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Independent Limited Assurance Statement to the Management and Directors of Boral Limited

Our Conclusion:

Ernst & Young ('EY', 'we') was engaged by Boral Limited ('Boral') to undertake 'limited assurance' as defined by Australian Auditing Standards, hereafter referred to as a 'review', over selected sustainability performance data within the Boral Review for the year ended 30 June 2019. Based on our review, nothing came to our attention that caused us to believe that the selected sustainability data has not been prepared and presented fairly, in all material respects, in accordance with the criteria defined below.

What our review covered

We carried out a review over selected sustainability performance data within the Boral Review for the year ended 30 June 2019.

Review Subject Matter

The Subject Matter for our limited assurance engagement included selected sustainability performance data, limited to those aspects listed below, for the year ended 30 June 2019:

- ▶ Total greenhouse gas (GHG) emissions (Scope 1 and 2) for Boral Group (in million tonnes of carbon dioxide equivalent (mtCO₂-e))
- ▶ Total energy consumed for Boral Group (in petajoules (PJ))
- ▶ Scope 1 and 2 GHG emissions intensity reduction for Boral Group (tCO₂-e per AUD\$m)
- ▶ Avoided carbon emissions from fly ash sales for Boral Group (mtCO₂-e)
- ▶ Share of revenues from lower carbon and high-recycled content products for Boral Group (as a percentage of revenue, excluding equity accounted joint ventures)
- ▶ Total number and value (Australian dollars (AUD\$)) of significant environmental infringements and penalties
- ▶ Lost Time Injury Frequency Rate (LTIFR)
- ▶ Recordable Injury Frequency Rate (RIFR)
- ▶ Workforce statistics by occupation, age and length of service (as a percentage of total)
- ▶ Female representation by position (as a percentage of total)
- ▶ Employee engagement metric for USG Boral (score out of 100)
- ▶ Community contributions (AUD\$).

The Subject Matter did not include Management's forward-looking statements.

Criteria applied by Boral

In preparing the Boral Review, Boral applied the following criteria:

- ▶ Global Reporting Initiative (GRI) Standards
- ▶ Boral's own publicly disclosed criteria as established in the Boral Review.

Key responsibilities

EY's responsibility and independence

Our responsibility is to express a conclusion on the selected sustainability performance data based on our review.

We were also responsible for maintaining our independence and confirm that we have met the requirements of the *APES 110 Code of Ethics for Professional Accountants* and that we have the required competencies and experience to conduct this assurance engagement.

Boral's responsibility

Boral's management is responsible for selecting the Criteria, and for preparing and fairly presenting the Boral Review in accordance with that Criteria. This responsibility includes establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances.

Our approach to conducting the review

We conducted this review in accordance with the Australian Auditing and Assurance Standards Board *Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE 3000') and *Australian Standard on Assurance Engagements on Greenhouse Gas Statements* ('ASAE 3410') and the terms of reference for this engagement as agreed with Boral.

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the selected sustainability performance data and related information, and applying analytical and other review procedures.

Our procedures included:

- ▶ Conducting interviews with key personnel to understand the process for collecting, collating and reporting the selected sustainability performance data during the reporting period
- ▶ Checking that the calculation criteria has been appropriately applied in accordance with the methodologies outlined in Boral's Criteria
- ▶ Undertaking analytical review procedures to support the reasonableness of the data
- ▶ Identifying and testing assumptions supporting calculations
- ▶ Testing, on a sample basis, to underlying source information to check the accuracy of the data.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Limited Assurance

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 a reasonable assurance engagement been performed.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Further, our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of Boral, or for any purpose other than that for which it was prepared.

Terence Jeyaretnam FIEAust
Partner

5 September 2019

Ernst & Young
Melbourne, Australia

Glossary

CO₂-e	Carbon dioxide equivalent – a standard unit for measuring carbon footprints
(Portland) cement	A fine powdery material produced by milling clinker in combination with limestone, iron slags and fly ash. When mixed with water and sand, cement can be used to bind or join as a ‘mortar’ or, when combined with aggregates and sand, to create strong and hard ‘concrete’ surfaces and structures
Clinker	Lumps or nodules produced by sintering and calcining limestone and aluminosilicate materials such as clay during the cement kiln stage
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Employee turnover	The number of employee departures during the year
FY	Financial year
Fly ash	A by-product of coal-fired electricity generating plants that is used as a substitute cementitious material
GHG emissions	Greenhouse gas emissions, mainly CO ₂ and methane
GJ	Gigajoule – equal to 1 billion joules
HSE	Health, safety and environment
HSEQ MS	Health, Safety, Environment and Quality Management System
IEA	International Energy Agency
LTIFR	Lost time injury frequency rate – the number of employee lost-time injuries per million hours worked during the period
Modern slavery	Defined by the Australian <i>Modern Slavery Act 2018</i> as including eight types of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour, and deceptive recruiting for labour or services
Operating site	A wholly owned or joint venture operating site excluding sales, administration and distribution offices
Paris Agreement	An agreement within the framework of the United Nations Framework Convention on Climate Change
PJ	Petajoule – equal to 1 million gigajoules
RIFR	Recordable injury frequency rate – the number of employee injuries that result in medical treatment as well as those that result in lost work time per million hours worked
ROFE	Return on funds employed calculated as EBIT before significant items on funds employed
Scope 1 emissions	Direct emissions from the combustion of fuels in manufacturing and transport, and chemical process emissions (such as from calcination of limestone). Calculated using factors and methodologies set out in legislation, regulatory or international best practice guidance
Scope 2 emissions	Indirect (attributed) emissions from electricity purchased, calculated using factors particular to regional electricity grids. Such factors are usually defined in legislation or regulatory guidance
Scope 3 emissions	Indirect emissions, other than from Scope 2 emissions, that are generated in the wider economy. These may include emissions from production of purchased goods and services, through to the use of sold products and services, and in particular for Boral, from transport of materials both upstream and downstream in our supply chain. Calculated based on a number of internationally accepted reporting standards
TCFD	The Financial Stability Board’s Task Force on Climate-related Financial Disclosures
Ton	A weight measure commonly used in the USA, equivalent to 2,000 pounds or 907 kilograms
Tonne	A metric weight measure equivalent to 1,000 kilograms