



Media Release

15 June 2009

Boral's Response to the ACF/ACJP Report on Corporate Climate Risk Disclosure

A statement issued today by the Australian Conservation Foundation (ACF) indicates that the ACF and the Australian Climate Justice Program (ACJP) have asked the Australian Competition and Consumer Commission (ACCC) to investigate whether six companies have engaged in misleading or deceptive conduct when making public statements on climate change policy. The ACF and ACJP allege that statements made by the companies about the impacts of the Government's proposed Carbon Pollution Reduction Scheme (CPRS) are exaggerated and contradictory when compared with the companies' disclosures to shareholders and independent analysis. Boral has been named as one of those six companies.

Boral strongly refutes the allegations made by the ACF and the ACJP. Boral's CEO & Managing Director, Rod Pearse said that Boral has not made any misleading or deceptive statements in relation to the potential impacts of the CPRS on its operations and has been consistent in its communications to Government and the investment community.

"Boral has consistently communicated that the CPRS (depending on its design elements) could have significant consequences on Boral's cement subsidiary Blue Circle Southern Cement (BCSC) and specific BCSC operations, including potential job losses in regional areas that support domestic cement manufacturing. This is not false or misleading.

"We have consistently argued that there is a need for the cement industry to be recognised as an emissions intensive trade exposed (EITE) industry and for EITE operations to receive appropriate transitional assistance ahead of Australia's key trading partners adopting similar carbon trading regimes.

"Whilst our communications have been consistent, they have evolved over time as the Government's early review of an emissions trading scheme has evolved into a Green Paper which has evolved into a White paper and so on. Until such time as legislation is in place, it is impossible to prescriptively disclose the impacts of the CPRS to shareholders. An imperative however, has been that we get the right messages across to the Government, in the interest of our shareholders, our employees and Australia's economy more broadly."

In response to the ACF/ACJP allegations that there is a disjuncture between public statements made by the company and information formally disclosed to shareholders and investors, Mr Pearse said: "Our communications to Government and to our shareholders and investors are consistent.

"One of the ways in which we communicate the company's position on climate change including matters relating to the CPRS is through Boral's Sustainability Report, which is sent to the ASX, to shareholders, and to government. Our Sustainability Report advises our shareholders and investors of the Government submissions that we have made and these Government submissions are publicly available. In addition, Boral participates in the Carbon Disclosure Project (CDP) to investors and we ensure that our CDP report is accessible via Boral's website.

“Where appropriate, we issue media statements in relation to environmental and climate change matters to keep shareholders and investors informed and we also refer government representatives to such statements. On 15 December 2008, for example, Boral issued a media release via the ASX, entitled “Initial Response to the Federal Government Carbon Pollution Reduction Scheme White Paper”. In its 15-page brief sent to the ACCC, the ACF and ACJP failed to acknowledge this company statement in its comparison of so-called ‘detailed statements’ to government and ‘relevant disclosure’ to shareholders. This release advised shareholders of the potential risks to future growth investments in the cement business because of the short-term nature of the price cap which could lead to carbon leakage and loss of employment.

“In my opinion the 200-page Report prepared by the ACJP demonstrates that Boral’s disclosure has been comprehensive, consistent and well based,” said Mr Pearse.

Mr Pearse also added: “The current form of the CPRS proposed by the Government is a significant improvement over the Green Paper proposals; it more appropriately recognises EITE industries and through the provision of appropriate transitional assistance it better maintains their competitiveness until such time as there is a regional, sectoral and global response. The proposed CPRS in its current form is a result of the Australian Government responding positively to the potentially significant adverse impacts communicated and substantiated by companies and by the BCA. Whilst the CPRS is much better in its current form than when originally proposed, we still have some concerns. We need to get the EITE activity definitions right, we need to maintain EITE competitiveness and we need to ensure that we have the right pre-conditions in place if we are to target a 15% and/or 25% reduction in Australia’s emissions over time”, said Mr Pearse.

For further information please contact

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