

Sustainability Report 2010



CSR continues our commitment and integration of sustainable practices throughout all our businesses and these are embedded into our corporate values.



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Welcome to CSR's Sustainability Report

This is the third stand-alone sustainability report for CSR. Once again, we have provided information on CSR's sustainability record and new opportunities and challenges across our businesses.



To create this report we:

- Reviewed CSR's activities and operations across our businesses to collect data on energy use and emissions and prepared an inventory of greenhouse gas emissions.
- Referenced the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines, United Nations Global Compact and Federal Government policy towards sustainability reporting in Australia.
- Reviewed best practice sustainability reports both in Australia and globally, monitored and reviewed feedback from CSR's previous Sustainability Reports and ongoing feedback from stakeholders including investors, corporate governance advisers, analysts, media and staff.

Scope of this Report

This report covers CSR's activities (including safety performance, waste and water data) for the financial year ended 31 March 2010 ("YEM10"). Emissions and energy data covers the financial year from 1 July 2009 to 30 June 2010 (consistent with the National Greenhouse and Energy Reporting – (NGER) – scheme).

On 5 July 2010, CSR announced it had agreed to sell its Sugar and Renewable Energy business, Sucrogen, to Wilmar International for an enterprise value of A\$1.75 billion. Subject to regulatory approvals, the transaction is expected to be completed by the end of 2010. This report includes data relating to the Sucrogen business.

Data for water usage and waste produced for CSR's Building Products business has been categorised into the three operating business units of the division.

- **Lightweight Systems'** major brands include Bradford™ insulation, Hebel® panels, Edmonds™ ventilation, Gyprock™ Plasterboard, Cemintel™ fibre cement.
- **Viridian™** includes the Viridian glass business.
- **Bricks and Roofing's** major brands include PGH™ bricks and pavers, Monier™ and Wunderlich™ rooftiles.

Data for water usage and waste produced for Sucrogen has been categorised into Cane Products, (formerly called Milling), BioEthanol (formerly called Ethanol) and Sweeteners (formerly called Refining).

This report covers only activities in which CSR has a majority equity interest. For these activities CSR has reported 100 per cent of emissions. For example, data for Sugar Australia and New Zealand Sugar Company (which are owned 75 per cent by Sucrogen) are included in this report. The report does not include activities where CSR is not the majority shareholder. For example, the activities of Tomago Aluminium Company, in which CSR has an effective 25.2 per cent interest, through its 70 per cent shareholding in Gove Aluminium Finance Limited are not included in this report. Data from these activities is reported directly by other entities.

All physical measurements in this report are in the metric system. All financial figures are in Australian dollars, unless stated otherwise.



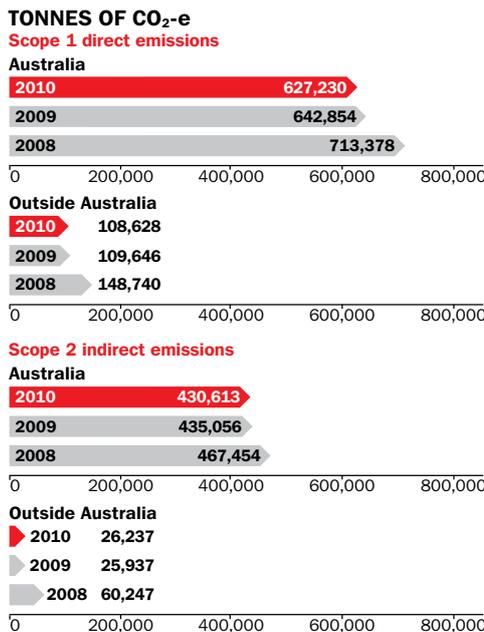
Overview

CSR provides an expanded range of products and systems that are sustainable through their energy efficient properties.

CSR'S LOST TIME INJURY RATE HAS IMPROVED
21% ↓

GREENHOUSE GAS EMISSIONS REDUCED
1.7% ↓

BUILDING PRODUCTS REDUCED WATER USAGE
4% ↓



2009 Australian data has been reported in line with NGER and includes contractor emissions previously not reported.

Highlights

- CSR's safety record continued to improve on previous years – safety as measured by lost time injuries per million work hours improved by 21 per cent, while the total number of recordable injuries per million work hours improved by 22 per cent offset by a reduction in hours of 18 per cent.
- We conducted 44 external assessments of our key sites to measure the implementation of our Safety, Health and Environment (SH&E) management system.
- Greenhouse gas emissions from CSR's majority owned businesses were 1,192,708 tonnes of CO₂-e during the year – a reduction of 1.7 per cent on the previous year.
- CSR was awarded a 5 Star Green Star – Office Interiors v1.1 rating for the fit-out of its new office in Sydney – the first project to receive this rating in the first round.
- Viridian's continued focus on providing sustainable building solutions was reflected in its induction into the Victorian manufacturing hall of fame.
- CSR established a National Building Products improvement team to identify energy saving opportunities across all sites within the CSR Building Products portfolio. This team will target cost savings as well as a reduction in greenhouse gas emissions across the businesses.
- CSR continued to develop products targeting sustainable building solutions – developing a lightweight brick which is 20 per cent lighter than current products and further investing in capability to produce energy efficient and double glazed glass units for residential and commercial construction.
- CSR's Sucrogen business announced a \$24 million project to upgrade its renewable energy capacity by up to an additional 12 MW at its Victoria sugar mill in Queensland.
- CSR Building Products consumed 1,099,828 kilolitres of potable water during the year – a reduction of 4 per cent from the prior year.
- CSR and its employees donated a total of \$191,095 to charities through its Community Support program. CSR has donated over \$1.8 million in its seven years of running this program.

Message from the SH&E Chairman

Welcome to CSR's third stand-alone sustainability report. Once again we are pleased to be able to share our progress on working towards our sustainability agenda with our key stakeholders.



As one of Australia/New Zealand's leading manufacturing companies, CSR recognises its role in implementing measures to reduce our consumption of resources and limit our greenhouse gas emissions.

Equally, we also recognise the solutions that our products and systems can provide, particularly in addressing energy efficiency in the built environment. This report provides details on the challenges and opportunities that CSR is addressing in these key areas.

Our greenhouse gas emissions have reduced slightly from the previous year, while we continue to implement programs to reduce water and energy consumption and waste production at our sites. This report provides some specific case studies about these initiatives.

We have continued to invest in new products across our Building Products portfolio to provide energy efficient solutions. For example, Viridian has increased capacity to produce hard coated energy efficient glass as well as double glazed units.

We are encouraged by the Victorian State Government's Climate Change White Paper which builds on its previous initiatives to upgrade energy efficiency of new homes to the 6 star energy rating. Hopefully, other state governments across Australia will adopt similar measures and we are working hard to demonstrate the importance of such initiatives.

The sustainability of our business, however, goes well beyond these issues. Our sustainability agenda which is driven from the Board level, is also focused on the health and safety of our employees, proper governance and risk management, engagement with all our stakeholders and dealing responsibly with the communities in which we operate.

This report provides further information about these areas, including performance measurement of key metrics.

For example, our Lost Time Injury Frequency Rate has improved by 21 per cent on the previous period. While this is a welcome improvement, the rate of injuries across CSR needs to be improved. The section on Health and Safety provides information on our continued progress towards our goal of zero harm.

CSR reached a major milestone in its 155 year history this year with the agreement to sell the Sugar and Renewable energy business, Sucrogen, to Wilmar International.

As a result, on completion of the transaction CSR is a focused building products business with an investment in a cost competitive aluminium smelter while Sucrogen is part of a leading, global agri-business group.

This transaction was announced after the reporting period for this Report. As a result the Report includes data for the Sucrogen business. However, where possible, we have separated the data for CSR Building Products and Sucrogen to make it more meaningful for readers of the report.

We have continued to make progress on our sustainability journey during the past year and I would like to acknowledge and thank my colleagues across CSR and Sucrogen for their contribution.

I trust you find this report informative and I encourage you to provide feedback to us using the feedback form available online at www.csr.com.au/sustainability.

A handwritten signature in black ink, reading "Ray Horsburgh". The signature is written in a cursive style.

Ray Horsburgh
Chairman, SH&E Committee



About CSR

CSR is focused on building shareholder value by investing in and growing its businesses while operating in a sustainable manner.

CSR is a leading Building Products company across Australasia with an investment in a globally cost competitive aluminium smelter.

Our focus is on delivering building product solutions for the residential and commercial built environment across Australia and New Zealand. CSR manufactures and supplies a wide range of building products, with a particular focus on energy efficiency and sustainability in the built environment.

CSR's building products portfolio includes the market's most trusted and recognised brands, supported by strong distribution networks and low cost manufacturing facilities across Australia and New Zealand.

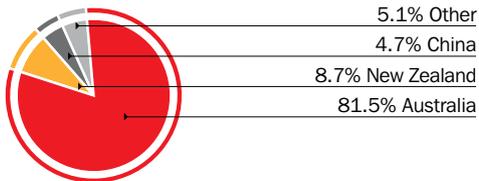
Through its 70 per cent shareholding in Gove Aluminium Finance Limited, CSR holds an effective 25.2 per cent interest in the Tomago aluminium smelter, located in NSW. Tomago is a globally cost competitive smelter which produces around 528,000 tonnes of aluminium annually, some 25 per cent of Australia's primary aluminium production

On 5 July 2010, CSR announced it had agreed to sell its Sugar and Renewable Energy business, Sucrogen, to Wilmar International for an enterprise value of A\$1.75 billion.

Subject to regulatory approvals, the transaction is expected to be completed by the end of 2010. This report includes data relating to the Sucrogen business.

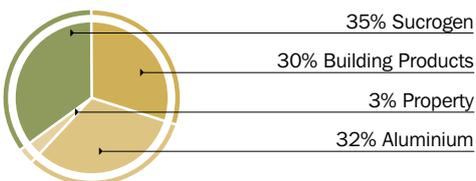
CSR PEOPLE

At 31 March 2010



EBIT BY BUSINESS

Year ended 31 March 2010



TRADING REVENUE

\$3,754_m

EARNINGS BEFORE INTEREST AND TAX*

\$364.1_m

NET PROFIT AFTER TAX*

\$173.4_m

* Before significant items

Governance and Risk Management



Corporate Governance is an integral component to the way CSR conducts its business.

Through its history, CSR has earned a reputation for a strong commitment to corporate governance creating a framework to drive ethical standards across its businesses. CSR's Governance and Risk Management was again recognised as 'best practice' by *Ethical Investor* magazine during the year.

Within this framework:

- CSR's Board of directors is accountable to shareholders for the operations, performance and growth of the company;
- the risks of business are identified and managed; and
- CSR's long-established values and behaviour underpin the way we do business.

CSR's Board of Directors is accountable to shareholders for overseeing CSR's business, which includes sustainability matters. As a result, CSR's sustainability agenda is established at Board level, underlining our commitment to ensuring our businesses operate in a sustainable manner.

CSR's Corporate Governance framework has been developed using CSR's long established values and Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (CGC). The CSR Board fully supports these Principles and Recommendations and for the year ended 31 March 2010 has complied with the recommendations contained in the ASX CGC's revised Corporate Governance Principles and Recommendations (second edition) dated August 2007.

