

BUILDING A SUSTAINABLE FUTURE

CSR LIMITED
SUSTAINABILITY REPORT 2015



CSR IS COMMITTED TO SUSTAINABLE PRACTICES THROUGHOUT OUR BUSINESS – BUILDING STRONG FOUNDATIONS FOR THE FUTURE

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OUR APPROACH

CSR CONTINUED TO PROGRESS ITS SUSTAINABILITY AGENDA OVER THE PAST YEAR



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INNOVATION

CSR INNOVATION – TARGETING SUSTAINABLE BUILDING SOLUTIONS

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CSR IS PURSUING A NUMBER OF ACTIONS TO MITIGATE ECONOMIC RISKS WHICH COULD POTENTIALLY IMPACT ITS OPERATIONS



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ENVIRONMENTAL

WE REMAIN COMMITTED TO PROVIDING TRANSPARENT AND ACCURATE REPORTING ON HOW OUR ACTIVITIES IMPACT THE ENVIRONMENT AND THE COMMUNITY

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SOCIAL

CSR RECOGNISES THAT A SUSTAINABLE WORKPLACE IS ONE THAT IS BOTH SAFE AND REWARDING FOR OUR EMPLOYEES

ABOUT CSR

CSR IS A LEADING BUILDING PRODUCTS COMPANY WITH OPERATIONS IN AUSTRALIA AND NEW ZEALAND

CSR – BUILT ON KNOWLEDGE AND EXPERIENCE FOR

160 YEARS

CSR TOTAL REVENUE (YEAR ENDED 31 MARCH 2015)

\$2.0 BILLION

CSR EMPLOYEES IN AUSTRALIA AND NEW ZEALAND

2,965

LEADING BUILDING PRODUCT BRANDS

GYPROCK
Everything else is just plasterboard

Bradford
more than insulation

EDMONDS
Technologies for a Sustainable Future

hebel
The better way to build

MONIER
Top Cat in Roofing

Viridian
New World Glass

Ceilector
Ceiling Solutions

PGH BRICKS & PAVERS

cemintel
CREATE AND CONSTRUCT

AFS we put you in front
WALLING SOLUTIONS

martini
CONCRETE FOR EVERY OCCASION

POTTER
INTERIOR SYSTEMS

Bradford
energy solutions

We are focused on building shareholder value by investing in, and growing our businesses, while operating in a sustainable manner.

CSR is the name behind some of the market's most trusted and recognised brand names, providing building products for residential and commercial construction.

Our businesses include some of the industry's most highly regarded brands such as Gyprock™ plasterboard, Cemintel™ fibre cement, Bradford™ insulation, PGH™ bricks and pavers, Hebel® autoclaved aerated concrete panels, AFS® walling solutions, Monier™ rooftiles and Viridian™ glass.

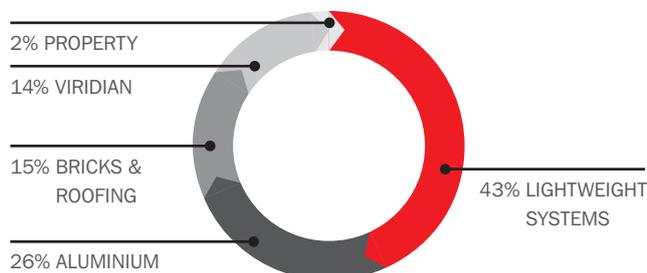
Through our innovation centre, we are also developing innovative products and systems right across our portfolio, targeting sustainable buildings of the future.

Through its 70% shareholding in Gove Aluminium Finance Limited, CSR holds an effective 25.2% interest in the Tomago aluminium smelter, located in NSW. Tomago is a globally competitive smelter which produces around 580,000 tonnes of aluminium annually, some 35% of Australia's primary aluminium production.

CSR also generates additional earnings from its Property division which focuses on maximising financial returns by developing surplus former manufacturing sites and industrial land for sale.

CSR employs approximately 3,000 people in Australia and New Zealand.

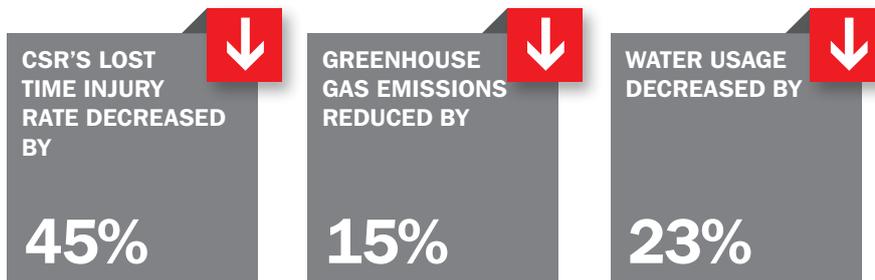
TOTAL REVENUE
YEAR ENDED 31 MARCH 2015



SUSTAINABILITY AT A GLANCE

CSR CONTINUED TO PROGRESS ITS SUSTAINABILITY AGENDA

Performance over the last five years

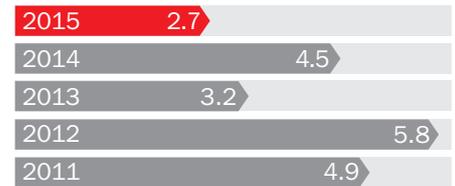


KEY HIGHLIGHTS

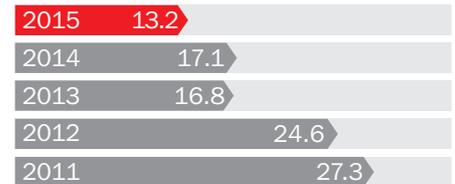
- CSR's safety record continued to improve on previous years with the number of lost time injuries per million work hours decreasing by 45% over the last five years
- CSR's total greenhouse gas emissions were 586,096 tonnes of CO₂-e – a reduction of 15% over the last five years
- CSR consumed 781,359 kilolitres of potable water – a reduction of 23% over the last five years
- CSR produced a total of 20,954 tonnes of solid waste to landfill – a reduction of 43% over the last five years
- CSR reinforced its commitment to sustainable building with the CSR Building Knowledge Seminar series launched across Australia
- CSR expanded the Velocity offsite construction system with a major trial underway with Mirvac in Sydney
- CSR continued support for the CSR Values Champions recognition scheme to recognise the outstanding performance of its people
- CSR and its employees donated \$98,000 to a range of charitable organisations through its community support program and volunteered 845 hours with the Australian Business and Community Network in the last 12 months bringing the total amount of volunteer hours up to 3,729 over the last four years.

