TAX TRANSPARENCY REPORT

For the year ended 31 March 2021

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Introduction and strategy

CSR Limited is a leading provider of building products to the residential and commercial construction industry. 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.

CSR Limited is listed on the Australian Securities Exchange and has a strong commitment to risk management and corporate governance. The Board's Risk and Audit Committee places a high emphasis on the management of risk. Early engagement with tax advisers and tax authorities is undertaken to fully comply with tax obligations. As such, tax compliance is given utmost importance and all material tax obligations are up to date for the group.

CSR carries out operations in Australia and New Zealand. The Australian wholly owned entities form a tax consolidated group where CSR Limited is the head entity. Our offshore related party dealings are immaterial in the context of the overall financial result of CSR.

This tax transparency report sets out relevant tax information for CSR Limited and its controlled entities (CSR group or CSR) for the year ended 31 March 2021 (YEM21) with comparatives for 31 March 2020 (YEM20).

Tax paid analysis

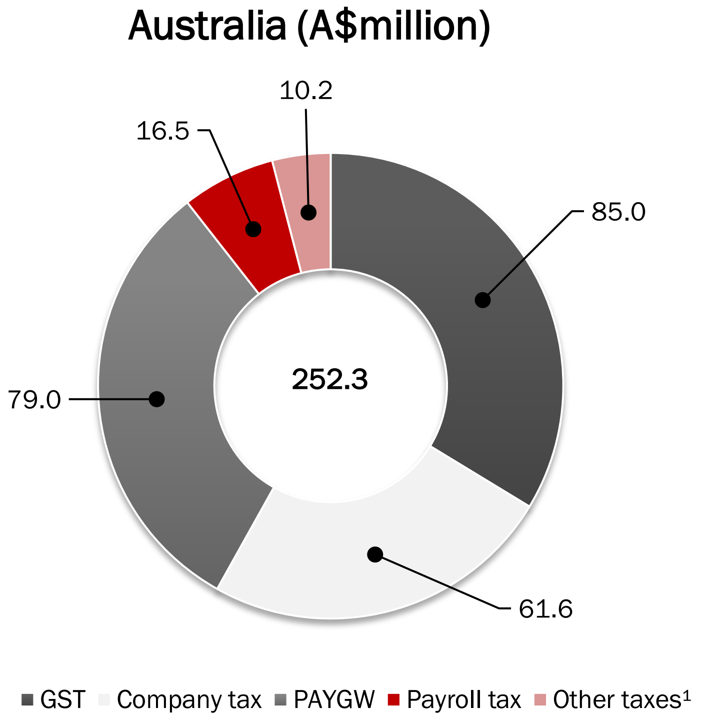
The majority of CSR's taxes are paid in Australia. This is in line with the majority of CSR's business operations being in Australia. In addition to company tax, CSR pays fringe benefits tax (FBT), payroll tax, property taxes, stamp duty on asset transactions and other taxes. In addition, CSR collects and pays 'pay as you go withholding' (PAYGW) taxes on behalf of its employees, goods and services tax (GST) and withholding taxes.

CSR also has business operations in New Zealand and pays taxes in this jurisdiction.

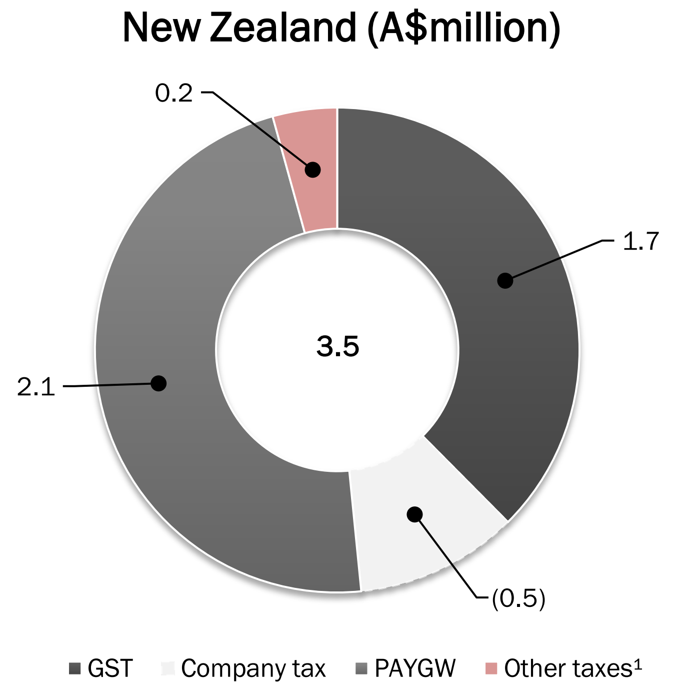
Provided below is a summary of the taxes paid, collected and remitted by CSR to Australian and New Zealand tax authorities during the financial year ended 31 March 2021.