Full details of CSR's Corporate Governance framework, can be found in the CSR 2010 Annual Report, commencing on page 6. This report can be found on the CSR internet site www.csr.com.au/investorcentre/reports.asp

Risk Management

CSR has a sound system of risk oversight and management and internal control. 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. In many of these businesses, CSR constantly and deliberately assumes certain levels of risk in a calculated and controlled manner. CSR has in place limits and a range of policies and procedures to monitor the risk in its activities and these are periodically reviewed by the Board. CSR's Risk Management Policy, which sets out the framework for risk management, internal compliance and control systems, is available on CSR's internet site.

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 statements are substantiated in part by an annual review using applicable elements of the frameworks provided by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) on Internal Control and Enterprise Risk Management.

Values

CSR's values reflect the company's commitment to sustainability. They have been developed to ensure CSR acts as a responsible corporate citizen for the benefit of all of stakeholders.

CSR's values are:

- Safety, Health and Environment;
- Working Together;
- Customers;
- Innovation; and
- Results.

The CSR values are communicated across the company through a variety of formal and informal channels. CSR is committed to reinforcing the values through annual performance reviews where employees are assessed against specific outcomes based on CSR's values.

CSR Board

The CSR Board is accountable to shareholders for the operations, profit performance and growth of the company. The Board strives to create shareholder value, while ensuring the company operates in a sustainable manner.

As at 31 March 2010 the Board comprised six non-executive directors and two executive directors – the managing director and the chief financial officer. The chairman is appointed by the Board and provides leadership to ensure that high standards of values, processes and constructive interaction are maintained. The chairman represents the views of the Board to shareholders and conducts the annual general meeting to canvass properly the views of stakeholders.

Directors' independence

Each of the non-executive directors, including the chairman, is independent of CSR and its management, having no business or other relationships that could compromise his or her autonomy as a director.

The Board's framework for determining director independence is included in the Board Charter. Any past or present relationship with the company is carefully examined to assess the likely impact on a director's ability to be objective and exercise independent judgement.

Board Committees

The Board has three committees:

- Risk and Audit Committee,
- Safety, Health and Environment Committee; and
- Remuneration Committee.

It is the policy of the Board that a majority of the members of each committee be independent directors, that all Audit Committee members be independent directors and that the Safety, Health and Environment Committee and the Remuneration Committee be chaired by independent directors.

Code of Business Conduct and Ethics

The Board has endorsed a Code of Business Conduct and Ethics that formalises the longstanding obligation of all CSR people, including directors, to behave ethically, act within the law, avoid conflicts of interest and act honestly in all business activities.

CSR's Code of Business Conduct and Ethics reinforces the company's commitment to giving proper regard to the interests of people and organisations dealing with the company. Each CSR person is required to respect and abide by the company's obligations to employees, shareholders, customers, suppliers and the communities in which we operate.

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



Safety, Health and Environment

CSR places the same emphasis and importance on managing SH&E as any other business imperative. It is part of our Safety, Health and Environment value – we care for and protect each other, our business and our environment.

Health and Safety

Highlights

- CSR's lost time injury frequency rate (LTIFR) was 4.7 to the end of the year – an improvement on the previous year's rate of 6.1 but short of our targeted improvement of 25 per cent.
- Total recordable injuries (lost time; restricted work; medical treatment) decreased by 22 per cent, offset by a reduction in hours of 18 per cent.
- Building Products reduced its lost time injury frequency rate by 19.6 per cent, with significant improvements in the Bricks and Roofing business (improved by 65 per cent) and the Insulation business (improved by 55 per cent).
- Sucrogen reduced its lost time injury frequency rate by 14.5 per cent.
- There were no fatalities at CSR during the year – the last fatality at CSR was in 2002.

Managing Safety

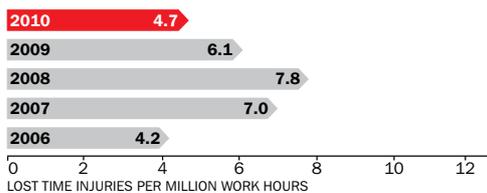
The CSR Safety, Health and Environment (SH&E) Management System is designed to prevent injuries and environmental incidents by ensuring a systematic approach to SH&E management, creating a positive culture and level of awareness and meeting legal and self insurance obligations.

CSR places the same emphasis and importance on managing SH&E as any other business imperative. Safety, Health and Environment is a core value at CSR – we care for and protect each other, our business and our environment.

CSR'S LOST TIME INJURY RATE HAS IMPROVED
21% ↓

CSR LOST TIME INJURY FREQUENCY RATE (LTIFR)

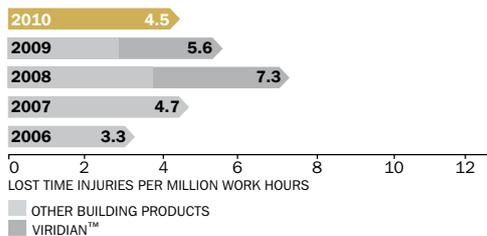
Year ended 31 March



BUILDING PRODUCTS REDUCED ITS LTIFR BY
19.6% ↓

BUILDING PRODUCTS LOST TIME INJURY FREQUENCY RATE (LTIFR)

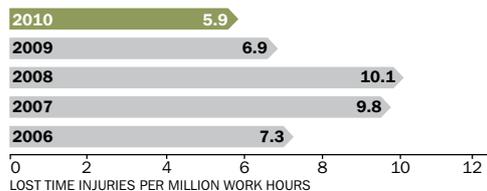
Year ending 31 March



SUCROGEN REDUCED ITS LTIFR BY
14.5% ↓

SUCROGEN LOST TIME INJURY FREQUENCY RATE (LTIFR)

Year ending 31 March



While CSR's safety record has improved in the past two years, the rate of improvement is less than our target and underscores the considerable work still required to achieve our ambition of zero harm across all our operations.

CSR measures safety performance on traditional indicators such as Lost Time Injury Frequency Rate and Total Recordable Injury Frequency Rate and is increasingly adopting a number of lead measures to assess performance by specific business units.

CSR is also reweighting its emphasis away from forms and systems, towards more actively working with its staff more closely to understand and rectify the hazards and risks faced across various operations.

CSR is actively training more people in the skills required to lead safety and to reduce workplace injuries. As part of this approach, we are simplifying systems and processes across the company.

Manual handling injuries such as back strains and muscular injuries continue to be the most significant cause of lost time injuries across CSR, and our safety teams are concentrating on developing initiatives to eliminate these and other injuries.

CSR has a formal Safety, Health and Environment Policy, which applies across all CSR businesses, outlining our intent in respect to Safety, Health and the Environment.

CSR's SH&E Management System details the minimum requirements to ensure consistent practice across our businesses while enabling each division and business unit to develop systems to address their individual requirements.

The SH&E Management System embodies the requirements contained within Australian Standards 4801:2001 and 4804:2001. This approach incorporates a framework outlining the company commitments, management system and reporting and auditing, which ensures that CSR and its people are responsibly discharging their SH&E responsibilities in line with legislation and as a self insurer in Australia.

CSR's vision is zero harm. Our goal is also to minimise the impact of our activities on the environment and the communities in which we operate. We believe that all injuries, occupational illnesses and environmental incidents can be prevented.

CSR management is accountable for safety performance and all employees are expected to take personal responsibility and be involved in setting and complying with our standards and instigating improvement initiatives.

Safety performance is one of the key criteria in determining short term incentives of management across business units.

Managers are responsible for leading safety in the workplace and actively demonstrating commitment as safety role models, by undertaking management safety walks and observations on a regular basis, as part of the CSR behavioural safety program.

**MANAGEMENT
SAFETY WALKS
CONDUCTED
ACROSS THE
BUSINESS
1,940**

During the year a total of 1,940 management safety walks were conducted across the business – over 90 per cent of the total planned at the start of the year.

THE ZERO CLUB – RECOGNISING SAFETY

CSR Building Products has a long term initiative to recognise sites that achieve a minimum 12 months period without a recordable injury. Recordable injuries are those that cause lost time, restrictive capacity or medical treatment. Sites are awarded colour coded plaques and signed by the CEO to recognise injury free periods.

The following table records those sites which have achieved recordable injury free status across CSR:

Award winners



Gold (FIVE YEARS)



Silver (TWO YEARS)

Hebel Panel Malaysia
Panels Guangzhou
Insulation Edmonds
Bricks and Roofing Vermont
Bricks and Roofing Rosehill
Bricks and Roofing New Lynn
Gyprock Trade Centre Alexandria



Bronze (ONE YEAR)

Insulation Malaysia
Insulation Brendale
Viridian Mount Gambier
Bricks and Roofing Welshpool
Bricks and Roofing Horsley Park
Bricks and Roofing New Lynn
Viridian Cairns
Viridian Dunedin
Viridian Coffs Harbour
Viridian Mildura
Viridian Palmerston Nth
Viridian Tamworth
Viridian Chipping Norton
Gyprock Trade Centre Thomastown
Viridian Canberra
Viridian Coffs Harbour
Viridian Albury
Viridian Morwell
Insulation Mawson Lakes
Insulation Darwin
Roofing Takanini
Viridian Wollongong
Viridian Gold Coast
Roofing Darra

Continuous Improvement

CSR constantly reviews its health and safety performance to ensure it continues to improve across the business, including performance against leading and lagging indicators, as well as review of Management System audit outcomes to ensure compliance standards are maintained.

This ensures we continually improve our processes in respect to:

- Communication and consultation – to allow effective dissemination of safety information, as well as providing mechanisms for feedback from our people at all levels. Having in place regular SH&E management and committee meetings to review and consult on all matters relating to health and safety.
- Holding effective Occupational Health and Safety (OH&S) Committee and team meetings ensures all members of our workforce are able to raise issues, see these reviewed and receive feedback on status on a regular basis;
- Management of risk at all levels of the business by ensuring our people understand the need for identification of hazards and putting in place the mechanisms to assess and control (to an acceptable level) the risk these hazards present. This includes ensuring that minimum performance expectations are in place for managing those activities that are high consequence and low frequency and are not negotiable. These include but are not limited to: entry into confined spaces; machine guarding; working at heights and electrical safety;
- Incident Management, ensuring incidents are reported in a timely manner and investigated with a desired outcome of reoccurrences being eliminated. Identifying root causes and implementing corrective actions, including assigning responsibility for addressing these actions and having realistic timeframes for implementation; and
- Behavioural based safety to increase the engagement with our people and the visibility of our management and supervision in the workplace. Implementation of those safety behaviours that display our commitment to safety and provide the example to our workforce of those behaviours we expect to be our business norms.

Performance Measurement and Monitoring

CSR ensures its safety performance is afforded the highest priority through formal reporting to the Board Safety, Health & Environment Committee. It is the policy of the Board that a majority of the members of this Committee be independent directors, and that the Committee be chaired by an independent director.

The Committee receives regular reports from management and regularly inspects sites. The Committee reviews the adequacy of management systems and performance, ensures that appropriate improvement targets and benchmarks are in operation and monitors potential liabilities, changes in legislation, community expectations, research findings and technological changes.