OVERVIEW

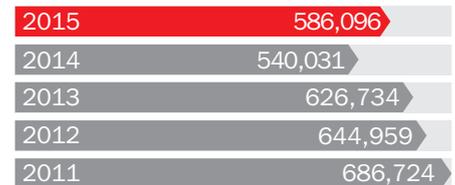
LOST TIME INJURY FREQUENCY RATE AS AT 30 JUNE (PER MILLION WORK HOURS)



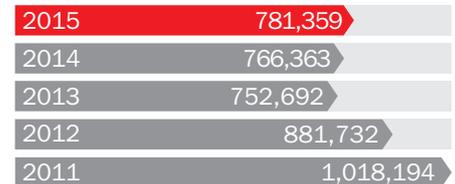
TOTAL RECORDABLE INJURY FREQUENCY RATE AS AT 30 JUNE (PER MILLION WORK HOURS)



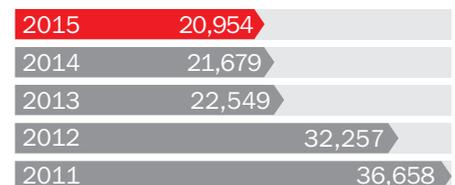
TONNES OF CO₂-e AS AT 30 JUNE



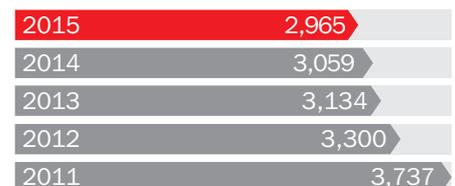
TOTAL WATER CONSUMED AS AT 30 JUNE (KILOLITRES)



TOTAL SOLID WASTE TO LANDFILL PRODUCED AS AT 30 JUNE (TONNES)



NUMBER OF CSR EMPLOYEES AS AT 30 JUNE



MESSAGE FROM THE CHAIRMAN OF WORKPLACE HEALTH, SAFETY & ENVIRONMENT COMMITTEE AND MANAGING DIRECTOR



We are pleased to share our progress on our sustainability agenda

Australia has committed to a 26% reduction in greenhouse gas emissions from 2005 by 2030. To achieve this target required significant actions across the economy.

The built environment (covering residential, commercial and all other construction) accounts for around 20% of Australia's greenhouse gas emissions. Changed climate conditions are inevitable and the built environment in Australia will be impacted in many ways.

CSR is helping to drive change in the industry by improving the energy efficiency, comfort and performance of homes and buildings.

- Continuing research in sustainable housing design from CSR House, an 8-star state-of-the art building research centre in western Sydney
- Expansion of Bradford Energy Solutions providing better energy solutions and lower energy bills to business and homeowners
- Launched a national *Building Knowledge* seminar series with CSR's innovation and building science team travelling across Australia to discuss energy efficiency and building performance

We understand that a sustainable business must ensure that it minimises its impact on the environment and the community. We have enhanced our reporting this year to cover the principle of materiality. These priorities reflect our economic, environmental and social sustainability risks and our approach to manage and mitigate these risks.

Workplace Health and Safety

Over the last five years, CSR has seen major improvements in its safety performance with the rate of total recordable injuries (lost time, restricted work and medical treatment injuries) per million work hours declining by 52%.

Environmental management

We have specific targets to reduce greenhouse gas emissions and waste production and the consumption of energy and water used in production to minimise the impact of our operations on the environment.

In the twelve months to 30 June 2015, we have continued to reduce levels in all of these categories across our operating sites. However due to CSR investing in a number of acquisitions and the formation of a joint venture of its east coast brick operations with Boral Limited during the last year, the aggregate total has increased. As the integration of these businesses progresses, CSR will continue to pursue its target to meet its 2020 goal of a 20% reduction per tonne of saleable product using 2009/10 as the base year.

To achieve these targets, CSR progressed a number of initiatives to improve operational performance and efficiency with energy reduction initiatives underway across our sites.

Employee engagement

Good safety and environmental performance is an indicator of good culture and employee engagement.

As part of the feedback received from our cultural engagement program Project Blueprint launched in 2012 and updated in 2014, CSR is doing more to invest in our employees including an expanded program of leadership development and training courses.

CSR has continued to make progress on sustainability during the past year and we would like to acknowledge and thank colleagues across CSR for their contribution.

We hope you find this report informative and encourage you to provide feedback to us via the CSR website (www.csr.com.au).

REBECCA MCGRATH CHAIRMAN, WORKPLACE HEALTH, SAFETY & ENVIRONMENT COMMITTEE

ROB SINDEL MANAGING DIRECTOR

CSR INNOVATION TARGETING SUSTAINABLE BUILDING AND ENERGY EFFICIENT SOLUTIONS

CSR Building Knowledge and the science of buildings

While energy efficiency has many different meanings, most people can agree on what it means to be in a comfortable space: good airflow, temperature, acoustics and plenty of natural light – with these benefits translating into lower energy bills.

Research commissioned by CSR shows that these benefits are important to consumers and they are willing to invest in better energy efficiency. The challenge for the building market is to ensure consumers understand the benefits as well as navigate the difference in the building codes across the states and how this affects energy efficiency.

CSR is playing a leading role in the market through its research on key issues of heat, air and moisture in buildings and the impact on the actual energy required for maintaining a comfortable home.

This knowledge is shared with the industry through CSR publications including *CSR Building Knowledge* e-newsletter which covers a variety of topics across the science of buildings.

This year, CSR extended this platform with a national *Building Knowledge* seminar series. CSR's innovation and building science team travelled across the country to discuss building science topics to many industry professionals:

- Turning star ratings into reality
- Don't be outflanked for air tightness and acoustics
- Know your cavity for effective moisture management

All fees to attend the seminars were donated to the Salvation Army rebuilding appeals for the Vanuatu cyclone, Nepal earthquake and Hunter floods which raised over \$14,300 to date.

CASE STUDY

Innovation in practice: CSR and Mirvac collaboration for the CSR Velocity system

CSR and Mirvac have joined together to develop the CSR Velocity offsite construction system. The CSR Velocity system is manufactured at CSR's site in Ingleburn, NSW where entire walls are prefabricated and delivered and installed at the building site. In a trial at Mirvac's Elizabeth Hills development in Sydney, the CSR Velocity home was completed 10 weeks ahead of an identical home built using traditional methods. The system has reduced construction and supervisor costs by around 50 per cent. The project enabled Mirvac to achieve a number 3 ranking in BRW's Most Innovative Companies list for 2015.



The automated production line taking shape and installation

GOVERNANCE AND RISK MANAGEMENT

CSR RECOGNISES THAT GOOD CORPORATE GOVERNANCE IS FUNDAMENTAL TO BEING A SUSTAINABLE BUSINESS

OUR PRIORITIES

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.

We have enhanced our reporting this year to cover the principle of materiality. These priorities reflect our economic, environmental and social sustainability risks. Our approach to manage and mitigate these risks is outlined in the next section of the report.

