singapore)	100	-

1 In members voluntary liquidation.
2 These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

23 Deed of cross guarantee

CSR Limited, AFS Systems Pty Limited, Bricks Australia Services Pty Limited, CSR Building Products Limited, CSR Martini Pty Limited, CSR Finance Ltd, CSR Investments Pty Limited, CSR Structural Systems Pty Limited, CSR Subsidiary Finance Pty Limited, CSR Subsidiary Holdings Limited, PGH Bricks & Pavers Pty Limited and Rivarol Pty Limited are parties to a deed of cross guarantee ('the Deed') under which each company guarantees the debts of the others. By entering into the Deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and Directors' Report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

The above companies represent a 'closed group' for the purposes of the Class Order, and as there are no other parties to the Deed that are controlled by CSR Limited, they also represent the 'extended closed group'.

Set out on the following page is a consolidated statement of financial performance, a consolidated statement of comprehensive income, a consolidated statement of financial position and a summary of movements in consolidated retained profits for the years ended 31 March 2024 and 31 March 2023 of the closed group.

23 Deed of cross guarantee (continued)

i) Consolidated statement of financial performance

$million	2024	2023
Trading revenue – sale of goods	**1,800.1**	1,762.0
Cost of sales	(1,065.8)	(1,072.7)
Gross margin	**734.3**	689.3
Other income	96.3	75.6
Warehouse and distribution costs	(213.1)	(209.5)
Selling, administration and other operating costs	(276.4)	(253.1)
Share of net profit of joint venture entities	21.7	18.2
Other expenses	(21.1)	(16.0)
Profit before net finance costs and income tax	**341.7**	304.5
Interest income	2.0	1.8
Finance costs	(15.9)	(13.0)
Profit before income tax	**327.8**	293.3
Income tax expense	(93.1)	(79.0)
Profit after tax	**234.7**	214.3

ii) Consolidated statement of comprehensive income

$million	2024	2023
Profit after tax	**234.7**	214.3
Other comprehensive income, net of tax		
Items that may be reclassified to profit or loss		
Hedge (loss) gain recognised in equity	(12.5)	21.0
Hedge gain transferred to the statement of financial performance	(8.3)	(35.1)
Exchange differences arising on translation of foreign operations	(0.5)	0.8
Income tax benefit relating to these items	6.3	4.2
Items that will not be reclassified to profit or loss		
Actuarial loss on superannuation defined benefit plans	(3.6)	(1.9)
Income tax benefit relating to these items	1.1	0.7
Other comprehensive expense – net of tax	(17.5)	(10.3)
Total comprehensive income	**217.2**	204.0

iii) Summary of movements in consolidated retained profits

$million	2024	2023
Opening retained profits	387.9	341.4
Profit for the year	234.7	214.3
Actuarial loss on superannuation defined benefit plans (net of tax)	(2.5)	(1.2)
Dividends provided for or paid	(167.1)	(166.6)
Closing retained profits	**453.0**	387.9

23 Deed of cross guarantee (continued)

iv) Consolidated statement of financial position

$million	2024	2023
Current assets		
Cash and cash equivalents	128.9	125.2
Receivables	213.2	277.0
Inventories	274.7	259.6
Property holdings	2.7	36.0
Other financial assets	10.1	17.4
Income tax receivable	3.3	16.8
Prepayments and other current assets	21.4	12.4
Total current assets	**654.3**	744.4
Non-current assets		
Receivables	11.5	9.9
Property holdings	106.4	109.4
Investments accounted for using the equity method	24.4	36.0
Other financial assets	105.7	107.5
Property, plant and equipment	666.1	594.1
Right-of-use lease assets	101.5	109.4
Goodwill	99.6	59.9
Other intangible assets	12.3	8.5
Deferred income tax assets	126.3	131.7
Other non-current assets	4.6	8.5
Total non-current assets	**1,258.4**	1,174.9
Total assets	**1,912.7**	1,919.3
Current liabilities		
Payables	122.3	178.0
Lease liabilities	33.6	32.5
Other financial liabilities	3.5	1.1
Tax payable	35.2	23.0
Provisions	126.5	116.4
Total current liabilities	**321.1**	351.0
Non-current liabilities		
Lease liabilities	105.1	118.6
Other financial liabilities	1.2	0.2
Provisions	193.8	203.2
Other non-current liabilities	1.1	0.7
Total non-current liabilities	**301.2**	322.7
Total liabilities	**622.3**	673.7
Net assets	**1,290.4**	1,245.6
Equity		
Issued capital	930.3	930.3
Reserves	(92.9)	(72.6)
Retained profits	453.0	387.9
Equity attributable to shareholders of the closed group	**1,290.4**	1,245.6

24 Non-controlling interests

Summarised financial information for each subsidiary that has non-controlling interests that are material to the CSR group is set out below. The amounts disclosed are before intercompany eliminations.