Monthly reviews of business performance are conducted, with actual performance measured against annual targets. Reports are reviewed monthly by the senior leadership team of the business, as well as by the divisional, business unit and site leadership teams.

Performance is measured in line with both lead and lag indicators and monthly data is then consolidated quarterly to form the basis of reporting to the Board SH&E Committee. Remedial actions are instigated to ensure targets are kept on track when performance to target falls below the expected requirement.

Compliance Review and Reporting

External auditors conduct an independent audit every year to assess the implementation of the SH&E Management System, comprising:

- Three yearly cyclical audits of major sites, in line with and submitted annually as part of our self insurance requirements in each state jurisdiction;
- Assessment of all major sites; distribution and trade centres, using the National Self Insurance Audit Tool to benchmark sites and put in place corrective actions to meet our requirements as a self insurer and prepare these sites for auditing as part of the three yearly cyclical program; and
- Auditing of sites to ensure ongoing environmental compliance.

All audits are conducted by external auditors and reports are prepared, outlining findings identified and the recommendations to meet the required standard. Audit outcomes are reviewed by site management to ensure the findings are understood and corrective action plans are developed to address identified deficiencies. In total, 44 external assessments were conducted in the year.

A status report is completed by the external body overseeing the audit program and tabled as part of the SH&E Board Committee's quarterly review.

CSR is increasingly focusing on the fitness and wellbeing of its workforce. As part of this commitment, CSR provided financial incentives for its people to participate in the Global Corporate Challenge – the world's largest corporate health and wellbeing initiative that combines exercise, fun and virtual interactive experiences. CSR entered 96 teams in the challenge representing 672 employees across the company.

Environment

Our policy is to act responsibly, ensuring that CSR people follow appropriate procedures to minimise the company's impact on the environment, and where possible contribute to its improvement.

CSR has an active program to reduce its impact on the environment which is overseen by the Board and the Safety, Health & Environment Committee. Each business in CSR is committed to a plan which commits site management to:

- Complying with government environmental regulations;
- Identifying and addressing key environmental risks;
- Improving environmental awareness of employees and contractors; and
- Reducing greenhouse gas emissions and use of resources.

CSR sites are committed to industry-specific best practice environmental performance and are required to have environmental performance measures, such as energy usage, air emissions, water consumption and waste generation. Each site is required to have plans in place for continuous improvement on these measures.

Sustainability matters are also integrated into individual managers' objectives.

CSR undertakes audits of divisional environmental performance, with reporting directly to the SH&E Board Committee. As part of its sustainability reporting, CSR undertakes a limited independent assurance of energy use and greenhouse gas emissions.

Environmental responsibilities are managed within CSR's businesses and CSR's environment and sustainability manager also provides advice to CSR's businesses and also provides governance and audit procedures and reports to divisional management, the managing director and the SH&E Board Committee.

CSR remains committed to providing transparent and accurate reporting on how our operating activities impact the environment. We provide information through a number of channels:

- Annual reporting as part of site licensing activities;
- Emissions data to the National Pollutant Inventory;
- Reports to various state Government departments' programs on energy and water savings; and
- Continuing our voluntary participation in the Carbon Disclosure Project.

CSR also continues its involvement with the Federal Government's National Greenhouse and Energy Reporting scheme and the Energy Efficiency Opportunities program.

Environmental Incidents

Our goal is zero environmental incidents.

CSR reports environmental incidents based on five levels of breaches of compliance with regulatory and CSR requirements. These are 1 minor, 2 significant, 3 serious, 4 severe and 5 extreme/catastrophic.

There were 224 environmental incidents reported during YEM10. One of these was level 3, the remainder were levels 1 and 2.

This was greater than the number reported in the previous year which was 192. The increase in incidents was due to increased reporting from Sugar Australia and a greater level of scrutiny around environmental events.

The level 3 incident reported during the quarter, related to exceeding noise limits at the Viridian facility at Clayton, Victoria.

The submission of a noise measurement report to the EPA showed a breach of noise limits as specified within the relevant State Planning Policy. Noise at the site had been a concern over a period and a noise measurement report referred to above was conducted to determine the effectiveness of the control plan which was submitted to the EPA in 2008. A number of actions have been completed and others are currently in progress which are expected to mitigate noise concerns.

CSR is refocusing efforts on environmental inspections to identify and reduce potential environmental hazards as well as training to prevent incidents occurring.

As per the previous two years, there were no level 4 or level 5 incidents.

CSR has strict policies in place regarding reporting procedures for environmental incidents. We have also improved our data monitoring, collection and training procedures to capture environmental incidents. All site employees are required to report all incidents. This allows improvements to be made to processes and procedures on-site to prevent similar occurrences.

CSR is focused on improving our collection of environmental data across our businesses and this remains a key priority for the business. We also remain committed to verification of environmental data – for the past three sustainability reports, CSR's total GHG emissions data has been subject to a limited assurance report by Ernst & Young.

Our people

As a significant employer across Australia and New Zealand, CSR understands that people are central to the success of our businesses.



PERCENTAGE OF CSR'S EMPLOYEES WHO OWN CSR SHARES

51%

CSR remains focused on providing a safe, rewarding and challenging environment for our employees to help them achieve their potential, which in turn helps CSR in meet its goals.

AVERAGE LENGTH OF SERVICE FOR CSR EMPLOYEES

8.72 years

As at 31 March 2010, CSR had 6,738 full-time equivalent (FTE) employees working across our operations. This number was in line with the previous year which had seen a reduction in numbers primarily as a result of the impact of the global financial crisis which impacted demand for building products in the key markets of Australia and New Zealand.

On completion of the sale of the Sucrogen business to Wilmar International, CSR has 3,931 full time equivalent employees across the Building Products, Property and Aluminium businesses.

The average length of service for CSR employees is 8.72 years.

Market Competitive Remuneration Opportunities

Remuneration is set at competitive levels to attract, motivate and retain high quality people.

As outlined in the 2009 Sustainability Report, CSR undertook a review of the executive remuneration framework. The review's focus was to improve reward alignment with business goals and shareholder expectations, and to make performance goals and outcomes clearer.

The following outcomes of the review were implemented in YEM10:

- CSR's executive Long Term Incentive ("LTI") plan, the "Cash Award Share Plan" (CASP), was replaced with a simplified plan, the Performance Rights Plan (PRP). Under the PRP, participants are not entitled to dividends in respect of unvested performance rights, and performance hurdle testing is reduced from two tests to one;
- Participation eligibility in the executive LTI Plan was restricted to the managing director, divisional CEOs and their direct reports. This restriction in eligibility was implemented to ensure that only those individuals with an influence on the share price of CSR should participate in the executive LTI plan; and
- The weightings and measures in the STI plan were adjusted from previous years in order to focus participants to deliver their business unit objectives and to increase shareholder value.

Employee Share Plan

Our employee share plan encourages our people to own a stake in the company, aligning employees' interests with those of shareholders. During YEM10, in light of the very difficult trading conditions facing CSR's businesses and the focus on reducing costs, the CSR Board did not make an offer under the employee share plan. 3,230 employees were already participants in the plan from previous offers, 59.22 per cent of those eligible. Over 51 per cent of CSR employees currently own CSR shares.

Diversity

CSR remains committed to respecting the various differences which exist among our people, and also recognising the benefits which come from a diverse workforce.

CSR's policy on Fairness, Respect and Diversity of Employment guides our people on the importance of maintaining a work environment that is inclusive and offers opportunities to all people based on merit. CSR takes this commitment seriously and each year, every CSR employee is asked to participate in a Code of Business Conduct Certification process to support good governance of CSR's Fairness, Respect and Diversity policy, together with other important policies.

Women represent 14 per cent of CSR's employees which, while a low proportion, is reasonably consistent with the industry sectors in which CSR operates.

Employee Turnover

Employee turnover in Australia was 16 per cent in YEM10, down from 19 per cent last year, reflecting reasonably stable employment conditions across Australia.

Employee Engagement

CSR recognises the importance of an engaged workforce to improve safety, staff retention and profitability. During the year CSR Building Products commenced a comprehensive company-wide survey, Project Blueprint, which included input from staff and customers to better understand the culture of the organisation and identify opportunities for improvement.

Employees receive reports of the survey with specific action plans for further improvement. The project also includes leadership development workshops and focus groups to measure improvement.

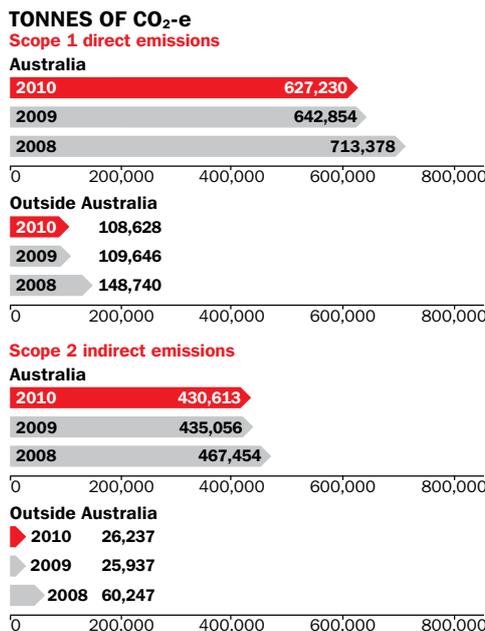


Environment

Our key priorities continue to be protecting the environment and mitigating the impacts of our operations on the environments where we operate.

GREENHOUSE GAS EMISSIONS REDUCED

1.7% ↓



2009 Australian data has been reported in line with NGER and includes contractor emissions previously not reported.

Energy (CSR Limited)

Greenhouse Gas Emissions

CSR's main operations, in common with the industries in which we operate, consume significant amounts of energy, with some businesses being particularly energy intensive.

For the period 1 July 2009 to 30 June 2010, greenhouse gas emissions from CSR's majority owned businesses were in total 1,192,708 tonnes of CO₂-e – a reduction of 1.7 per cent on the previous year.

The reduction was primarily a result of slower market conditions in residential and commercial building with lower production levels to meet less demand. However, CSR also continues to implement a range of initiatives to reduce energy consumption and GHG emissions across its various businesses.

Scope 1 (direct) tonnes of CO₂-e in Australia were 627,230 tonnes, a reduction of 2 per cent. For the same period, the Scope 1 (direct) greenhouse gas emissions of CSR's majority-owned businesses operating outside Australia were 108,628 tonnes – down slightly from the previous year.

Direct or Scope 1 emissions are emitted from sources within the plant or factory boundary.

Scope 2 (indirect) tonnes of CO₂-e emitted in Australia were 430,613 tonnes – a reduction of just over 1 per cent. For the same period, the Scope 2 (indirect) greenhouse gas emissions of CSR's majority-owned businesses operating outside Australia was 26,237 tonnes.

Indirect or Scope 2 emissions are associated with the consumption of imported electricity, heat or steam.

CSR engaged Ernst & Young to provide limited assurance over the Group's total Scope 1 and 2 Greenhouse Gas Emissions reported as 735,858 and 456,850 tonnes of CO₂-e respectively. Ernst & Young have concluded in their report that nothing came to their attention that would indicate this information was not presented fairly in all material aspects and calculated in accordance with the stated criteria outlined in their report. A copy of the assurance statement is available to download in the Limited Assurance Report.