Key areas of materiality	Challenges
Aluminium and currency markets	<ul style="list-style-type: none"> CSR's results are impacted by movements in the global US dollar price for aluminium and currency fluctuations
Australian construction activity and higher density living	<ul style="list-style-type: none"> Approximately 50% of CSR's total revenue is generated from product and service sales into the new residential construction sector of Australia which is impacted by several macro-economic factors Multi-residential construction has increased as a proportion of total new home construction and now represents over 50% of housing starts Multi-residential houses are typically smaller which has the potential to reduce CSR product intensity per new dwelling
Product liability	<ul style="list-style-type: none"> Previous involvement in asbestos in Australia and exporting asbestos to the United States CSR ceased asbestos mining in 1966 and divested remaining interests in 1977 CSR meets all valid claims in both Australia and the United States The asbestos provision is impacted by movements in claim numbers, settlement rates and values and movements in foreign currency Further information regarding the product liability provision is included in the half year report for the period ended 30 September 2015 which is found on the CSR website www.csr.com.au
Environmental Management	<ul style="list-style-type: none"> CSR has committed to a 20% per tonne reduction of greenhouse gas emissions, potable water consumption and solid waste production to landfill per tonne of saleable product by 2020 using 2009/10 as the base year
Workplace health and safety	<ul style="list-style-type: none"> CSR has a stated long term objective of achieving zero harm to CSR people across all operations
Employee and community engagement	<ul style="list-style-type: none"> CSR recognises that it plays an important role in the success and prosperity of local communities as an employer, operator of major manufacturing sites and developer of its legacy property assets Diversity is critical to CSR's long term success – to develop new ideas and build a workforce more representative of our customer base

ECONOMIC

CSR IS PURSUING A NUMBER OF ACTIONS TO MITIGATE ECONOMIC RISKS WHICH COULD POTENTIALLY IMPACT ITS OPERATIONS

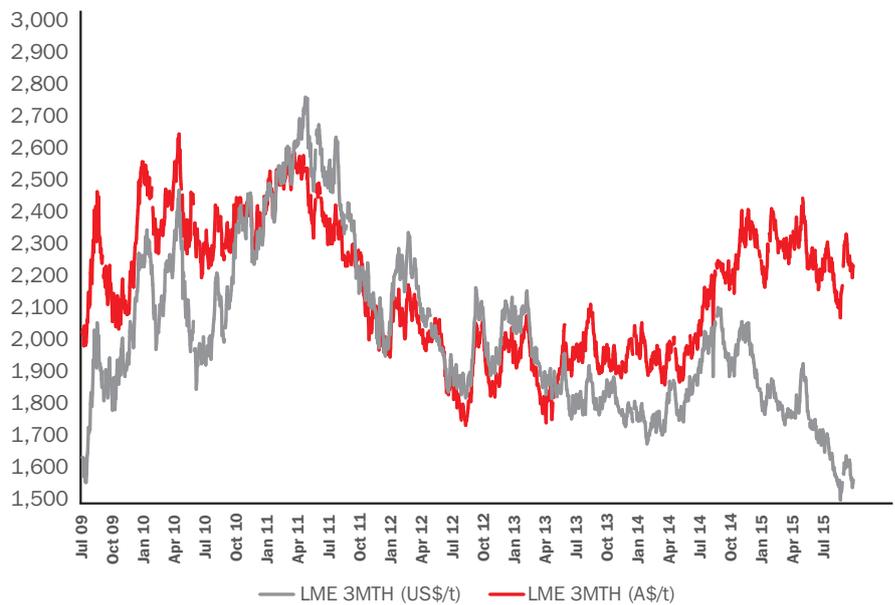
Aluminium and currency markets

Through its 70% shareholding in Gove Aluminium Finance (GAF) Limited, CSR holds an effective 25% interest in the Tomago aluminium smelter located near Newcastle, NSW. Tomago is a globally competitive smelter due to its high operating efficiency, access to potline technology and close proximity to alumina supplies.

The aluminium industry is impacted by a range of demand and supply factors that result in aluminium price fluctuations.

Hedging: Sales of aluminium are priced and invoiced in US\$ referenced to the London Metal Exchange (LME) aluminium price.

LME 3 MONTH ALUMINIUM PRICE IN US\$/t and A\$/t



CSR has a policy to hedge both US dollar sales and foreign currency exposure when specific targets are met, with the primary objective of reducing short-to-medium term earnings volatility. This policy is monitored regularly by CSR's Finance Committee which includes CSR's CEO, CFO, Group Treasurer and the General Manager of GAF.

CSR HEDGING POSITION AS OF 30 SEPTEMBER 2015

	HYEM16	YEM17
Average hedged aluminium price A\$ per tonne (excludes premiums)	\$2,391	\$2,495
% of net aluminium exposure hedged	70%	27%

ECONOMIC (CONTINUED)

Australian construction activity and higher density living

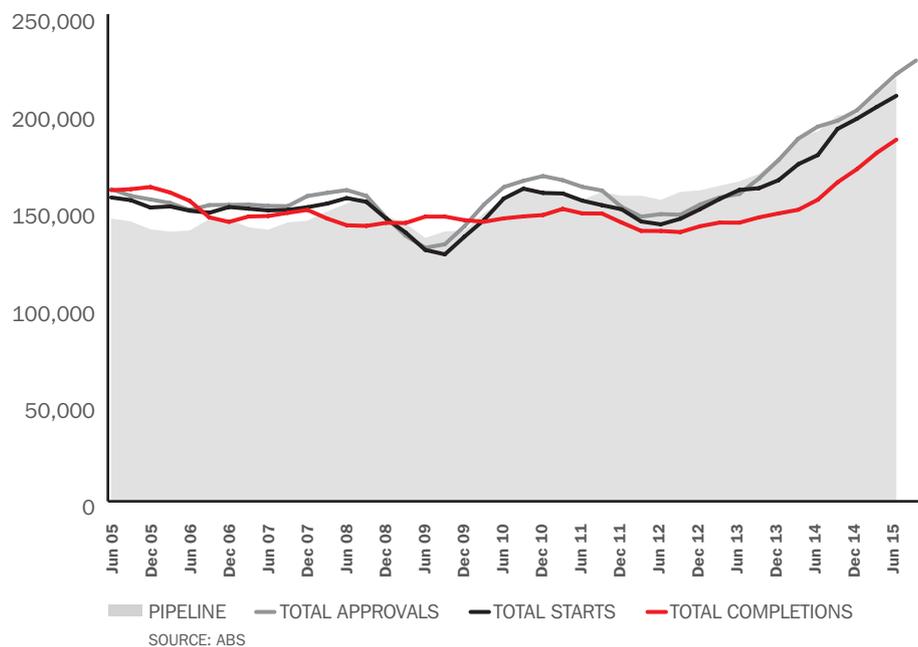
Australian construction activity: The performance of CSR's Building Products and Viridian businesses is influenced by the level of activity within the building and construction industry. CSR continually monitors housing activity and associated lead indicators. This includes lot sales, finance and building approvals, dwelling commencements and completion levels.