	Gove Aluminium Finance Limited	
$million	2024	2023
Statement of financial position		
Current assets	178.1	186.2
Non-current assets	174.4	198.1
Current liabilities	167.2	178.4
Non-current liabilities	92.2	175.7
Statement of financial performance		
Revenue	731.4	780.3
Loss after tax for the year	(21.8)	(1.1)
Other comprehensive income for the year	84.7	224.6
Total comprehensive income for the year	62.9	223.5
Statement of cash flows		
Cash flows from operating activities	14.9	(15.5)
Cash flows from investing activities	(16.0)	65.0
Cash flows from financing activities	(1.6)	(40.5)
Net (decrease) increase in cash held	(2.7)	9.0
Transactions with non-controlling interests		
Loss attributable to non-controlling interests	(6.6)	(0.3)
Dividends paid to non-controlling interests	–	–

Recognition and measurement

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of financial performance, statement of comprehensive income, statement of financial position and statement of changes in equity respectively. The effects of all transactions with non-controlling interests are recorded in equity if there is no change in control. Where there is a loss of control, any remaining interest in the entity is remeasured to fair value and a gain or loss is recognised in the income statement. Any losses are allocated to the non-controlling interest in subsidiaries even if the accumulated losses should exceed the non-controlling interest in the individual subsidiary's equity.

25 Interest in joint operations

The CSR group's interest in the Tomago aluminium smelter joint operation of 36.05% (2023: 36.05%) is held through a controlled entity in which the CSR group has a 70% interest, resulting in an effective interest in the joint operation of 25.24% (2023: 25.24%).

Recognition and measurement

The shareholders of the joint operation are jointly and severally liable for the liabilities incurred by the operation and have rights to the assets. This entity is therefore classified as a joint operation and the group recognises its direct right to the jointly held assets, liabilities, revenues and expenses. Where the CSR group and the parties to the agreements only have rights to the net assets of each of the operations under the arrangements, these entities will be classified as joint ventures of the CSR group and accounted for using the equity method. Refer to note 26.

Critical accounting estimate

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement, and therefore requires judgment in determining the classification. The CSR group has both joint operations and joint ventures.

26 Equity accounting information

Carrying amount ($million)	2024			2023		
Entity[1]	Long-term loan	Equity accounted investment	Net investment	Long-term loan	Equity accounted investment	Net investment
Building products						
Rondo Building Services Pty Ltd[2]	–	12.2	12.2	–	23.9	23.9
Gypsum Resources Trust Australia[2]	12.0	–	12.0	12.0	–	12.0
New Zealand Brick Distributors[3]	–	8.8	8.8	–	9.0	9.0
Other[2]	–	0.2	0.2	–	0.1	0.1
Total investment	**12.0**	**21.2**	**33.2**	12.0	33.0	45.0

1 The CSR group's interest in these entities is 50% (2023: 50%).
2 Entities incorporated in Australia.
3 Entity is a limited partnership in New Zealand.

Recognition and measurement

Investments in joint venture and associate entities have been accounted for under the equity method in the CSR group financial statements. CSR's share of net profit/loss of joint venture entities is recorded in the statement of financial performance.

Purchases and sales of goods and services to joint venture entities are on normal terms and conditions.

i) Net investment in joint ventures

$million	2024	2023
Opening net investment	45.0	40.1
Share of net profit before income tax	31.8	27.5
Share of income tax	(9.5)	(8.2)
Dividends and distributions received	(33.9)	(15.0)
Foreign currency translation and other	(0.2)	0.6
Closing net investment	**33.2**	45.0

ii) Summarised financial information of joint venture entities

$million	2024	2023
Statement of financial position		
Current assets	104.6	135.2
Non-current assets	58.7	52.6
Current liabilities	73.2	79.8
Non-current liabilities	47.7	42.6
Statement of financial performance		
Revenue	314.5	350.2
Share of net profit after tax		
Rondo Building Services Pty Ltd	21.5	18.4
Other	0.8	0.9

iii) Balances and transactions with joint venture entities

$million	Note	2024	2023
Current payables to CSR		2.0	1.7
Non-current loans payable to CSR	33	6.5	3.2
Current payables to joint venture entities		4.4	7.3
Purchases of goods and services		43.5	57.1
Sales of goods and services		4.5	4.8

27 Parent entity disclosures

i) Summary financial information of CSR Limited

$million	2024	2023 restated[1]	2023
Statement of financial position			
Current assets[1]	755.5	733.9	733.6
Non-current assets	1,828.1	1,830.8	1,828.5
Current liabilities[1, 2]	(1,297.7)	(1,291.8)	(1,289.0)
Non-current liabilities[2]	(197.4)	(215.7)	(210.9)
Net assets	**1,088.5**	1,057.2	1,062.2
Equity			
Issued capital	930.3	930.3	930.3
Reserves	7.5	9.0	9.0
Retained profits	150.7	117.9	122.9
Total equity	**1,088.5**	1,057.2	1,062.2
Statement of financial performance			
Profit after tax for the year	199.8	118.1	123.1
Total comprehensive income	199.9	116.9	121.9

1 As at 31 March 2024, CSR Limited is in a net current liability position of $542.2 million (2023: $557.9 million). The net current liability position is due to intercompany payable balances held with controlled entities. CSR Limited, as the parent entity, determines when these balances will be settled and the subsidiaries cannot call upon these liabilities for settlement.
2 Included within current liabilities is the current portion of the product liability provision of $20.6 million (2023: $24.0 million). Included within non-current liabilities is the non-current portion of the product liability provision of $162.7 million (2023: $169.4 million). See notes 15 and 16 for further details.