Energy Efficiency Opportunities

CSR continues to be a participant in the Federal Government's Energy Efficiency Opportunities Program and is required to report on assessments undertaken under the program. In CSR's case, five assessments were undertaken within the 09-10 reporting period.

CSR's Energy Efficient Opportunities public report template can be found on the CSR website at www.csr.com.au/sustainability.

CSR continues to identify further abatement opportunities focused primarily on energy efficiency opportunities.



MACKAY PORT WAREHOUSE INSTALLS CLEAR PERSPEX SHEETING REDUCING POWER CONSUMPTION

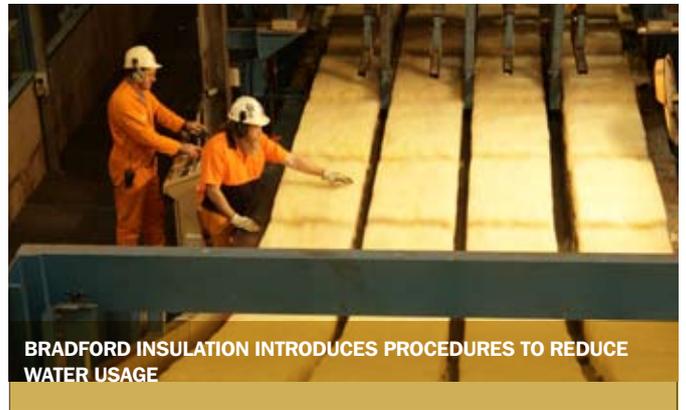
Sugar Australia's Mackay Port Warehousing and Packing facility has reduced the amount of energy used at the facility. A selection of wall sheets was replaced with clear perspex wall sheeting allowing more natural light and reducing the requirement for artificial lighting. Power consumption of the lights in the warehouse has reduced by 33 per cent in a 24 hour period. Other warehousing facilities are investigating a similar project.

Three new economisers were installed on boilers at the Yarraville sugar refinery to reduce associated CO₂-e emissions. The upgrade of the economisers has increased the thermal efficiency of the boilers by approximately 3 per cent. This means a reduction in fuel consumption of the three boilers and lower GHG emissions.



NEW MEASURES TO REDUCE ENERGY CONSUMPTION

- Bradford Insulation's Rockwool plant at Clayton, Victoria is reducing greenhouse gas emissions by reducing the amount of carbon coke as a source of energy in manufacturing rockwool insulation. By introducing steel and other alternative raw materials which have a lower carbon emission impact, the Clayton operation has been able to reduce the amount of coke used per tonne of rockwool produced. This is reducing greenhouse gas emissions leading to a reduction of around 4 per cent of total factory CO₂-e emissions output.
- The PGH Bricks plant at Golden Grove in South Australia has reduced gas consumption by around 15 per cent by installing two new kiln burners. In addition to reducing energy consumption and cost savings, output quality improved at the plant. The payback of the initiative was within 12 months.
- The Viridian plant at Tingalpa, Brisbane demonstrates that small ideas can bring results. The plant is reducing energy consumption by lowering the kilowatt per hour use from 620kwh to 410kwh when pre-heating the furnace between shifts. By slowly building heat into the furnace the factory is saving money and reducing energy consumption.
- The Hebel facility at Somersby NSW is using the heat from the condensate produced from baking product in autoclaves to pre heat the boiler water to save energy. By diverting feedwater to a submerged heat exchanger, the feedwater temperature is raised from around 20° to 52°. This increase has reduced the amount of temperature increase required in the boiler, therefore saving gas usage consumed by the boiler of over 4 per cent.



BRADFORD INSULATION INTRODUCES PROCEDURES TO REDUCE WATER USAGE

Bradford Insulation's factory at Ingleburn in Sydney has implemented a new procedure to reduce town water usage by introducing recycled water from a waste recycling operation.

The capacity to use recycled water from an external waste recycling operation was increased from 30,000 litres per week to 750,000 litres per week by using a redundant storage tank. This project will generate reduction in town water usage of approximately 25 million litres per year.

Water and Waste (Building Products)

Water

BUILDING PRODUCTS REDUCED WATER USAGE
4% ↓

CSR Building Products consumed 1,099,828 kilolitres of potable water during the year – a reduction of 4 per cent from the prior year.

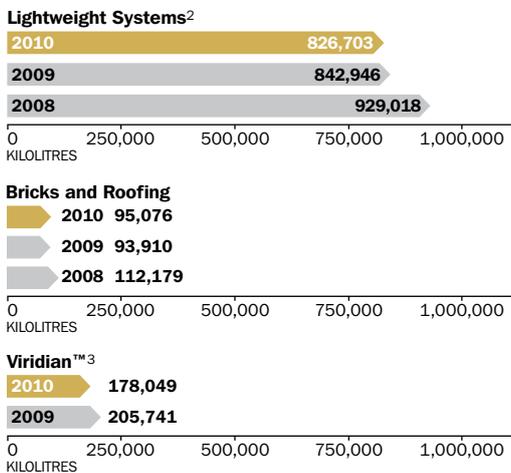
Most of the water consumed is in the Lightweight Systems division which comprised 75 per cent of the total. Bricks and Roofing accounted for 9 per cent and Viridian comprised 16 per cent.

The reduction in water use, particularly in Lightweight Systems and Viridian was due in part to lower production levels, but also due to increased use of recycled water and other efficiency improvements.

Viridian also closed a facility at Alexandria during the period which resulted in lower water consumption compared to the previous period.

CSR Building Products' businesses have continued to implement water saving measures across manufacturing sites in recent years to reduce consumption.

TOTAL WATER CONSUMED¹



¹ Only metered water data is included.
² Lightweight Systems data re-stated for 2008 for like-for-like comparison.
³ Data not available for 2008.

Waste

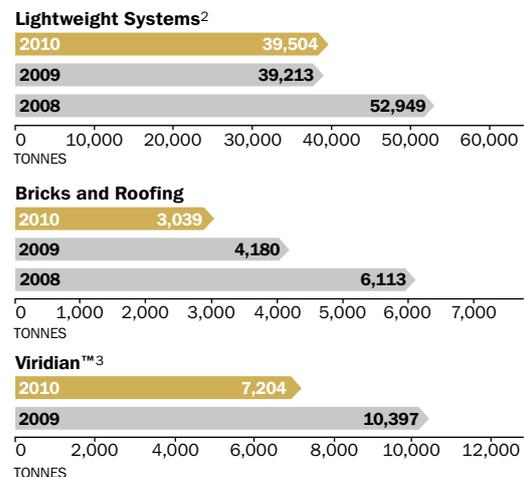
BUILDING PRODUCTS WASTE PRODUCTION DOWN
7.5% ↓

CSR Building Products produced a total of 49,747 tonnes of solid waste in YEM10 – a reduction of 7.5 per cent on the prior year. The majority of waste is produced from Lightweight Systems, 79 per cent; 6 per cent by Bricks and Roofing and 15 per cent by Viridian.

The reduction in waste in Bricks and Roofing was due mostly to lower levels of production but also as a result of further initiatives to reduce waste across the business.

The reduction in Viridian was due in part to the closure of the facility at Alexandria, Sydney. However, Viridian is also implementing specific initiatives targeting waste reduction. For example, a project at the Ingleburn glass factory has resulted in 53 per cent of land fill being diverted, while Viridian's new Floatliner delivery vehicles eliminates plastic wrap usage on delivery routes saving up to 30,000kg of waste per year.

TOTAL SOLID WASTE PRODUCED¹



¹ Solid waste does not include waste taken off-site for recycling.
² Lightweight Systems data re-stated for 2008 for like-for-like comparison.
³ Data not available for 2008.



CHELSEA SUGAR REFINERY INTRODUCES GAS SEAL PUMP TO REDUCE WATER WASTE

The Chelsea Sugar Refinery in Auckland, New Zealand is an ISO 14001 accredited site and has spent considerable time identifying how it interacts with the environment. In line with the site's commitment to continuous improvement a significant opportunity to reduce water use and waste water discharge was identified.

The "Gas Seal Pump Water" project arose after potential savings were identified by the site's first environmentally focused cross functional team. The gas seal pump water was identified as one of the largest contributors to the Refinery's waste water discharge. Process (dam) water from the Candy Filter Station (water treatment plant) is used to maintain a gas seal in the CO₂ pumps. CO₂ gas is recycled from the boiler flue to use in a process called "carbonation". As much as 200 kilolitres a day is passed through the gas seal pumps and discharged to trade waste.

This project was to eliminate that volume of water from the trade waste system and divert it back to the boilers to be processed into steam. The benefits of this project are:

- they reduce the demand of dam water and reduce treatment costs of dam water; and
- they eliminate a significant volume of waste water from the trade waste system.

Water and Waste (Sucrogen)

Water

SUCROGEN WATER USAGE REDUCED

2% ↓

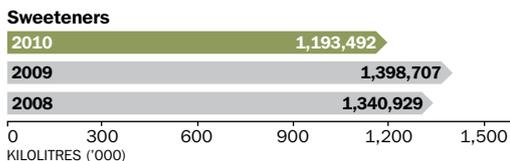
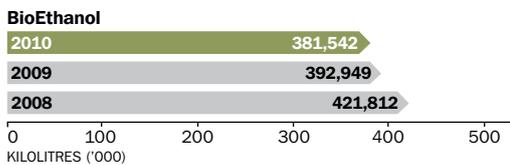
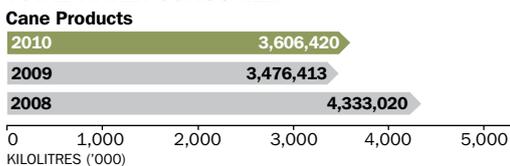
Sucrogen used a total of 5,181,454 kilolitres of potable water and extracted surface water during the year – a 2 per cent reduction from the previous year.

Water consumption increased in Cane Products during the year due despite the lower crop size. This was due primarily to a water recycling plant failure at the Pioneer sugar mill and recycling maintenance issues at the Invicta mill.

Cane Products continues to account for the majority of water used in Sucrogen – accounting for 70 per cent of the total. Over 90 per cent of water consumed in Sucrogen's seven sugar mills is raw bore (extracted ground) water. In BioEthanol, the bulk of water consumed is recycled through Biodunder™, a fertiliser product which is used on local cane farms and crops.

Water consumption within the Sucrogen Sweeteners (formerly Refining) business reduced significantly from the previous year – down 15 per cent to 1,193,492 kilolitres. The Sweeteners business has continued to focus on water saving measures, building on the previous initiative such as the recycling project at the Yarraville refinery, targeting an annual 33 million litre reduction in water use.

TOTAL WATER CONSUMED¹



¹ Metered water and extracted surface water or ground water only included.