Reviews of market activity are factored into CSR's monthly reporting, quarterly forecasting and annual budget and planning cycles, which in turn drive capacity and capital planning.

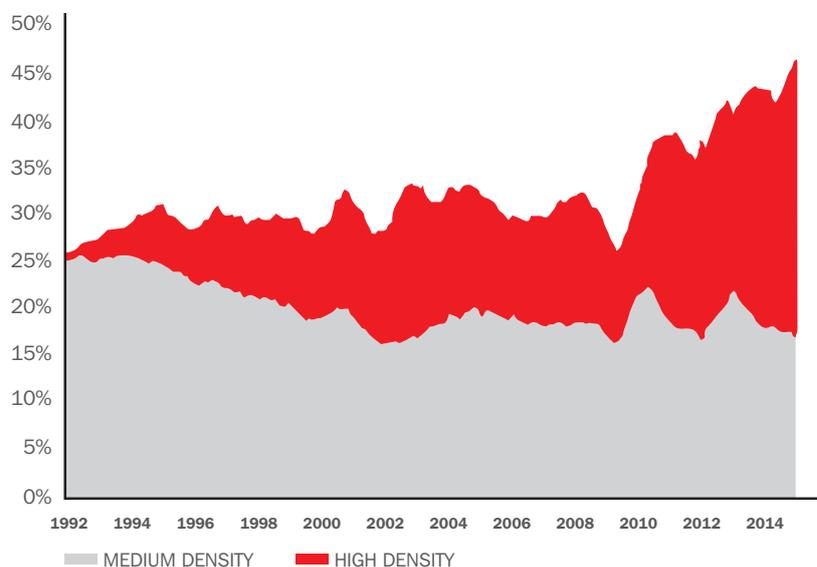
Furthermore, the nature of CSR's building products is that they are typically sold late in the construction process, giving CSR some visibility of changes in market conditions before specifically impacting demand.

Changing landscape of higher density living: The landscape of how people choose to live and work is changing rapidly and this impacts the buildings we build. Increased land prices and the desire to live closer to work has influenced a significant increase in high density multi-residential housing over the last 20 years.

AUSTRALIAN RESIDENTIAL CONSTRUCTION ACTIVITY PIPELINE



MULTI-RESIDENTIAL HOUSING AS A % OF TOTAL RESIDENTIAL CONSTRUCTION



CSR is actively developing and acquiring new products that increase CSR's exposure to the multi-residential segments.

AFS	April 2014 – acquired AFS – a leader in load bearing permanent formwork walling solutions for the construction industry and has completed over 1,500 projects in the multi-residential market to date
Rediwall	November 2015 – completed commissioning of new AFS Rediwall®PVC permanent formwork production facility which replaces traditional masonry block and vertical formwork
Hebel	November 2015 – completed 30% capacity expansion following strong growth for Hebel in apartments and medium density housing construction
Martini	November 2014 – acquired Martini which produces acoustic polyester insulation for commercial applications
Viridian	December 2015 – construction continues on a dedicated commercial double glazing plant

Hebel Innovation



CSR Hebel is Australia's only manufacturer of aerated autoclaved concrete (AAC) – a non-toxic, non-combustible, lightweight masonry material. Hebel's lightweight construction has seen strong growth in detached, multi-residential and civil construction segments with cumulative annual revenue growth of 15% over the last five years.

Hebel innovation:

- Better construction methods – more productive and safer site processes
- Higher performance – home comfort, better acoustics, fire protection
- New applications – 13 patents granted in the last two years

WE REMAIN COMMITTED TO PROVIDING TRANSPARENT AND ACCURATE REPORTING ON HOW OUR OPERATING ACTIVITIES IMPACT THE ENVIRONMENT

ENVIRONMENTAL MANAGEMENT

Our goal is to ensure our businesses remain compliant with their operating licences and reduce their impact on the communities in which we operate.

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

- Comply with government environmental regulations
- Identify and address key environmental risks
- Improve environmental awareness of employees and contractors
- Reduce greenhouse gas emissions and use of resources
- Continued focus on improving the energy efficiency of our operations

We have articulated our commitment to minimise the impact on our environment with specific targets to reduce greenhouse gas emissions and waste production and the consumption of energy and water used in production.

By 2020, CSR is targeting a 20 per cent reduction in the following categories using 2009/10 as the base year:

- Scope 1 and scope 2 greenhouse gas emissions through a reduction in carbon dioxide equivalent per tonne of saleable product
- Energy consumption per tonne of saleable product
- Potable water use per tonne of saleable product
- Waste production disposed to landfill per tonne of saleable product.

Each CSR business sets goals to reduce their indicators over time and these are regularly reviewed by senior management and the WHSE board committee.

We continue to comply with the requirements of the various regulatory programs and jurisdictions where we operate. We remain 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
- 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.

CSR continues to conduct Lifecycle Assessments (LCA) of products where appropriate.

CSR is also extending its analysis of its manufacturing operations to supply chain management. Group Procurement is continuing its supplier survey program to develop a better understanding of key vendors:

- organisational values
- management system capabilities and
- work they are undertaking within their businesses to create sustainable offerings for their customers.

This process ensures CSR can align more effectively with organisations with shared values, objectives and, as a result, collectively pursue and implement sustainable outcomes.

This report covers only activities in which CSR has a majority equity interest. For these activities CSR has reported 100 per cent of emissions. This 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.

Waste clean up in
North Ryde by some of
the CSR team



CSR's goal remains zero environmental incidents

We report environmental incidents based on five levels of breaches of compliance with regulatory and CSR requirements.