AASB 17 *Insurance Contracts* (AASB 17) became first applicable to the CSR group for the year commencing 1 April 2023 and must be applied retrospectively. AASB 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts. The parent entity, CSR Limited, is impacted by the application of AASB 17 as the parent entity is a licensed self-insurer in New South Wales, Queensland, Victoria and Western Australia for workers compensation insurance.

In accordance with Australian Accounting Standards the change in accounting policy has been adopted retrospectively and impacted the prior year parent entity financial information disclosure as follows:

- an increase in current assets at 1 April 2022 of $0.5 million.
- an increase in non-current assets at 1 April 2022 of $2.4 million.
- an increase in current liabilities at 1 April 2022 of $3.4 million.
- an increase in non-current liabilities at 1 April 2022 of $4.6 million.
- a decrease in retained earnings at 1 April 2022 of $5.1 million.
- a decrease in profit after tax for the year ended 31 March 2023 of $5.0 million.

ii) CSR Limited transactions with controlled entities

During the financial years ended 31 March 2024 and 2023, CSR Limited advanced and repaid loans, sold and purchased goods and services, and provided accounting and administrative assistance to its controlled entities. All loans advanced to and payable to these related parties are unsecured and subordinate to other liabilities. Loans between members of the Australian tax consolidation group are not on normal terms and conditions.

iii) Contingent liabilities

$million	Note	2024	2023
Contingent liabilities, capable of estimation, arise in respect of the following categories:			
Performance guarantees provided to third parties[1]		97.8	93.8
Bank guarantees to Harwood Superannuation Fund[2]	28	4.3	3.3
Total contingent liabilities		**102.1**	97.1

1 Financial guarantees disclosed above relate to bank guarantees provided to third parties to guarantee CSR Limited's performance of its liabilities of $55.0 million (2023: $51.0 million) and guarantees provided to third parties outside of the CSR group of $42.8 million (2023: $42.8 million). In addition, CSR Limited has undertaken to provide financial support, as and when required, to certain wholly owned controlled entities so as to enable those entities to pay their debts as and when such debts become due and payable.
2 CSR Limited has an obligation to contribute amounts so as to ensure that the assets attributable to certain superannuation defined benefit plans are not less than 107% of the amount required to meet the actuarial liabilities.

iv) Capital commitments

CSR Limited has committed $nil to the acquisition of any property, plant and equipment as at 31 March 2024 (2023: $nil).

Other

28 Employee benefits

i) Superannuation commitments

During the year, the CSR group participated in a number of superannuation funds ('funds') in Australia and New Zealand. The funds provide benefits either on a cash accumulation or defined benefit basis, for employees (and spouses) on retirement, resignation or disablement, or to their dependants on death. Employer contributions are legally enforceable, with the right to terminate, reduce or suspend those contributions upon giving written notice to the trustees. CSR Limited and its Australian controlled entities are required to provide a minimum level of superannuation support for employees under the Australian superannuation guarantee legislation.

Australian superannuation funds

In Australia, the CSR group participates in the Harwood Superannuation Fund and the Pilkington (Australia) Superannuation Scheme for those employees and pensioners who are currently members of these funds and any new employees who become members.

Retirement funds

The contributions to the funds for the year ended 31 March 2024 for the CSR group were $40.0 million (2023: $37.0 million).

Accumulation funds

The benefits provided by accumulation funds are based on the contributions and income thereon held by the funds on behalf of the members. Contributions are made as agreed between the member and the company, and for the financial year ended 31 March 2024 contributions totalled $37.1 million (2023: $33.9 million). These contributions are expensed in the year they are incurred. CSR group's legal or constructive obligation is limited to these contributions.

Defined benefit funds

The benefits provided by defined benefit divisions of funds (DBDs) are based on length of service or membership and salary of the member at or near retirement. Member contributions, based on a percentage of salary, are specified by the rules of the fund. Employer contributions generally vary based on actuarial advice and may be reduced or cease when a fund is in actuarial surplus. DBDs are closed to new members.

Changes to defined benefit obligations

The Harwood Superannuation Fund Trust Deed was amended with effect from midnight on 31 December 2011 to restructure the various plans within the fund, including splitting the CSR Plan Division One (defined benefit) into three separate plans. The amendment reflected the agreement between CSR Limited and Wilmar International Limited that Sucrogen Limited would assume full responsibility to fund its obligations for defined benefit members employed by the Sucrogen business as well as its share of the funding obligation in respect of the Harwood Pensioner DBD Plan. As such, amounts recorded for the CSR group exclude funding obligations and share of assets and liabilities which have been assumed by Wilmar Sugar Australia Limited.

