

Independant Assurance Statement

To the Board of Directors, Management and Stakeholders of Boral Limited:

Boral Limited (Boral) commissioned Net Balance Management Group Pty Ltd (Net Balance) to provide independent assurance of its 2009 Sustainability Report (the 'report'). The report presents Boral's sustainability performance over the period 1 July 2008 to 30 June 2009. Boral was responsible for the preparation of the report and this statement represents the assurance provider's independent opinion. Net Balance's responsibility in performing its assurance activities is to the Board and Management of Boral alone and in accordance with the terms of reference agreed with them. Other stakeholders should perform their own due diligence before taking any action as a result of this statement.

Assurance Standard and Objectives

The assurance was undertaken in accordance with the AA1000 2008 Assurance Standard (AA1000AS). Assurance undertaken using this standard provides a comprehensive way of ensuring that an organisation is responsible for its management, performance and reporting on sustainability issues. This is achieved through the evaluation of the organisation's adherence to the AA1000 Accountability Principles (2008) and by reviewing the accuracy and quality of disclosed sustainability performance information.

The AA1000 Accountability Principles (2008) against which Boral's processes are assessed include:

- **Inclusivity:** An assessment is made on whether the organisation has included stakeholders in developing and achieving an accountable and strategic response to sustainability.
- **Materiality:** An assessment is made on whether the organisation has included in its report the material information required by its stakeholders to be able to make informed judgements, decisions and actions.
- **Responsiveness:** An assessment is made on whether the organisation has responded to stakeholder concerns, policies and relevant standards and adequately communicated these in its report.

Assurance Type, Level and Methodology

Net Balance provided Type 2 moderate level of assurance in accordance with the AA1000AS (2008). This involved an assessment of the organisation's adherence to the AA1000

Accountability Principles (2008) and an assessment of the accuracy and quality of the sustainability performance related information contained within the report. A full description of the Assurance methodology is available at www.boral.com.au/sustainability.

Assurance Limitations

The assurance scope covered the whole report and focussed on systems and activities of Boral during the reporting period, with the following exceptions:

- The scope of work did not involve verification of financial data, other than that relating to environmental, social or broader economic performance.
- The assurance provider's involvement with stakeholder engagement was limited to reviewing external and internal stakeholder engagement processes and outcomes.
- Compliance with the National Greenhouse and Energy Reporting (NGER) Act 2007 was not included in the scope of the assurance.

Our Independence and Competency

Net Balance was not responsible for preparation of any part of the report. During the reporting period, Net Balance was commissioned by Boral to undertake an independent review of divisional Boral Sustainability Diagnostic Tool (BSDT) scores. This independent review of divisional sustainability performance assisted with the objectives of the broader assurance engagement. Detailed information on Net Balance's assurance competency is available at www.boral.com.au/sustainability.

Findings and Conclusions

Adherence to AA1000 Accountability Principles

- **Inclusivity:** Boral was found to have effective systems in place to engage with a variety of stakeholders. These systems assist Boral to gain feedback on its material sustainability issues. Net Balance reviewed a number of case studies from the report that highlighted engagement with internal and external stakeholders.
- **Materiality:** Boral uses the BSDT to manage material sustainability issues across the business. The report was found to be consistent with the 20 BSDT elements which encompass Boral's environmental, social and economic

material issues. In addition, the report was also found to provide balanced information about Boral's management of sustainability performance across its material sustainability issues.

- **Responsiveness:** Net Balance tested the responsiveness of Boral to its stakeholders through a review of management systems and policies that govern the way that Boral responds to stakeholder concerns and interests. Boral was found to be responsive to stakeholder concerns and expectations, demonstrated through a number of highlighted case studies within the report, which were reviewed by Net Balance.

Reliability of Performance Information

Based on the scope of the assurance process, the findings of the assurance engagement provide confidence in the systems and processes used for managing and reporting sustainability performance information. Overall, it is Net Balance's opinion that the information presented within the report is fair and accurate. The report was found to be a reliable account of Boral's sustainability performance during the reporting period. Detailed information on the reliability of performance information is available at www.boral.com.au/sustainability.

The Way Forward

It was found that the report appropriately addresses Boral's environmental, social and economic material issues. To ensure that Boral continues to improve, Net Balance has provided recommendations and suggested improvements with regard to data management and prioritisation processes for divisional material issues. These have been outlined in a more detailed report presented to Boral's management.

On behalf of the assurance team

27 August 2009
Melbourne, Australia



Terence Jeyaretnam
Director,
Net Balance & Lead CSAP (IRCA UK)