Level 1 – Minor

Level 2 – Significant

Level 3 – Serious

Level 4 – Severe

Level 5 – Extreme/catastrophic

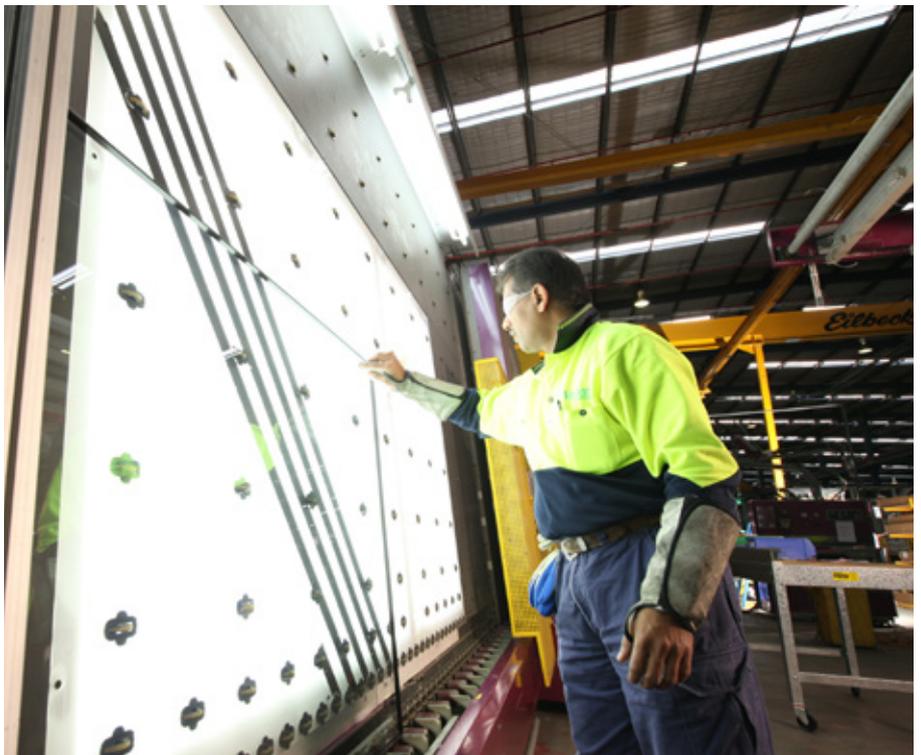
For the year ending 30 June 2015, CSR incurred 82 environmental incidents (compared to 108 incidents in the previous year). The environmental incidents were categorised as follows:

- Level 1: 60
- Level 2: 20
- Level 3: 2

There were no level 4 or 5.

Level 3 incidents:

- In July 2014, a Viridian vehicle delivering glass to a site in Inverell broke the hydraulic line on the crane when exiting the site which resulted in oil leaking on the public road. The local council was notified with further training provided to drivers to manage steep driveways and inclines.
- In April 2015, the level of limestone within the scrubber at the Vermont Monier factory was below the minimum level for its effective operation. Additional limestone aggregate was ordered to return the machinery to efficient operation. Further actions included revising the scrubber operation and inspection procedures. Sensors were also repaired to detect low limestone levels.



Production of Viridian's high performance glass

ENVIRONMENT

ENERGY

ENERGY

CSR seeks to minimise the impact of greenhouse gas emissions by improving energy efficiency across its network of manufacturing facilities

For the period 1 July 2014 to 30 June 2015, total greenhouse gas emissions from CSR's majority owned businesses were 586,096 tonnes of CO₂-e – a 9% increase on the previous year due to higher levels of production in line with increased construction market activity.

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

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

CSR engaged Deloitte Touche Tohmatsu to provide limited assurance over CSR Building Products total Scope 1 and 2 greenhouse gas emissions, energy consumed and energy produced for Australia prepared in accordance with the National Greenhouse and Energy Reporting (NGER) Act 2007.

A copy of the unqualified assurance statement (Part A) is available to download in the Limited Assurance Report.

CSR also discloses its greenhouse gas emissions to the Carbon Disclosure Project, which also requires CSR to report on the management of risks and opportunities of climate change impact.

SCOPE 1 DIRECT EMISSIONS¹

AS AT 30 JUNE (TONNES OF CO₂-e)

AUSTRALIA

2015	345,985
2014	306,565
2013	359,861
2012	361,805
2011	382,248

OUTSIDE AUSTRALIA

2015	5,927
2014	6,896
2013	7,252
2012	8,203
2011	12,150

SCOPE 2 DIRECT EMISSIONS¹

AS AT 30 JUNE (TONNES OF CO₂-e)

AUSTRALIA

2015	233,714
2014	226,036
2013	259,124
2012	273,915
2011	288,239

OUTSIDE AUSTRALIA

2015	470
2014	534
2013	497
2012	1,036
2011	4,087

¹ Data excludes contractor emissions over which CSR has operational control

CSR Bradford Energy in Education Program



Bradford Energy Solutions launched a National Energy Reduction Program for Australian schools providing tailored programs to individual schools. The program provides a detailed assessment of the school's energy use and how its operations can be upgraded using the latest technology to reduce power demand. Recent projects include a solar expansion and lighting upgrade for St Joseph's College at Ferntree Gully, VIC.

LIGHTING REPRESENTS APPROXIMATELY 30-50% OF A SCHOOL'S ENERGY USAGE

ENVIRONMENT

WATER

WATER

CSR recognises the importance of using water efficiently. Our storm water and groundwater management, together with the treatment and disposal of water used at our manufacturing facilities is central to our on-site environmental plans.

CSR consumed 781,359 kilolitres of potable water during the year ended 30 June 2015 – an increase of 2% on the prior year which is due to higher levels of production in line with increased construction market activity.

The bulk of water consumption continues to be in the Lightweight Systems division which comprised 79% of the total.

Viridian comprised 11% and Bricks and Roofing accounted for 9%.

CSR businesses have continued to implement water saving measures across manufacturing sites to reduce usage.

WATER CONSUMED BY BUSINESS¹ LIGHTWEIGHT SYSTEMS

AS AT 30 JUNE (KILOLITRES)

2015	621,093
2014	606,355
2013	568,392
2012	630,176
2011	705,739

VIRIDIAN

AS AT 30 JUNE (KILOLITRES)

2015	87,886
2014	85,143
2013	103,180
2012	155,717
2011	209,243

BRICKS AND ROOFING

AS AT 30 JUNE (KILOLITRES)

2015	72,380
2014	74,866
2013	81,120
2012	95,836
2011	103,362

TOTAL WATER CONSUMED

AS AT 30 JUNE (KILOLITRES)

2015	781,359
2014	766,363
2013	752,692
2012	881,732
2011	1,018,194

1. Only metered water data is included.

Monier's Darra roof tile recycling all water use



Monier's roof tile factory at Darra in Queensland is now recycling all water used at the site. Following installation of a 275,000 litre underground storage tank, Monier is harvesting rainwater to be used throughout the manufacturing process.

In addition, new systems enable water used in manufacturing and equipment maintenance to be recycled to ensure that no waste water leaves the site.

ENVIRONMENT

WASTE

WASTE

Reducing waste remains a key priority across all of our businesses

CSR produced a total of 20,954 tonnes of solid waste to landfill in the year ended 30 June 2015 – a decrease of 3% on the prior year.

The majority of waste is produced by Lightweight Systems with 50%, 24% by Viridian and 26% by Bricks and Roofing.

The Bricks and Roofing data for 2012 has been restated due to a change in classification of some waste types and to ensure consistency with the 2013 data. The increase in waste in Bricks and Roofing in 2012 was due mostly to a programme to rationalise inventory which resulted in a one-off material increase in waste being sent to landfill.