The Pilkington (Australia) Superannuation Scheme Trust Deed was amended with effect from midnight on 31 January 2019 to restructure the plan within the fund, including splitting the Pilkington (Australia) Superannuation Scheme defined benefit plan into two separate plans. The amendment reflected the agreement between CSR Limited and Viridian Glass Limited that Viridian Glass Limited would assume full responsibility to fund its obligations for defined benefit members employed by the Viridian Glass Limited business. The CSR group retained the funding obligations in respect of the Viridian pensioner defined benefit plan. As such, amounts recorded for the CSR group exclude funding obligations and share of assets and liabilities which have been assumed by Viridian Glass Limited.

Asset backing

The last actuarial assessment for the Harwood Superannuation Fund was completed as at 30 June 2023. The funding requirements were reviewed as at 30 June 2023. A combination of the attained age normal and projected unit credit funding methods were used to determine the contribution rates for the Harwood Superannuation Fund. The projected unit credit funding method was used for the Pilkington (Australia) Superannuation Scheme.

The Trust Deed sets out a minimum funding level of 103% and a funding guarantee of 107% of actuarial liabilities for the DBD CSR and DBD Harwood Pensioner plans. At the time of the last actuarial review, DBD CSR had a funding position in excess of 107% and DBD Harwood Pensioner had a funding position of 100%. Therefore, as at 31 March 2024, CSR Limited was required to provide bank guarantees of $4.3 million to the trustee of the fund to satisfy the balance of its commitments (2023: $3.3 million). The bank guarantees have been disclosed in note 27.

Table 1: Defined benefit plans (DBDs) sponsored by the CSR group

$million	CSR contributions to the funds	Present value of fund assets	Present value of fund liability	Net defined benefit asset (liability)	Contributions paid
Harwood Superannuation Fund					
DBD CSR and DBD Harwood Pensioner[1]	$nil from 1 April 2023	55.5	(54.4)	1.1	0.1
DBD Monier PGH	$nil from 1 April 2023	27.9	(24.9)	3.0	0.2
Pilkington (Australia) Superannuation Scheme DBD	$nil from 1 April 2023	15.3	(16.3)	(1.0)	–

1 Actuarial liabilities are determined to be past service liabilities based on membership accrued up to 31 March 2024.

28 Employee benefits (continued)

i) Superannuation commitments (continued)

Key assumptions used by actuaries

Key assumptions and parameters used by the actuaries (expressed as weighted averages) are outlined below:

%		2024	2023
Discount rate (after tax)		5.3	5.3
Expected salary increase		2.9	2.8
Asset class allocation	– Equity instruments	27.7	27.8
	– Debt instruments	53.3	53.3
	– Property	7.4	7.2
	– Other	11.6	11.7

Impact of plans on the statement of financial performance and comprehensive income

$million	2024	2023
Amounts recognised in the statement of financial performance[1]		
Current service cost	0.5	0.6
Finance cost	4.8	3.5
Interest income	(5.1)	(3.8)
Total expense included in the statement of financial performance	**0.2**	0.3
Actuarial loss incurred during the financial year and recognised in the statement of comprehensive income	**(3.6)**	(1.9)
Cumulative actuarial losses recognised in the statement of comprehensive income	**(56.0)**	(52.4)

1 Disclosed in selling, administration and other operating costs.

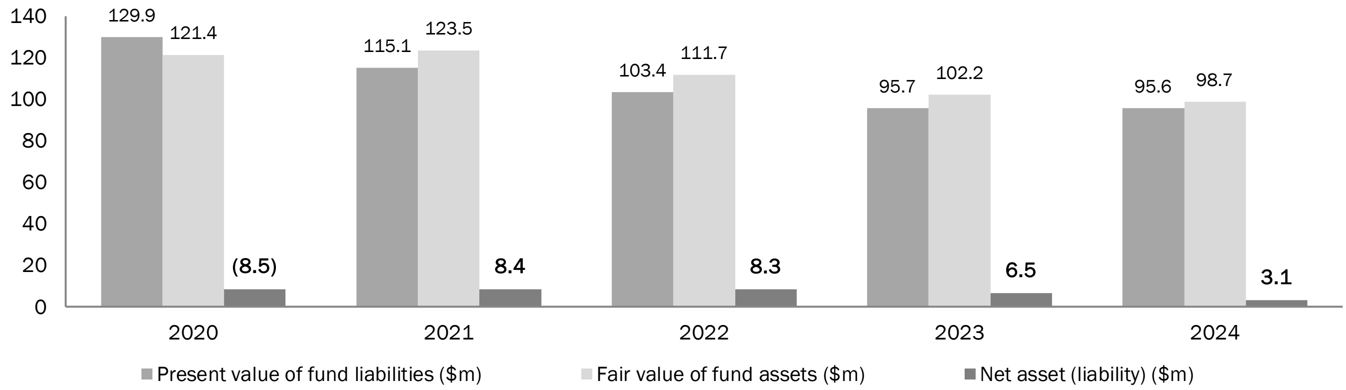
Impact of plans on the statement of financial position