Waste

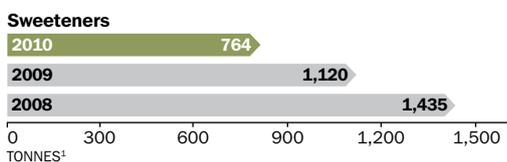
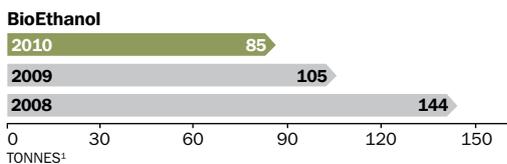
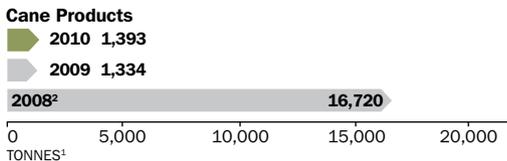
SUCROGEN WASTE PRODUCED REDUCED

12% ↓

Sucrogen produced a total of 2,242 tonnes of solid waste during YEM10 compared to 2,559 for the prior year – a reduction of 12 per cent.

A continuation of the previous initiatives to reduce waste within Sweeteners and BioEthanol has resulted in ongoing reduction in waste produced in these divisions. In line with its commitment to reducing waste, Sugar Australia (75 per cent Sucrogen) is a signatory to the National Packaging Covenant, a voluntary agreement to encourage waste minimisation.

TOTAL SOLID WASTE PRODUCED



¹ Solid waste does not include waste taken off-site for recycling.
² Mills includes a one-off disposal of 9,720 tonnes of bagasse in 2008.



COMMUNITY

A core component of CSR's community involvement is the CSR Community Support program, under which CSR matches employee contributions dollar for dollar to a range of charitable organisations.

**CSR'S
COMMUNITY
SUPPORT
PROGRAM HAS
DONATED
\$1.8m**

The Program has now donated over \$1.8 million in its seven years of operation. Currently, the program makes donations to 14 charities which have been selected by CSR employees. During YEM10, CSR and its employees donated a total of \$191,095 through the program.

In addition, CSR partners with a number of community based organisations to provide product and service assistance to worthwhile causes.

CSR companies (Bradford, Gyprock and Cemintel) supported a major initiative in the Melbourne CBD to build a 10 storey building to accommodate up to 120 homeless people. The project called "common ground" is a concept adapted from the common ground social housing model in New York.

The building's internal walls were insulated by Bradford insulation and lined with Gyprock plasterboard and Cemintel's Cemiseal™.

Gyprock also supplied and installed plasterboard to a Porter Davis home in Victoria which was subsequently auctioned for the Red Cross Victorian Bushfire appeal.

PGH Bricks and Pavers donated pavers to the Annangrove Public school for a memorial path to celebrate past and present commitment to the school.

A significant community issue CSR is seeking to address is housing affordability. Australia has a significant shortage of housing stock with The National Housing Supply Council's **State of Supply Report 2010** concluding that underlying demand for housing grew by an estimated 205,900 households in 2008-09.

In addition to its focus on energy efficient building materials, CSR is also targeting lightweight solutions in building to reduce costs and help to address affordability.

CSR has a dedicated Building Products Innovation Centre to develop product solutions in residential and commercial construction.

CSR also continues to support the work of Habitat for Humanity – a not for profit organisation which provides affordable housing for members of the community. Habitat for Humanity, which does not receive government funding, has constructed 92 homes across Australia.

Government Donations

In YEM10, CSR contributed \$64,805 in direct and indirect donations to political parties in support of the democratic process. All political contributions are disclosed in accordance with our obligations to the Australian Electoral Commission.

Community

CSR maintains a policy of acting responsibly, ensuring that our people deal appropriately with the communities in which we operate, to encourage and gain their support.



CLIMATE CHANGE

Climate change

CSR remains focused on addressing the challenges of climate change.

Across its Building Products businesses, CSR continues to develop its portfolio of energy efficient building products and lightweight systems in residential and commercial construction. The Sucrogen business provides energy (fuel and electricity) from renewable sources based on its sustainable sugar operations.

Building Products

The United Nations Intergovernmental Panel on Climate Change has identified that the built environment represents around 40 per cent of the world's greenhouse gas emissions from the energy buildings consume.¹

Solutions targeting reduced emissions in the built environment therefore have a major part to play in addressing the challenges of climate change.

During the past year CSR has continued to invest in developing new products and systems targeting energy efficiency in the built environment.

Viridian™

DOUBLE GLAZED UNITS PROVIDE
54%
GREATER INSULATION THAN SINGLE GLAZED GLASS

The significant upgrade of Viridian's major glass manufacturing site at Dandenong enables the manufacture of high performance, hard coated glass in Australia. The technology allows Viridian to manufacturer Low E (Low Emissivity) coated glass that helps to control the heat flow in and out of buildings to reduce energy consumption.

Viridian has also invested in further developing its capability to fully automate the production of insulating glass units, (double glazing) – in Australia and New Zealand. Double glazed units have greater insulating performance than single glazed glass, with up to a 54 per cent improvement in insulation over ordinary single glazing.²

Viridian glass was used in the nine-star rated house in Perth which was the HIA WA GreenSmart Home of the Year, in recognition of its sustainability credentials. The three bedroom, two bathroom home, was designed with cost competitive building materials to maximize energy efficiency to secure a nine-star Building Energy Rating Scheme rating. The house uses 119 per cent less energy than the average Perth house.³

Viridian has further invested in community awareness of energy efficiency in the built environment through its "SeeBeyond" campaign which was launched during the year.

Gyprock™

Gyprock extended its EC08™ plasterboard – the first plasterboard in Australia to be certified by Good Environmental Choice Australia (GECA) – to include an additional range of boards. All products in the range have been certified by GECA as meeting the requirements of their environmental standard for Panel Boards. There are now three GECA certified boards in the EC08 range:

- Gyprock EC08™ Partition
- Gyprock EC08™ Fire
- Gyprock EC08™ Impact

Hebel®

CSR's Hebel business continues to invest in further product development targeting improved energy efficiency.

Hebel is the only residential cladding material to have been awarded the GECA certification. Hebel PowerWall uses 61 per cent less embodied energy than comparative products – concrete and brick veneer and results in 64 per cent and 55 per cent less greenhouse gas emissions than concrete and brick veneer respectively.⁴

1 Source – IGPPC 4th Assessment Report November 2007.

2 Source – Solar Control performance is based on Solar Heat Gain Coefficient (SHGC) and insulation is based on U Value performance respectively. Ordinary glass is based on 4mm clear float glass.

3 Based on 2002 state average CO₂-e emissions.

4 Source – Life Cycle Analysis GECA.



CSR'S NEW HEAD OFFICE: AN AUSTRALIAN FIRST FOR ENVIRONMENTALLY SUSTAINABLE DESIGN INTERIORS

When CSR, moved into its new Green Star premises in January 2010, the company was able to provide a 'bricks and mortar' demonstration of its commitment to sustainability. CSR's Trinita Project was awarded a 5 Star Green Star – Office Interiors v1.1 rating for the fitout of its new offices located in the Trinita 3 building at North Ryde.

The CSR Trinita Project was the first to achieve a 5 Star Green Star – Office Interiors v1.1 rating in the first round. CSR product is used throughout the Trinita 3 building including Viridian Glass, Bradford Insulation, Gyprock Plasterboard, Cemintel Fibre Cement, Fricker Ceiling Systems, Hebel Aerated Concrete, and Rokcore and Alutri Panel Systems.

CSR has embraced the 'three Rs' of 'reduce, reuse, recycle' – for example, the number of printers, copiers, scanners and fax machines has been reduced from 129 to 22 machines; 17 of which are large multi-function machines located in central utility rooms.

These initiatives, together with the smart green building features, are estimated to reduce greenhouse gas emissions by around 50 per cent in the first year.

Sucrogen

SUCROGEN
GENERATED OVER
290,000
RECS – ENOUGH
TO POWER 44,000
HOMES FOR A
YEAR

During YEM10 Sucrogen generated sufficient renewable electricity for the creation of 298,826 Renewable Energy Certificates (RECs) (YEM09: 282,863). This is equivalent to taking 105,000 cars off the road, or enough renewable electricity to supply approximately 44,000 homes with power for a year.

Sucrogen has increased its renewable energy capacity, commencing construction of an expanded electricity cogeneration facility at its Victoria sugar mill, north of Townsville.

The \$24 million project replaces two of the existing steam turbo-alternators at the mill with a single, larger capacity turbo-alternator capable of producing 19 megawatts (MW) of renewable electricity.

Sucrogen is already Australia's largest producer of renewable energy from biomass, using the waste cane fibre by-product of sugar cane production (bagasse).

It has current cogeneration capacity of 171 MW to operate its own seven sugar mills with a surplus of 105 MW available for export to the QLD power grid which is enough to power around 36,000 households each year.

The new facility takes advantage of existing steam capacity at Victoria mill to provide a low capital cost option to expand the mill's total electricity exported to the grid by up to 12 MW.

Sucrogen BioEthanol continued its partnership with the V8 Supercar championship series by being the official fuel supplier – E85 – to the high performance vehicles. E85 is a blend of 85 per cent renewable fuel ethanol and 15 per cent unleaded petrol, helping the sport to reduce its greenhouse gas emissions by about 50 per cent.



SUCROGEN INCREASES RENEWABLE ENERGY CAPACITY

Sucrogen has increased its renewable energy capacity, commencing construction of an expanded electricity cogeneration facility at its Victoria sugar mill, north of Townsville. The \$24 million project replaces two of the existing steam turbo-alternators at the mill with a single, larger capacity turbo-alternator capable of producing 19 megawatts (MW) of renewable electricity.

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Building Products overview



ROB SINDEL, CHIEF EXECUTIVE OFFICER, CSR BUILDING PRODUCTS

CSR's building products portfolio includes the market's most trusted and recognised brands, supported by strong distribution networks and low cost manufacturing facilities across Australia and New Zealand.

Highlights

BUILDING PRODUCTS REDUCED ITS LTIFR BY

19.6% ↓

- Safety as measured by Lost Time Injury Frequency Rate improved by 19.6 per cent, with significant improvements in the Bricks and Roofing business (improved by 65 per cent) and the Insulation business (improved by 55 per cent).
- CSR was awarded a 5 Star Green Star – Office Interiors v1.1 rating for the fit-out of the new office in Sydney – the first project to receive this rating in the first round.
- Viridian's continued focus on providing sustainable building solutions was reflected in its induction into the Victorian manufacturing hall of fame.
- CSR established a National Building Products improvement team to identify energy saving opportunities across all sites within the CSR Building Products portfolio. This will target cost savings as well as a reduction in greenhouse gas emissions across the businesses.
- Consumption of potable water reduced by 4 per cent from the prior year to 1,099,828 kilolitres, due in part to lower production levels, but also due to increased use of recycled water and other efficiency improvements.
- Solid waste produced reduced by 7.5 per cent from the prior year to 49,747 tonnes. A project at the Ingleburn glass factory has resulted in 53 per cent of land fill being diverted, while Viridian's new Floatliner delivery vehicles eliminates plastic wrap usage on delivery routes saving up to 30,000kg of waste a year.
- Viridian glass was used in the nine-star rated house in Perth which was the HIA WA GreenSmart Home of the Year, in recognition of its sustainability credentials.
- Gyprock extended its ECO8™ plasterboard – the first plasterboard in Australia to be certified by Good Environmental Choice Australia (GECA) – to include an additional range of boards.
- Hebel continued to invest in further product development targeting improved energy efficiency. Hebel is the only residential cladding material to have been awarded the GECA certification.
- CSR continued to support the work of Habitat for Humanity – a not for profit organisation which provides affordable housing for members of the community.