Reducing plastic waste on building sites



Monier in Victoria has developed an innovative solution with a major customer to recycle the plastic stretch wrap that is used to transport roof tiles to building sites. The Monier team designed a unique bag collection system in which the wrap is collected and transported away from the site for recycling. Monier has rolled out the system extensively throughout Victoria.



WASTE PRODUCED BY BUSINESS¹ LIGHTWEIGHT SYSTEMS

AS AT 30 JUNE (TONNES)

2015	10,568
2014	9,224
2013	10,202
2012	13,603
2011	22,172

VIRIDIAN

AS AT 30 JUNE (TONNES)

2015	5,031
2014	7,590
2013	6,608
2012	7,630
2011	9,091

BRICKS AND ROOFING

AS AT 30 JUNE (TONNES)

2015	5,355
2014	4,864
2013	5,739
2012	11,012
2011	5,522

TOTAL SOLID WASTE PRODUCED¹

AS AT 30 JUNE (TONNES)

2015	20,954
2014	21,679
2013	22,549
2012	32,257
2011	36,658

1. Only metered water data is included.

WORKPLACE HEALTH AND SAFETY

CSR PLACES THE SAME EMPHASIS AND IMPORTANCE ON MANAGING SAFETY AS ANY OTHER BUSINESS IMPERATIVE

While CSR's safety record continues to improve year on year, there is considerable work still required to achieve our ambition of zero harm across all our operations.

CSR management is held 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.

All employees are expected to take personal responsibility and be involved with setting and complying with the company's standards and driving improvement initiatives.

CSR will continue the drive to achieve zero harm in respect to workplace health and safety by:

- Complying with the laws, regulations and CSR operational policies and standards
- Establishing measurable WHSE objectives and targets, recognising and celebrating their achievement
- Identifying, assessing and controlling hazards and impacts, and eliminating or reducing the risk to an acceptable level
- Informing employees, contractors, visitors and the public of hazards and impacts that may cause potential harm or affect the environment
- Identifying, implementing, monitoring and reinforcing the safe behaviours we expect in our business to eliminate unsafe acts and practices

- Providing appropriate workplace health, safety and environmental training to employees and contractors
- Investigating incidents and sharing lessons learned with applicable stakeholders to prevent re-occurrences
- Consulting and communicating with employees and contractors to continually improve the health, safety and environmental performance in our workplaces.

The CSR WHSE System provides the framework for management of workplace health and safety and environment at CSR, by clearly setting out the standards we require our people to meet. Managers and supervisors are required to provide leadership in relation to workplace health and safety by:

- Effectively implementing the requirements of the appropriate legislative standard
- Developing and sustaining a strong culture of working safely and continuous improvement
- Setting stretching improvement goals
- Allocating sufficient resources to achieve the goals.

The CSR WHSE Management Standards are divided into the sections shown below to incorporate the continuous improvement cycle common to management standards for Safety (AS/NZ 4801 & OHSAS 18001), Quality (ISO 9001) and Environment (ISO 14001).

YEAR TO 30 JUNE 2015

TOOLBOX TALKS CONDUCTED

7,407

SAFETY MEETINGS CONDUCTED

1,381

SAFETY WALKS CONDUCTED

11,015

WORK INSTRUCTION REVIEWS

6,251

WORKPLACE INSPECTIONS CONDUCTED

6,111

WORKPLACE HEALTH AND SAFETY (CONTINUED)

Workplace Health and Safety Highlights

- CSR's safety record continued to make significant improvement in the last year with the rate of lost time injuries down 40% while the total recordable injury frequency rate was down 23%
- There were no fatalities at CSR during the year – the last fatality at CSR was in 2002

Improving safety with the Young and the New



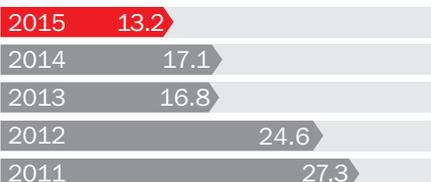
Gavin Ridd, Production Manager, Viridian, Erskine Park talking to Scott Lewis, Group Health & Safety Manager

CSR has identified that people under 30 years of age or new to the company are 3-4 times more likely to be injured at work. The main risk areas are manual handling, working with machinery, operating tools and equipment and operating near mobile plant such as forklifts. Following a series of workshops, a suite of videos was produced using interviews with employees who have been injured at work. These are used for discussion during tool box talks.

LOST TIME INJURY FREQUENCY RATE AS AT 30 JUNE (PER MILLION WORK HOURS)



TOTAL RECORDABLE INJURY FREQUENCY RATE AS AT 30 JUNE (PER MILLION WORK HOURS)

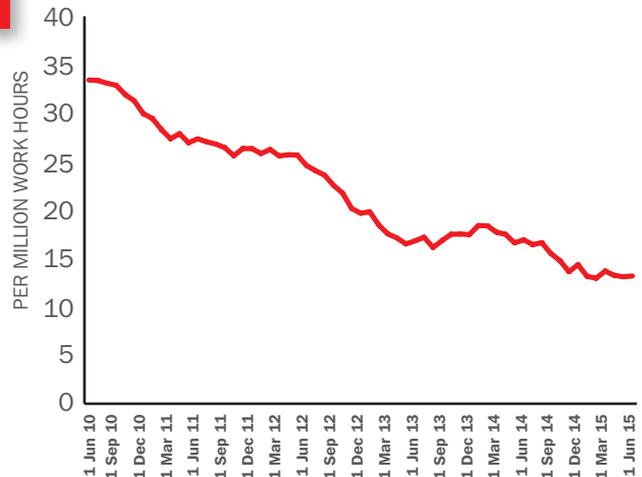


IMPROVEMENT
IN TOTAL
RECORDABLE
INJURIES IN FIVE
YEARS

52%



TOTAL RECORDABLE INJURY FREQUENCY RATE (MAT)



OUR PEOPLE

CSR RECOGNISES THAT A SUSTAINABLE WORKPLACE IS ONE THAT IS BOTH SAFE AND REWARDING FOR OUR EMPLOYEES

DIVERSITY

CSR strives for diversity within the organisation. CSR's policy on diversity is contained within the Fairness, Respect & Diversity Policy. A summary of this policy is available on CSR's website in the "Careers" section under "Our People". CSR recognises that improving diversity is important to improving and sustaining a workforce capable of generating better relationships and more innovative solutions for its customers. Ultimately, this improves the results of CSR.

CSR has adopted the ASX CGC's revised Principles and Recommendations (including the 2010 amendments) in respect of diversity. CSR recognises that improving diversity requires cultural change driven by the leadership and commitment of the board and senior management. The culture change themes have been used by CSR to structure its measurable objectives.