$million	2024	2023
Net asset of superannuation defined benefit plans		
Fair value of assets	98.7	102.2
Present value of liabilities	(95.6)	(95.7)
Net asset	**3.1**	**6.5**
Included in the statement of financial position		
Other non-current assets (note 33)	4.1	7.2
Other non-current liabilities	(1.0)	(0.7)
Net asset	**3.1**	**6.5**
Movements in the fair value of the defined benefit plan assets		
Assets at the beginning of the financial year	102.2	111.7
Interest income	5.1	3.8
Return on assets (in excess of interest income)	0.3	(6.0)
Contributions from the employer	0.3	0.4
Benefits paid	(9.2)	(7.7)
Assets at the end of the financial year	**98.7**	**102.2**
Movements in the present value of the defined benefit plan liabilities		
Liabilities at the beginning of the financial year	95.7	103.4
Current service cost	0.5	0.6
Finance cost	4.8	3.5
Actuarial loss (gain)	3.9	(4.1)
Benefits paid	(9.3)	(7.7)
Liabilities at the end of the financial year	**95.6**	**95.7**

28 Employee benefits (continued)

i) Superannuation commitments (continued)

Net asset (liability) of superannuation defined benefit plans



Recognition and measurement

For superannuation defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses are recognised in full, directly in retained profits, in the year in which they occur, and are presented in the statement of comprehensive income. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The defined benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation, adjusted for unrecognised past service cost, net of the fair value of the plan assets. Any asset resulting from this calculation is limited to past service costs, plus the present value of available refunds and reductions in future contributions to the plan.

ii) Share-based payments

Long-term incentive (LTI) plan – Performance rights plan (PRP)

Under the LTI plan effective during the year ended 31 March 2024, eligible executives were invited to receive performance rights in the company. Shares acquired on vesting of performance rights are fully paid ordinary shares and the amount payable to acquire these shares is $nil.

A summary of the performance rights granted under the plan is set out below:

Number of performance rights	2024	2023
Opening balance	3,120,587	3,406,248
Granted during the year	1,404,543	949,888
Exercised during the year	(1,201,584)	(724,335)
Lapsed during the year	(400,524)	(511,214)
Closing balance	**2,923,022**	3,120,587

There were no exercisable shares (or performance rights) at 31 March 2024 (2023: nil).

Performance rights outstanding at the end of the year have the following expiry dates:

		Performance rights	
Grant date	Expiry date	2024	2023
21 July 2020	1 April 2023	–	1,335,093
21 July 2021	1 April 2024	721,303	835,606
29 July 2022	1 April 2025	797,176	949,888
27 July 2023	1 April 2026	1,404,543	–
Total		**2,923,022**	3,120,587

A summary of key valuation assumptions for rights granted in the year ended 31 March 2024 is set out below:

Grant date	27 July 2023	27 July 2023
Vesting condition	Relative TSR with a positive absolute TSR requirement	EPS growth
Valuation method	Monte-Carlo simulation	Binominal tree
Start of performance period	1 April 2023	1 April 2023
Testing date	31 March 2026	31 March 2026
Expected life	2.7 years	2.7 years
Grant date share price	$5.66	$5.66
Volatility	30%	30%
Dividend yield	5.6%	5.6%
Risk-free rate	3.81%	3.81%
Fair value	$3.31	$4.87

Further details on the LTI plan and the terms of the grants during the year are detailed in the Remuneration Report.

28 Employee benefits (continued)

ii) Share-based payments (continued)

Deferred shares

Under the STI deferral plan, 40% of any STI earned by senior executives is delivered in CSR shares. These shares must be held in trust subject to trading restrictions and 50% are deferred for one year and 50% are deferred for two years.

Deferred shares are administered by the CSR Share Plan Trust. The shares are acquired on market at the grant date and are held as treasury shares until such time as they vest. Forfeited shares are reallocated in subsequent grants. The number of shares to be granted is determined based on the weighted average price at which the company's shares are traded on the Australian Stock Exchange.

	2024	2023
Number of rights to deferred shares granted	341,042	350,446
Fair value of rights at grant date	$5.37	$6.17

Other plans

Employee Share Grant: to encourage employee share ownership, from time to time, the CSR board may elect to grant eligible employees CSR shares. The maximum value of the Employee Share Grant is $1,000 per eligible participant. The shares can only be sold three years after the date of grant, unless the participant's employment ceases before then.