VIRIDIAN'S CONTINUES ITS FOCUS ON PROVIDING SUSTAINABLE BUILDING SOLUTIONS

Health and Safety

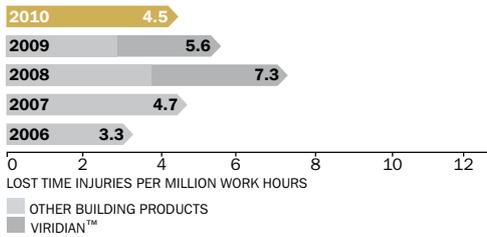
Safety as measured by the number of lost time injuries and the number of recordable injuries continued to improve in YEM10.

For CSR Building Products, the lost time injury frequency rate (LTIFR) improved from 5.6 (lost time injuries per million work hours) in the previous year to 4.5 for YEM10. There were significant improvements in safety performance in the Bricks and Roofing business (improved LTIFR by 65 per cent) and the Insulation business (improved LTIFR by 55 per cent).

The Total Recordable Injury Frequency Rate (total number of recordable injuries per million work hours) in CSR Building Products in YEM10 was 28.3, a slight improvement from the previous year – 28.7.

BUILDING PRODUCTS LOST TIME INJURY FREQUENCY RATE (LTIFR)

Year ending 31 March



Water

**BUILDING PRODUCTS
WASTE
REDUCED
WATER USAGE**

4% ↓

CSR Building Products consumed 1,099,828 kilolitres of potable water during the year – a reduction of 4 per cent from the prior year. Most of the water consumed is in the Lightweight Systems division which comprised 75 per cent of the total. Bricks and Roofing accounted for 9 per cent and Viridian comprised 16 per cent.

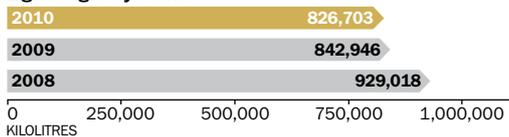
The reduction in water use, particularly in Lightweight Systems and Viridian was due in part to lower production levels, but also due to increased use of recycled water and other efficiency improvements.

Viridian also closed a facility at Alexandria during the period which resulted in lower water consumption compared to the previous period.

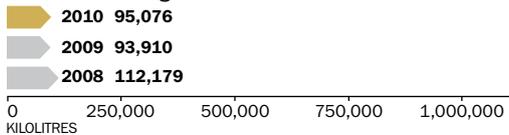
CSR Building Products businesses have continued to implement water saving measures across manufacturing sites in recent years to reduce consumption.

TOTAL WATER CONSUMED¹

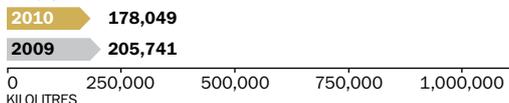
Lightweight Systems²



Bricks and Roofing



Viridian™³



¹ Only metered water data is included.

² Lightweight Systems data re-stated for 2008 for like-for-like comparison.

³ Data not available for 2008.



BRADFORD INSULATION INTRODUCES PROCEDURES TO REDUCE WATER USAGE

Waste

**BUILDING PRODUCTS
WASTE
PRODUCTION
DOWN**

7.5% ↓

CSR Building Products produced a total of 49,747 tonnes of solid waste in YEM10 – a reduction of 7.5 per cent on the prior year. The majority of waste is produced from Lightweight Systems, 79 per cent; 6 per cent by Bricks and Roofing and 15 per cent by Viridian.

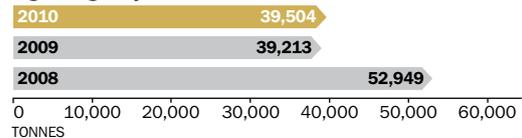
The reduction in waste in Bricks and Roofing was due mostly to lower levels of production but also as a result of further initiatives to reduce waste across the business.

The reduction in Viridian was due in part to the closure of the facility at Alexandria, Sydney.

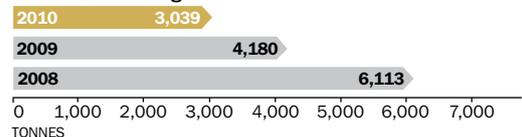
However, Viridian is also implementing specific initiatives targeting waste reduction. For example, a project at the Ingleburn glass factory has resulted in 53 per cent of land fill being diverted, while Viridian's new Floatliner delivery vehicles eliminates plastic wrap usage on delivery routes saving up to 30,000kg of waste a year.

TOTAL SOLID WASTE PRODUCED¹

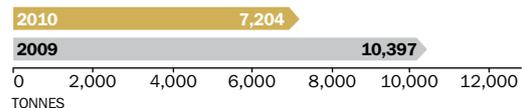
Lightweight Systems²



Bricks and Roofing



Viridian™³



¹ Solid waste does not include waste taken off-site for recycling.

² Lightweight Systems data re-stated for 2008 for like-for-like comparison.

³ Data not available for 2008.

Sucrogen overview



IAN GLASSON, CHIEF EXECUTIVE OFFICER, SUCROGEN

Sucrogen creates renewable energy and fuel from sugar cane by-products and produces fertilisers which are re-applied to cane fields.



SUCROGEN INCREASES LARGE CAPACITY TURBO ALTERNATORS TO PRODUCE MORE RENEWABLE ENERGY

Highlights

SUCROGEN REDUCED ITS LTIFR BY

14.5% ↓

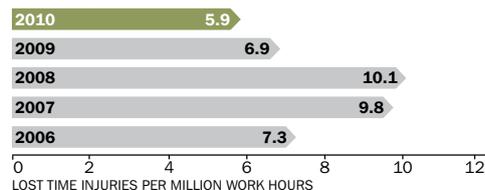
- Safety as measured by Lost Time Injury Frequency Rate improved by 14.5 per cent.
- Sucrogen announced a \$24 million project to upgrade renewable energy capacity by up to an additional 12 MW at the Victoria sugar mill in Queensland.
- Sucrogen used a total of 5,181,454 kilolitres of potable water and extracted surface water during the year – a 2 per cent reduction from the previous year with 15 per cent reduction in Sweeteners (formerly Refining) business.
- Sucrogen produced a total of 2,242 tonnes of solid waste during YEM10 compared to 2,559 for the prior year – a reduction of 12 per cent – Sugar Australia (75 per cent Sucrogen) is a signatory to the National Packaging Covenant, a voluntary agreement to encourage waste minimisation.
- Sucrogen generated sufficient renewable electricity for the creation of 298,826 Renewable Energy Certificates (RECs) – equivalent to taking 105,000 cars off the road, or enough renewable electricity to supply approximately 44,000 homes with power for a year.
- Sucrogen continued the partnership with the V8 Supercar championship series by being the official fuel supplier providing E85 (85 per cent ethanol, 15 per cent unleaded petrol), helping the sport to reduce its greenhouse gas emissions by about 50 per cent.

Health and Safety

Sucrogen's Lost Time Injury Frequency Rate (LTIFR) improved from 6.9 (lost time injuries per million work hours) in the previous year to 5.9 for YEM10.

The Total Recordable Injury Frequency Rate (total number of recordable injuries per million work hours) in Sucrogen in YEM10 was 17.3 compared to 16.45 for the previous year.

SUCROGEN LOST TIME INJURY FREQUENCY RATE (LTIFR) Year ending 31 March



Water

SUCROGEN WATER USAGE REDUCED

2%



Sucrogen used a total of 5,181,454 kilolitres of potable water and extracted surface or during the year – a 2 per cent reduction from the previous year.

Water consumption increased in Cane Products during the year due despite the lower crop size.

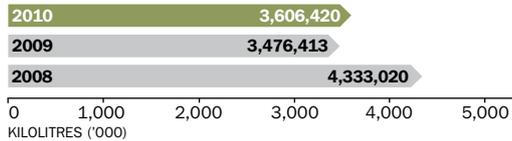
This was due primarily to a water recycling plant failure at the Pioneer sugar mill and recycling maintenance issues at the Invicta mill.

Cane Products continues to account for the majority of water used in Sucrogen – accounting to 70 per cent of the total. Over 90 per cent of water consumed in Sucrogen's seven sugar mills is raw bore (extracted ground) water. In BioEthanol, the bulk of water consumed is recycled through Biodunder™, a fertiliser product which is used on local cane farms and crops.

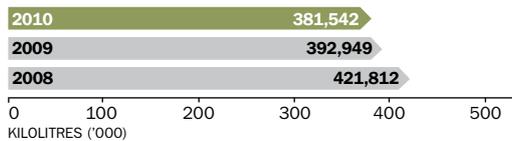
Water consumption within the Sweeteners (formerly Refining) business reduced significantly from the previous year – down 15 per cent to 1,193,492 kilolitres. The Sweeteners business has continued to focus on water saving measures, building on the previous initiative such as the recycling project at the Yarraville refinery, targeting an annual 33 million litre reduction in water use.

TOTAL WATER CONSUMED¹

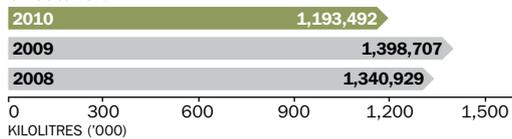
Cane Products



BioEthanol



Sweeteners



¹ Metered water and extracted surface water or ground water only included.

Waste

SUCROGEN WASTE PRODUCED REDUCED

12%

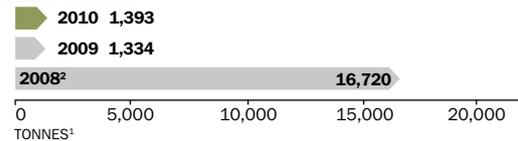


Sucrogen produced a total of 2,242 tonnes of solid waste during YEM10 compared to 2,559 for the prior year – a reduction of 12 per cent.

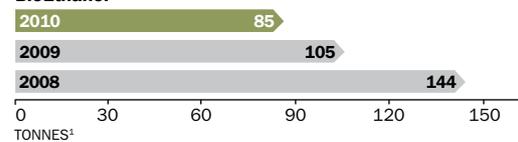
A continuation of the previous initiatives to reduce waste within Sweeteners and BioEthanol has resulted in ongoing reduction in waste produced in these divisions. In line with its commitment to reducing waste, Sugar Australia (75 per cent Sucrogen) is a signatory to the National Packaging Covenant, a voluntary agreement to encourage waste minimisation.

TOTAL SOLID WASTE PRODUCED

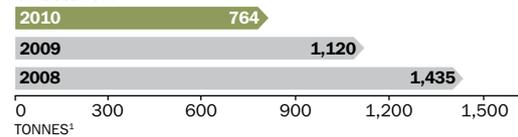
Cane Products



BioEthanol



Sweeteners



¹ Solid waste does not include waste taken off-site for recycling.

² Mills includes a one-off disposal of 9,720 tonnes of bagasse in 2008.



CHELSEA SUGAR REFINERY INTRODUCES GAS SEAL PUMP TO REDUCE WATER WASTE

Limited Assurance Report to the Management and Directors of CSR Limited in relation to its greenhouse gas emissions data as reported in its 2010 Sustainability Report

We have carried out a limited assurance engagement in order to provide a conclusion as to whether the Subject Matter detailed below has been presented and calculated in accordance with the criteria set out below.