The objectives and achievements for the year ended 31 March 2015 and a brief outline of the objectives for the year ending 31 March 2016 are included in the Corporate Governance section of CSR's 2015 Annual Report which can be accessed from CSR's website www.csr.com.au.

At board level two of the five or 40% of non-executive directors are women. 14.5% of employees in senior management positions are women including the company secretary, general manager investor relations & corporate communications, group treasurer and the group financial controller. During the year ended 31 March 2015, the percentage of women in the CSR workforce increased from 16.4% to 16.7%.



Improving diversity at CSR

KEY DIVERSITY ACHIEVEMENTS IN THE LAST YEAR

Leadership and culture

- Increased female participation in CSR's leadership programs from 24% to 36%
- Completed a gender pay equity review as part of the annual salary review
- Continued investment in specific diversity training as part of CSR's leadership programs and through diversity recruitment training

Career management

- 30% of internal promotions were women including appointments to line management roles
- Managing director led a series of six CSR lunches to engage and connect with a representative group of women to improve diversity objectives

Recruitment and retention

- Introduced a recruitment policy that each vacant role must include a woman on the short list and apply a "if not, why not rule"
- Completed review with labour hire organisations to assess performance against specific objectives to attract more women to CSR
- Conducted a quarterly analysis and review of attraction, appointment and retention of staff by gender
- Worked with industry associations to attract more women to non-traditional roles.

% OF WOMEN IN THE CSR WORKFORCE AS AT 31 MARCH (% OF WORKFORCE)

2015	16.7
2014	16.4
2013	15.6
2012	14.3

OUR PEOPLE (CONTINUED)

At CSR we are committed to investing in our people.

Over the last three years we have developed a suite of leadership development programs designed to provide our leaders with the knowledge, skills & support to enable them to perform at their best.

TOTAL HOURS OF TRAINING YEAR ENDED 31 MARCH

2015	16,201
2014	15,713
2013	14,076
2012	12,755

We have three leadership development programs to invest in leaders at all levels within CSR:

- **CSR Leaders Program** – for senior leaders
- **CSR Constructive Leaders Program** – for middle/line managers
- **CSR Foundations of Leadership Program** – for team leaders & supervisors

Expanding workplace health and safety leadership training

In the last 12 months, over 100 CSR people participated in a two day workplace health and safety leadership training program. The specialised course focuses on leadership, risk management, behavioural based safety, leading indicator actions and accident investigation and is part of CSR's safety journey to promote continuous improvement across the company.

Leaders Program

Initiated in 2011, the Leaders Program is designed for senior leaders in CSR to develop skills to grow and expand the business targeting leadership, strategic thinking and innovation.

Constructive Leaders Program

Initiated in 2012, the CSR Constructive Leaders Program is focused on developing business leaders now and into the future who are capable of improving our business and the way we work together.

Foundations of Leadership Program

The newest program in our suite is the CSR Foundations of Leadership Program which was developed in conjunction with feedback from the businesses. The program is designed to provide insights and tools to build personal, team and organisational effectiveness. Participants also learn to delegate effectively, set realistic goals and coach and provide feedback to others in order to achieve positive and sustainable outcomes.

CSR in(focus)



CSR continues to publish its company newsletter in(focus) which features news, employee profiles, safety projects and innovations.

The newsletters encourage communication and collaboration for employees across CSR's network in Australia and New Zealand.



Employees from across CSR completed a five day residential program as part of the Constructive Leaders Program.

Promoting more women in trades

Viridian Glass has partnered with the Australian Glazing and Glass Association to increase opportunities available to women in the glass industry. Working together with AGGA and supported by a NSW government grant, Viridian is developing a recruitment program for year 12 female students to enter the glass industry in glazing, glass processing and business management.



Tegan Banks (left) with Linda Lehmann, Viridian Glass Processor based at Tingalpa who recently appeared in a promotional video for AGGA

Monier supporting apprentice training programs

Monier is continuing its support for roof tiling apprenticeship programs through its ongoing partnership with Nirmiba TAFE in Western Sydney. TAFE students visited Monier's Rosehill site in September to understand the manufacturing process through tours and discussions with Monier's team of operators and engineers. The program will be extended over the next year to include apprentices from other regions in NSW who travel to Sydney to extend their training.



Monier is continuing to support roof tiling apprenticeship programs through its ongoing partnership with Nirmiba TAFE in Western Sydney

COMMUNITY

CSR ENGAGEMENT WITH LOCAL COMMUNITIES

COMMUNITY

There are three components to CSR's community support program. Employees can make donations to our three partner charities, volunteer their time by participating in one of the student mentor programs, or by CSR donating building products to a worthy cause.

OUR PARTNERSHIPS

OVER 12 YEARS,
CSR AND
EMPLOYEES HAVE
DONATED OVER

\$2.7m

We continue to partner with a number of organisations in line with our commitment to operate in a sustainable manner and to gain the confidence of the communities in which we operate. A core component of our community involvement is the CSR Community Support Program, under which CSR matches employee contributions dollar for dollar to three charitable organisations.

CSR launched the CSR Community Support Program in 2003 and during that time CSR and its employees have donated over \$2.7 million to charity. In the year to 30 June 2015, CSR and its employees donated \$98,000 to three charitable organisations, The Salvation Army, Youth Off The Streets and Assistance Dogs Australia.

CSR extends its relationship with its partnership charities by providing volunteer support for various campaigns and activities during the year.



THE SALVATION ARMY is a national charity, offering caring support for every problem "from the cradle to the grave." Their services are as wide-ranging and diverse as the areas of need in the community. They offer services to aged care, crisis accommodation, suicide prevention, youth and families at risk, telephone counselling, to name just a few.



YOUTH OFF THE STREETS is a youth-specific charity, assisting young people dealing with issues of substance and other abuse, alienation from family and community and homelessness. Youth Off The Streets offers a continuum of care from assistance on the streets; crisis and short term accommodation to long term residential care, treatment and secondary schooling.



ASSISTANCE DOGS AUSTRALIA is a national charity which trains Labradors and Golden Retrievers to help people with physical disabilities. They currently have over 90 dogs around Australia, with over 50 dogs currently in training. The charity requires significant funding to achieve its goal of placing at least 30 dogs per year with recipients.

CASE STUDIES

Steve Waugh and Renee Eliades at the Renee 4 project launch



Working in the community

CSR commenced working with the Australian Business and Community Network (ABCN), in 2011. It is a partnership of highly committed national business leaders and companies working on mentoring and coaching programs in schools in high needs areas. For the year up to 30 June 2015, 88 employees have mentored 159 students and school leaders, have volunteered 845 hours.

With assistance of CSR mentors, we continued supporting reading and numeracy programs at a number of primary schools close to CSR's manufacturing facilities in New South Wales, Queensland and Victoria. CSR mentors partner with the school students weekly for one or two terms to offer one-on-one support at school.