Employee Share Acquisition Plan (ESAP): directors and employees can forgo up to $5,000 of their cash remuneration annually to acquire shares in the company. The shares are purchased on market by the CSR Share Plan trustee, who acts on instructions given in accordance with the plan rules and the company's Share Trading Policy.

Number of shares issued under the plans	2024	2023
Employee share grant[1]	568,052	670,038
ESAP	124,521	135,053

1 Number of shares issued includes the number of purchased shares issued to employees under the plan. Each participant was issued with shares to a maximum value of $1,000 based on the weighted average market price of $5.50 (2023: $4.44).

For further details on the ESAP, refer to the Remuneration Report.

Expenses arising from share-based payment transactions

$	2024	2023
Long-term incentive plan (PRP)	3,232,456	2,549,474
Deferred shares	1,035,270	1,764,474
Other plans	2,524,569	2,341,390
Total expense	**6,792,295**	6,655,338

Recognition and measurement

Share-based payments can either be equity settled or cash settled.

- **Equity settled:** the fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period (with a corresponding increase to the employee share reserve), based on the CSR group's estimate of shares that will eventually vest.
- **Cash settled:** the ultimate expense recognised in relation to cash settled transactions will be equal to the actual cash paid to the employees, which will be the fair value at settlement date. The expected cash payment is estimated at each reporting date and a liability recognised to the extent that the vesting period has expired and in proportion to the amount of the awards that are expected to ultimately vest.

29 Related party disclosures

i) Transactions with directors or other key management personnel

Transactions entered into during the financial year with directors of CSR Limited and other key management personnel of the CSR group and with their closely related entities which are within normal customer or employee relationships on terms and conditions no more favourable than those available to other customers, employees or shareholders included:

- contracts of employment (see section ii) and reimbursement of expenses;
- acquisition of shares in CSR Limited under the employee share plans and the dividend reinvestment plan;
- dividends from shares in CSR Limited; and
- sale and purchase of goods and services.

No new loans, loan repayments or loan balances occurred between the CSR group and directors and other key management personnel of the CSR group during the financial year ended 31 March 2024 (2023: nil).

ii) Key management personnel remuneration

Total remuneration paid or payable to directors and key management personnel is set out below:

$	2024	2023
Short-term employee benefits	5,087,228	4,649,337
Share-based payments expense	799,647	964,748
Total	**5,886,875**	5,614,085

Details of remuneration and the CSR Limited equity holdings of directors and other key management personnel are shown in the Remuneration Report.

iii) Other related parties

Other than transactions with joint venture entities disclosed in note 26, no material amounts were receivable from, or payable to, other related parties as at 31 March 2024 (2023: nil), and no material transactions with other related parties occurred during those years.

Details of payments to superannuation defined benefit plans are shown in note 28.

30 Proposed acquisition by Saint-Gobain

On 26 February 2024, CSR announced that it had entered into a Scheme Implementation Deed (SID) with Compagnie de Saint-Gobain (Saint-Gobain) for the acquisition of all of the issued shares in CSR by way of Scheme of Arrangement at an offer price of $9.00 cash per share ('Scheme').

On 26 April 2024, CSR announced that the Supreme Court of New South Wales had made orders that CSR convene a meeting of its shareholders to vote on the Scheme ('Scheme Meeting') and that the Scheme Booklet had been registered with the Australian Securities and Investment Commission ('ASIC'). A copy of the Scheme Booklet was also made available through an ASX announcement and on CSR's website.

31 Subsequent events

Except for the item disclosed in note 30, there has not arisen in the interval between 31 March 2024 and the date of this report, any other matter or circumstance that has significantly affected or may significantly affect the operations of the CSR group, the results of those operations or the state of affairs of the CSR group in subsequent financial years.

32 Commitments and contingencies

i) Commitments

$million	2024	2023
Contracted capital expenditure comprises:		
Payable within one year	50.9	44.7
Payable within one to five years	8.5	4.2
Total contracted capital expenditure	**59.4**	48.9

ii) Contingencies

Contingencies for CSR Limited are outlined in the parent entity note 27. There are no other contingencies in relation to controlled entities within the CSR group.

33 Other non-current assets

$million	Note	2024	2023
Loans to joint venture entities[1]	26	6.5	3.2
Other receivables		6.8	9.1
Total non-current receivables		**13.3**	12.3
Other assets		0.5	1.3
Superannuation defined benefit plans – fair value of surplus	28	4.1	7.2
Total other non-current assets		**4.6**	8.5

1 The CSR group has provided facilities to joint venture entities on arm's length terms.

34 Auditor's remuneration

$	2024	2023
Deloitte Touche Tohmatsu and related network firms		
Audit or review of financial reports	716,000	686,000
Other assurance and agreed-upon procedures under other legislation or contractual arrangements	49,000	48,591
Total auditor's remuneration	**765,000**	734,591

35 Other accounting policies

Cash and cash equivalents: net cash is defined as cash at bank and on hand and cash equivalents, net of bank overdrafts. Cash equivalents include highly liquid investments which are readily convertible to cash, and loans which are not subject to a term facility. Cash and cash equivalents held at 31 March 2024 included $138.1 million of cash at bank and on hand (2023: $131.6 million) and $nil short-term deposits (2023: $nil).