Subject Matter

The Subject Matter, as reported in CSR Limited's ('CSR') 2010 Sustainability Report (the 'report') for the year ended 30 June 2010, comprises applicable greenhouse gas emissions, limited to:

- i) Total direct emissions of greenhouse gases (scope 1); and
- ii) Total indirect emissions of greenhouse gases (scope 2).

Criteria

Management of CSR has determined methods considered appropriate for reporting greenhouse gas emissions data. There are no prescribed methods for public reporting. CSR Management has determined the total greenhouse gas emissions taking an operational control approach using the World Business Council for Sustainable Development and the World Resources Institute's *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition*. Sources for emissions factors were also drawn from the Australian Government's *National Greenhouse and Energy Reporting (Measurement) Determination 2008*, and New Zealand's Department for the Environment: *Guidance for voluntary, corporate greenhouse gas reporting*.

The Responsibility of Management for the Report

The management of CSR are responsible for the preparation and presentation of the report in accordance with the criteria described above. This responsibility includes establishing and maintaining internal controls relevant to the preparation and presentation of the data that is free from material misstatement, whether due to fraud or error; selecting and applying specific principles, methodologies, policies and data sources used to prepare and present the data attributable to the reporting entity; and making estimates that are reasonable, when appropriate.

Assurance Practitioner's Responsibility

Our responsibility is to express a conclusion on the Subject Matter based on our limited assurance engagement. We conducted our limited assurance engagement in accordance with the International Standard for Assurance Engagements: ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This Auditing Standard requires that we comply with relevant ethical requirements and plan and perform the assurance engagement to obtain limited assurance whether the specific activity data is free from material misstatement.

Our procedures included but were not limited to the following:

- ▶ Gaining an understanding of the greenhouse gas reporting processes supporting the business activities
- ▶ Conducting site visits to understand the basis management measure and identify sources of greenhouse gas emissions
- ▶ Conducting interviews and collation of evidence to understand the process and controls supporting the data
- ▶ Undertaking analytical review procedures to support the reasonableness of the data
- ▶ Reviewing assumptions supporting the calculations of incidental emissions for reasonableness
- ▶ Reviewing the appropriateness of the presentation of information

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion. These procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable engagement. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the Subject Matter, whether due to fraud or error. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our limited assurance engagement was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Use of Report

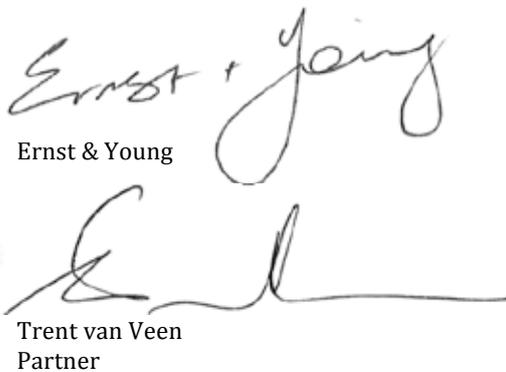
Our assurance report has been prepared for distribution to management and directors of CSR only. We disclaim any assumption of responsibility for any reliance on this assurance statement or on the specific data to which it relates to any person other than management of CSR, or for any purpose other than that for which it was prepared.

Independence, Competence and Experience

In conducting our assurance engagement we have met the independence requirements of the APES 110 Code of Ethics for Professional Accountants. We have the required competencies and experience to conduct this assurance engagement.

Conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the Subject Matter, as presented in CSR's report for the year ended 30 June 2010, was not presented fairly in all material respects, and calculated in accordance with the criteria detailed above.



Ernst & Young

Trent van Veen
Partner

Sydney, Australia
2 December 2010

2010 PUBLIC REPORT

Controlling Corporation

CSR Limited

Period to which this report relates

Start 1 July 2006

End

30 June 2010

Part 1 – Information on assessments completed to date

Table 1.1 – Description of the way in which the Corporate Group (or part of it) has carried out its assessments

CSR Limited has continued to undertake planned assessments over the reporting period. The assessments are carried out in line with the approved Assessment and Reporting Schedule, the assessment framework and the relevant regulations. Assessments were conducted for two Sugar Mills and three Building Products factories and the results are reported in Part 2A of this report. The sites assessed were sites that used greater than 0.5 petajoules of energy. The period of energy use to which the assessment relates is 1st July 2009 to 30th June 2010 with the total energy use of these five sites of 16,632,995, or 32% of CSR's total energy use.

CSR Building Products, CSR Sugar (since renamed Sucrogen) and Sugar Australia joint venture (75% Sucrogen) have also progressed the assessment of opportunities identified in the previous reporting period and the outcomes are reported in Part 2B of this report. Reviewing and monitoring of outcomes have been and are being integrated into site decision making processes. CSR Building Products has established a cross division project team which helps the various businesses identify energy saving opportunities.

The outcomes of the new assessments and updates to the previous assessments have been reported to the CSR Board Committee on Safety, Health and Environment.

Overall energy use for CSR Limited from 1st July 2009 to 30th June 2010 was 51,327,651 GJ. Overall energy use has declined since the 2008/9 report due to a shortened crushing season at the Mills (resulting in less bagasse being consumed) and reduced demand of building products leading to reduced production levels.

CSR believes the intent and key requirements of the Energy Efficiency Opportunities legislation have been met.

Part 1 – Information on assessments completed to date (continued)

Table 1.2 – Energy use assessed		
Group member and/or business unit and/or key activity and/or site (or part thereof) that has had an assessment completed by 30 June 2010 (Include all assessments completed to date for the current 5 year cycle).	Period over which assessment was undertaken¹	Energy use for the period 1.7.2009 to 30 June 2010 of the assessed entity (or part thereof) expressed in GJ²
Sucrogen – Invicta Sugar Mill	September 2009 to March 2010	8,369,970 ⁽¹⁾
Sucrogen – Pioneer Sugar Mill	September 2009 to March 2010	5,869,496 ⁽¹⁾
Building Products – Wetherill Park	July 2009 to June 2010	569,536
Building Products - Yarraville	July 2009 to June 2010	562,768
Building Products – Viridian Ingleburn	August 2009 to January 2010	1,261,225
Sucrogen – Kalamia Sugar Mill	September 2007 to March 2008	4,117,450 ⁽¹⁾
Sucrogen – Victoria Sugar Mill	September 2008 to March 2009	7,949,168 ⁽¹⁾
Sucrogen – Macknade Mill	September 2008 to March 2009	4,024,308 ⁽¹⁾
Building Products – Cecil Park	October 2007 to June 2008	487,732
Sugar Australia – Yarraville Sugar Refinery	November 2008 to August 2009	1,233,842
Sugar Australia – Mackay Sugar Refinery	January 2008 to August 2009	996,150
Total energy use of assessed entities (or part thereof)		35,441,645 ⁽²⁾
Total energy use of the whole corporate group in the period 1.7.2009 to 30 June 2010		51,327,651 ⁽³⁾
Total energy use of assessed entities (or part thereof) for the period 1.7.2009 to 30.6.2010 expressed as a percentage of total energy use for the period 1.7.2009 to 30.6.2010		69%

Table 1.3 – Accuracy of energy use assessed data

Entity	% achieved	Reasons for not achieving data accuracy to within $\pm 5\%$
Sucrogen – Invicta, Pioneer, Kalamia, Victoria and Macknade	+20%	In the Sugar Mills the accuracy of data reflects two aspects. The first is that the heating value per tonne of cane varies due to the natural variation in the cane. The second related to the percentage of fibre in the cane. It is not possible to sample every tonne of cane, therefore a representative sample is taken, which leads to a representative analysis of the % of fibre in the cane. Both of these aspects increase the error in data accuracy.

Notes:

- (1) Mill data does not include energy produced on-site.
- (2) Energy assessed in the 2009-2010 period is for the Sucrogen Invicta and Pioneer Mills and Building Products factories at Wetherill Park; Yarraville and Ingleburn.
- (3) The total energy consumed for CSR using the National Greenhouse and Energy Reporting operational control approach. Numbers have been rounded.

Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2A - New assessments completed or not reported since your last Public Report

Name of Group member or business unit or key activity or site: Sucrogen – Invicta Mill

Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

	8,369,970 GJ
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Table 2.1 – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0 – < 2 years		2 – ≤ 4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response								
Under Investigation	2	Nil	Nil	Nil	Nil	2	71,000	
To be Implemented ⁽¹⁾	0	Nil	Nil	Nil	Nil	Nil	Nil	
Implementation Commenced	0	Nil	Nil	Nil	Nil	Nil	Nil	
Implemented	2	Nil	Nil	Nil	Nil	2	45,230	
Not to be Implemented ⁽³⁾	76	Nil	Nil	Nil	Nil	76	N/A ⁽²⁾	
Outcomes of assessment	80	Nil	Nil	Nil	Nil	80	116,230	

Notes:

- (1) Subject to normal capital expenditure approval process.
- (2) N/A – figures not available.
- (3) Opportunities are not implemented for a number of reasons including those identified may have been addressed through other opportunities or operational/process constraints.

Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2A - New assessments completed or not reported since your last Public Report

Name of Group member or business unit or key activity or site: Sucrogen – Pioneer Mill

	5,869,496 GJ
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Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

Table 2.1 – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0 – < 2 years		2 – ≤ 4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response								
Under Investigation	2	Nil	Nil	Nil	Nil	2	3,636	
To be Implemented ⁽¹⁾	0	Nil	Nil	Nil	Nil	Nil	Nil	
Implementation Commenced	0	Nil	Nil	Nil	Nil	Nil	Nil	
Implemented	4	Nil	Nil	Nil	Nil	4	5,885	
Not to be Implemented ⁽³⁾	85	Nil	Nil	Nil	Nil	85	N/A ⁽²⁾	
Outcomes of assessment	91	Nil	Nil	Nil	Nil	91	9,521	

Notes:

- (1) Subject to normal capital expenditure approval process.
- (2) N/A – figures not available
- (3) Opportunities are not implemented for a number of reasons including those identified may have been addressed through other opportunities or operational/process constraints.

Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2A - New assessments completed or not reported since your last Public Report

Name of Group member or business unit or key activity or site: CSR Building Products – Wetherill Park

	569,536 GJ
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Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

Table 2.1 – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0 – < 2 years		2 – ≤ 4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response								
Under Investigation	2	2	79	Nil	Nil	Nil	79	
To be Implemented ⁽¹⁾	3	3	3,219	Nil	Nil	Nil	3,219	
Implementation Commenced	8	6	11,344	2	1,041	Nil	12,385	
Implemented	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Not to be Implemented ⁽²⁾	1	Nil	Nil	Nil	Nil	1	627	
Outcomes of assessment	14	11	14,642	2	1,041	1	16,310	

Notes:

- (1) Subject to normal capital expenditure approval process.
- (2) Opportunities are not implemented for a number of reasons including those identified may have been addressed through other opportunities or operational/process constraints.

Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2A - New assessments completed or not reported since your last Public Report

Name of Group member or business unit or key activity or site: CSR Building Products – Yarraville

Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

562,768	GJ
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Table 2.1 – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0 – < 2 years		2 – ≤ 4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response	Under Investigation	1	880	2	113	1	354	1,347
	To be Implemented ⁽¹⁾	Nil	Nil	1	328	Nil	Nil	328
	Implementation Commenced	1	Nil	1	586	Nil	Nil	586
	Implemented	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Not to be Implemented ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Outcomes of assessment	Total Identified	1	880	4	1,027	1	354	2,261

Notes:

- (1) Subject to normal capital expenditure approval process.
- (2) Opportunities are not implemented for a number of reasons including those identified may have been addressed through other opportunities or operational/process constraints.

Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2A - New assessments completed or not reported since your last Public Report

Name of Group member or business unit or key activity or site: CSR Building Products – Viridian Ingleburn

1,261,225	GJ
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Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

Table 2.1 – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0 – < 2 years		2 – ≤ 4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response								
Under Investigation	6	3	369	Nil	Nil	3	17,799	18,168
To be Implemented ⁽¹⁾	1	1	6,815	Nil	Nil	Nil	Nil	6,815
Implementation Commenced	1	1	6,000	Nil	Nil	Nil	Nil	6,000
Implemented	2	2	6,647	Nil	Nil	Nil	Nil	6,647
Not to be Implemented ⁽²⁾	2	Nil	Nil	Nil	Nil	2	4,127	4,127
Total Identified	12	7	19,831	Nil	Nil	5	21,926	41,757

Notes:

- (1) Subject to normal capital expenditure approval process.
- (2) Opportunities are not implemented for a number of reasons including those identified may have been addressed through other opportunities or operational/process constraints.

Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2B - Update of assessments reported in previous Public Reports

Name of Group member or business unit or key activity or site: Sucrogen – Victoria Mill

Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2):

7,949,168	GJ
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Table 2.1 – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0 – < 2 years		2 – ≤ 4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response	5	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾	5	N/A ⁽²⁾	N/A ⁽²⁾
Under Investigation								
To be Implemented ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Implementation Commenced	1	Nil	Nil	1	503	Nil	Nil	503
Implemented	8	3	4,514	3	4,060	2	520	9,094
Not to be Implemented ⁽³⁾	46	3	12,526	Nil	Nil	43	N/A ⁽²⁾	12,526
Outcomes of assessment	60	6	17,040	4	4,563	50	520	22,123

Notes:

(1) Subject to normal capital expenditure approval process.

(2) N/A – figures not available

(3) Opportunities are not implemented for a number of reasons including those identified may have been addressed through other opportunities or operational/process constraints.

Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2B - Update of assessments reported in previous Public Reports

Name of Group member or business unit or key activity or site: Sucrogen – Macknade Mill

	4,024,308 GJ
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Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

Table 2.3 – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0 – < 2 years		2 – ≤ 4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response								
Under Investigation	3	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾	3	24,840	
To be Implemented ⁽¹⁾	1	Nil	Nil	1	540	Nil	540	
Implementation Commenced	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Implemented	7	1	1,669	2	3,802	4	1,059	
Not to be Implemented ⁽³⁾	52	Nil	Nil	Nil	Nil	52	N/A ⁽²⁾	
Outcomes of assessment	63	1	1,669	3	4,342	59	25,899	
							31,910	

Notes:

(1) Subject to normal capital expenditure approval process.

(2) N/A – figures not available.

(3) Opportunities are not implemented for a number of reasons including those identified may have been addressed through other opportunities or operational/process constraints.

Part 2B - Update of assessments reported in previous Public Reports

Name of Group member or business unit or key activity or site: Sucrogen – Kalamia Mill

4,117,449	GJ
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Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

Table 2.3 – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0 – < 2 years		2 – ≤ 4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response	Under Investigation	Nil	Nil	2	2,984	Nil	Nil	2,984
	To be Implemented ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Implementation Commenced	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Implemented	1	61,000	Nil	Nil	2	1,780	62,780
	Not to be Implemented ⁽³⁾	Nil	Nil	Nil	Nil	30	N/A ⁽²⁾	N/A ⁽²⁾
Outcomes of assessment	Total Identified	1	61,000	2	2,984	32	1,780	65,764

Notes:

(1) Subject to normal capital expenditure approval process.

(2) N/A – figures not available

(3) Opportunities are not implemented for a number of reasons including those identified may have been addressed through other opportunities or operational/process constraints.

Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2B - Update of assessments reported in previous Public Reports

Name of Group member or business unit or key activity or site: CSR Building Products – Cecil Park

	487,732
	GJ

Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

Table 2.3 – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0 – < 2 years		2 – ≤ 4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response								
Under Investigation	3	Nil	Nil	1	40	2	54	94
To be Implemented ⁽¹⁾	4	3	53,147	Nil	Nil	1 ⁽²⁾	Nil	53,147
Implementation Commenced	2	1	172	1	913	Nil	Nil	1,085
Implemented	24	9	68,823	4	3,877	11	32,841	105,541
Not to be Implemented	18	2	Nil	1	3,012	15	5,327	8,339
Outcomes of assessment	51	15	122,142	7	7,842	29	38,222	168,206

Notes:

- (1) Subject to normal capital expenditure approval process.
- (2) This opportunity relates to metering and has no direct savings.
- (3) Opportunities are not implemented for a number of reasons including those identified may have been addressed through other opportunities or operational/process constraints.

Part 2B - Update of assessments reported in previous Public Reports

Name of Group member or business unit or key activity or site: Sugar Australia

2,229,992	GJ
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Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

Table 2.3 – Opportunities assessed to an accuracy of better than or equal to (<=) ±30%

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0 – < 2 years		2 – ≤ 4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response								
Under Investigation	40	9	8,903	12	16,055	19	5,783	30,741
To be Implemented ⁽²⁾	2	1	31	1	8	0	0	39
Implementation Commenced	18	4	94,626	7	25,278	7	13,496	133,400
Implemented	12	3	35,110	4	24,808	5	980	60,898
Not to be Implemented ⁽³⁾	21	6	30,674	8	30,880	7	37,275	98,829
Outcomes of assessment								
Total Identified	93	23	169,344	32	97,029	38	57,534	323,907

Notes:

- (1) Yarraville Refinery and Mackay Racecourse Refinery make up approximately 90% of Sugar Australia's total energy use. It should be noted that a number of opportunities have been consolidated where they relate to one process or piece of equipment. Projects that were previously not to be implemented have moved back under the under investigation category as other work has highlighted that these may become viable when combined with other project work.
- (2) Subject to normal capital expenditure approval process.
- (3) Opportunities are not implemented for a number of reasons including those identified may have been addressed through other opportunities or operational/process constraints.

Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2C - Details of at least three significant opportunities found through EEO assessments

Table 2.5 – Description of 3 significant opportunities

Opportunity 1

Viridian Ingleburn – Natural gas adjustments need to be made to the furnace when the temperature within the furnace deviates from target setpoints or the batches of glass move out of alignment. The adjustments are in part necessary because the quality and heat content of the gas can change throughout the day. To achieve optimal performance incoming gas heat content should be monitored. The opportunity identified is to install real time monitoring of the incoming gas heat content. It is anticipated that through the monitoring and consequential management of control settings 6,815 GJ of energy or 350 tonnes of CO₂-e per year will be saved.

Opportunity 2

Part of the Wetherill Park site produces fibre cement sheeting. The curing process for the fibre cement sheets is by steam in large autoclaves. A natural gas fired boiler helps to generate this steam. An investigation into the efficiency of the boiler was undertaken and it was determined that with better air/fuel control, significant savings could be achieved. Annual savings of 7200 GJ of energy, and a reduction in greenhouse gas emissions of 370 tonnes of CO₂-e per year are expected.

Opportunity 3

Within the Wetherill Park fibre cement factory steam leaks were identified. A regular detect and repair program is now in place with annual estimated savings of 2240 GJ of gas or some 115 tonnes of CO₂-e.

Part 3 - Voluntary Contextual Information

Table 3.1 – Contextual Information

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Table 3.2 – Energy use expressed in Greenhouse Gas emissions and as an energy use indicator

Period of energy use _____ to _____	Energy use pa (GJ)	Energy use pa (GGE)	Energy use as an indicator*
Name of group member/ business unit/ key activity/site			
Total			

Table 3.3 - Opportunities assessed to an accuracy of better than or equal to (<=) ±30% (\$ value)

Status of opportunities identified	Number of opportunities	Estimated energy savings per annum by payback period (\$)			Total estimated energy savings per annum (\$)
		0 – < 2 years	2 – ≤ 4 years	> 4 years	
Business Response*	Under Investigation				
	To be Implemented				
	Implementation Commenced				
	Implemented				
Outcomes of assessment*	Not to be Implemented				
	Total Identified				

Part 3 - Voluntary Contextual Information (continued)

Table 3.4 – Changes in energy use as an indicator			
Name of group member/ business unit/ key activity/site	Current energy use as an indicator	Previous energy use as an indicator	Reasons for change
Total			

Part 4 - Declaration

Table 4.1 - Declaration of accuracy and compliance (mandatory information)

<p>The information included in this report has been reviewed and noted by the board of directors and is to the best of my knowledge, correct and in accordance with the Energy Efficiency Opportunities Act 2006 and Energy Efficiency Opportunities Regulations 2006.</p>	 <p>Insert Name and Title (Chair of the Board, CEO, or Managing Director) of Signatory here Jeremy Sutcliffe, MANAGING DIRECTOR</p> <p>Date 14th / 12 / 10</p>
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Glossary



AS/NZS 4801	Occupational health and safety management systems – specification with guidance for use
ASX	Australian Securities Exchange
Bricks and Roofing	Bricks and Roofing – includes CSR’s building product brands – PGH™ bricks and pavers, Monier™ and Wunderlich™ rooftiles
Carbon dioxide equivalent (CO₂-e)	Unit for comparing the radiative forcing of a greenhouse gas to carbon dioxide. It is calculated using the mass of a given greenhouse gas multiplied by its global warming potential
CASP	Cash Award Share Plan
DSE	Victorian Department of Sustainability and Environment
EAP	Employee Assistance Program
FTE	Full Time Equivalent
GAF	Gove Aluminium Finance
GECA	Good Environmental Choice Australia
GRI	Global Reporting Initiative – guidelines for sustainability reporting
ISO 9000	International Organisation for Standardisation. ISO 9000 family of standards that address quality management systems
ISO 14001	International Organisation for Standardisation. Standard which outlines Environment Management Systems requirements with guidance for use
Lightweight Systems	Lightweight Systems’ – includes CSR’s building product brands – Bradford™ insulation, Hebel® panels, Edmonds™ ventilation, Gyprock™ plasterboard, Cemintel™ fibre cement
LTI	Long Term Incentive
LTIFR	Lost Time Injury Frequency Rate – per million hours worked
NGER	National Greenhouse and Energy Reporting scheme
OH&S	Occupational Health and Safety
PDR	Performance and Development Review
SH&E	Safety, Health and Environment
STI	Short Term Incentive
United Nations Global Compact	A strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption
Viridian™	Viridian glass business
YEM08	Year ending 31 March 2008
YEM09	Year ending 31 March 2009
YEM10	Year ending 31 March 2010



► Visit the CSR website for the 2010 Sustainability Report at www.csr.com.au/sustainability2010

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