Hebel joins the Steve Waugh Foundation on an inspiring initiative

Hebel has proudly joined forces with residential property developer AVJennings and the Steve Waugh Foundation in their initiative to develop, design and build a series of homes across Australia – all in the name of a very special cause.

In association with a raft of sponsors, Hebel was actively involved in the construction of the three houses, donating PowerPanelXL panels which provided the homes the desired contemporary rendered look as well as boasting superior thermal and acoustic properties. Profits from the sales of all properties go directly to the Steve Waugh Foundation and will assist them in their commitment to improving the quality of life for children and families affected by rare diseases.



Spark Program
SMITHFIELD WEST PRIMARY SCHOOL

The 'Spark' program

The Spark program is designed to address literacy challenges faced by students in primary schools. Whilst the focus of the program is on reading and comprehension, there is a critical element of socialisation whereby reading mentors act as positive role models to students. The weekly one-to-one sessions offer an opportunity to introduce sustained adult conversations in English, encourage the student personally and offer an additional role model in their lives.

Students receiving their completion certificates from their mentors

"It was rewarding to see the student's reading and confidence improve, as well as their smiling face and enthusiasm, while taking time out from the busy and fast pace at work knowing that you are helping someone." SPARK MENTOR

Limited assurance engagement report of the National Greenhouse and Energy Reporting Act 2007 (the “NGER Act”) on CSR Limited’s compliance with Sections 19 of the NGER Act for the reporting period ended 30 June 2015 to the Directors of CSR Limited

Part A – Assurance Report

We have conducted an engagement to provide limited assurance of the NGER Act regarding the compliance of CSR Limited (“CSR”) with Section 19 of the National Greenhouse and Energy Reporting Act 2007 (“NGER Report”). The NGER Report consists of the following:

- scope 1 greenhouse gas emissions of 348,304 tonnes of CO₂-e
- scope 2 greenhouse gas emissions of 233,714 tonnes of CO₂-e
- energy production of 0 GJ
- energy consumption of 6,563,445 GJ

for the period 1 July 2014 to 30 June 2015.

Management’s Responsibility

Management of CSR are responsible for the preparation and fair presentation of the CSR NGER Report in accordance with Section 19 of the NGER Act. This responsibility includes design, implementation and maintenance of internal controls relevant to the preparation and presentation of the NGER Report that is free from material misstatement, whether due to fraud or error; selecting and applying measurement methodologies in accordance with the NGER (Measurement) Determination (the “NGER Measurement Determination”), and making estimates that are reasonable in the circumstances.

CSR has developed a Basis of Preparation which details how CSR has interpreted and applied the requirements of the NGER Act, which for the purposes of our engagement represents the criteria.

Assurance Practitioner’s Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. This includes all

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of the requirements as defined in the NGER Regulations regarding the Code of Conduct, independence and quality control.

The firm applies Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion, on CSR's compliance with Section 19 of the NGER Act for the period 1 July 2014 to 30 June 2015, based on the procedures we performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the National Greenhouse and Energy Reporting (Audit) Determination 2009 (the "NGER Audit Determination") and the Standard on Assurance Engagements ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements* ("ASAE 3410"). The NGER Audit Determination and ASAE 3410 require that we plan and perform the engagement to obtain limited assurance about whether the NGER Report is free from material misstatement.

We read other information included within the CSR NGER Report and considered whether it was consistent with the knowledge obtained through our procedures. We considered the implications for our report if we became aware of any apparent material inconsistencies with the NGER Report. Our responsibilities did not extend to any other information.

A limited assurance engagement in accordance with the NGER Audit Determination and ASAE 3410 involves assessing the suitability in the circumstances of CSR's selection of measurement methods and criterion provided in the NGER Measurement Determination as the basis for the preparation of the NGER Report, assessing the risks of material misstatement or material non-compliance of the NGER Report, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the NGER Report. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an assessment of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included enquiries, observations of processes performed, inspection of documents, site visits to a sample of CSR facilities, analytical procedures, evaluating appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

In performing the procedures listed above, we:

- Through enquiry, obtained an understanding of CSR Limited's control environment relevant to the NGER Report, but did not evaluate the design of the particular control activities, obtain evidence about their implementation or test their operating effectiveness, to inform further procedures.

- Evaluated whether the CSR Limited's methods for developing estimates are appropriate and had been consistently applied. However our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate CSR Limited's estimates.
- Understanding CSR Limited's activities to assess completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to the sites and visiting a number of CSR's facilities.
- Making enquiries, primarily of persons responsible for the preparation of the NGER Report.
- Applying analytical and other review procedures including assessing relationships between energy and emissions data and other financial and non-financial data.
- Examination of evidence for a small number of transactions or events.
- Analysing and inspecting on a sample basis, the key systems, processes and procedures and controls relating to the collation, validation, presentation and approval process of the information included in the NGER Report.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly we do not express a reasonable assurance opinion about whether CSR's NGER Report has been prepared, in all material respects, in accordance with Section 19 of the NGER Act.

As audit team leader, I attest that the assurance engagement was carried out in accordance with the assurance engagement terms, the requirements of the NGER Regulations, the NGER Audit Determination and ASAE 3410.

Use of our Limited Assurance Engagement Report

This report has been prepared for the Directors of CSR for the sole purpose of reporting on the NGER Report in accordance with Sections 19 of the NGER Act. We understand that a copy will be provided to the Clean Energy Regulator ('CER') for the purpose of reviewing CSR's compliance with the NGER Act and NGER Regulations. We agree that a copy of the report may be provided to the CER for this purpose.

We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than CSR, or for any purpose other than that for which it was prepared.

Inherent Limitations

There are inherent limitations in performing an assurance engagement - for example, assurance engagements are based on selective testing of the information being examined – and it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all instances of non-compliance with the NGER Act and NGER Regulations, as an assurance engagement is not performed continuously throughout the year and the procedures

performed in respect of compliance with the NGER Act and NGER Regulations are undertaken on a test basis.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating such data. We specifically note that CSR's has used estimates or extrapolated underlying information to calculate certain amounts included within the greenhouse and energy information.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the reported greenhouse gas emissions, energy production and energy consumption are not prepared, in all material respects, in accordance with Section 19 of the NGER Act, for the period 1 July 2014 to 30 June 2015.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



PR Dobson
Partner

Registered Greenhouse and Energy Auditor
Sydney
20 October 2015

CONTACT US

CSR Limited

Trinity 3
39 Delhi Road
North Ryde NSW 2113 Australia
Locked Bag 1345, North Ryde BC
NSW 1670
Telephone (02) 9235 8000
International +61 2 9235 8000
Facsimile (02) 8362 9013
International +61 2 8362 9013
E-mail investorrelations@csr.com.au

www.csr.com.au