Tax consolidation: Australian tax legislation allows groups, comprising a parent entity and its Australian resident wholly owned entities, to elect to consolidate and be treated as a single entity for income tax purposes.

The CSR group has elected for those entities within the CSR group that are wholly owned Australian resident entities to be taxed as a single entity from 1 April 2004.

Prior to the adoption of the tax consolidation system, CSR Limited, as the head entity in the tax consolidated group, agreed to compensate or be compensated by its wholly owned controlled entities for the balance of their current tax liability/(asset) and any tax loss related deferred tax asset assumed by CSR Limited. Due to the existence of a tax funding arrangement between the entities in the tax consolidated group, amounts are recognised as payable to or receivable by CSR Limited and each member of the group in relation to the tax contribution amounts paid or payable between CSR Limited and the other members of the tax consolidated group in accordance with the arrangement.

Foreign currency: all foreign currency transactions during the financial year have been brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at that date. Exchange differences are brought to account in profit or loss in the year in which they arise except if designated as cash flow hedges.

On consolidation, the results and financial position of foreign operations are translated as follows:

- assets and liabilities are translated using exchange rates prevailing at the end of the reporting period;
- income and expense items are translated at the average exchange rates for the period; and
- exchange differences arising, if any, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the operation.

Goods and services tax: revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the taxation authority is included as a current asset or liability.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to the taxation authority are classified as operating cash flows.

CSR LIMITED

ABN 90 000 001 276

Directors' declaration

The directors declare that:

1 in the directors' opinion, there are reasonable grounds to believe that CSR Limited will be able to pay its debts as and when they become due and payable;
2 in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as disclosed in note 1;
3 in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the CSR group;
4 the directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the managing director and chief financial officer for the financial year ended 31 March 2024; and
5 there are reasonable grounds to believe that CSR Limited and the group entities identified in note 23 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the deed of cross guarantee between CSR Limited and those group entities pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the *Corporations Act 2001*.

John Gillam
Chair of the board

15 May 2024

Julie Coates
Managing Director and CEO

15 May 2024

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the Members of CSR Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of CSR Limited ("CSR" or the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 March 2024, the consolidated statement of financial performance, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 March 2024 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the CSR, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit responded to the key audit matter
Product Liability Provision (Refer to Note 16 Product Liability) CSR has recognised a product liability provision of $183.3 million as at 31 March 2024. The provision is in respect of all known and reasonably foreseeable future asbestos claims. The provision is determined after considering the advice provided by management's appointed external expert. The determination of the provision is subject to significant judgement as to expected settlement amounts and likelihood of future claims.	In conjunction with actuarial specialists, our procedures included, but were not limited to: ▪ evaluating management's process, including testing design and implementation of controls in respect of the determination of the product liability provision; ▪ assessing the objectivity, independence and competence of management appointed external expert; ▪ assessing the appropriateness of the assumptions and methodology used in the report prepared by the management appointed external expert; including: - evaluating the reasonableness of the methodology used to calculate the provision; - benchmarking of the discount rates; and - comparison of historical claims experience to assumptions used to estimate future claims; ▪ testing on a sample basis, the accurate inclusion and exclusion of asbestos claims in management's liability database, which is provided to management appointed external expert and forms the basis for the report; ▪ enquiring of management appointed external expert and the company's internal and external legal counsels in respect of their conclusions;

Key audit matter	How the scope of our audit responded to the key audit matter
Product Liability Provision (continued)	▪ assessing the appropriateness of management's conclusions in relation to the US liability; ▪ assessing the basis for the determination of the prudential margin through enquiries of management and their consideration of the external expert's report; and ▪ assessing the appropriateness of the relevant disclosures in the Notes to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of CSR are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Financial Report (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report which forms part of the Directors' Report and is included in pages 27 to 46 of the Directors' Report for the year ended 31 March 2024.

In our opinion, the Remuneration Report of CSR Limited for the year ended 31 March 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of CSR are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