$million	Australia	New Zealand	Total
Tax Type			
On own behalf			
Company tax	61.6	(0.5)	61.1
FBT	1.9	0.2	2.1
Payroll tax	16.5	-	16.5
Land tax	8.1	-	8.1
Stamp duty	0.2	-	0.2
On behalf of others			
GST	85.0	1.7	86.7
PAYGW	79.0	2.1	81.1
Total	**252.3**	**3.5**	**255.8**

- Company tax – based on the tax paid to the relevant tax authorities by CSR
- Fringe benefits tax –paid on benefits provided to staff
- Payroll tax –paid on CSR's employment costs
- Stamp duty – tax paid on purchase of real property
- Land tax – tax paid on the ownership of land
- GST – net GST collected by CSR (gross receipts collected less GST paid on business inputs)
- PAYGW – employee income tax remitted to the relevant tax authority on remuneration paid by CSR to its employees and others



1 Other taxes include FBT, stamp duty and land tax.



1 Other taxes include FBT.

Reconciliation of statutory profit to income tax expense and income tax payable

CSR calculates its Effective Tax Rate (ETR) as income tax expense divided by profit before income tax expense. Income tax expense is an accounting concept and reflects the amount of income tax applied for accounting purposes.

Income tax expense is calculated using the current applicable Australian tax rate of 30% and is recognised in the income statement except to the extent that it relates to items recognised in 'other comprehensive income' or transactions recognised directly in equity. The income tax expense includes both current and deferred tax. Current tax represents tax payable on the profit for the current tax year. Deferred tax represents the timing difference between recognising the tax in the financial statements and the actual payment of tax.

The following table provides details of CSR's ETR for years ending 31 March 2021 and 31 March 2020.

$million	2021	2020
Profit before income tax	**211.3**	**192.4**
Income tax expense calculated at 30%	**63.4**	**57.7**
(Decrease) increase in income tax expense due to:		
Share of net profit of joint venture entities	(3.9)	(4.1)
Taxable profit on property disposals	0.1	0.1
Non-deductible impairment of goodwill and other intangibles	-	0.4
Other items	(0.8)	-
Total income tax expense on current year profit	**58.8**	**54.1**
Effective tax rate	***27.8%***	***28.1%***
Income tax under (over) in prior years	0.7	(0.2)
Total income tax expense on profit	**59.5**	**53.9**
Reconciliation of income tax expense to cash tax paid		
Timing differences and losses recognised in deferred tax	0.2	3.2
Current year tax payable in the next financial year	(46.8)	(44.2)
Prior period adjustments	(0.7)	0.2
Tax payments relating to prior periods	48.9	3.5
Income tax paid per cash flow statement	**61.1**	**16.6**

Disclosure of company tax information

Under tax legislation the Australian Taxation Office will publish in 2021 the following data for the CSR Limited tax consolidated group and Gove Aluminium Finance Limited in relation to the 2020 tax year:

Entity	Total revenue[1] ($million)	Taxable income ($million)	Tax payable ($million)
CSR Limited (ABN: 90 000 001 276)	1,609.90	198.2	35.4
Gove Aluminium Finance Limited (ABN: 45 001 860 073)	627.3	107.3	30.4

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 in the CSR Financial Statements.

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 2020 was $35.4 million because CSR was entitled to utilise franking credits on dividends received and R&D tax offsets to reduce its tax payable.

The net amount of tax losses, capital losses and rebates carried forward at the end of the year is set out below:

Value of tax losses, capital losses and rebates carried forward (net)	2021 ($million)	2020 ($million)
CSR Group	187.5[2]	190.2

2 The gross value of unused tax losses for which no deferred tax asset has been recognised are $36.5 million (31 March 2020: $38.7 million). Unused tax losses were generated by a New Zealand subsidiary that is no longer considered likely to utilise the tax losses in the foreseeable future. Unused tax losses can be carried forward indefinitely subject to meeting ownership continuity requirements. The gross value of unused capital losses for which no deferred tax asset has been recognised are $590.9 million (31 March 2020: $598.0 million). Unused capital losses were predominantly generated from the sale of the Viridian Glass business and it is not considered likely that the capital losses will be utilised in the foreseeable future. Unused capital losses can be carried forward indefinitely subject to meeting ownership continuity requirements.