DELOITTE TOUCHE TOHMATSU

Sandeep Chadha

Partner
Chartered Accountants
Sydney, 15 May 2024

Shareholder information

20 LARGEST HOLDERS OF ORDINARY SHARES

As at 19 April 2024

Rank	Name	Units	% of units
1.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	104,084,672	21.80
2.	J P MORGAN NOMINEESAUSTRALIA PTY LIMITED	100,898,201	21.14
3.	CITICORP NOMINEES PTY LIMITED	83,240,499	17.44
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	12,918,567	2.71
5.	BNP PARIBAS NOMS PTY LTD	11,901,656	2.49
6.	NATIONAL NOMINEES LIMITED	10,095,350	2.11
7.	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	3,849,306	0.81
8.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,777,286	0.58
9.	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	2,101,829	0.44
10.	PRUDENTIAL NOMINEES PTY LTD	2,100,000	0.44
11.	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	2,058,369	0.43
12.	ECAPITAL NOMINEES PTY LIMITED <ACCUMULATION A/C>	1,693,155	0.35
13.	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	1,586,220	0.33
14.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	1,428,127	0.30
15.	MR ALLAN ERNEST ORMES	1,066,667	0.22
16.	IOOF INVESTMENT SERVICES LIMITED <IISL NAL ISMA 2 A/C>	605,028	0.13
17.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	597,948	0.13
18.	V M NOMINEES PTY LTD	550,000	0.12
19.	SUD PACONDA PTY LTD	540,000	0.11
20.	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	521,856	0.11
Top 20 holders of issued capital		**344,614,736**	**72.19**
Remaining holders balance		**132,768,851**	**27.81**

SUBSTANTIAL SHAREHOLDERS OF CSR LIMITED

Name	Units	% of units
Mitsubishi UFJ Financial Group, Inc (as indirect 100% owner of First Sentier Investors Holdings Pty Limited and through its relevant interest of more than 20% of voting power in Morgan Stanley), in the Form 604 as released to the ASX on 17 April 2024	42,469,400	8.90
State Street Corporation and subsidiaries named in Annexures to the Form 604, as released to the ASX on 18 April 2024	39,625,155	8.30
First Sentier Investors Holdings Pty Limited and its related bodies corporate or associates listed in Annexure A to the Form 604, as released to the ASX on 4 April 2024	37,488,166	7.85
BlackRock Group and its subsidiaries named in Annexures to the Form 603, as released to the ASX on 19 April 2024	31,943,593	6.69
Vanguard Group, Inc. and its controlled entities including those listed in Annexure A to the Form 603, as released to the ASX on 10 January 2022	24,280,701	5.09

SHAREHOLDINGS BY GEOGRAPHIC LOCATION

Location	Units	Units %	Holders	Holders %
Australia	474,509,966	99.40	43,955	96.80
New Zealand	1,710,348	0.36	952	2.10
Hong Kong	401,982	0.08	27	0.06
United Kingdom	287,944	0.06	208	0.46
United States of America	112,168	0.02	83	0.18
Other	361,179	0.08	183	0.40
Total	**477,383,587**	**100%**	**45,408**	**100.00**

DISTRIBUTION OF SHAREHOLDINGS

Range	Holders	Units	% of issued capital
1 – 1,000	22,406	10,623,383	2.23
1,001 – 5,000	17,395	40,631,742	8.51
5,001 – 10,000	3,369	24,385,566	5.11
10,001 – 100,000	2,170	46,008,554	9.64
100,001 and over	68	355,734,342	74.51
Total	**45,408**	**477,383,587**	**100.00**

UNMARKETABLE PARCELS

	Minimum parcel size	Holders	Units
Minimum $500.00 parcel at $8.8600 per unit	57	1,156	19,220

RECENT CSR DIVIDENDS

Date paid	Type of dividend	Dividend per share	Franking	Franked amount per share at 30%
December 2017	Interim	13.5 cents	50%	6.75 cents
July 2018	Final	13.5 cents	75%	10.125 cents
December 2018	Interim	13.0 cents	100%	13.0 cents
July 2019	Final	13.0 cents	50%	6.5 cents
December 2019	Interim ordinary	10.0 cents	50%	5.0 cents
December 2019	Interim special	4.0 cents	50%	2.0 cents
December 2020	Interim ordinary	8.5 cents	100%	8.5 cents
December 2020	Interim special	4.0 cents	100%	4.0 cents
July 2021	Final ordinary	14.5 cents	100%	14.5 cents
July 2021	Final special	9.5 cents	100%	9.5 cents
December 2021	Interim ordinary	13.5 cents	100%	13.5 cents
July 2022	Final ordinary	18.0 cents	100%	18.0 cents
December 2022	Interim ordinary	16.5 cents	100%	16.5 cents
July 2023	Final ordinary	20.0 cents	100%	20.0 cents
December 2023	Interim ordinary	15.0 cents	100%	15.0 cents

Registered Office

CSR Limited
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North Ryde NSW 2113 Australia

Mailing Address
Locked Bag 1345
North Ryde BC NSW 1670 Australia

Telephone	(02) 9235 8000
International	+61 2 9235 8000

www.csr.com.au

Share Registry

All inquiries and correspondence regarding shareholdings should be directed to CSR's share registry:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001 Australia

Telephone	1800 676 061
International	+61 3 9415 4033
Facsimile	+61 3 9473 2500

www.investorcentre.com/contact

Investor Relations

For general investor queries please contact us at: Email investorrelations@csr.com.au

Further information

The CSR Annual Report, Corporate Governance Statement and Sustainability Report are available to view online or downloaded on our website at www.csr.com.au

For further information about CSR and its operations, or to sign up for ASX announcements please visit our website at www.csr.com.au